

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☒ I - INCOMINGDate Correspondence Received (YY/MM/DD) 98/12/10

'98 DEC 15 PM 5:00

Name of Correspondent: Brunton N. Edwards☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Encloses Investigation Request, Agency RIF Procedures and Preparations re Defense Industrial Supply Center

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking	Type	Completion Date YY/MM/DD
	<u>Tim Sanders</u>	ORIGIN		<u>12-21-98</u>	<u>98/12/15</u>
	<u>Phil Caplan</u>	Referral	Send to Burkhardt for reply		<u>1 1</u>
		Referral	Yes ✓		<u>1 1</u>
		Referral	No		<u>1 1</u>
		Referral			<u>1 1</u>
		Referral			<u>1 1</u>

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"

Completion Date = Date of Outgoing

Comments: Not for the President's submission to the Congress

Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES
AFFILIATED WITH THE AFL-CIO

DISC Local 1698- Bldg. 3, Rm 5313
700 ROBBINS AVENUE

Philadelphia, PA.19111-5096

(215) 697-4202, Fax. 215-697-3084

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1980-12-21 12:26

12-21-95

send to ^{Bergin} ~~Berkhardt~~?

Yes _____

No _____

C

Wednesday

Dear Mr. President-

I still believe that at
the end of the day - both - party
and principles will wear out -

I want you to know
that I am thinking of ^{and} praying
for you -

And especially how proud



I am to be part of your
Administration -

My very best,
Rhoda Glickman

Photograph by Mike Berman Washington, D.C.

Dear Bill,

Duke and I have an interest
in this case. I would appreciate
your reviewing this and helping
us recover on the judgment.
Thank you so much for your
help

Love
Kathy Griqsbay-Walker

Phil -

Send to Burkhardt
for response?

Yes - No -

coord
with
Counsel CP
may Counsel
should
respond?

PRESIDENT OF THE UNITED STATES OF AMERICA
PRESIDENT William Jefferson Clinton
THE WHITE HOUSE
WASHINGTON, D.C.

Re: Kevin Bass v. Zavoda Crevena Zastavaj (Red Flag Works)
Case No. 88-5849
116th Judicial District, Dallas County, Texas

Dear Mr. President,

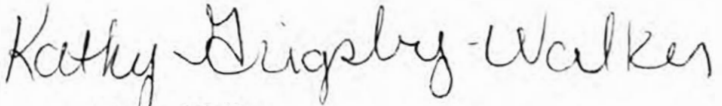
I hope everything is going well with you and your family. In spite of all the enormous efforts of a small segment of our society you have done an excellent job for our country. We are proud of you and wish you well.

I am writing to you on behalf of Kevin Bass. Kevin is now 30 years old. In 1986, at age 18, he was rendered a quadriplegic in a horrendous automobile wreck while he was a passenger in a Yugo automobile manufactured by the then Yugoslavian communist government (Red Flag Works). Kevin will require medical care and assistance for the rest of his life. A copy of a summary life care plan is attached. On September 5, 1990, Kevin was awarded a judgement against the Yugoslavian government. A copy of the judgement is also enclosed. It is my understanding that the U.S. Government is, and for sometime has been, holding many millions of dollars that at one time belonged to the Yugoslavian communist government, and that an executive order executed by you could release some of this money to satisfy the judgement. These funds could then provide the medical care and assistance that Kevin will need for the rest of his life.

Rather than U. S. taxpayers paying for his care, he should be compensated from these funds. It would be a humanitarian act to provide these funds to a U.S. citizen, who has been damaged as a result of the defective product the defendant brought to the U.S. market.

Your time and any assistance you can give to this matter is sincerely appreciated. If your staff needs additional information, they should call me, Kathy Walker at (903) 463-7352 or Duke Walker at (903) 893-0888. Thank you again.

Sincerely,


Kathy Walker

COPY

NO. 88-5849-F

KEVIN BASS, FAYNE BASS AND	§	IN THE DISTRICT COURT
SYNTHIA ANN BASS	§	
	§	
VS.	§	OF DALLAS COUNTY, TEXAS
	§	
YOUNG CHEVROLET, INC., AND CREVENA	§	
ZAVODI ZASTAVA (RED FLAG WORKS)	§	116TH JUDICIAL DISTRICT

**FINAL JUDGMENT AGAINST DEFENDANT
CRVENA ZAVODI ZASTAVA (RED FLAG WORKS)**

On this the 29 day of August, 1990, came on to be heard and considered for trial the damages claims of the plaintiffs in this cause of action, after this Court had previously entered an interlocutory judgment by default on the liability and causation issues in this case on or about January 23, 1990; and the plaintiffs appeared in person and by their counsel and announced ready for trial; the former defendant Young Chevrolet, now a defendant in the severed action No. 90-10310-F appeared by their counsel and likewise announced ready for trial on the proveup of a settlement agreement and judgment with the plaintiffs; and although the defendant Crvena Zavodi Zastava (hereinafter referred to as Red Flag Works) was notified via facsimile transmission of this hearing, by notifying their counsel of record, Mr. Scott Kidd, of Austin; they did not appear, nor ask that this hearing be postponed or delayed.

And this Court once against having reviewed its jurisdiction over the defendant Red Flag Works, reaffirms its earlier holding on or about July 3, 1989, that said defendant is amenable to the

jurisdiction of this court; and no attack having been made on service of process, further reaffirms its holding that process in this case has been properly served in compliance with applicable rules, statutes, and treaties.

And this Court having heard evidence regarding the damages sustained by the plaintiffs in this case, in the form of the testimony of the plaintiff, Kevin Bass; the testimony of his former schoolteacher, Janis Tillerson; the deposition testimony of his treating doctor, Dr. John Milani; and the testimony of plaintiffs' expert economist, Dr. Allen Self; at the conclusion of the evidence is of the opinion that plaintiffs are entitled to recover the following damages in this case from the defendant Red Flag Works:

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Court that the plaintiffs Kevin, Fayne and Synthia Bass have and recover from the defendant Crvena Zavodi Zastava, also known as Red Flag Works, their damages in the following amounts:

- | | |
|---|----------------|
| 1. <u>Past medical expenses:</u> | \$140,000.00 |
| 2. <u>Present value of future medical expenses:</u> | \$52,000.00 |
| 3. <u>Past and future physical pain and mental anguish:</u> | \$1,000,000.00 |
| 4. <u>Future impaired earning capacity:</u> | \$ 750,000.00 |
| 5. <u>Physical disability and disfigurement:</u> | \$ 500,000.00 |
| 6. <u>Extraordinary nursing services rendered by plaintiffs Fayne and Synthia Bass:</u> | \$ 24,000.00 |

(approx. 47 months, at 10 hours/wk., at
the rate of \$12.00/hr)

TOTAL:

\$2,466,000.00

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that plaintiffs have and recover against defendant Crvena Zavodi Zastava, also known as Red Flag Works, pre-judgment interest on this amount at the lawful rate of interest of 10%, pursuant to Tex. Rev. Civ. Stat. Annot. art. 5069-1.05, from the date of the filing of this suit on or about May 9, 1988, to the present, there being no evidence of any earlier notice of this claim being given to defendant Red Flag Works, in the total amount of \$470,729.79; which interest shall become a part of the principal amount of this judgment.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that plaintiffs have and recover judgment against the defendant Crvena Zavodi Zastava, also known as Red Flag Works, in the total principal amount of \$2,936,729.79; which amount shall bear interest at the rate of 10% from the date of entry of this judgment until paid.

IT IS FINALLY ORDERED, ADJUDGED AND DECREED that all costs of court expended or incurred in this cause are hereby adjudged against defendant Crvena Zavodi Zastava, also known as Red Flag Works, and all writs and processes for the enforcement and collection of this judgment or the costs of court may issue as necessary. All other relief not expressly granted herein is denied.

SIGNED this 5 day of September 1990.

Frank Anderson

JUDGE PRESIDING

Kathy Grigsby - Walker
467 Owens Rd
Bells TX 75414

Stop se
ge

PRESIDENT OF THE UNITED STATES OF AMERICA

PRESIDENT William Jefferson Clinton
THE WHITE HOUSE
WASHINGTON, D.C.



Office of the Deputy Attorney General

Washington, D.C. 20530

12-21-98

December 4, 1998

Copied

Schaweste

Podesta

Burkhardt

(for reply)

DEC 14 AM 11:09

The President
The White House
Washington, DC 20500

Dear Mr. President:

Chris Edley has asked me to drop you a short note to inform you of some developments that are designed to complement your Race Initiative. I have convened a group of leaders of the Bar (including the Presidents of the American Bar Association, National Bar Association, Hispanic Bar Association, National Asian and Pacific Bar Association, the co-chairs of the Lawyers' Committee for Civil Rights, and other prominent attorneys) to develop ways in which lawyers can contribute to your efforts to create "One America." The group had its first meeting this week, and we will be working over the next two months to craft some proposals. Chris Edley is going to be an active participant in the discussions of this group, and he will keep you informed as to our progress. I am honored to help in this effort.

Respectfully,

Eric H. Holder, Jr.
Deputy Attorney General

FANNIE MAE
3900 WISCONSIN AVENUE, N.W.
WASHINGTON, D.C. 20016

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TELECOPIER TRANSMITTAL

DATE: December 18, 1998

TO: Phil Kaplan

OF: The White House

TELECOPIER NO: 456-2215

TELEPHONE NO: 456-2702

NUMBER OF PAGES: 4
(Incl. Transmittal)

FROM: Tom Nides

OF: Fannie Mae

TELECOPIER NO: (202) 752-1315

TELEPHONE NO: (202) 752-3001

REMARKS:

Don- 12/21
Can you let me know
if we can do this?
like to try and get
it done ASAP if
permissible? Phil

Please contact this office if this facsimile is incomplete or illegible.

THOMAS R. NIDES

December 18, 1998

Phil Kaplan
The White House
Washington, DC 20502

Dear Phil:

As I mentioned last night, this is for Larry and Bob.

Let me know.

Thanks.



TRN/lrp

Loews Corporation Memorandum

TO: Tom Nides (VIA FACSIMILE/202-752-1315)
FROM: Andrew Tisch
DATE: December 14, 1998
RE: Attached Letter

Tom,

Thank you very much for your help on this. We look forward to hearing from the President and from you (in that order of importance) soon. Ann joins me in sending our love to you and Virginia.

Thanks again.

A handwritten signature in cursive script, appearing to read "Andrew (so)".

AHT:smo
Attachment



December 10, 1998

President William Jefferson Clinton
The White House
Washington, DC 20500

Dear President Clinton:

After an incredible 50 plus years building Loews Corporation, Larry and Bob Tisch are stepping down as Co-CEOs as of January 1, 1999. An Office of the President consisting of the three of us will take over the management of the company. Larry and Bob will continue their active involvement in Loews as Co-Chairmen, and will remain at the corporate headquarters.

As part of a special surprise tribute to them, we are asking their business associates, colleagues, and friends to compose letters expressing congratulations/personal sentiments/reminiscences, etc. These letters will be mounted in specially bound books which will be presented to each of them early in the New Year.

We hope that you will be part of the tribute. Knowing your association with both Larry and Bob over the years, we hope you will write a letter addressed to them for inclusion in the book. We need two original letters - one for each book. We ask that you respond by the end of December 1998.

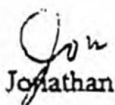
For your convenience, we have enclosed a self-addressed stamped envelope.

We appreciate your refraining from mentioning this project to Larry or Bob. If you have questions, please don't hesitate to call Candace Leeds at (212)521-2416, or any of us directly.

Sincerely yours,


Andrew H. Tisch


James S. Tisch


Jonathan M. Tisch

CL/jah

667 Madison Avenue, New York, New York 10021-8067 - 212.521.2000

P.02/02

212 521 2329 TO 91202521315

DEC 14 14:13 FR LOEWS CORP

*** TOTAL PAGE.04 ***

THE WHITE HOUSE

WASHINGTON

December 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN *Phil*
SEAN MALONEY *SM*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

Podesta
Fig
Marin
Edley
(B)
(C)

Koskinen Memo on DOD Efforts to Address Y2K Problem -- responds to your inquiry about whether DOD faces serious Y2K problems; in short, John doesn't expect major failures at DOD; says he has monthly meetings with Deputy Secretary Hamre to review Y2K issues; it is clear that a number of mission-critical systems will not meet the March 1999 government-wide goal for full Y2K compliance, but DOD is now devoting significant attention to those systems and should have the necessary conversion done by the end of 1999; he attaches a short DOD review of the Department's Y2K efforts and a letter from Secretary Cohen to the VP on related issues.

Eric Holder Letter on Race Initiative -- Chris Edley asked Holder to write you a note on efforts to convene a group of prominent lawyers, including the Presidents of the ABA and others, to develop ways in which lawyers can contribute to your race initiative; the group had its first meeting recently and will meet again to develop specific proposals.

Congressional Correspondence forwarded by Janet Murguia -- (1) **Sen. Max Baucus**: he and Wendy thank you for the invitation to join you at Camp David; it was especially nice to see you both relax; you're both doing a tremendous job; (2) **Sen. Thad Cochran** -- thanks you for the good birthday wishes you sent; he had a wonderful birthday and sends you a handwritten "happy holidays"; (3) **Sen. Patrick Leahy** -- he and his wife enjoyed their stay at Camp David; it was a great way to spend the election and you were most generous to include them; (4) **Rep. Christopher Cox** -- says it did America proud for you to meet with the Dalai Lama; keep it up!; (5) **Rep. Michael McNulty** -- says he's deeply grateful for your encouragement as he begins his sixth term and thanks you for your continued friendship; (6) **Rep. Silvestre Reyes** -- thanks you for your kind birthday letter; looks forward to working with you during the next Congress and hopes you can visit El Paso again soon.

Fig

Tab A - Cover Memo + Tab A: Podesta

Tab B - Cover Memo + Tab B.

Echaveste / Podesta / Burkhardt
(for reply)

Tab C - Cover memo + Tab C
Murguia / Podesta



CHAIR

PRESIDENT'S COUNCIL ON YEAR 2000 CONVERSION

THE PRESIDENT HAS SEEN

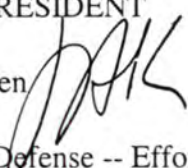
12-21-98

copied
Podesta

December 18, 1998

MEMORANDUM TO THE PRESIDENT

10 DEC 19 1998

FROM: John A. Koskinen 
SUBJ: Department of Defense -- Efforts to Address the Year 2000 Computer Problem

In response to your note to John Podesta about whether we have major problems at the Department of Defense (DOD) related to Year 2000 (Y2K) conversion efforts, I asked DOD to provide a short review of actions it is taking to address the Department's significant Year 2000 challenges. The Department's memorandum is attached. I have also attached a copy of a letter Secretary Cohen is sending to the Vice President in response to his inquiry about the November 27 *USA Today* article "Nuke Agency Falsified Y2K Data."

DOD is one of the Tier 1 Cabinet agencies with whom I meet monthly to review Y2K progress. Deputy Secretary Hamre chairs these meetings between myself and senior DOD officials working on the problem.

It is clear that a number of DOD's mission-critical systems will not meet the March 1999 government-wide goal for full compliance. However, the Department is now devoting significant attention to these systems and it appears likely that they will be repaired by the end of 1999. For the handful of systems that are at risk as we move into the Year 2000, detailed contingency plans are being simultaneously developed and tested. Therefore, I do not think we face major failures in the Department.

I will keep you advised of the status of DOD's ongoing efforts as part of my monthly memoranda on overall Y2K progress.

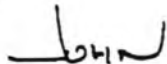


OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
6000 DEFENSE PENTAGON
WASHINGTON, DC 20301-6000

December 14, 1998

COMMAND, CONTROL,
COMMUNICATIONS, AND
INTELLIGENCE

Honorable John A. Koskinen
Assistant to the President and
Chair, President's Council on
Year 2000 Conversion
OEOB Room 115
Washington, DC 20502

Dear Mr. Chairman: 

I am writing to address your concerns raised by the November 27, 1998, USA Today article "Nuke Agency Falsified Y2K data." This article, written by Michael J. Zuckerman, referenced an October 1998, DoD Inspector General (DoDIG) audit report of the Defense Special Weapons Agency. The DoDIG audit report addressed three mission critical nuclear weapons support systems that did not complete independent testing prior to being classified as Year 2000 (Y2K) compliant.

The Department took immediate steps to investigate the assertions contained in the article, and to close any and all shortfalls in our Y2K certification process. These actions are detailed in the enclosed letter to the Vice President. Additionally, last week I requested an updated Y2K status report for nuclear systems. As of November 1998, 87 percent (170 of 196) of critical US nuclear systems completed Y2K certification. These systems include nuclear weapons and weapons delivery platforms, strategic warning, command and control, communications, security, and critical administrative systems. The Department projects that 94 percent of the systems will complete certification by December 31, 1998, and that all systems will be certified by July 1, 1999.

The Department has made substantial progress over the past four months in addressing the Y2K problem at the operational, technical, and policy levels. I would like to take this opportunity to apprise you of our actions in each of these areas.

In his August 7, 1998 memorandum, the Secretary of Defense instructed the Joint Chiefs of Staff (JCS) to develop an operational evaluation program by October 1, 1998, to assess the potential impact of Y2K on critical warfighting missions, and ensure the adequacy of contingency plans in the Y2K environment. In response to this guidance, the JCS and Unified Commands have designed a program of 27 operational evaluations to be conducted at the Unified Commands through FY 1999. The first operational evaluation was conducted at the US Space Command on December 4, 1998, and the formal report was due out on December 11, 1998.

The Deputy Secretary of Defense issued complementary guidance addressing technical aspects of the Y2K problem in his memorandum dated August 24, 1998, "Year 2000 (Y2K) Verification of National Security Capabilities." This memorandum instructed Principle Staff Assistants (PSA's) to develop end-to-end test plans to ensure that mission critical functions will continue to be supported by automation through the Year 2000, and directed the Service Chiefs and Defense Agency Directors to certify the capabilities and test plans for systems under their purview. All PSA's, Services and Defense Agencies provided responses by the November 1, 1998, deadline and are proceeding to execute test plans through FY 1999.





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

The Vice President
The White House
Washington, DC 20500

Dear Mr. Vice President:

The Friday, November 27, 1998, USA Today newspaper contains a headline article, "Nuke Agency Falsified Year Y2K Data." This article, written by Michael J. Zuckerman, references an October, 1998, the Department of Defense Inspector General (IG) audit report of the Defense Special Weapons Agency. This IG audit report addresses three mission critical nuclear weapons support systems that did not complete independent testing prior to being classified as Year 2000 compliant.

I have reviewed this situation and found that several audits, across the Department, have reported similar findings. In response, I asked my Deputy, Dr. John Hamre, to conduct a special session with our service and agency heads to determine the status of corrections for this class of problem.

His review found that for the past twenty-four months, our service and agency heads have aggressively used our audit organizations as active participants in the Year 2000 solution. Currently the Department of Defense (DoD) has over 200 audit personnel reviewing our Year 2000 processes and documentation. Our concurrence rate for audit findings is virtually one hundred percent across our components and each is working to correct all deficiencies within the timelines defined by the Office of Management and Budget, and by my more aggressive timelines established last year.

With respect to nuclear systems, we have conducted several senior reviews of our Year 2000 correction and validation process for these systems, including a full review in September 1998, with the Commander-in-Chief, US Strategic Command, Admiral Richard Mies. Mr. John Koskinen, Chair, President's Council on Year 2000 Conversion attends these reviews. This review indicates



that the DoD will be fully compliant for all but two systems by December 1998. The remaining two systems complete in April 1999. I will tolerate no margin of error in nuclear systems.

More importantly, in August of this year, I tasked the Chairman of the Joint Chiefs of Staff and our Unified Commanders to ensure that the Department will be capable of conducting military operations throughout the millennium change over period. This has resulted in our senior leaders across the Department engaging in the Year 2000 problem as our highest priority readiness issue. These actions have taken our response to this challenge far beyond technical fixes to our computer systems.

In summary, I have made the Year 2000 problem central among my top priorities. Although this is a significant diversion of defense resources, we now have the full breadth of our people focused on correcting deficiencies. Furthermore, I believe we are now making good strides in addressing this challenge and we will be fully capable to support you and the American people as we enter the new millennium.

Sincerely,

DEC-14-1998 13:21

DEPARTMENT OF DEFENSE PH

100 531 1301 7.02
http://www.dau.dau.mil/Nov1998/1998112/pentagon.htm

USA Today
November 27, 1998

Pentagon Exaggerated Y2K Readiness

By M.J. Zuckerman, USA Today

WASHINGTON - The Pentagon office responsible for safety and security of U.S. nuclear stockpiles and emergency response in a nuclear incident acknowledges falsifying readiness reports on the looming Year 2000 computer problem.

The Defense Special Weapons Agency (DSWA) claimed that three of five so-called "mission critical" computer systems, essential to conducting its most primary duties, were fully prepared to face the computer crisis despite never conducting necessary testing, according to a recent Defense Department Inspector General's Report.

The agency also neglected to develop required "contingency plans" that would take effect if any "mission critical" systems fail.

"We recognize and agree with the findings of the Inspector General's report," says Capt. Allan Toole, who was recently assigned to correct the Year 2000 (Y2K) problems at the DSWA, which was absorbed into the newly created Defense Threat Reduction Agency on October 1.

He would not discuss the agency's previous false reporting on Y2K.

The Oct. 30 Inspector General report predicts that without corrective action "The Defense Special Weapons Agency, as a part of the Defense Threat Reduction Agency, may be unable to execute its mission without undue disruption."

Toole predicts the agency's systems will be "100% in compliance by April" 1999, despite not having established a complete inventory of the work that remains to be done.

"I have a good feeling about Y2K in this agency," he says.

Y2K is a complex computing problem, causing computers to make false calculations or fail entirely because the code or instructions written into those systems are unable to comprehend dates beyond 1999.

Facing increasing pressure from the Joint Chiefs of Staff, the White House and Capitol Hill to correct the Y2K problem, "people may get a little hasty or mistakenly" report something as ready, says Marvin Langston, the Defense Department official in charge of the computer problem.

"But I think there's very little real mischief going on here," he says.

Langston says he is confident that "a high level of end-to-end re-testing" of all system beginning early next year will root out remaining problems.

But the Pentagon received a D-minus grade this week from the House Government Reform and Oversight Committee, which has been issuing Y2K progress grades to federal agencies for the past year.

"I am deeply concerned by this report," says Rep. Steve Horn, R-Calif., the committee chairman. "There is zero tolerance for error when you're dealing with the defense and safety of our nation."

"Does it come as any surprise to you that the Pentagon on occasion fudges on the truth?" says Sen. Robert Bennett, R-Utah, co-chair of a Senate Special Committee on Year 2000. "Look, the Pentagon has the biggest problem simply because they are the biggest agency. I know they are working very hard."

The federal government identifies 6,696 "mission critical" systems, of which 2,581 are in the Defense Department.

As recently as a few weeks ago, Sen. Bennett was fond of noting that officials of government and industry "all lie to us about Y2K" when asked to testify about their level of readiness.

But heading into the Thanksgiving weekend he says one of the things he is thankful for is that "there aren't as many people lying to us as there used to be."

The newly created Defense Threat Reduction Agency, oversees the full spectrum of weapons of mass destruction, including testing and modeling, stockpiling as well as the export or transfer of high technology. It also works with the FBI, CIA and State Department to monitor weapons of mass destruction held by U.S. adversaries.



Office of the Deputy Attorney General

Washington, D.C. 20530

THE PRESIDENT HAS SEEN

12-21-98

December 4, 1998

copied
Echauste

Podesta

Burkhardt

(for reply)

1 DEC 14 AM 11:09

The President
The White House
Washington, DC 20500

Dear Mr. President:

Chris Edley has asked me to drop you a short note to inform you of some developments that are designed to complement your Race Initiative. I have convened a group of leaders of the Bar (including the Presidents of the American Bar Association, National Bar Association, Hispanic Bar Association, National Asian and Pacific Bar Association, the co-chairs of the Lawyers' Committee for Civil Rights, and other prominent attorneys) to develop ways in which lawyers can contribute to your efforts to create "One America." The group had its first meeting this week, and we will be working over the next two months to craft some proposals. Chris Edley is going to be an active participant in the discussions of this group, and he will keep you informed as to our progress. I am honored to help in this effort.

Respectfully,

Eric H. Holder, Jr.
Deputy Attorney General

12-21-98

THE WHITE HOUSE
WASHINGTON

December 15, 1998

*Copied
Murguia
Podesta*

MEMORANDUM FOR THE PRESIDENT

FROM: JANET MURGUIA *JM*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your review are thank you notes from the following Members of Congress:

- 1) Sen. Max Baucus (D-MT), thanking you for the wonderful time he and his wife had at Camp David, during the weekend of November 7;
- 2) Sen. Thad Cochran (R-MS), thanking you for sending him a birthday note on December 7;
- 3) Sen. Patrick J. Leahy (D-VT), thanking you for the enjoyable time he and his wife had at Camp David, during the weekend of November 7;
- 4) Rep. Christopher Cox (R-CA), thanking you for taking the time to meet with the Dalai Lama, on November 10;
- 5) Rep. Michael R. McNulty (D-NY), thanking you for your encouragement and your continued friendship; and,
- 6) Rep. Silvestre Reyes (D-TX), thanking you for sending him a birthday note on November 10.



11-10-98

MAX BAUCUS
MONTANA

UNITED STATES SENATE

Dear Mr. President & Hillary.

Wanda & I can't thank you enough for your generous invitation to join you at Camp David. It was especially to see you both relax, take off a minute or two. You're both doing a tremendous job, making us very proud. Sincerely, Max



United States Senate

WASHINGTON, D. C.

THAD COCHRAN
MISSISSIPPI

December 10, 1998

Dear Mr. President:

Thank you very much for the good birthday wishes you sent to me! I had a wonderful birthday, and I am looking forward to another year of life that is enriched by friends like you.

I appreciate very much your thoughtfulness and friendship.

Sincerely,

THAD COCHRAN
United States Senator

The Honorable William J. Clinton
The White House
Washington, D.C. 20500

P.S. Happy Holidays!



UNITED STATES SENATE
WASHINGTON, D. C. 20510

Dear French

Marcella and I
so enjoyed our stay with
you at Camp David.

It was a great
way to end the election
cycle. You were most
generous to include us.

Sincerely
Pat



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515-0547

CHRISTOPHER COX
CALIFORNIA

November 11

Mr. President —

*It did America proud for
you to meet with the Dalai Lama.*

Keep it up. Thanks — Chris Cox

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON TRADE
SUBCOMMITTEE ON OVERSIGHT

WASHINGTON OFFICE
2161 RAYBURN BUILDING
WASHINGTON, D.C. 20515-3221
(202) 225-5076



MICHAEL R. McNULTY
CONGRESS OF THE UNITED STATES
21ST DISTRICT, NEW YORK

November 24, 1998

The President
The White House
Washington, D.C.

Dear Mr. President:

I am deeply grateful for your encouragement as I begin my sixth term in the United States Congress.

I am excited about the challenges which lie ahead, and I thank you for your continued friendship.

Sincerely,

A handwritten signature in black ink, appearing to read "McNulty", written over a horizontal line.

MICHAEL R. MC NULTY
Member of Congress

MRM/mdm

DISTRICT OFFICES

ROOM 827
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CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES

SILVESTRE REYES
SIXTEENTH DISTRICT
TEXAS

November 17, 1998

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

Dear President Clinton:

My family and I thank you for your kind letter on my birthday. This past year has been both challenging yet rewarding for me. It is truly an honor to serve in Congress. I look forward to working with you during the next Congress.

My family and I also extend our warmest wishes to you and your family, and wish you the best of success in the new year. May God bless you.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Silvestre Reyes'.

Silvestre Reyes
Member of Congress

*I hope you can visit
El Paso again soon.*



THE WHITE HOUSE
WASHINGTON

Date 12/21

To: Glyn Davies

From: The Staff Secretary

Former wit stalker sent
this to me. If you're at all
interested, pass it along. If not,
feel free to toss it.

Phil



98 DEC 21 4:10 PM

December 17, 1998

Thomas P. O'Donnell
202-457-6106
todonnel@pattonboggs.com

VIA US MAIL

The Honorable Phillip W. Caplan
Assistant to the President and Staff Secretary
The White House
1600 Pennsylvania Ave., NW
Ground Floor, West Wing
Washington, DC 20500

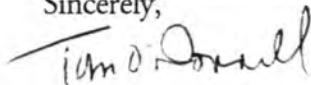
Re: Human Rights in Turkey

Dear Phil:

I am pleased to forward to you a report entitled, "Human Rights in Turkey," which describes what the Government of the Republic of Turkey has accomplished over the past year in advancing human rights. The report concludes that Turkey's human rights situation is better than the Government is given credit for, and that the trend definitely is positive.

Please let me know if we may provide you with additional copies or further information.

Sincerely,



Thomas P. O'Donnell

Enclosure

This material is distributed by Patton Boggs LLP on behalf of the Republic of Turkey, for whom it acts as a registered agent under the Foreign Agents Registration Act.. Additional information is on file with the Department of Justice, Washington, D.C.

HUMAN RIGHTS IN TURKEY

This paper describes what the Government of the Republic of Turkey did about human rights under Prime Minister Yilmaz. One thing is clear: Turkey's human rights situation is better than Turkey is given credit for. Definitely, the trend is positive. Although Turkey is waging a struggle to eradicate terrorism and is confronted by an anti-secular political movement trying to politicize Islam, the Yilmaz government declared human rights a top priority. The Prime Minister has led a coalition government, however, and since this government has not had an absolute majority in the Parliament, it has faced certain difficulties in legislating. Moreover, a conservative, independent judiciary is responsible for interpreting the law.

The government is improving Turkey's human rights, and it should be encouraged to do so rather than be punished for what it has not done or cannot do. The United States, by its continuing criticism of Turkey's human rights situation and by making its immediate improvement a condition precedent of other initiatives, does not help the present government advance its human rights agenda. The government wants to succeed with its human rights priority.

Turkey's human rights performance is better than the Yilmaz government is given credit for, and the trend is positive

Prime Minister Yilmaz told President Clinton when they met last December that human rights would be one of his highest priorities, and he made concrete attempts to follow through. The government's agenda is to strengthen Turkey's human rights institutions, educate a human rights constituency, and promote human rights legislation.

This material is distributed by Patton Boggs LLP on behalf of the Republic of Turkey, for whom it acts as a registered agent under the Foreign Agents Registration Act. Additional information is on file with the Department of Justice, Washington, D.C.

Institutions.

Turkey has three official institutions whose explicit purpose is to promote human rights. One is the Human Rights Inquiry Commission of the Grand National Assembly. The other two are non-parliamentary government organs, namely the State Minister for Human Rights and the Human Rights Coordinating High Committee. In addition, the Foreign Affairs Ministry has played a leading role in promoting world standards for human rights in Turkey.

Prime Minister Yilmaz appointed professor Dr. Hikmet Sami Turk as State Minister for Human Rights. Minister Turk is known to and respected by NGOs and other human rights activists. The counterpart to his office in the United States government would be the Assistant Secretary of State for Democracy, Human Rights and Labor ("DRL"). Unlike our DRL, the Turkish Human Rights Minister not only advocates for human rights, he also proposes human rights legislation.

The Human Rights Coordinating High Committee was established on April 9, 1997. Its two main purposes are to review human rights legislation and increase human rights awareness. It fulfills this second mandate by meeting every Friday in an open forum where its proceedings are nationally televised. It has met 62 times since the Yilmaz government took office, and during this period has made 150 decisions, some for the initiation of legislation, many for administrative measures which are now in force. Many of its meetings are held in the provinces. The Committee, which is chaired by the Human Rights Minister, is made up of the undersecretaries of the ministries of Justice, Interior, Foreign Affairs, Education and Health and the undersecretary of the Prime Ministry. The Committee includes others as needed or by invitation, including military representatives. There is no counterpart to the Committee in the United States government.

Education.

The government has initiated a comprehensive, systemic human rights education program for all institutions of government and public service, including school children, the police, and the military. For example, a mandatory human rights course has been added to the 7th and 8th grade curricula. Prime Minister Yilmaz issued regulations on December 3, 1997, instructing law enforcement officials to adhere strictly to human rights

norms. On January 1, 1998, Minister Turk's office signed a protocol with the Turkish Radio and Television Corporation to broadcast human rights educational programs. In addition to all these, the government plans to appoint an ombudsman, whose primary responsibility will be human rights.

Legislation.

One dozen human rights legislative proposals are under consideration today in Turkey. Amendments to three laws dealing with torture are expected to pass before the Grand National Assembly adjourns for the anticipated April 1999 election. Less clear is the fate of a freedom of expression legislative package. This proposal would amend article 8 of the anti-terror law and three provisions of the penal code, including the controversial article 312, which criminalizes incitement to enmity based on religion. Also under consideration is a civil servants prosecution bill that would repeal an Ottoman era law which has been used to shield government officials from prosecution. With the government backing its early enactment, this bill too is expected to pass before the election. A new penal code is before the parliament's Judicial Committee. This 600-page draft is a broad, new code designed to replace the 1926 criminal code. Finally, an ombudsman law and a law to compensate Turkish citizens who suffer damage at the hand of terrorists are being drafted and a new regulation on arrest and detention has just been promulgated. These measures are discussed in more detail below.

Anti-Torture Legislation. Proposed amendments to articles 243, 245, and 354 of the penal code would define torture according to international law standards and would increase the present penalties for violations. The amendment to article 243 would adopt the torture criterion of the U.N. Torture Convention. Heavier sanctions would be imposed on those convicted of mistreating prisoners under an amendment proposed to article 245. A change to article 354 would punish physicians and other health care professionals who cover up evidence of torture. The torture legislation amendments are expected to be enacted before the Grand National Assembly adjourns for the April 1999 election.

Freedom of Expression Legislation. Turkey provides for freedom of expression with two -- but only two -- specific exceptions. The first relates to the territorial integrity of the state and permits prosecution against separatist propaganda. Article 8 of the

anti-terror law enacts this exception by criminalizing the promotion of territorial separation. The second exception concerns the secular character of the Turkish Republic. Articles 159 and 312 of the penal code provide penalties for insulting the nation (and its judicial, legislative, and military institutions) and inciting enmity on the basis of race, class, religion, or sect. Legislation introduced on March 18, 1998, would decrease penalties for violations of articles 8 and 159. Penalties for violations of article 312 would be increased but the scope of criminalized conduct would be narrowed. An American-style "clear and present danger" criterion also would be introduced.

The optimism that accompanied the introduction of the freedom of expression legislation has been dampened. The principal circumstance was the conviction and imminent imprisonment of a number of anti-secularist individuals within Turkey who seek to politicize Islam. A bill which the government had hoped would be seen as making appropriate legalistic changes is now perceived by its opponents as a political rescue of these anti-secularists. Even some deputies within the present government's own party now oppose the legislation. The government believes a broad consensus will be required if the bill is to become law.

Other Human Rights Measures

- ♦ Civil Servants Prosecution. The 1913 Ottoman law that has been used to protect government officials from prosecution will be replaced by a law that will permit prosecution of civil servants for crimes committed outside the scope of official duties. The bill was submitted to the Grand National Assembly in April and is actively being pushed by the government.
- ♦ Ombudsman Law. Draft legislation is being prepared to institute the office of ombudsman, whose responsibilities would include human rights issues. The measure will soon be put to the Council of Ministers. Once approved by the Council, the draft will go to the Grand National Assembly.
- ♦ Law to Compensate Citizens. The government, while advancing its human rights agenda, wants to compensate its people for present and previous acts of terrorism. Citizens who have suffered damage caused by terrorists will be compensated. The bill proposes a 10-year retroactivity. It is presently before a subcommittee of the

Human Rights Coordinating High Committee and is expected to be forwarded to the Council of Ministers.

- ♦ Arrest Regulation. The Council of Ministers approved on August 21, 1998, a new regulation on arrest and release procedures. The regulation entered into force on October 1, 1998.

New Penal Code. A top-to-bottom new penal code of 522 articles is under consideration. As the present penal code was adopted in 1926 from Italy (verbatim -- it was simply translated from Italian to Turkish), all of the "offending" human rights provisions (articles 7, 159, 312, 243, 245, and 354) are also presently the law in Italy. Each of these provisions is now subject to specific legislative amendment in Turkey. The penal code is on a slower track. It has been two years in the making and is not expected to be reported out by the Judicial Committee until some time around the election. It will then go to the new parliament, which must vote it up or down without amendment. It is not possible to know now what priority a new government will assign to this legislation.

Constraints on the government

The government faces two overriding political realities: terrorism and activities by anti-secularists seeking to politicize Islam. Consider its southern neighbors -- Syria, Iraq, Iran -- and the issue is put into perspective. Turkey very well remembers the lessons of those nations that failed to counter effectively the politicization of Islam and fundamentalism. The present government, as a coalition government, has limited ability to achieve its objectives in the legislative assembly.

Terrorism is a major threat to human rights. It is a direct assault on the most basic of human rights, the right to life, the right to live in a society governed by the rule of law. Turkey seeks to promote human rights in the context of its obligations to protect its citizens and the unity of its state.

Terrorism.

Thirty thousand Turkish citizens have been killed in the fourteen years that the Workers' Party of Kurdistan, commonly referred to by the initials "PKK", has conducted its reign of terror. The Department of State has repeatedly declared the PKK a terrorist organization, a characterization reinforced by State Department spokesman James B. Foley on October 9, 1998: "We have indicated publicly -- as we have for many, many years -- our view that the PKK is a terrorist organization" Below are the government's statistics of recent terrorist incidents involving the PKK.

Year	1996	1997	1998
Number of Incidents	2,251	2,095	985
Soldiers Killed	448	381	189
Police Officers Killed	23	13	7
Temporary Rural Guards Killed	126	282	74
Government Officials Killed	31	13	7
Civilian People Killed	177	163	72
Soldiers Injured	1,032	915	384
Police Officers Injured	71	40	28
Temporary Rural Guards Injured	214	295	118
Government Officials Injured	9	13	6
Civilian People Injured	254	252	139
Terrorists Killed	2,985	5,664	1,291

These statistics show that the government has turned the tide against the PKK. Under such extraordinary circumstances, human rights violations can and do occur. The Yilmaz government tried to abate or atone for the human rights abuses. It inaugurated a comprehensive human rights training program for all security personnel. Moreover, very recently the Human Rights Coordinating High Committee proposed legislation to

compensate all victims of PKK terrorism and to make this new law retroactive over the past ten years.

Turkey's Commitment to Secularism.

Ninety-eight percent of Turkey's population is Muslim. It shares borders with Iran, the birthplace of revolutionary Islamic fundamentalism. Turkey's constitutional principles, very much like America's, recognize and protect secularism. As we would say, church and state are separated. The law enforces this separation. This very principle puts Turkey's law in conflict with those who wish to politicize Islam. The resulting schism has political consequences that impact on human rights. Recently, the Mayor of Istanbul, Recep Tayyip Erdogan, was arrested for delivering a speech which authorities felt incited religious and ethnic enmity. This arrest, and the mayor's later conviction and impending incarceration, must be seen in light of three realities. The first is that he was convicted in a court of law with the observance of due process safeguards. Again, the courts are independent and conservative. The executive branch of the government had no role to play in the mayor's conviction. Second, the issue is highly controversial, and Turkey's free press has both supported and attacked the government. For example, an editorial in the October 2, 1998, *Turkey Daily News* said America's reaction against the mayor's arrest "should not anger us but should force us to do some real soul-searching." The third reality is the ever present danger inherent in the activities of those who wish to politicize Islam, activities which could pave the way to fundamentalism.

Judicial Independence.

The recognition by our State Department that Turkey's judiciary is independent is both correct and significant. Democracy flourishes where courts are free to interpret constitutional norms and apply the rule of law. Turkey's judiciary by and large understands that a part of its function is to protect the principles of state governance laid down by Kemal Ataturk. While this covenant enshrines and protects the constitution, it nonetheless has certain implications for human rights developments. In this sense, the judiciary is essentially conservative. Since the founding of the modern Turkish state, the courts have had 75 years to exercise their guardian role and relatively few years to become proactive in the protection and judicial development of human rights.

Coalition Politics.

Throughout the past year, the ruling coalition of three parties was in the minority. The Grand National Assembly's largest single party is the Virtue Party. Its 145 seats represent 27% of the Grand National Assembly. The ruling coalition, made up of the Motherland, Democratic Left, and Democratic Turkey parties, has only 222 of the total of 550 seats in the Grand National Assembly. A minority coalition has just so much political clout. The government's ability to achieve its legislative objectives must be seen and understood from this perspective.

The government is doing what it can and should be encouraged, not punished

The State Department's human rights report on Turkey last year was the third longest in the volume, and it dwelled on many facts which occurred long before the Yilmaz government took office. Is Turkey the world's third worst human rights abuser? Of course not. Indeed, the State Department has elsewhere recognized Turkey's substantial commitment to human rights progress. Assistant Secretary of State for Democracy, Human Rights and Labor, John Shattuck, said in a February 27, 1998, speech, after his trip to Turkey:

However, on this trip, I heard government officials openly willing to discuss the existence of serious problems. I also heard about constructive proposals for reforms to address these problems. This development strikes a significant departure from my experience in previous visits to Turkey. In my meetings with Ministers, including the Prime Minister, I noted the seriousness with which Turkey's human rights agenda is being considered. Indeed, I was impressed with how the government's own human rights/democratization agenda has become the fulcrum of debate.

Secretary Shattuck then identified eight areas where Turkey needs improvement. These are noted below in italics and Turkey's progress on each issue is described in regular type.

1. Complete transparency in explaining the government's own human rights and democratization programs.

- ♦ Advocacy of Human Rights Minister.
- ♦ Human Rights Coordinating High Committee:
 - 62 meetings under Yilmaz government
 - Televised proceedings
 - Regional meetings
 - Monitoring unit within the Ministry of Interior
 - "Citizenship and Human Rights" required courses in 7th and 8th grades.
 - Human rights training of police, military, and other institutions
- ♦ Proposed ombudsman.

2. Implement the 1995 Constitutional amendments to provide for greater democratic participation in all parts of the country.

- ♦ Study underway to amend articles 26, 27, and 28 of the Constitution.

3. Reform the criminal justice system to more clearly prohibit and punish the use of torture.

- ♦ Anti-terror legislative package: proposed amendments to articles 243 and 245, and 354 of the penal code. Expected to pass.

4. Legislate the reform of the penal code and relax restrictions on freedom of expression. In particular, there should be a systematic review of the criminal law. Articles 312, 159 and others have continued to be used to prosecute individuals for speech acts.

- ♦ New Penal code, after 2-years of drafting, is now before parliament's Judicial Committee.

- ♦ Freedom of expression legislative package now before parliament. Amends article 8 of the anti-terror law and articles 159 and 312 of the penal law. Will require broad consensus to achieve passage.

5. *Apply the "clear and present danger" standard to speech.*

- ♦ "Clear and present danger" criterion included in article 312 amendment.

6. *Permit political parties to participate in the political process.*

- ♦ Political parties cannot be banned by the executive branch of the government. This requires action by the independent Constitutional Court.

7. *Permit broader democratic participation in freedom of expression in the Southeast, including permitting ethnic communities to express themselves linguistically.*

- ♦ There is no legal prohibition against any language. Kurdish broadcasts are permitted. There are 5 TV channels and 28 radio stations broadcasting locally in Kurdish.
- ♦ Emergency laws are now imposed in 6 provinces in the Southeast. The government plans to reduce the number of provinces in the Southeast subject to emergency laws, but circumstances beyond the government's control may prevent this. The instability within Northern Iraq is one example.

8. *Free imprisoned journalists*

- ♦ Only 11 -- not hundreds as many allege -- are imprisoned.
- ♦ The Yilmaz government submitted to parliament a law, enacted on August 14, 1997, postponing the sentences of editors convicted of publishing articles involving propaganda of terrorism.

End Note

Turkey's human right situation is not perfect. Improvements need to be made. But the point is, improvements are being made. In recent years, the United States government's approach to Turkey's human rights challenge is a variation of the stick-and-carrot approach -- big stick, no carrot. This will continue to be counterproductive. Continuing criticism of Turkey's past human rights practices and inaction on certain fronts pending substantial immediate human rights reforms only feeds the opposition to the government's human rights legislative proposals. What is needed is a better understanding of Turkey's political imperatives, constructive criticism where merited, and support for Turkey's continuing efforts to improve its human rights.

12-16-98

President Clinton

P.S. We would vote again
for you today - tomorrow
whenever.

99% of my friends & family including
myself voted for you in both '92 + '96
and continue to support you. You are
an excellent President, You are leading

a most effective way
too. I am a Middle age,
old mother, white (this
is to either you are
Right Wing Bigots want
Middle age persons do not

Staff

Secy?

NO NOT resign - no matter what -
Now is the time for all the Democrats in
HC to do their

12-21-98

The First
her interest in
available to all
you and the First

Send to Burkhardt?

Yes

No

☒

UP dated

12-19-98

Do not
Resign

Claremore, OK 14011

**The J. William Fulbright
Foreign Scholarship Board**

UNITED STATES INFORMATION AGENCY
301 4TH STREET SW
WASHINGTON DC 20547-0001

Official Business
Penalty for Private Use, \$300

THE DOCUMENT HAS BEEN

12-21-98

Sandy Ice Pot

can we do anything
about this? He advised

BE

copied
Benger
Lundberg
Podesta

The Honorable William J. Clinton
The White House
Washington, D. C. 20050

MARSHA SCOTT²⁻²¹⁻⁹⁸

Bottom line:

- ① the State Dept. is placing the Fulbright Program under a Deputy Assistant - this is a downgrade from their current position & the placement they had 21 yrs. ago when they were last at State -
- ② To the world this will be seen as a move away from this program.
- ③ It needs & deserves a higher profile for real institutional & long-term position.

THE J. WILLIAM FULBRIGHT FOREIGN SCHOLARSHIP BOARD

Office of the Chairman



12-21-98

December 15, 1998

The Honorable William J. Clinton
The White House
Washington, D.C. 20050

Dear Mr. President:

The members of the J. W. Fulbright Foreign Scholarship Board, in its quarterly meeting yesterday, unanimously expressed great concern over one major component of the plan for the USIA- Department of State consolidation. We understand the Department's plan would merge the Information and Education Bureaus of USIA under one assistant secretariat, each to be managed by a separate deputy assistant secretariat. We understand further that this action is proposed in order to have a vacant deputy assistant secretariat position, which the Department of State wants to transfer to another division. We ask that you revise the plan to ensure the integrity and future of the Fulbright program.

We believe it is fundamentally wrong to combine the two bureaus under a single Assistant Secretariat and it is not in the program's best interest to implement such a downgrade for the bureau. We believe the program would be better served if the bureau was managed separately and at the Assistant Secretariate level. We implore you to reject the Department of State proposal when it reaches your desk.

This provision essentially represents downgrading of the Fulbright Program's stature within the State Department. More importantly, this organization plan creates the ultimate conflict between Senator Fulbright's ideas and the nation's short term political interests, placing the integrity of the program in jeopardy and causing potential future damage to its funding and prestige around the world. This was always one of Senator Fulbright's greatest concerns for the program, which he repeatedly voiced in congressional hearings.

This organization represents lower placement in the Department of State hierarchy than the bureau enjoyed before being transferred to USIA in 1978, when it was directed by an Assistant Secretary. Such downgrading will signal to the world the administration's disregard for its signature exchange program, one that has withstood the tests of political battles since its inception. The success of the program is based on its binational nature and joint funding by the 140-plus countries that participate. We believe that funding from overseas partners would be at risk if the functions of advocacy and international exchange, as proposed by the Department of State, were mixed.

We do not believe this element of the Department's plan reflects the cooperative spirit intended for the integration of foreign affairs agencies. It represents, rather, the absorption of USIA and its resources by the Department of State. How can we have confidence that their promises of protection for the Fulbright Program will be fulfilled? How can we be assured that the Fulbright Program will have safeguards against abuse by future administrations?

Your leadership can make a longterm difference to Senator Fulbright's legacy. We hope you will agree with us and take this necessary action.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hoyt Purvis', written over the printed name.

Hoyt Purvis, Chair

THE WHITE HOUSE
WASHINGTON

December 19, 1998

12-21-98
Sent TO
President
JVP

MEMORANDUM FOR JOHN PODESTA

cc: MARIA ECHAVESTE
STEVE RICCHETTI
GREG CRAIG
BEN JOHNSON
ANN LEWIS
THURGOOD MARSHALL, JR.
CRAIG SMITH
LARRY STEIN
KAREN TRAMONTANO

FROM: MICKEY IBARRA

Micky

SUBJECT: Press Statements of Support

Attached are the press statements in support of the President we received today from local and state elected officials and tribal leaders.

Our IGA team reports many more very positive conversations with elected officials and staff. We expect to receive additional statements of support and will provide them on Monday.

I should do this for every time

FE

12-21-98

After you have seen,
we will send original
to Bushhardt for reply-

Ok -
but keep
me posted on progress.
Should do more
quickly.
Phil



DEMOCRATIC GOVERNORS' ASSOCIATION

News Release

For Release: Immediate
Date: December 18, 1998

Contact: Richard McGrath
202-479-5184

Head of Democratic Governors Urges Fairness With Impeachment Process and Return To Real Issues

Washington, D.C. -- Governor Pedro Rossello, Chairman of the Democratic Governors Association issued the following statement on Friday regarding the impeachment drive by the Republican-controlled House of Representatives:

"I am dismayed by a headlong rush for impeachment that sacrifices fairness to partisanship and threatens to eclipse the real issues that impact the day-to-day lives of Americans. The record of success achieved by states and the federal government in recent years could be sacrificed to a political process preoccupied with scandal. Progress could too easily be lost on education, health care, economic opportunity and other vital issues if we allow an impeachment fervor to dictate the public agenda.

"Governors know from firsthand experience that neglect of the real-life needs will undermine our ability for sustained progress. If the U.S. Senate and the Chief Justice of the Supreme Court are consumed by the impeachment process for months, progress on our vital needs will be lost to government paralysis and partisan polarization.

-more-

"President Clinton has worked on behalf of peace in Northern Ireland, an expanded NATO, and a strengthened peace process in the Middle East. At home, he has worked to ensure a stronger economy, more access to education, and lower crime rates. That is why he continues to have the strong support of the American people.

"It is my hope that the Senate will avoid a lengthy trial in favor of a vote of censure. Let's hope that a bi-partisan compromise that is fair and reasonable can be found," said Villaraigosa.

"The people of my State and of this Country do not want governing from the left, or governing from the right, but governing from the center. They want consensus, not confrontation. It is our job to listen to the people who have placed their trust in us," Villariagosa said.

"The President has the confidence of an overwhelming majority of the American people. I join them in supporting this President and defending our Constitution," the Speaker concluded.

###

"The people have repeatedly stated that they want Congress to move beyond the impeachment and get back to work on the issues that make a difference in their daily lives.

"And any suggestion that the President resign is contrary to the Constitutional process cited by impeachment advocates and would negate the will of the voters in two national elections. We cannot allow one-sided partisanship to force from office a President who has provided successful leadership on education, the economy, crime and the needs of working families. If forward progress on these priorities is halted, we run the risk of losing the benefits of past accomplishments .

"As the impeachment debate develops, I wish to remind the Republican-led majority to be fair minded and keep the best interests of the nation at hand, which have been greatly enhanced by the President of the United States, Bill Clinton. "

DEAN'S REACTION

Governor rips GOP leaders

The Associated Press

MONTPELIER — The Republican leaders of the U.S. House are "unfit to govern," Gov. Howard Dean says.

In an interview broadcast Thursday with the Vermont News Service, Dean condemned President Clinton's behavior. "He has done some things that are reprehensible," Dean said.

But the governor said that nothing Clinton has done justifies his removal from office — and that the impeachment push in the House stems not from what Clinton has done but is prompted by the Republican agenda.

"This has nothing to do with sex," he said. "It is the right wing out to get the president."

"The Republican majority is really interested in vengeance and political payback," Dean said. "I think they are unfit to govern. I think this will be a major issue in the 2000 election."

The governor said he would urge Clinton to hang in there.



FOR IMMEDIATE RELEASE

CONTACT: Ray Feldmann or
Michelle Byrnie
410-974-2316
410-333-3098 (TTY)

GOVERNOR'S PRESS OFFICE

**GOVERNOR GLENDENING URGES STRONG SUPPORT
FOR PRESIDENT CLINTON FOLLOWING IMPEACHMENT VOTE**

ANNAPOLIS, MD (December 19, 1998) -- Maryland Governor Parris N. Glendening today urged the members of U.S. Senate to work for a compromise solution -- following this afternoon's impeachment vote in the House of Representatives -- that will help to move the nation forward, particularly during this time when military involvement in Iraq is ongoing:

"What occurred today in the House of Representatives is an outrage. Today's action was nothing more than a partisan-driven impeachment being forced on the American people by a lame duck, Republican-controlled Congress. We must keep in mind that President Clinton was elected and re-elected by the people of this country, who believe overwhelmingly that he should not be removed from office. President Clinton and Vice President Gore have done an excellent job for the people of Maryland, and for the people of the United States. What has taken place in the House is an assault on our Democracy and an affront to our Constitution.

"In the strongest terms, I urge the members of the Senate to avoid a similar partisan attack and instead seek a compromise solution that will begin to move this nation forward. This type of compromise solution is particularly important at a time when the lives of American men and women are at risk in Iraq. As a nation and as a state, we should accept nothing less."

###

STATEMENT OF GOVERNOR GARY LOCKE
REGARDING THE IMPEACHMENT OF PRESIDENT CLINTON
DECEMBER 19, 1998

This is a sad day for our Nation. It is now extremely important for the Senate to bring this to a quick conclusion. I have said before how disappointed I was in the President's personal behavior. But our country continues to prosper under his leadership, and I do not believe he should resign. The President needs to finish his term because he is pursuing the work the people elected him to do.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

PAUL E. PATTON
GOVERNOR

700 CAPITOL AVENUE
SUITE 100
FRANKFORT, KY 40601
(502) 564-2611
FAX: (502) 564-2517

Saturday, December 19, 1998
Contact: **Melissa Forsythe 502-893-9802**

Governor Paul Patton issued this statement today following the vote in the U.S. House of Representatives on the articles of impeachment:

"This is a sad day for Americans, and a painful chapter in the honorable history of the nation.

I don't condone the personal conduct of President Clinton but the mistakes he's made, for which he's apologized, don't have any significant impact on the well-being of our country.

The majority of the responsibility for any harm to our nation in this matter lies with the Republicans and their partisan attacks on the leader of the greatest democracy in the world.

President Clinton has maintained the full faith and support of a clear majority of the American people. The people want him as their president, and they're pleased with the job he's doing.

It's unconscionable that the Republicans would ignore the will of the people and repudiate two elections through this partisan process.

My hope is that cooler heads will prevail in the Senate so we can bring to a swift conclusion this situation for Americans here at home and for our brave men and women who are defending our country abroad."



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

STATEMENT
Governor Jeanne Shaheen
Regarding Today's Votes in the U.S. House of Representatives
December 19, 1998

I am deeply disappointed by the votes taken today in the House of Representatives to impeach the President. For too long, the impeachment process has distracted Congress from addressing many important issues facing the nation. It is time to put partisan politics behind us and get on with the business of the people.



BENJAMIN J. CAYETANO
GOVERNOR
STATE OF HAWAII

CONTACT: KATHLEEN RACUYA-MARKRICH, PRESS SECRETARY (808)586-0034

Friday, December 18, 1998

**Statement by Governor Benjamin Cayetano
U.S. Congress Impeachment Proceedings**

"What is taking place in Congress is an assault on democracy. President Clinton was elected and re-elected because he's doing the work of the American people. Polls consistently show that the people of our nation support this President and they don't want him impeached.

"Rather than looking for a bi-partisan solution that is in all of our best interests, the partisan majority is trying to use their power for their own political purposes. People of good conscience must come forward and say this thing is wrong."

###

STATE OF COLORADO

EXECUTIVE CHAMBERS

136 State Capitol
Denver, Colorado 80203-1792
Phone (303) 866-2471



Roy Romer
Governor

Gov. Roy Romer

December 19, 1998

"For the past few weeks, we have listened to the debate on impeachment. Impeachment is a remedy that our founding fathers created to protect our country from despots who commit high crimes and misdemeanors. The President's actions do not meet that standard. Additionally, a vote to impeach must be bipartisan and fair -- a partisan vote will divide the country and distract us from the work the American people expect us to do.

"The President's behavior was wrong and he should be held accountable. Censure is an appropriate punishment, and it is a punishment that the American people support. Congress should have the right to vote on censure."

HOWARD DEAN, M.D.
Governor



State of Vermont
OFFICE OF THE GOVERNOR
Montpelier 05609

Tel.: (802) 828-3333
Fax: (802) 828-3339
TDD: (802) 828-3345

December 19, 1998

To: Fred Duvall

From: Susan Allen
Press Secretary

Fred,

Gov. Dean first made these strong statements on a radio program that aired statewide. The Associated Press heard the report and recast it for print, radio and television. Vermont's local television networks followed up with individual interviews, where the governor again spoke out strongly in support of the president.

Just FYI, calls to the office in response were overwhelmingly supportive of both the governor's statements and the president.

Feel free to call if I can be of further assistance.

802-229-4264 (H)
802-828-3333 (W)

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



JOE D. SUTTON
Deputy Attorney General

P.O. Box 30212
LANSING, MICHIGAN 48909

FRANK J. KELLEY
ATTORNEY GENERAL

December 19, 1998

ATTORNEY GENERAL FRANK KELLEY ISSUED THE FOLLOWING STATEMENT
TO THE ASSOCIATED PRESS-MICHIGAN AT 1:45 PM THIS DATE:

WHAT WE ARE SEEING TODAY IN THE US HOUSE OF REPRESENTATIVES
IS AN UNPRECEDENTED PARTISAN ABUSE OF POWER. THE LEADERS OF
THE REPUBLICAN PARTY ARE ALLOWING THEIR HATRED OF THE
PRESIDENT TO OVERCOME REASON AND FAIRNESS IN WHETHER THE
EXTRAORDINARY PUNISHMENT OF IMPEACHMENT IS WARRANTED AND
THEIR CONDUCT IS FURTHER COMPOUNDED BY THEIR PARTISAN REFUSAL
TO ALLOW A VOTE ON CENSURE OF THE PRESIDENT AS AN ALTERNATIVE
SOLUTION TO THE CRISIS.

THE REPUBLICAN LEADERSHIP ARE IGNORING THE CLEAR WILL OF THE
MAJORITY OF THE AMERICAN PEOPLE.

HISTORY WILL REMEMBER THE ACTIONS OF THIS DAY. I BELIEVE
THE AMERICAN PEOPLE WILL PUNISH THOSE WHO DEFIED THEIR WILL
IN FUTURE ELECTIONS.



THOMAS J. MILLER
ATTORNEY GENERAL

Department of Justice

ADDRESS REPLY TO:
HOOVER BUILDING
DES MOINES, IOWA 50319
TELEPHONE: 515/281-5164
FACSIMILE: 515/281-4209

Statement of Attorney General Tom Miller

Saturday, December 19, 1998

I am dismayed because I do not believe impeachment was warranted under the law, because it was extremely partisan, and because it threatens to overturn the people's strong support for the President in the last election.

I profoundly disagree with today's party-line impeachment vote by the U.S. House of Representatives. The vote is out of touch with the judgment of the American people, world opinion, and the opinion of many Republicans, including prominent Republican Governors.

The most important and fundamental act of a democracy is an election. Twice, tens of millions of Americans elected Bill Clinton as their President. Today, 228 members of the House of Representatives voted to overturn that election. They didn't have the basis or right to do that. Republican Congressman Christopher Shays said it correctly: "What has been proven is not impeachable, and what is impeachable has not been proven."

Any successful impeachment of a President must in the end be done on a bipartisan basis. The Senate vote must be by a two-thirds margin. The House leadership should have recognized this and sought a bipartisan resolution. Instead, they pursued a highly partisan, strident approach, including prohibiting a vote on the result sought by an overwhelming majority of Americans -- censure.

My strong hope is that the impeachment issue can be resolved swiftly by the Senate in a manner that is non-partisan and characterized by statesmanship and fairness.

The President made serious mistakes, he has apologized for them, and he has paid heavily for them. While certainly not perfect, President Clinton functions very effectively as our President, as evidenced by his current handling of the Iraqi crisis under difficult circumstances. I support President Clinton, and I fully expect him to continue and be an effective leader of our Nation. I anticipate many more important accomplishments during the last two years of his administration.

###

For more information, please contact Bob Brammer at 515-255-2314 (h) or 281-6699 (w), or Tom Miller at 280-3675 (h).

Statement of Governor Frank O'Bannon (Indiana)

“What the President did was wrong and should be punished but what he did is not an impeachable offense and I continue to be concerned about the fairness of the process. My hope is that the Congress will get its eye back on the ball and get back to moving our country forward. The issue now should be whether the President can continue to lead the country, and he is doing that.”



NEWS

The United States Conference of Mayors

1620 Eye Street, N.W. • Washington, D.C. 20006

Phone (202) 293-7330 • Fax (202) 293-2352

E-mail: uscm@cais.com URL: www.usmayors.org/uscm

MAYORS SAY NO TO IMPEACHMENT

Urge Compromise to Avoid Paralyzing Nation

Statements by Mayors from a National Press Club Press Conference on December 16, 1998 in Washington, D.C. along with Letters and News Releases sent in opposition to Impeachment of The President of the United States

*Denver Mayor Wellington Webb
Vice President, U.S. Conference of Mayors --*

We've reached a critical point in the impeachment proceeding; now is the time to give full and thoughtful consideration to President Ford's advice earlier this year encouraging us to pause and consider the long-term consequences of removing the President from office based on the evidence at hand

Congress must face the nation. It can heed the wishes of the American people by choosing not to impeach this President or it can attempt to undo an election, ignoring the vote of the American people in clear contempt of the constitution and in so doing drag our nation needlessly into one of the most divisive, protracted, tedious chapters in American history.

Detroit Mayor Dennis Archer --

I conclude as a lawyer, as a former Michigan Supreme Court Justice, that based upon what I read that there is not evidence that rises to the level of high crimes and misdemeanors.

Let me show you the Sunday, December 13th *Detroit News* and *Detroit Free Press* "Voters Oppose Clinton Ousting". The people of my state are saying they do not want the President impeached.

If you have a trial on impeachment, everyday that there is discussion and testimony, that means one more day that we're not dealing with the issues of people who are homeless, we are not dealing with educational issues or social security or health care

Mr. President, don't you dare resign, because if you were to resign you would set up every President who follows you. This President should not resign because he's done a fine job for our country

Gary Mayor Scott King –

I have not seen the likes of the number of calls I get in my office - not generated by some political spin machine- asking how can we best make a statement in support of the President. That support is there because of what this President has done for people in cities like Gary, Indiana. He is viewed as being a President who is fundamentally fair without regard to race, without regard to economic level. This President has provided opportunities for jobs, provided new housing stock and has stayed focused on helping our local communities.

Dearborn Mayor Michael A. Guido –

Not only are the proceedings in Washington creating cynicism among the American people but more importantly, they have the potential to jeopardize the well being of our country both here and abroad.

. beyond the political hysteria are issues that have a deep and significant impact on the lives of those you [Congress] serve. a strong economy, lower crime, better housing and solid educational programs.

.. Please take into consideration the consequences of your actions as they relate to these fundamental concerns.

Bridgeport Mayor Joseph Ganim -

In Bridgeport, Connecticut, the city where I've been mayor for seven years, impeachment is not at the top of people's general concerns. The phone calls I receive are about education, making the streets safer and cleaner, about creating jobs. We've begun the process of that in partnership with this President. We've come here out of concern for a process that, frankly, has run askew, has become more partisan inside the beltway than I would venture to say that any of us have ever experienced in our states or our own local governments. The destructive level of partisanship will have a negative impact forever.

Akron Mayor Don Plusquellic –

This is by far the best President as far as cities go. The Administration has reached out to us on education issues and reducing crime.

. I think they've made a dramatic difference. We say to Congress "Do the right thing. Put things in perspective. Look at what we all have to do in our lives and say compromise is really in order."

North Little Rock Mayor Patrick Henry Hays –

As mayors we're concerned with the bread and butter issues of what our citizens relate to and their quality of life. That quality of life is a partnership that I think this President is concerned with – he's concerned with the quality of life of people in the neighborhood and on the streets.

... The people are beginning to think that Congress and politicians care more about power, more about party, than about what's going on in your neighborhoods and on your streets.

Toledo Mayor Carry Finkbeiner –

... We are a nation that is more stable, more hopeful, more peaceful and more optimistic than at any time since those days of the mid-1960's. And yet members of Congress, the House of Representatives, are on the verge of attempting to drive out of office – not by the popular vote – a President whose policies has helped bring back hope and optimism to this nation as we're about ready to enter a new century.

... There seems to be unanimity of opinion that, yes, the President made a mistake, but that is not worth putting America through the turmoil that we are on the verge of having to go through because 200 men and women seem to think that in some way, shape or form, that they are (from what I read) going to teach some sort of moral lesson to children in America. That's the job of parents and churches, not the job of politicians in the Congress of the United States of America.

Waterloo (IA) Mayor John Roof –

Now is not the time to bog down our national governmental system with a protracted debate on the actions of The President of the United States

... Members of Congress must be provided with the opportunity to vote for censure, which I feel is correct course over impeachment.

... A protracted trial in the Senate will serve no useful purpose, but would instead end all hope of a useful session [of] Congress.

Our leaders in Washington were elected to do the people's business. It is time that they get back to the pressing matters at hand

Wilmington (DE) Mayor James Sills –

"The citizens of my city, Wilmington, Delaware, believe overwhelmingly that the President should not be impeached and should not be removed from office.

.. It is indisputable the fact that cities across this country over the past 6 years have made significant progress under this President, this administration, especially in terms of crime reduction, housing for low and moderate income families, and increase of employment opportunities.

.. We call upon our President to not resign from office, to remain strong and to remain firm. We call upon our Congress to find a way to resolve this, to hold our President accountable for some inappropriate personal conduct, short of his being impeached or removed from office.

Philadelphia Mayor Edward G. Rendell –

I must tell you how destructive impeachment would be to America's cities. There is far too much that still needs to be done now to warrant wasting valuable time in a divisive trial in the U.S. Senate. Issues that are vital to the health of urban America – school modernization and construction, brownfields [redevelopment], crime and drugs, education, and most important, economic development – cannot sit on a shelf while America focuses on the President's private life. There is simply no time to waste and, in my opinion and the opinion of the vast majority of Philadelphians, an impeachment trial is just that – a waste of time.

Burlington Mayor Pete Clavelle –

What brings mayors together from cities both large and small, mayors of all political stripes is a shared conclusion: that the actions of our President – whatever our opinions of those actions are – are not impeachable.

.. Come January, we want our Congress and our President to not be engaged in a trial, but to be dealing with issues like hunger and homelessness. Come January we want our President and our Senate to be dealing with jobs and livable wages, protecting social security, continuing efforts to promote world peace.

.. So to the U.S. Congress, I say get real. Focus on the real issues facing the people. .

Compton (CA) Mayor Omar Bradley –

Six years ago when Bill Clinton took office and I simultaneously took office as the mayor of Compton, California; Compton averaged 98 homicides annually in a city with less than 100,000 people. The most unfortunate part of this is that frequently those graves were filled with young children. Since Bill Clinton has come into office, the homicide rate has dropped from 98 to 48 murders annually. Six years ago when Bill Clinton came into office the unemployment rate in Compton was 27%. Now that rate has dropped to less than 15% under the leadership of Bill Clinton. I want the members of congress to hear this message: you are not impeaching just The President of the United States, your actions will impeach the hope of our people.

Cleveland Mayor Michael R. White –

I along with most Americans, recognize that President Clinton has made a grievous error in personal judgement but impeachment is unwarranted, ill advised and clearly not what the American people want.

Irvington (NJ) Mayor Sara B. Bost

Without a strong Presidency, it is difficult to imagine vigorous leadership in forming solutions to questions of drugs, crime, education, housing and economic development for those left out of the American dream

... I deplore the actions taken by the House Judiciary Committee, and urge Congress to reject the Articles of Impeachment. President Clinton's acts and omissions, though wrong and immoral, do not rise to the standards of impeachable offenses and the American public should be spared the months of accusation and denial, with the ultimate result of a weakened Presidency, no matter who prevails.

Contact: Chip Brown or Dave Gatton, U.S. Conference of Mayors, 202-293-7330

December 19, 1998

Statement by Salt Lake City Mayor Deedee Corradini:

"What the President did was wrong, deplorable. What the Congress has done amounts to a highly partisan national tragedy. It may permanently damage the Office of the Presidency, and, in the process, bring great harm to the nation.

"I hope the Senate will vote quickly to censure the President, bring this sorry moment in our nation's history to a close, and free the President to devote his full attention to the truly serious concerns that face our country."

Ken Connaughton
Office of the Mayor
801-944-1812



Office of the Mayor
250 City Hall
Baltimore, MD 21202

FOR IMMEDIATE RELEASE
December 19, 1998

MEDIA ADVISORY

EDITORS: *The following is reaction from Mayor Kurt L. Schmoke to today's impeachment vote in the U. S. House of Representatives.*

"THIS IS A PROFOUNDLY SAD DAY FOR THE COUNTRY. IT SEEMS TO ME THAT THE VOTE IN THE HOUSE REPRESENTS A TRIUMPH OF HYPOCRISY, NOT A TRIUMPH OF DEMOCRACY. I REMAIN CONVINCED THAT THE ACTIONS OF THE PRESIDENT DID NOT WARRANT THE RESPONSE OF IMPEACHMENT.

"I STRONGLY URGE PRESIDENT CLINTON, IN THE BEST INTEREST OF THE COUNTRY AND *THE PRESIDENCY*, TO REJECT CALLS FOR HIS RESIGNATION AND TO SERVE OUT THE REMAINDER OF THE TERM TO WHICH THE PEOPLE OF THIS COUNTRY ELECTED HIM."

For more information contact Clinton R. Coleman, Office of the Mayor, at 410-396-3100.

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CITY OF DETROIT

MAYOR'S PRESS RELEASE

December 19, 1998

FOR IMMEDIATE RELEASE

Contact: Anthony Neely, Press Secretary
(313) 224-4034 or
Michelle Zdrodowski, Assistant to the Mayor
(313) 224-4589

MAYOR ARCHER EXPRESSES STRONG SUPPORT FOR PRESIDENT CLINTON

Detroit Mayor Dennis W. Archer today expressed his strong and unwavering support for President Bill Clinton.

"We, the people of Detroit, do not agree with the vote for impeachment by the U.S. House of Representatives," Mayor Archer said. "This was clearly a partisan vote that was not based on facts which rose to the level of high crimes and misdemeanors -- as intended by the framers of the Constitution.

"I regret that the opportunity for a vote of censure was never allowed on the floor of the House," he added.

"The overwhelming majority of Detroiters support President Bill Clinton -- and want him to complete his second term," said Mayor Archer. "Our citizens appreciate the support urban cities have received as a result of President Clinton's domestic policy, and they approve of the president's overall performance in office.

"President Clinton should not permit one political party in a lame-duck session to drive him from office -- in effect, overturning the will of the people expressed in the last presidential election and the midterm elections last month," the mayor said.

(more)

In the wake of the House of Representatives' approval of two Articles of Impeachment today, Mayor Archer called upon U.S. Senators Carl Levin and Spencer Abraham of Michigan to meet and work together toward a bipartisan solution, such as a censuring of the president in the United States Senate.

"I urge both Senators from Michigan to seek an early compromise in the U.S. Senate for censure," Mayor Archer said. "Senators Levin and Abraham would do the citizens of Michigan and America a great service, and demonstrate their responsiveness to the will of the people by working in this manner toward the resolution of this issue," said Mayor Archer.

"Former President Gerald Ford, who represented Michigan honorably during his distinguished career in the House of Representatives, has called for censure of the president, not impeachment. Former Senate Majority Leader and presidential candidate Robert Dole has done the same. These voices of reason and experience should be heeded, not ignored," Mayor Archer said.

"I believe the U.S. Senate can and should strike a bipartisan compromise on censure, so our government and our country can move on with very important domestic and foreign policy issues," he said.

Finally, Mayor Archer expressed his dismay that a vote on the impeachment of the nation's Commander in Chief took place while American soldiers are in battle.

###

MR-98-127

Wellington E. Webb
MAYOR



City and County of Denver
CITY AND COUNTY BUILDING • DENVER, COLORADO • 80202

AREA CODE 303 640-2721
640-2720 (V/TDD)

**FOR IMMEDIATE RELEASE:
SATURDAY, DECEMBER 19, 1998**

**CONTACT: ANDREW HUDSON
(24 Hrs.) 640-2722**

MAYOR WEBB STATEMENT ON IMPEACHMENT

DENVER – Denver Mayor Wellington E. Webb today issued the following statement on the impeachment.

"This is a very sad day for America and for democracy. The proceedings on Capitol Hill were depressing to watch and the outcome marks one of the most divisive chapters in our history.

"I was not surprised by the vote for impeachment because it was a strictly partisan vote and the majority party defined the rules which offered no options outside of impeachment.

"The American people have elected Bill Clinton twice because they believe in his vision. The President has made great strides in improving opportunities for all Americans and the impeachment proceedings are clearly an attempt to undo the election – it is unfair, inappropriate and wrong.

"The personal attacks on Congressman Livingston and his decision to resign reconfirm that we have moved into dangerous and troublesome waters of personal attacks.

"I do not believe that the President should resign. This attempt to remove him is not based on law, or constitutional authority – it is based on partisan politics. The attempt to force his resignation will have caustic effects that will hold every elected official to standards that are unprecedented in American history. Make no mistake, President Clinton's actions are shameful, but they do not warrant removal from office.

"My hope is that the U.S. Senate will end the attempt to remove the President. I encourage our Senators to immediately begin crafting a bipartisan solution that will bring an end to this crisis."

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CARLETON S. FINKBEINER
MAYOR



December 19, 1998

FOR IMMEDIATE RELEASE

Contact - Mary Chris Skeldon - 245-1044 or 537-0932

MAYOR CARTY FINKBEINER HAS ISSUED THE FOLLOWING STATEMENT

"Under the leadership of President William Jefferson Clinton our nation and our city have prospered. The lives of our citizens have been improved.

Indeed, this president has made a mistake, but who among us has not? I deplore the partisan actions taken by members of Congress today and in the past few days, and I believe the Senate will arrive at the appropriate compromise. I will continue to support President Clinton, Vice President Gore and the work they are doing and will continue to do in behalf of the American people.

During this season of repentance, forgiveness and generosity, I have hope that this country will rise above the division and partisanship of recent weeks, and move forward into 1999 with optimism and unity."

Team Toledo

MAYOR

Miguel A. Pulido

MAYOR PRO TEM

Thomas E. Lutz

COUNCIL MEMBERS

Lisa Bist

Alberta D. Christy

Brett Franklin

Patricia A. McGuigan

Ted R. Moreno



CITY OF SANTA ANA

CITY MANAGER

David N. Ream

CITY ATTORNEY

Joseph W. Fletcher

CLERK OF THE COUNCIL

Janice C. Guy

FOR IMMEDIATE RELEASE

December 19, 1998

STATEMENT OF SUPPORT FOR PRESIDENT BILL CLINTON FROM MIGUEL PULIDO, MAYOR OF SANTA ANA

I strongly disagree with the actions Congress took today to impeach President Bill Clinton. It's a sad day for our country that Congress has reached this decision. It's especially disappointing, given President Clinton's strong and effective leadership -- leadership that has greatly helped major cities such as Santa Ana.

President Clinton has been a great partner with cities across America. In Santa Ana, he has been supportive of many efforts to revitalize our city, including:

- A reduction in crime of more than 50 percent.
- Funding for the new Ronald Reagan courthouse, which is helping us bring life back to the downtown
- Major infrastructure improvements, including the widening of the Santa Ana freeway and the \$25 million Bristol Street improvements
- The Clinton Cops program, which put 54 additional police officers into service in Santa Ana.
- Reducing the unemployment rate
- Implementing the Americorps program, which is helping mentor our troubled, low-income youth
- Creating the strongest economy we have seen in many years

We elected President Bill Clinton, and we want to move forward to meet the challenges of the next century with him continuing to lead us.

Sincerely,



City of Albuquerque

P.O. BOX 1293 ALBUQUERQUE, NEW MEXICO 87103

Albuquerque, NM
December 19, 1998

Contact: Mayor Jim Baca
505 229-1881

Albuquerque Mayor Jim Baca today expressed disappointment in the House vote to impeach President Bill Clinton. Baca said, "It appears the vote was entirely based on partisanship with little regard for the progress this country has achieved under the leadership of the President. It is obvious to me, and many Americans that this process is tainted and suspect."

Baca added, "Just two years ago the electorate soundly re-elected the President. It also re-elected a Congress with a Republican majority. That majority was not given a mandate of the people to pursue a personal political vendetta against the President. That is what has happened under the guidance of the Republican leadership. Certainly, censure may be in order. Impeachment is out of the question."

Baca said he would communicate with the state's U.S. Senators to urge them to stop this impeachment process as soon as a vote on censure can be taken. Baca said, "The Senate should recognize the will of the majority of Americans and stop this entire episode now. A bipartisan compromise in the Senate would be the best solution to allow the President to continue the job he was re-elected to do."

Mayor Baca said that since President Clinton was first elected that the City of Albuquerque and its citizens has enjoyed improved job growth, economic prosperity, a falling crime rate, and a more diversified economic base.

NEWS NEWS

MAYOR'S OFFICE OF COMMUNICATIONS

Room 216, City Hall, Philadelphia, PA 19107-1684
(215) 686 - 6210 FAX (215) 686 - 2170

Edward G. Rendell, *Mayor*
Kevin A. Feeley, *Deputy Mayor*

STATEMENT OF MAYOR EDWARD G. RENDELL

FOLLOWING THE IMPEACHMENT OF PRESIDENT CLINTON

DECEMBER 19, 1998

I want to thank District Attorney Lynne Abraham, State Senator Vincent J. Fumo, State Representative Dwight Evans, and City Council members Augusta Clark, Jannie Blackwell, and Frank DiCicco for standing with me today in defense of the President and the Constitution.

Today is a dark day in American history, one in which the Republicans in the House of Representatives have allowed the evils of partisanship to dominate the process that led to the impeachment today of President Clinton. Like the vast majority of Philadelphians and the vast majority of the American people, we believe that the President has acknowledged his wrongdoing, but he was not treated fairly by the House during this process. It was unconscionable for the Republican leadership in the House to refuse to permit a vote on censure of the President, an alternative advanced by the highly respected Republican Rep. Michael Castle of Delaware. We all believe that censure is a fair and appropriate punishment, and we strongly urge the Senate to act swiftly to accomplish this goal.

All of us urge President Clinton to stand tall, and we are absolutely confident that he will do so. Too much work remains to be done in this country -- improving our public schools, safeguarding world peace, building on the most remarkable economic recovery in America's history -- for us to turn back now. The President has done more to help urban America, and specifically Philadelphia, than anyone in my lifetime. He has the full support of the people of Philadelphia, and we urge him to fight on.



BEVERLY O'NEILL
MAYOR
CITY OF LONG BEACH

NEWS ADVISORY

For Immediate Release:
12/19/98 2:51 PM PST

Contact: Randal Hernandez
Pager: 562-901-8541

STATEMENT OF LONG BEACH MAYOR O'NEILL REGARDING CONGRESSIONAL IMPEACHMENT ACTION

This is a sad day in American history. The majority of the American people feel that the President's personal actions are not impeachable offences. President Clinton has led our country for six years to a stronger economy, better access to education, lower crime and strengthened the nation's leadership in the world.

What happened today degrades the reputation of the House of Representatives and the peoples respect for that institution. I agree with those who have stated that *"the invasions of personal life for political purposes are inexcusable."* The President's personal actions were improper but not impeachable. The Constitution states that impeachment must rise to the level of treason, bribery or other high crimes and misdemeanors. In this instance, there are no high crimes against the nation.

The vote of the House was strictly a partisan issue. Our country should not continue to be torn apart by their partisanship. I am proud that the President, in spite of today's events, has remained focused on the nation's agenda. I hope the Senate can move quickly to find a bipartisan compromise that truly expresses the will of the American People, respects the Constitution, and enables Congress and the nation to move forward with that agenda.

-end-

**TO: The Laredo Morning Times
The Laredo Sun**

**Statement from Mayor Betty Flores
Laredo, Texas
Saturday, December 19, 1998
Please use in its entirety:**

This is a very sad day for our Country.

President Clinton was elected by the people both in 1992 and in 1996. This should not be ignored. If these impeachment proceedings have been driven by a partisan majority in the house then it is an assault on our democracy and the Constitution. Not to mention our national pocket book. There has already been too much of our money and time spent on these proceedings.

President Clinton has worked hard with both parties of Congress for the good of the American people. A stronger economy, more national attention to education, more federal money to Cities like Laredo, lower crime rates, family friendly policies, peace in more parts of the world cannot be ignored. There had to be another way.

Our country is at a crossroad of a new Century. We cannot lose focus from fighting to better our communities and our people as we go into this new Century. I look forward to a senate process that is a bi-partisan compromise of what is fair and reasonable. The proceedings that have been made public call for a very strong censure. But the American people, the United States, should not be punished along with the President. In this impeachment there are no winners.

News release from the
OFFICE OF MAYOR JOSEPH P. GANIM
Bridgeport City Hall

FOR IMMEDIATE RELEASE
CONTACT: CHRIS DUBY, (203) 576-7201; (203) 913-4460

GANIM ENCOURAGES PRESIDENT CLINTON TO REMAIN IN OFFICE
Cites important accomplishments of Clinton Administration

BRIDGEPORT, Dec. 18 -- Mayor Joseph P. Ganim today announced his complete support for President Clinton and asked that the President "put aside any thoughts of resignation that may be caused by what is clearly a partisan effort to overturn two historic elections."

"We must get beyond the politics of personal destruction and viciousness and once again restore a sense of civility to our lives, our government and to America," Ganim said.

"To that end, I also want to be completely clear: the President must not resign. His leadership has meant great things for our country, our economy and for the people of the City of Bridgeport. I want the President to know that it is important that he not give in to the tremendous strain he has been put under," Ganim said.

"The Clinton Administration's efforts at improving urban America has been a key part of our city's recovery. The President has helped us hire police officers, clean our air, earth and water, improve the lives of seniors and make school reconstruction a civic priority. This is the work people expect of our leaders in Washington and I urge Congress to put aside this long, expensive inquiry and get back to the work that makes the lives of ordinary Americans better," Ganim said.

Ganim spoke at the National Press Club earlier this week with Detroit Mayor Dennis Archer and Denver Mayor Wellington Webb on the behalf of the President. He will also be attending the President's Christmas party next week in Washington.

-30-30-30-30-

DONALD L. PLUSQUELLIC
MAYOR



CONTACT:
Mark Williamson
Communications Director
(330) 375-2538
FAX: (330) 375-2335

News Release

MAYOR PLUSQUELLIC, U.S. CONFERENCE OF MAYORS SEND IMPEACHMENT MESSAGE TO CONGRESS

(December 18, 1998) Akron Mayor Don Plusquellic has joined mayors from nine other cities in urging the U.S. Congress to move quickly for closure on the controversy facing President Clinton. The mayors, a contingent representing the United States Conference of Mayors, (USCM) met in the nation's capital to make the announcement.

While in Washington D.C. this week on other business, Mayor Plusquellic, along with: Denver Mayor Wellington Webb; Dennis Archer, mayor of Detroit; Carty Finkbeiner, mayor of Toledo; Gary, Indiana Mayor Scott King; Mayor Joseph P. Ganim of Bridgeport, Connecticut; Mayor Peter A. Clevelle of Burlington, Vermont; Omar Bradley, mayor of Compton, California and the mayor of North Little Rock, Arkansas, Patrick H. Hays, held a news conference to announce their position on the congressional impeachment hearings.

"This president, vice president and the entire administration is absolutely the best we have seen in terms of serving cities," said Mayor Plusquellic, the longest-serving mayor in the group. "They realize cities aren't just made up of bricks and mortar, or infrastructure. The most important part of any city is its people. The Clinton administration has done more to find a way to partner with cities to improve the lives of people than any previous administration I have witnessed. To put the people through this vindictive process is not in the best interest of the people we serve."

"When I was a ward councilman, I saw what the Nixon impeachment process did. It was damaging to the nation in many ways. Most people then, believed what President Nixon had

(more)

(2)

done was wrong and that he should have been removed from office. In this case, while they dislike what President Clinton has done, they believe he should remain in office."

The USCM drafted a letter and sent it to House Judiciary Committee Chairman Henry Hyde; Speaker of the House Newt Gingrich; Richard Gephardt, house minority leader; Senate Majority Leader Trent Lott and Senate Minority Leader Tom Daschle. *(attachment: letter)* In it, the mayors call for a move forward on the important issues facing American cities and suburbs. Issues in which President Clinton has been their partner. The letter states, "We do not believe prolonged and excessive hearings on these issues serve the nation. We want to get back to business and can only do so if the Congress does."

Mayor Plusquellic told reporters, "I want to re-state what we said in that letter. While the actions of President Clinton were deplorable, and we do not condone his behavior, we also believe this should not be an impeachable offense."

END

News Release

Mayor's Office of Marketing and Communications

Director, Jabari Simama, Ph.D.

404-330-6004

404-523-4752

Mayor Bill Campbell's Statement on the Impeachment of Bill Clinton December 19, 1998

Let it be known first and foremost that I support President Clinton and his policies and vision for a strong America. He has been a personal friend, and he has been a good friend to the people of Atlanta. I am urging President Clinton not to resign, but to continue to answer the people's call to service, as he has so aptly done for the past six years.

The partisan Impeachment of him today is an assault upon the Constitution, an attempt to undue by majority vote of a Republican-led, lame duck Congress, what could not be accomplished at the ballot box. It has brought disrepute to the people's house.

The President has acted inappropriately, apologized, and been rebuked publicly, but under no circumstances should he consider resigning. I stand with the majority of American people in calling for this nightmare to end. The president should stay the course and finish the job the American people elected him to do.

Now that this matter is in the hands of the Senate, we need the Senate to do what the House failed to muster the courage to do— stop the assault on the American people, put aside partisanship for the good of the country, and work toward a bipartisan solution that truly expresses the will of the American people.

NEWS



SPEAKER of the ASSEMBLY

FOR IMMEDIATE RELEASE
December 19, 1998

Contact: Shelly Sullivan
(916) 319-2408

ASSEMBLY SPEAKER VILLARAIGOSA PLEDGES CONTINUED SUPPORT FOR PRESIDENT BILL CLINTON

Sacramento—California State Assembly Speaker, Antonio R. Villaraigosa (D-Los Angeles) today denounced the decision by the Republican majority in Congress to deny congressional Democrats the ability to offer a censure motion as an alternative to impeachment of President Bill Clinton.

"The Republican leadership's decision to deny a vote in the House of Representatives on censuring President Clinton, rather than impeaching our President, is clear evidence that partisanship, rather than the best interests of the American public, is the real motive of congressional Republicans," the Speaker said.

"The use of parliamentary tricks to avoid a vote on censure is a slap in the face of voters who strongly support censure over impeachment. The Republicans are trying to achieve through the impeachment process what they could not achieve at the ballot box," Villaraigosa said.

"Republicans won majorities in Congress by offering the American public a 'Contract with America.' Now they have abandoned any interest in debating public policy issues. They have gone from governing America to destroying its very constitutional foundations for purely partisan gain.

"An impeachment vote continues a divisive debate which could immobilize our government during a Senate trial. This debate is squandering valuable time that should be devoted to public policy issues.

"Fortunately, President Clinton has continued to offer this country wise and stable leadership. He has not let this partisan witch hunt by congressional Republicans detract him from his constitutional duty. While congressional Republicans seek to destabilize our government, our President's decision to destroy Iraq's weapons of mass destruction will help to ensure a stable international climate.

--More--



The Senate of the State of New Hampshire

107 N. Main Street, Room 302, Concord, N.H. 03301-4951

BURTON J. COHEN
District 24

Office 271-2117

TTY/TDD
1-800-735-2964

December 19, 1998

President Bill Clinton
The White House
Washington, DC

Dear President Clinton,

My anger at the Republicans in Congress moved to sadness as I witnessed the obvious maneuver by Bob Livingston to lever the resignation of the President. It is an assault on the decency of the American people to attempt to raise this ugly partisanship to a level above the national good. They have always been out to scuttle your exceptionally positive and productive agenda. We can't let them get away with it.

It pains me to even be at the moment in history where I must beseech you to not give in to the *illegitimi*, who so gleefully have their long knives drawn against you, against us. The American people enthusiastically approve the job you are doing. I don't need to tell you how to go over their heads and connect directly with the people of America. We're with you, Mr. President, please do not even think of giving up.

You have always been in this for the good of the nation. For the good of the nation now, you must not allow this coup to be successful. Fight on, Mr. President; the nation fights with you.

Sincerely,

Sen. Burt Cohen
Majority Leader

**UTAH STATE SENATE
OFFICE OF THE SENATE DEMOCRATS
319 STATE CAPITOL
SALT LAKE CITY, UT 84114
801-538-1406**

December 19, 1998

The Honorable William J. Clinton
President
United States of America
The White House
Washington, D.C.
Fax No. 202-456-2889

Dear President Clinton:

On this very sad moment in the history of the United States we, the leaders and members of the Utah State Senate Democrats, call upon you to stand tall and listen to the voice of the majority of the American people. We ask you to be courageous, humble, and prayerful. And we ask that you do not consider resignation.

Our support and prayers are with you, your family and with the American people.

Sincerely,

Senator Scott N. Howell
Democratic Leader

Senator George Mantes
Democratic Whip

Senator Paula Julander
Democratic Whip Elect

Senator Millie Peterson
Asst. Democratic Whip

Senator Gene Davis
Senate Democrat

Senator Ron Allen
Senate Democrat

Senator Pete Suazo
Senate Democrat



MICHAEL F. FEELEY
Senate Minority Leader
Colorado State Capitol
Room 274
Denver, Colorado 80203-1716
Capitol: (303) 866-2318
E-mail: mff@rmil.com

Senate Chamber
State of Colorado
Denver

COMMITTEES:
Member of:
Legislative Council
Executive Committee
Senate Services

December 19, 1998

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

Dear Mr. President:

This is a sad day in the history of our country and I felt compelled to appeal to you to defend your office with every ounce of your effort and ability. The dignity of the office demands that defense. It is critical that you complete the job the nation elected you to do.

Mr. President, I believe in the sincerity of your apologies. My heritage has taught me the renewal of life through forgiveness and reconciliation. My hopes and prayers are with you and you family.

Unfortunately, it appears that hatred and partisanship have blinded a majority in the House of Representatives and a minority in the country. Alexander Hamilton warned us about the misuse of the impeachment process in Federalist Paper Number 65 when he wrote that, impeachments:

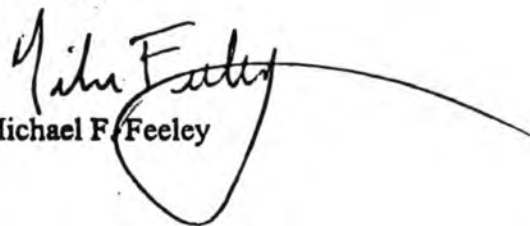
[A]re of a nature which may with peculiar propriety be denominated POLITICAL as they relate chiefly to injuries done immediately to society itself. The prosecution of them, for this reason, will seldom fail to agitate the passions of the whole community, and to divide it into parties more or less friendly or inimical to the accused. In many cases it will connect itself with the pre-existing factions, and will enlist all their animosities, partialities, influence, and interest on one side or on the other; and in such cases there will always be the greatest danger that the decision will be regulated more by the comparative strengths of parties, than by the real demonstration of innocence or guilt.

The action of the House today is "the greatest danger" Hamilton warned against. There will be calls for your resignation, "for the good of the country". Those calls will come from those whose "animosities, partialities, influence, and interest" have already made up their minds. But you cannot give in.

The Honorable William Jefferson Clinton
December 19, 1998
Page 2

For the future of the country, for the office of the Presidency and for the sake of justice, I urge you to defend yourself and your office with every resource. I have complete faith that our system is just. Hatred and enmity will be defeated. This is a great nation and, for that nation, you will prevail.

Sincerely,


Michael F. Feeley

DANIEL T. BLUE, JR.
21ST DISTRICT
NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
RALEIGH, NORTH CAROLINA 27611

December 19, 1998

Honorable William Jefferson Clinton
President of The United States of America
The White House
1600 Pennsylvania Avenue
Washington, D.C.

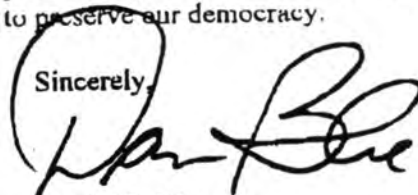
Dear Mr. President:

Today's vote by the U. S. House of Representatives marks a sad day in the history of our country. The overwhelming majority of the American people did not want this to happen and realize that it did not have to happen. They, like I, are sure that more reasonable, sensible and deliberative heads will resolve this matter in the Senate in such a way that you can continue providing great leadership for our nation. I urge you to continue working for a swift and sensible alternative as you prepare to respond to these charges in the Senate.

I am writing specifically to encourage you to continue your efforts in pursuing the goals of the American people by addressing the issues that matter in their lives as you vigorously prepare your defense. There now appears to be perverse reasoning orchestrated by your detractors that since you have now had formal charges leveled against you, you should consider resigning. Please do not consider resigning under any circumstance. That would be a tremendous injustice to the American people and would effectively allow the minority to forcefully overturn the lawful results of two presidential elections.

My prayers and thoughts are with you and your family during this very trying time. Please know that I stand ready to assist you in helping to preserve our democracy.

Sincerely,



Daniel T. Blue, Jr.

DHAMIAN AMAAD BLUE

Duke University
P.O. Box 95446
Durham, NC 27708

19 December 1998

Honorable William Jefferson Clinton
President of The United States of America
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. President,

I am saddened by the historic abuse of American Democracy that took place in the Capitol today. Like so many other American citizens—your constituents—I am deeply disturbed by the reckless, condemning partisanship of your political opponents who have sought to embarrass, humiliate and demoralize you and your efforts to make our country a better one. Please do not be dissuaded in pursuing what we elected you to do six years ago. Please do not resign.

Twice, the young people of our nation overwhelmingly elected you into office with great confidence and faith in your vision of where our country should be directed. During both campaigns, you listened to our suggestions, our fears and our visions of a greater society. In short, your presidency has inspired many of us to act out of compassion for our fellow Americans rather than out of self-interest. This is why I believe you must not succumb to any pressure to resign from office. To do so would destroy that vision that so many of us initially shared six years ago.

As this tragic ordeal comes to a close, please know that you still have my support alongside the support of countless young Americans.

Sincerely,



Dhamian A. Blue



COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE
STATE HOUSE, BOSTON 02133-1053

MARC R. PACHECO
STATE SENATOR
1ST PLYMOUTH AND BRIEFOL
DISTRICT
ROOM 413B
TEL. (617) 722-1551

December 19, 1998

COMMITTEES:
STATE ADMINISTRATION
(CHAIRMAN)
HEALTH CARE
(VICE-CHAIRMAN)

COMMERCE AND LABOR
GOVERNMENT REGULATIONS
NATURAL RESOURCES
AND AGRICULTURE
POST AUDIT AND OVERSIGHT
TRANSPORTATION

The Honorable William Jefferson Clinton
President of the United States of America
1600 Pennsylvania Avenue
Washington, DC

Dear Mr. President:

I am writing today to offer my support for your decision not to resign, and to express my hope that you maintain your position and stay the course. The overwhelming majority of the American people stand behind you as we did in 1992, 1996, and again in 1998. We support you because of your outstanding leadership on the important issues that impact working families. We are proud of your accomplishments in the areas of foreign policy, education, lowering crime rates, and building one of the strongest economies in our nation's history.

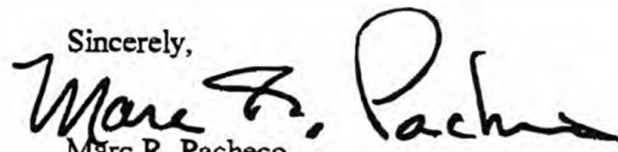
I was outraged as I watched the vote by the Republican Majority, ignoring the facts, the law, the constitution, and the will of the people. We cannot allow this assault on our democracy and our constitution to succeed.

Mr. President, the American people will not tolerate and will not allow the Senate to continue this partisanship which has driven this process. In order for our nation to move forward, a bipartisan compromise must be reached that truly expresses the will of the American people.

We elected you, we re-elected you, and we want to move forward to meet the challenges of the 21st century with you as our President. I stand firmly behind you, and offer my assistance in any way you see fit as we move forward in this process.

My thoughts and prayers are with you, Hillary and Chelsea.

Sincerely,


Marc R. Pacheco
State Senator

ROBERT L. MAXWELL
4405 KENNETT PIKE
GREENVILLE, DELAWARE 19807
Former ELECTED OFFICIAL

12/19/98

William Jefferson Clinton
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President,

This is the first time ever, that I have written to the White House on any matter. Along with millions of other Americans, I voted for your leadership & I expect you to continue that leadership. "Do not resign."

I never expected you or any other President, Democrat or Republican, to be perfect. We are all about progress not perfection. Your personal indiscretions involving your family do not rise to the level of high crimes.

To quote another President, "Stay the Course" there will be Republican as well as Democrat leaders who will falter & ask you to step down. "Step up" instead & finish the job ahead.

God Bless,

Bob Maxwell

President William Jefferson Clinton
White House
Washington D.C.

Dear President Clinton,

We strongly urge you to continue your term as President of the United States. We understand that the U.S. House of Representatives has passed two articles of impeachment against you and many are urging your resignation. Please see this as nothing more than the continued orchestrated attempt by the Republican Party to overturn the will of the voters in the past presidential election.

Although we are personally disappointed at own your own conduct in the matters just discussed in the Congress of the United States, we nevertheless believe that conduct involved matters that are personal and private. Resigning at this time and for those reasons would encourage the same kind of constitutionally weak challenges to the Presidency just witnessed during the past few weeks.

It is also our belief that the kind of hate-mongering and demagoguery being dispensed in this country towards both you, Mr. President, and to those who agree with you and your strong stands on important issues, is one of the major reasons why American Government has reached one of its lowest points in U.S. History.

UNITE THIS COUNTRY, MR. PRESIDENT. You can only do that if you stay right where you are. I offer my assistance if you need it.

Dennis L. Dutremble

We, the undersigned, strongly urge you to continue with your agenda as President of the United States and to not be dissuaded by others who suggest otherwise.

Dennis L. Dutremble - *FOR MAXINE SANCHEZ PRESIDENT*
Dorothy Dutremble
Lucien Dutremble
Cecile Dutremble
Larry Dutremble
Diane Dutremble
Sharon Dutremble
Troy Hansen
Shawn Dutremble
Richard Parenteau
Margaret Parenteau
Gerard Gendron
Eva Gendron

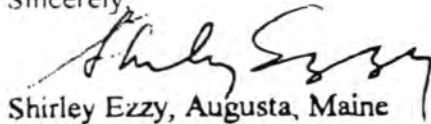
December 19, 1998

The President, The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Our hearts go out to you and your family during this difficult time. We encourage you to stay the course and not resign from the Presidency.

Sincerely,



Shirley Ezzy, Augusta, Maine
George Ezzy, Augusta, Maine
Paul Ezzy, Augusta, Maine
Julie Ezzy, Augusta, Maine
Edward Elias, Fairfield, Maine
Mary Elias, Fairfield, Maine
Jane Ezzy, Augusta, Maine
Peter Ezzy, Augusta, Maine
Aaron Ezzy, Augusta, Maine
Sarah Ezzy, Seattle, Washington
Lana McKnight, Littleton, Colorado
Jennifer Ezzy, Boulder, Colorado
Zac Miner, Augusta, Maine
Roger Levesque, Augusta, Maine
Jeremy Payne, Newton, MA
Adam Payne, Newton, MA
Nicole Payne, Newton, MA
Daniel Payne, Newton, MA
Kenneth Bryant, Newton, MA

December 19, 1998

2135 Spruce Street #1
Boulder, Colorado 80302

The President, The White House
1600 Pennsylvania Avenue
Washington D.C. 20500

Dear Mr. President:

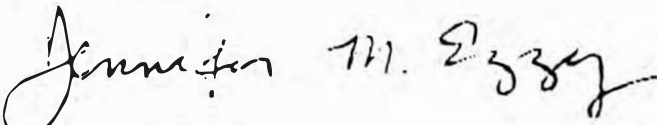
I support and believe in you Mr. President to continue your job as President of the United States. What a powerful opportunity you have to reconstruct the fate of this country and the state of your own evolution as a being on this planet.

You have paid your dues. Take the time that you need to heal, but please don't do it at the expense of the citizens of this country. I feel strongly that your resignation could create a domino effect of bad occurrences as a result.

You have been forgiven Mr. President, and are being recognized by a vast majority of Americans as having the strength, character, intelligence, and magnificence to lead our country.

May you recognize your innate goodness and the guidance in your presence.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer M. Ezzy". The signature is fluid and written in dark ink.

Jennifer M. Ezzy
2135 Spruce Street #1
Boulder, Colorado 80302

**THE NATIONAL BLACK CAUCUS
OF STATE LEGISLATORS**

Rep. James Thomas, AL
President

Press Release

For more information, please call:

Khalil Abdullah (202) 624-5457

NBCSL President James Thomas Urges House of Representatives to Vote Against Impeachment

(Tuscaloosa, AL) - Newly elected NBCSL President James Thomas (AL.) called on the U.S. House of Representatives to listen to the "will of the American people" and to "vote against impeachment" of President Clinton in its upcoming Thursday vote.

"The public has spoken," Thomas said. "The American people want the President to be able to tend to the business for which he was elected. My concern, as is theirs, is that impeachment would paralyze America."

Rep. Thomas was elected NBCSL president earlier this month at the organization's 22nd Annual Legislative Conference in Cleveland, Ohio. He issued his statement from Tuscaloosa, Alabama where he is attending a conference.

"I've received calls from leaders within our organization," Thomas said, "State Caucus Chairs and members of NBCSL's Executive Committee. I concur with them that a vote for impeachment would set a dangerous course for our country. We think Congress should have the courage to vote against impeachment and urge the House members to do so."

NBCSL is comprised of approximately 600 African American state legislators from 45 states and the U.S. Virgin Islands. Rep. Thomas is the sixth NBCSL president, succeeding Rep. Lois DeBerry (TN).



Affiliated Tribes of Northwest Indians

FOR IMMEDIATE RELEASE

TRIBES OPPOSE IMPEACHMENT

PORTLAND, ORE. (12/18/98)- "Bill Clinton is the first American president in 210 years to stand up for the Indian people," says Henry Cagey, president of the Affiliated Tribes of Northwest Indians and chairman of the Lummi Indian Nation. "It is no coincidence that the partisans working to destroy him are the same extremists who have consistently rejected and repressed the Indian people, and who represent the same anti-Indian mentality that has been prevalent through the history of this country," said Cagey.

Cagey was joined today by tribal leaders from throughout the region in renouncing the impeachment proceedings in Congress.

"President Clinton is the first president to truly honor Indian treaties and to engage tribal leaders in meaningful dialogue about the future of their people. Now, the extremists of this lame duck Congress want to destroy this courageous man, who was placed in office by the people of the United States," said Billy Frank, Jr., chairman of the Northwest Indian Fisheries Commission.

"The tribes support the president, and are outraged by those who are choosing to destroy him in the name of partisan politics," said Joe DeLaCruz, Quinault tribal member and long time Indian leader.

President Clinton was strongly supported by tribes throughout the nation in his election and re-election to the presidency.

"There has been good reason for this," said Cagey. "President Clinton has had the foresight to work with the tribes in focusing on a brighter future in which the rights of Native Americans are respected along with the rights of all Americans. Those who are splitting political hairs to destroy him have also made every effort to destroy the sovereign rights of the tribes, which are clearly protected by the United States Constitution. President Clinton, on the other hand, has worked tirelessly to support tribal self-determination and abide by the rights protected by the Constitution, treaties, statutes and court decisions" said Cagey.

"With President Clinton, we have had new hope that the lands and natural resources that have sustained us for thousands of years would be protected. The president issued Executive Orders supporting the rights of the tribes in 1994 and again in 1998. He has kept his promises to us, and has worked hard to improve the management of forests, the restoration of fish and wildlife, the achievement of prosperity and the improvement of education. These are all efforts that have been opposed by those now seeking to drive him out of office. If they cannot enforce their impeachment, they will do all they can to try to force him to resign. Either of these would be a tragedy for American Indians and a tragedy for America," said Frank.

"The history of this country is a history of violation against the legal rights of American Indians," said DeLaCruz. "Throughout history, presidents have ignored us. They have assaulted us. They have neglected us. As a result, the Indian faces the worst poverty level, the highest suicide rate, the greatest hunger rate and the worst education opportunities faced by any Americans in history. The effort to drive him out of office is against the will of the American people. It is against the will of the tribes. It is clearly being ramrodded by partisans who cannot tolerate his stand for justice," said DeLaCruz.

#####

CONTACT: Affiliated Tribes of Northwest Indians (503) 241-0070



THE JICARILLA APACHE TRIBE

EXECUTIVE OFFICES

P.O. Box 507, Dulce, New Mexico 87528-507
(505) 759-3242

Jicarilla Apache Reservation
February 11, 1887-1987

December 16, 1998

The Honorable Joe Skeen
United States House of Representatives
Rayburn House Office Building, Room 2302
Independence Avenue & S. Capitol Street, SW
Washington, D.C. 20515

The Honorable Bill Redmond
United States House of Representatives
Rayburn House Office Building, Room 2268
Independence Avenue & S. Capitol Street, SW
Washington, D.C. 20515

The Honorable Heather Wilson
United States House of Representatives
Rayburn House Office Building, Room 2404
Independence Avenue & S. Capitol Street, SW
Washington, D.C. 20515

Re: **Impeachment Procedures**

Dear Honorable Representatives Skeen, Redmond and Wilson:

On behalf of the Indian Nations and Tribal Representatives in New Mexico, we urge that you vote against sending articles of impeachment to the Senate.

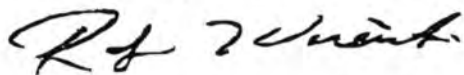
While we recognize that President Clinton has made mistakes in his handling of the Lewinsky matter, nevertheless, we believe that the President's conduct does not amount to the "high crimes and misdemeanors" necessary for impeachment. Thus, in our view, if the House passes articles of impeachment, it will destabilize the government of the United States in a way the Constitution framers never intended.

Honorable Joe Skeen
Honorable Bill Redmond
Honorable Heather Wilson
December 16, 1998
Page 2

For these reasons, as your constituents, we respectfully ask that you vote against impeachment.

Sincerely yours,

JICARILLA APACHE TRIBE



Rodger Vicenti, Acting President

and on behalf of:

ALL INDIAN PUEBLO COUNCIL
Roy Bernal, Chairman

MESCALERO APACHE TRIBE
A. Paul Ortega, President

THE PRESIDENT HAS SEEN

12-21-98

10/9/98

President and Mrs. Bill Clinton
The White House
Washington, D.C.

Dear Bill and Hillary:

Mother and I wanted you to know that you are in our prayers. We are des-
saddened that you have been through so many difficult challenges during
your presidency. I am truly amazed by Mr. Starr's obsessions. You two ha-
certainly exhibited courage under fire.

I wanted to let you know that my new mailing address is 2025 Tule Park
Drive, Rockport, Tx 78382. Mom and I are closing our business.
Our business was flooded 10-6-98. The tourist have not been coming to
Rockport, so we are taking this opportunity to close. Everything in our
gallery was destroyed. We have insurance. This will certainly help.
After we get the damage is repaired, Mom and I may go to the mountains
Mexico. Mom's husband died 8-21-98. He was in the nursing home for
one and a half years. We are no longer tied down. There is very little
that a person can do in Rockport.

Mom and I want you to know that whatever happens we are your friends.
We are very proud to know both of you.

Love to all,

Kathy Cornwell
Kathy
Raye Spellman

(512) 727-0080
2025 Tule Park Drive
Rockport, Tx. 78382

12-21-98

After you have seen,
we will send original
to Eugene for reply -

OK

c

my email address is: goodwill@dkstech.com

Marriott
HOTELS • RESORTS • SUITES

Cousin
Donna Kelley

12-21-98

THE PRESIDENT HAS SEEN

12-21-98

12-21-98

our prayers. We are de
ficult challenges during
obsessions. You two ha

ress is 2025 Tule Park
our business.

e not been coming to
e. Everything in our
ll certainly help.

ay go to the mountains
e nursing home for
There is very little

s we are your friends.

After you have seen,
we will send original
to Eugene for reply -

OK

C

... address

LAWRENCE D. OWEN
PO BOX 412
OKEMOS, MICHIGAN 48805
(517)332-5310 Fax 332-7851

12-21-98

Dory

The President of the United States
White House
Washington, D.C.

Dear Mr. President:

12-21-98

Like most Americans, After you have seen,
the events in Washington, we will forward
weeks in disbelief a original to Burkhardt
disbelief that you re
refuse to accept the.
of 1992, 1996, and 1999
that they refuse to r
accord that would allow us to get on
with the real business of the country.

As you know, I spent almost two
years talking with people across my
State of Michigan as a candidate for
Governor. You can be certain that
ordinary citizens do not want you to
resign. And you can be certain
that ordinary citizens want Washington
to work on social security, education,

LAWRENCE D. OWEN
PO BOX 412
OKEMOS, MICHIGAN 48805
(517)332-5310 Fax 332-7851

the economy and foreign affairs, not partisan politics.

You have acknowledged wrong-doing. You have expressed your willingness to accept official censure for that wrong-doing. That the radical Republicans ignore those gestures and ignore the wishes of the great majority of the American people proves that they have no concern for the public interest.

I hope that you will now stand firm. Fifty million of us elected you. Fifty million of us told the Republicans in 1998 to stop this travesty. And we will stand with you against the radical attempt to reverse the democratic election choices we have made.

Best Regards,
Larry Owen

LAWRENCE D. OWEN
PO BOX 412
OKEMOS, MICHIGAN 48805
(517)332-5310 Fax 332-7851

To: The President

Attn - Ms. Betty Corrie

F: Larry Owen

Enclosed is a letter for the President. Faylene and I want him to know that we are with him at this difficult time. If appropriate, I hope that you can let him know.

We also know that this must be so difficult for you, too. Our thoughts are with you equally.

Larry & Faylene

THE WHITE HOUSE
WASHINGTON

December 19, 1998

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) **Weekly Economic Briefing**
- (B) **Interest Rate and Stock Market/Emerging Markets**
- (C) **NEC Report** Tab A - Entire Report: Yellen/Podesta
- (D) **DPC Report** pg 3 - Sperling, ~~Alvarez~~ Podesta
- (E) **CEQ Report**
- (F) **OSTP Report** Tab D - Reed/Kagan/Podesta
- (G) **Climate Change** Tab F - Lane/Podesta (entire report)
pg 2 - Burkhardt (for reply) Podesta
- (H) **Communications Report**
- (I) **Legislative Report** Tab G - Stern/Podesta
pg 2: Stern/Podesta/VP
- (J) **Intergovernmental Affairs Report**
- (K) **Public Liaison Report** Tab H - Lewis/Spector/Podesta/
~~Burkhardt (for reply)~~
- (L) **Cabinet Affairs Report**
- (M) **Political Report** Tab I - Stein/Podesta
Tab J - Ibarra/Podesta
Tab L - Marshall/Balderson/Podesta
Phil Caplan Tab M - Smith/Podesta
pg 2 -
pg 3 - VP/Smith/Podesta/Reed

12-21-98

THE WHITE HOUSE
WASHINGTON

December 18, 1998

copied
Marshall
Balderston
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. T.M.
KRIS BALDERSTON

SUBJECT: Summary of Cabinet Weekly Reports
December 12, 1998 - January 8, 1999

DEPARTMENT OF TREASURY

- **Brazil:** On December 15, Brazil drew \$4.8 billion from the \$5.3 billion available in the first tranche of its \$18.1 billion IMF program, adding the funds to its reserves. The Brazilian Congress adjourned for the year on December 15 and will return in three weeks for an extraordinary session in January 4. The market adversely reacted to Congress' adjournment without passage of key reform measures. During that session, it will seek to pass the budget (considered non-controversial) and administrative reform measures to allow civil service layoffs.
- **Republic of Korea:** On December 14, Secretary Rubin certified to Congress that Korea was in compliance with its IMF program, that the IMF was not supporting six specific industries, and that Treasury and the IMF were monitoring Korean compliance. This certification, the first of its type, was required by the omnibus appropriations bill and was made after extensive consultation with the IMF, other international financial institutions, and the Korean authorities. Following certification, the IMF Board supported the scheduled disbursement of \$1 billion to Korea. At the same time, Korea made the first regularly scheduled repayment of the international community's economic support package when it made a \$2.8 billion repayment to the IMF.
- **Indonesia:** On December 15, the IMF Board approved the next disbursement of \$960 million to the Government of Indonesia. The funds were released in response to the Government of Indonesia's continued efforts to enact the economic reforms agreed upon with the IMF, and were supported by the U.S. On December 16, students in Jakarta protested in favor of political reforms. Police fired teargas as the students tried to break through their lines.

- **IRS Reform:** On January 4, Secretary Rubin and IRS Commissioner Rossotti will participate in an event at the National Press Club to kick-off tax filing season. The National Press Club event will highlight taxpayer rights, new filing procedures, electronic filing, and expanded customer services.

DEPARTMENT OF JUSTICE

- **COPS Grants:** On January 7, DOJ will announce the next round of grants to assist in community policing efforts. These grants will fund approximately 239 new officers affecting 83 jurisdictions. The total funding of these grants is \$16,132,229. With this announcement, the total number of new officers to date will exceed 93,000.
- **Prisoner Drug Use:** DOJ will soon release a report detailing the increased drug and alcohol use by state and federal prisoners. In the 1997 survey, 57 percent of state prisoners and 44 percent of federal prisoners admitted to drug use in the month before their offense, up from 50 percent and 32 percent reported in a 1991 survey. Eighty-three percent of state prisoners and 73 percent of federal prisoners had used drugs at some time in the past. In 1997, 32 percent of state and 22 percent of federal prisoners said they committed their current offense while under the influence of drugs, compared to 31 percent and 17 percent in 1991, and about one in five of both state and federal inmates said in 1997 they committed their offense to get money for drugs.

DEPARTMENT OF INTERIOR

- **Headwaters:** DOI and DOC are in final negotiations with the Pacific Lumber Company (PALCO) concerning the potential terms of a Habitat Conservation Plan (HCP) that will apply to 200,000 acres of PALCO lands. Reaching closure on a HCP is a prerequisite to the U.S.-CA purchase of the Headwaters Forest. It is not clear whether the U.S. will be able to reach an agreement with PALCO. DOI and DOC are asking PALCO to make significant changes to the HCP in response to strong negative comments. Negotiations must be completed by December 18 in order to satisfy the Congressionally-imposed deadline for the Headwaters transaction.
- **CA Water MOU:** On December 17 or 18, Secretary Babbitt announced a MOU that quantifies the Colorado River water supplies of CA's largest agricultural users. The MOU calls for a reduction in CA's over-reliance on Colorado River water supplies. Under the MOU, the Imperial Irrigation District and the Coachella Valley Water District will agree to cap their water entitlements at specified quantities, and enter into complex transfer agreements to facilitate efficient water use.
- **Grand Staircase-Escalante National Monument:** BLM's Draft Management Plan and EIS for the Grand Staircase-Escalante National Monument is now available for a 90-day public review and comment period. The draft analyzes several management alternatives.

- **Everglades Restoration:** GSA deposited \$17,800 into the Everglades Restoration Account from the sale of a federal easement. This is the second deposit to this account, which now exceeds \$200,000. Also, GSA announced its intention to auction the William Cramer Federal Building in Saint Petersburg, FL on January 27, with the net proceeds to be deposited in the Everglades Restoration Account.
- **Reinventing School Construction:** In January, DOI will receive the Vice President's Hammer Award for reengineering the process for planning, designing, and constructing new schools to serve Native Americans. This process has reduced construction time by as much as 50 percent.

UNITED STATES DEPARTMENT OF AGRICULTURE

- ***E. coli* Outbreak Indictments:** On December 17, USDA announced that a federal grand jury in NE has indicted two former officials of the now defunct Hudson Foods, Inc., for misleading investigators during their attempt to determine the source of a July 1997 *E. coli* outbreak in ground beef produced at Hudson's Columbus, NE plant. The recall, which totaled approximately 25 million pounds, was the largest to date in U.S. history.
- **Pork Industry Meeting:** On December 21, Secretary Glickman will meet with representatives of the pork processing and retailing industries to address the rapid decline in hog prices, with emphasis on encouraging processors to increase their slaughter rates, and to urge that retailers price pork more closely in line with hog prices.
- **Cotton Subsidy Program:** On December 15, USDA spent the last of \$701 million included in the 1996 farm bill to subsidize the export of US cotton to make it priced competitively in world markets, and to facilitate its use by domestic millers. The program's end makes it increasingly likely that the farm bill's provisions to increase imports of foreign cotton will be triggered in coming weeks, an action that will receive considerable attention from the industry and its congressional representatives.
- **Commodity Markets:** Cash and futures prices for wheat dropped as commercial export prospects continued to be poor and winter wheat conditions are favorable. Cash corn prices fell, but futures rose on good export commitments and strong recent buying by feed processors. Soybean cash and futures moved lower on improved crop prospects in South America. Rice cash prices held firm, but futures declined, pressured by falling international prices. Cotton prices sank on a bearish supply and demand estimates report issued by USDA. Cattle, hog, and broiler prices all slumped under the burden of large meat supplies. Butter prices slipped as increased butterfat supplies come to market, and some buyers were wary after the previous week's jump in prices. Cheese prices were up modestly as seasonal demand remains good.

- **Food Safety Terrorist Threat:** As of December 16, USDA food safety officials continued working with law enforcement officials on a December 8 anonymous threat of food contamination with HIV-infected human blood. On the basis of recommendations in a public health risk assessment, USDA is reinspecting about 15 million pounds of meat products at four facilities in the Milwaukee, WI area owned by the same company.

DEPARTMENT OF COMMERCE

- **Argentine Tax Reform:** DOC is working with State and USTR in responding to a recently-passed Argentine tax reform. On December 7, the Argentine Senate passed the reform with a provision that defines copyright and intellectual property rights, as well as imported services as tangible goods (merchandise) under Argentina's Customs Code. The modification could have significant consequences for U.S. firms. The U.S. copyright industry requested Secretary Daley's assistance. On December 10, the Secretary wrote Argentine Minister of the Economy Fernandez asking him to urge President Menem to line-item veto this provision before signing the bill.
- **Advocacy Call:** On December 9, Secretary Daley made an advocacy phone call to Croatian Prime Minister Matesa. The call was placed on behalf of Enron, which has been pursuing a greenfield project (including \$50 million in U.S. export content) since 1996. Enron participated in Secretary Kantor's trade mission to Croatia.
- **Export License Applications for India and Pakistan:** The Bureau of Export Administration (BXA) notes a dramatic increase in export license applications following the November 19 addition of firms in India and Pakistan to the Entity List. As part of the Administration's response to May nuclear tests by each country, an export license will be required for all items subject to the Export Administration Regulations bound for firms and organizations on the Entity List that are believed to be involved in nuclear or missile technology projects of concern.
- **EU Bananas:** On December 9, DOC staff participated in the Section 301 hearing at the U.S. International Trade Commission concerning retaliation targets in the dispute with the EU over its banana regime. The hearing is one step in the retaliation process the Administration is taking, given the EU's likely failure to implement by January 1 a WTO-consistent banana regime. The Administration published a list of retaliation targets on December 15 and intends to suspend concessions as early as February 1 or March 1 if the EU requests arbitration.
- **Special 301 Reviews:** On December 15-18, DOC participated in interagency meetings to review the intellectual property regimes of Colombia, Ecuador, Hong Kong, Jordan, Singapore, and Vietnam and to reach consensus on Special 301 designation for each country. The results of the reviews will be announced in mid-January.

- **South Korea's Dynamic Random Access Memory (DRAMs):** On December 7, South Korea and the U.S. received the final panel report in South Korea's WTO dispute settlement challenge to a decision by DOC not to revoke an antidumping order on DRAMs from South Korea. The report upheld U.S. arguments on virtually all grounds and rejected South Korea's request that the Panel suggest that the U.S. revoke the antidumping order on DRAMs. The Panel found there was "a range of possible ways" in which the U.S. could implement the Panel's recommendations. Either party may appeal the report, which will be circulated to all WTO members by mid-December.
- **Advanced Technology Program (ATP):** On December 22, the National Institute of Standards and Technology briefed the Senate Committee on Commerce, Science, and Transportation on the changes in the format and process for the 1999 ATP competition. ATP will run one competition in 1999, which will allow for consideration of general and focus area applications.

DEPARTMENT OF LABOR

- **Union Merger:** The Oil, Chemical, and Atomic Workers Union and the United Paperworkers International Union will merge at their simultaneous conventions January 4-5, in Las Vegas, NV. The new organization will be called Paper, Allied-Industrial, Chemical & Energy Workers International Union (PACE). PACE will represent about 330,000 members in pulp and paper, manufacturing, petroleum refining, chemical manufacturing, nuclear energy, pharmaceuticals, auto parts, appliances, cement manufacturing and paper converting. The union also has organized health-care workers and public sector employees.
- **Child Care:** DOL's Women's Bureau has tentatively scheduled the official launch of its Business-to-Business Child Care Initiative for late January. You announced this initiative on April 23.
- **Bureau of Labor Statistics (BLS) Announcement on CPI:** On December 18, BLS Commissioner Abraham briefed reporters on the decision on the frequency of updating the Consumer Price Index expenditure weights.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Teen Age Drug Use:** On December 18, the 24th annual Monitoring the Future Study, funded by the National Institute on Drug Abuse (NIDA), was released. This year's report shows an overall slowdown in the use of illicit drugs by U.S. 8th, 10th, and 12th graders for a second consecutive year. While use rates remained mostly unchanged between 1997 and 1998, decreases were seen in 10th graders use of marijuana, alcohol, and cigarettes. An increase in the use of crack among 8th graders was observed. Key findings include: 1) Any illicit drug use: From 1997-98, past year use among 10th graders

decreased from 38.5 percent to 35 percent; 2) Marijuana: From 1997-98, lifetime, past year, and past month use dropped among 10th graders; from 42.3 percent to 39.6 percent for lifetime use; from 34.8 percent to 31.1 percent for past year use; and from 20.5 percent to 18.7 percent for past month use; 3) Alcohol: From 1997-98, some decreases were seen among 10th graders: past year use decreased from 65.2 percent to 62.7 percent; and proportions of 10th graders reporting having been drunk in their lifetimes and during the past year also decreased.

- **Substance Use and Driving Behaviors:** During the week of December 28, Substance Abuse and Mental Health Services Administration (SAMHSA) will release a new study, *Driving After Alcohol or Drug Use* which estimates that, within one year, 28 percent, or 46.5 million, of the 166 million drivers in the U.S. used either drugs or alcohol or both within two hours prior to getting behind the wheel. Findings of this study points up to the need for drivers to sharpen their awareness to the dangers of driving under the influence of drugs and alcohol.
- **Preemptive State Tobacco Control Laws:** Cigarette smoking remains the leading preventable cause of death in the U.S. Environmental and policy interventions, in particular tobacco-control laws and regulations, are important to prevent and reduce tobacco use. However, preemptive tobacco-control laws restrict the ability of local governments to regulate health issues, thus weakening the effectiveness of such interventions. Although some Federal laws limit further tobacco-control restrictions, this study published in the December 18 issue of the *Mortality and Morbidity Weekly Report* documents trends in preemptive tobacco legislation at the State level, which show a considerable increase in the number of preemptive laws from 1982 to 1996, as well as a statistically significant increase in the number of preemptive provisions from 1993 to 1996.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Homeless Assistance:** On December 23, you will announce approximately \$850 million in HUD Homeless Assistance grants that will be distributed to an estimated 300 communities and states. The Continuum of Care grants and Emergency Shelter grants are designed to help homeless people become self-sufficient. The Continuum of Care is the centerpiece of the federal policy on homelessness announced by you in 1994.
- **Empowerment Zones (EZs):** In January, fifteen new urban EZs will be designated from a competition that generated 120 comprehensive strategic plans. The Taxpayer Relief Act of 1997 provides for the designation of 20 new EZs; 15 urban and five rural. Each new EZ will receive tax incentives including \$130-230 million in tax-exempt Facility Bonds and enhanced business incentives.

- **Mayors' Survey on Homeless:** On December 16, the U.S. Conference of Mayors released its Annual Survey on Hunger and Homelessness, which shows there is a need to expand HUD programs that help homeless people become self-sufficient. The survey highlights both the continuing need to address homelessness across the nation and the positive impact of your policies. The survey of 30 cities points to the shortage of affordable housing, substance abuse problems, and mental illness as the three leading causes of homelessness. It points to an average increase in demand for emergency shelter of 11 percent across the cities surveyed, although more than half of the cities stated that there was no unmet demand for emergency shelter.
- **Officer Next Door:** Last week, HUD accepted 45 sales contracts and closed 31 deals on HUD-held properties to police officers under the Officer Next Door program. These additions bring the total number of contracts to 2,351 and closings to 2,022.
- **Hurricane Relief:** On December 15, HUD announced new private sector assistance that will create thousands of new homes in Central American and Caribbean nations devastated by Hurricanes Mitch and Georges. HUD will also send teams of experts to the nations to help speed reconstruction. Secretary Cuomo made the announcement at the White House Private Sector Donor Conference.

DEPARTMENT OF TRANSPORTATION

- **Wright Brothers 95th Anniversary of Aviation:** On December 17, Secretary Slater, FAA Administrator Garvey and NASA Administrator Goldin participated in the Wright Brothers 95th Anniversary Celebration to kick off 1999 as the Year of Aviation and to educate school children about aviation. One hundred and sixty children across the metropolitan Washington area will participate in a live NASA CONNECT television broadcast. The NASA CONNECT television series "Wherever You Go, There You Are," which focuses on navigation, will be broadcast live to local PBS stations across the country. Over 10,000 educators and 700,716 students have registered for the NASA CONNECT series, including registrations from 11 countries.
- **Western Hemisphere Transportation Ministerial:** As part of your commitment to opening global markets, on December 14-16 Secretary Slater hosted transportation ministers and senior industry representatives from 34 Western Hemispheric nations at a ministerial meeting in New Orleans. The meeting discussed the funding of transportation and its critical link to expansion of international and hemispheric trade.
- **Security at NY and NJ Airports:** On December 8, as the result of national intelligence assessments, the FAA placed additional antihijacking measures in effect at Kennedy, LaGuardia, and Newark airports.

- **China Open Skies:** On December 3-8, during a series of informal meetings in Beijing, Shanghai and Guangzhou, a delegation of aviation officials from State and DOT discussed the many benefits that would flow from a less restrictive aviation regime. The existing U.S.-China aviation agreement imposes a variety of restrictions which impede the development of U.S.-China air services. The Vice Minister of the General Administration of Civil Aviation of China agreed to a follow-up meeting to take place December 18 in Washington with Secretary Slater.
- **Alitalia Discrimination against Disabled Passenger:** On December 15, DOT reached a settlement with Alitalia over the carrier's failure to transport a passenger due to his disability. DOT noted that the federal law prohibiting unreasonable discrimination against passengers in foreign air transportation applies to foreign as well as U.S. carriers, and that Alitalia violated this prohibition. Although the carrier did not admit any wrongdoing, it agreed to cease and desist from violations in the future. No monetary penalty was assessed.
- **WA Conservation Corps (WCC):** The Federal Highway Administration has approved a request from WA State DOT to use the services of WCC on federal-aid projects. The WCC is a job-training program for unemployed 18-25 year-olds. In return for a 12-month commitment, the WCC provides corps members employment at minimum wage, an opportunity to earn a GED, up to 36 hours of college credit, and an opportunity to receive a \$4,725 AmeriCorps Education Award.

DEPARTMENT OF ENERGY

- **Highly Enriched Uranium Purchase Agreement:** On December 21-22, Under Secretary Moniz will hold talks in Paris with Russia and key western uranium companies. These talks are part of a process tasked by you and President Yeltsin at the Moscow Summit in September to attempt to overcome problems plaguing the marketing of Russian natural uranium. These problems have the potential to stop the sale of other uranium from Russia that originates in Russian weapons, a key U.S. motivation for the entire 20 year agreement. The talks in Paris may lead to a solution of Russia's grievances. If successful, you and President Yeltsin would receive a report early next year. There is strong bipartisan support for the agreement.
- **Stockpile Certification Report:** The annual report from the Secretaries of Energy and Defense that advises you as to the safety and reliability of the stockpile without underground nuclear testing is being prepared and should be forwarded to you by the end of the year. You established the annual certification process in 1995 as a part of your announcement supporting the Comprehensive Test Ban Treaty. During the certification process all active and inactive weapon types are reviewed by the three national weapons laboratories and DoD personnel.

- **X-Ray Crystallography User Beamline:** DOE's Argonne National Laboratory plans to open for general use in January an X-ray crystallography user beamline. The data provided by the beamline will be fundamental to understanding biochemical reactions -- the basis for new drug design and creation of new biotechnology processes of interest to DOT and the public. The users will include the National Laboratories, academia, and the pharmaceutical and other biotechnology industries. It is anticipated that there will be a waiting list of users from the first day.
- **Gasoline Prices:** The NY Harbor spot price for conventional regular gasoline closed at 29.9 cents per gallon on December 7, down .40 cent from last week, which had previously been the lowest in more than 12 years. The national average retail regular gasoline price dropped 2 cents per gallon, the largest week-to-week drop since the close of the Gulf War. This was the third successive record-setting week in the eight-year history of the survey. On December 7, the national average retail regular gasoline price was 95.4 cents per gallon, down 18.7 cents from a year ago. As of December 4, the U.S. had 208.2 million barrels in gasoline stocks, up 2.5 million barrels from the previous week and 4.6 million barrels higher than the previous year.

DEPARTMENT OF EDUCATION

- **Meetings with Members:** On December 17, Secretary Riley met with Representatives Goodling and Clay to discuss plans for the reauthorization of the Elementary and Secondary Education Act. At the suggestion of Senator Kennedy, the Secretary has set up a January meeting to discuss ESEA reauthorization with Democrats on the Labor and Human Resources Committee.
- **NY Special Education:** The NY State Department of Education's proposal to change the special education funding formula, one of the state's top education priorities for FY99, seeks to reduce overrepresentation of minority students in special education programs. A December 11 *NY Times* article noted that the funding formula was one of the causes of overrepresentation and judged that the current proposal would allow special education programs to serve mild and severely disabled students. A *NY Post* article attacked a NY Civil Liberties Union lawsuit that alleges that the education received by minority students is so inferior that it constitutes discrimination under civil rights law. DOEd officials have been in contact with the state to discuss the proposed changes.
- **IDEA Regulations:** DOEd is conducting ongoing discussions with OMB regarding final regulations to implement the Individuals with Disabilities Education Act Amendments of 1997. DOEd expects to resolve all issues and publish final regulations in the *Federal Register* by early to mid-January. The regulations are controversial and will have an impact on children with disabilities and their families, states, school districts, and organizations that provide services for children with disabilities.

- **SC Governor's Inauguration:** On January 13 Secretary Riley will attend the inauguration of the SC Governor.
- **State of Education Address:** On February 16, Secretary Riley will deliver his State of Education Address at California State University at Long Beach.

VETERANS AFFAIRS

- **Nursing Educational Assistance Initiative:** VA, employer of 36,000 registered nurses, will announce an initiative to provide \$50 million in educational assistance over five years for nursing staff at VA facilities around the country. On December 18, VA signed a MOU with the American Association of Colleges of Nursing (AACN). AACN will assist in eliciting support from schools of nursing in shaping both traditional and non-traditional academic programs to provide opportunities for baccalaureate and higher education to registered nurses at all VA medical centers.
- **Colon Cancer Research Study:** The Detroit VA Medical Center is leading other medical facilities in a clinical trial to study the ability of folic acid to prevent the recurrence of colon polyps. Most colon cancer, which is the second most common cancer in the U.S. and other western countries, is believed to arise in benign colon polyps that occur in as many as 30-40 percent of persons over the age of 50.
- **Health Effects of Depleted Uranium:** On December 10, the *CBS Evening News* aired a piece about depleted uranium and the health effects it may have on veterans who served in the Gulf War. Dr. Melissa McDiarmid of the Baltimore VA Medical Center, a depleted uranium expert, was interviewed for the report. On December 3, *AP*, *Reuters*, and *Knight Ridder* reported that veterans who served in the Gulf War suspect that depleted uranium in U.S. ammunition made them sick.

ENVIRONMENTAL PROTECTION AGENCY

- **Air Quality Report:** On December 21, EPA will release the 1997 "National Air Quality and Emissions Trends Report." The report tracks trends in both concentrations and emissions of six major air pollutants: carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter and sulfur dioxide. The report shows that since 1970, total national emissions of air pollutants declined 31 percent. The report also demonstrates that economic growth and environmental protection can go hand-in-hand; while air pollution decreased by 31 percent since 1970, the gross domestic product increased 114 percent and U.S. population grew by 31 percent. However, over this same period, emissions of nitrogen oxides (NOx) -- a component of smog -- increased 11 percent and 107 million people live in areas that do not meet air quality health standards. In September, EPA issued a rule which is expected to decrease NOx pollution in the northeastern states -- where NOx are most predominant -- by 28 percent by 2003.

- **Toxic Release Inventory:** EPA will soon issue a proposed rule to add seven persistent bioaccumulative toxic chemicals to the Toxic Release Inventory. The rule will also lower the reporting thresholds for these seven and an additional 16 chemicals already on the Toxic Release Inventory. Even very small releases of these chemicals can slowly build up to very high levels in the environment and in plants, animals, and humans causing significant adverse impacts to public health and the environment.
- **Environmental Justice Advisory Committee:** On January 11-12, EPA's Environmental Justice Advisory Committee will hold its fourth meeting in Washington, DC. Under Title VI of the Civil Right Act, EPA is required to ensure that minority communities are not disproportionately impacted by the pollution in their area. The Committee will focus on assisting states in developing a state permitting program to address environmental justice concerns.

UNITED STATES TRADE REPRESENTATIVE

- **Japan Rice:** By December 21, the Japanese government will decide whether to abandon its present regime to limit rice imports through quotas and, instead, to impose tariffs on rice imports. Tariff options under consideration include either weight-based tariff schemes or tariff rates as high as 1,380 percent. Ambassador Barshefsky and Secretary Glickman sent a letter to Agriculture Minister Nakagawa expressing concern about the effect of the proposed schemes on American rice exports. As a result, Agriculture Minister Nakagawa has agreed to keep the U.S. apprised of developments through their Embassy and to send emissaries from the Ministries of Agriculture and Foreign Affairs this weekend to discuss the matter.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Interdiction Coordinator Meeting:** On December 21, Director McCaffrey will meet with the U.S. Interdiction Coordinator (USIC) Admiral Loy to discuss issues raised at the Joint Staff J-3/USIC Quarterly Counterdrug Conference held on December 9-10. The goal of the interagency conference was to develop a strategic vision for focused interdiction and operational guidance supported by proper resource allocation. The following issues will be discussed: Forward Operating Locations; interdiction planning guidance; and resource management.
- **Prisons and Drugs Meeting:** On December 21, Director McCaffrey will meet with the Director of HHS' National Institute on Drug Abuse and the Director of DOJ's National Institute of Justice, to discuss ways of breaking the cycle between drug abuse and prisons. This meeting will result in a major initiative to take advantage of the tools offered by the criminal justice system to treat drug abuse and reduce the number of addicted Americans. In addition to significantly decreasing the nation's addict population, this initiative promises to reverse the trend of expanding prison populations.

SMALL BUSINESS ADMINISTRATION

- **SBA-Bell Atlantic MOU:** SBA and Bell Atlantic signed a MOU to create new opportunities for minority and women-owned small businesses. The agreement is designed to increase Bell Atlantic's direct purchases and subcontracting from businesses owned by minorities and women. Through this public-private partnership, SBA and Bell Atlantic hope to increase the participation of women and minority-owned firms in the telecommunications field. The payoff will result in more business opportunities for minority suppliers and more jobs and dollars in the communities where suppliers are located. The MOU was among the several initiatives SBA announced at the BusinessLINC event with the Vice President on December 16.
- **SBIC Roll-Out:** SBA plans a major roll-out of the Small Business Investment Company (SBIC) program's outreach workshops. Administrator Alvarez and the Reverend Jesse Jackson will attend the kick-off workshop to be held in Chicago in March 1999. The workshops are co-sponsored by the bank regulatory agencies and are designed to bring together investor groups, venture fund managers, and economic and community development groups interested in forming SBICs focused on providing equity-type capital to small businesses located in rural areas and the inner cities.
- **Business Initiatives Partnership:** SBA will sign a co-sponsorship agreement with the IRS to jointly operate a project designed to deliver IRS taxpayer and employer information services through Small Business Information Centers (BICs). In four pilot BIC sites -- Atlanta, Chicago, Los Angeles, Boston -- the IRS will assign a staff person to conduct seminars and individual counseling on IRS tax regulation and reporting issues. No compliance enforcement or tax preparation activities will take place. The IRS has agreed to supply tax information and publication racks for all SBA BICs.
- **Disaster Assistance:** Since the start of FY99, SBA has approved 14,234 new disaster loans for \$272.2 million, which resulted in \$291.1 million in obligated funds after cancellations, increases and decreases.

OFFICE OF PERSONNEL MANAGEMENT

- **Christmas Eve Half-Day Holiday:** On December 17, you signed an executive order that closes all executive departments and agencies of the Federal government and excuses employees from duty for the last half of the scheduled workday on December 24. The executive order allows agency heads to determine that certain offices must remain open and that certain employees must remain on duty for the full scheduled workday on December 24, for reasons of national security or defense or for other essential public reasons.

UNITED STATES INFORMATION AGENCY

- **Overseas Reaction to Air Strikes:** Opinion from Europe largely supported the U.S. and UK taking this "unavoidable" action. Some editorials, looking down the road, expressed concern that the raids may not be effective in reducing Iraq's ability to build weapons of mass destruction and could undermine future UN efforts to deal with the problem. The timing of the attack sparked speculation "that Clinton is playing domestic politics with his missiles." From the Middle East, Israeli papers said "the U.S. needs to win the war it started" and called on the West to adopt a "serious strategy designed to rid the world of Saddam Hussein once and for all." Pundits in Morocco and Qatar criticized the "falsehoods" in UNSCOM chief Butler's recent report to the UN and lamented the fate of the "people of Iraq, who continue to starve under economic sanctions."
- **Middle East Trip:** Overseas commentators focused on the Gaza leg of the trip, many interpreting your remarks to the members of the Palestinian National Council as an endorsement of the future Palestinian state. Others saw the trip as evidence of a U.S. effort to strike a new balance in U.S. relations vis-a-vis Israel and Palestine, respectively. Several commentators lamented the unfortunate, "paradoxical" coincidence between your good performance on the foreign affairs front and domestic political troubles. All major European media outlets praised you for undertaking a difficult mission to restart the peace process in the midst of domestic travails. Asian editorialists saw your role in furthering the Mideast peace process as a "sorely needed mission" and expressed the hope that impeachment "will never happen."

SOCIAL SECURITY ADMINISTRATION

- **Social Security Beneficiaries:** In the next several weeks, SSA will release to Congress the report of the pilot study of contribution statements for beneficiaries that provides beneficiaries with rate of return information on their tax contributions from their working years, as required under the Contract with America Advancement Act of 1996. The pilot was proposed to show current Social Security beneficiaries the relationship between benefits received and taxes paid. The report will indicate that although the beneficiaries who participated in the study expressed some interest in the information, they questioned the usefulness and raised concerns about the cost. The report will conclude that it would not be cost-effective to establish and maintain a major process to distribute information about rates of return on worker tax contributions to beneficiaries and suggests that SSA explore ways to provide general information on the return on contributions as an alternative.
- **Town Hall Meeting:** On January 8, Commissioner Apfel is tentatively scheduled to travel with the Vice President to Sioux City, IA to participate in a Social Security town hall meeting.

DEPARTMENT OF DEFENSE

AZ Military Sites: Last week, Governor Hull's Task Force gave the Air Force positive feedback on its handling of military installations in AZ, particularly the Legislative Environmental Impact Statement for the Barry Goldwater Range. The purpose of the Task Force is to provide a forum to discuss the \$3.5 billion economic impact of military installations in AZ.

Holiday Travel: On December 22-24, Secretary Cohen will travel to Italy and Bosnia to participate in pre-Christmas festivities with U.S. servicemen and women.

Domestic Assistance: About 70 Army National Guard and Air National Guard personnel are assisting with disaster recovery efforts throughout the U.S. and its territories. About 35 Puerto Rico National Guard personnel continue to provide support for Hurricane Georges recovery efforts. Several MN National Guard personnel are assisting FEMA with managing mobile homes for flood victims. IN National Guard personnel are transporting hay to OK farmers affected by the summer drought.

Hurricane Mitch: The U.S. Southern Command is coordinating the efforts of approximately 4,560 U.S. Army, Navy, Air Force, and Marine personnel in Guatemala, Honduras, El Salvador, Nicaragua, and Panama who are assisting with food distribution, medical treatment and logistics. Army Engineers, Marine Engineers, and Navy Seabees are currently repairing roads and bridges and U.S. defense attaches are coordinating airlift support with their host-nation governments. The U.S. military has delivered over 2,200 tons of medical and other relief supplies and provided medical treatment of 6, 738 people.

CENTRAL INTELLIGENCE AGENCY

CIA-FBI Meeting: On December 15, General Gordon met with the Assistant FBI Director for National Security Neil Gallagher to discuss CIA-FBI cooperation on counterintelligence issues.

cc:

The Vice President

John Podesta

Paul Begala

Sandy Berger

Sidney Blumenthal

Maria Echaveste

George Frampton

Mickey Ibarra

Janis Kearney

Ron Klain

Neal Lane

Jack Lew

Ann Lewis

Joe Lockhart

Minyon Moore

Bruce Reed

Steve Ricchetti

Craig Smith

Doug Sosnik

Gene Sperling

Larry Stein

Melanne Verveer

12-21-98

THE WHITE HOUSE
WASHINGTON

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Ibarra
Podesta

December 18, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra

SUBJECT: Office of Intergovernmental Affairs Weekly Report - December 14- 18 , 1998

We the People

- IGA is fully engaged to mobilize our elected officials in support of your many achievements and continued leadership. Today, elected officials participated in the Ann Lewis conference calls and received both "We the People" talking points and answers to frequently asked questions in an effort to empower and energize your friends to take immediate action following the House vote to express support to their constituents and media. More contacts will be made next week.
- In addition, we have received a host of correspondence from elected officials this week to include the following attachments: 1) statement from the state attorney generals of Iowa, Indiana, Michigan, and Minnesota , 2) summary of statements from Republican governors, 3) Mayor Rendell letter to Congress, 4) news release and resolution of the National Conference of Black Mayors opposing impeachment sponsored by Mayor Webb, 5) news article reporting on Mayor Finkbeiner and U.S. Conference of Mayors press conference, and 6) press release of the National Black Caucus of State Legislators.

Governor Chiles

- IGA provided staff support to the Vice President and Mrs. Gore for the Memorial Service for Governor Lawton Chiles of Florida on Wednesday, December 16. The Vice President's remarks on your behalf were well received by Mrs. Rhea Chiles, the Chiles family, and 800 guests. Other program participants included Governor Buddy McKay, Senator Bob Graham, and Senator Sam Nunn. Members of your Cabinet attending included Secretary Riley, Secretary Shalala, Attorney General Reno, and Administrator Browner. Governors attending included Zell Miller, Howard Dean, Tom Carper, Roy Romer, and Parris Glendening.

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December 19, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: LARRY STEIN *LS*
SUBJECT: LEGISLATIVE WEEKLY REPORT

House of Representatives

- **House Schedule:** The House stands adjourned *Sine Die* until Wednesday, January 6.
- **Iraq Resolution:** On Thursday, the House approved (417-5) H.Res. 612, a resolution expressing the Congress' unequivocal support for the men and women of our Armed Forces who are currently carrying out missions in and around the Persian Gulf region.
- **Impeachment Articles:** On Friday, the House began debate of H.Res. 611, a resolution consisting of four articles of impeachment. On Saturday, the House completed general debate of the resolution and entertained several procedural votes prior to voting on the four articles. Democratic efforts for consideration of a censure resolution were ruled out of order by the Chair. Democrats appealed the ruling of the Chair; however, the vote failed (230-204). Democrats then protested the vote by briefly walking off the floor to hold a press conference.

The first article, alleging perjury during grand jury testimony, passed (228-206) with five Democrats supporting the measure and five Republicans voting in opposition. The second article, dealing with perjury in a civil deposition, failed (205-229) with five Democrats supporting the article and twenty-eight Republicans opposing the measure. The third article, alleging obstruction of justice, passed (221-212) with five Democrats voting in support and twelve Republicans voting against the article. The fourth article, dealing with abuse of power, failed (148-285) with only one Democrat voting in support of the measure and eighty-one Republicans in opposition.

Only one Democrat, Taylor (MS) voted in favor of each article. Four Democrats voted for articles one, two, and three. They were Goode (VA), Hall (TX), McHale (PA), and Stenholm (TX).

There were five Republicans who voted against all four articles, they are: Houghton (NY), King (NY), Morella (MD), Shays (CT), and Souder (IN). There were three Republican members who voted against articles two, three, and four but in favor of article one. They are: ~~Castle (DE)~~, English (PA), and Kim (CA). Seventeen Republicans voted against articles two and four but in favor of one and three. They were: Burr (NC), Campbell (CA), Dickey (AR), Ensign (NV), Foley (FL), Gilman (NY), Greenwood (PA), Hobson (OH), Kelly (NY), Klug (WI), Lazio (NY), Ney (OH), Pryce (OH), Ramstad (MN), Scarborough (FL), Shaw (FL), and Shuster (PA).

Attachment I. contains a list of members who voted against their party position for each of the four articles. The House also approved the appointment of Managers for the Senate trial (See attachment II.) and transmitted the two articles to the Secretary of the Senate.

United States Senate

- The Senate stands adjourned *Sine Die* until Wednesday, January 6, 1998.

cc: The Vice President
John Podesta
Maria Echaveste
Steve Ricchetti
Doug Sosnik
Paul Begala

ATTACHMENT I.

1st. Article

Passed: 228-206

Democrats Voting In Favor (5)

Goode (VA)
Hall (TX)
McHale (PA)
Stenholm (TX)
Taylor (MS)

Republicans Voting Against (5)

Houghton (NY)
King (NY)
Morella (MD)
Shays (CT)
Souder (IN)

2nd. Article

Failed: 205-229

Democrats Voting in Favor (5)

Goode (VA)
Hall (TX)
McHale (PA)
Stenholm (TX)
Taylor (MI)

Republicans Voting Against (28)

Burr (NC)
Campbell (CA)
Castle (DE)
Dickey (AR)
English (PA)
Ensign (NV)
Foley (FL)
Gibbons (NV)
Gilman (NY)
Graham (SC)
Greenwood (PA)
Hobson (OH)
Houghton (NY)
Kelly (NY)
Kim (CA)
King (NY)
Klug (WI)
Lazio (NY)
Morella (MD)
Ney (OH)
Pryce (OH)
Ramstad (MN)
Sanford (SC)
Scarborough (FL)
Shaw (FL)
Shays (CT)
Shuster (PA)
Souder (IN)

3rd. Article
Passed: 221-212

Democrats Voting in Favor (5)

Goode (VA)
Hall (TX)
McHale (PA)
Stenholm (TX)
Taylor (MS)

Republicans Voting Against (12)

Boehlert (NY)
Castle (DE)
English (PA)
Houghton (NY)
Johnson (CT)
Kim (CA)
King (NY)
Leach (IA)
McHugh (NY)
Morella (MD)
Regula (OH)
Shays (CT)

4th. Article

Failed: 148-285

Democrats Voting in Favor (1)

Taylor (MS)

Republicans Voting Against (81)

Bass (NH)	Lazio (NY)
Bereuter (NE)	Leach (IA)
Bilbray (CA)	LoBiondo (NJ)
Boehlert (OH)	McCrery (LA)
Bonilla (TX)	McHugh (NY)
Burr (NC)	McInnis (CO)
Campbell (CA)	McIntosh (IN)
Castle (DE)	Moran (KS)
Davis (VA)	Morella (MD)
Dickey (VA)	Nethercutt (WA)
Ehrlich (MD)	Ney (OH)
Emerson (MO)	Northup (KY)
English (PA)	Parker (MS)
Ensign (NV)	Petri (WI)
Fawell (IL)	Porter (IL)
Foley (FL)	Portman (OH)
Fossella (NY)	Pryce (OH)
Franks (NJ)	Quinn (NY)
Frelinghuysen (NJ)	Ramstad (MN)
Ganske (IA)	Regula (OH)
Gilchrest (MD)	Riggs (CA)
Gillmor (OH)	Rogers (KY)
Gilman (NY)	Saxton (NJ)
Goss (FL)	Scarborough (FL)
Granger (TX)	Shadegg (AZ)
Greenwood (PA)	Shaw (FL)
Hefley (CO)	Shays (CT)
Hill (MT)	Shimkus (IL)
Hobson (OH)	Shuster (PA)
Houghton (NY)	Souder (IN)
Hulshof (MO)	Tauzin (LA)
Jenkins (TN)	Thornberry (TX)
Johnson (CT)	Thune (AL)
Kasich (OH)	Upton (MI)
Kelly (NY)	Walsh (NY)
Kim (CA)	Weldon (FL)
King (NY)	Weller (IL)
Klug (WI)	White (WA)
Kolbe (AZ)	Whitfield (KY)
Largent (OK)	
Latham (IA)	
LaTourette (OH)	

ATTACHMENT II.

House Managers Appointed for Senate Trial

Barr (GA)
Bryant (TN)
Buyer (IN)
Canady (FL)
Cannon (UT)
Chabot (OH)
Gekas (PA)
Graham (SC)
Hutchinson (AR)
Hyde (IL)
McCollum (FL)
Rogan (CA)
Sensenbrenner (WI)

THE LEGISLATIVE AFFAIRS

WEEKLY REPORT

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FOR THE PRESIDENT

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SUBJECT: COMMUNICATIONS WEEKLY REPORT

For each of your message events we worked to ensure that the message got to our network of governors, mayors, attorneys general, state legislators, county executives, religious leaders, House and Senate Democratic Leadership Offices, Cabinet members, Chiefs and Deputy Chiefs of Staff, Communications Directors, White House Liaisons and Schedulers for all of the agencies. In addition, we also undertook the following speciality amplification efforts:

- **COPS Grants.** Distributed message material about the release of \$93 million in grants to law enforcement agencies in 531 jurisdictions. In addition, distributed materials to 70 religious leaders and organizations as well as over 200 African American law enforcement leaders, national African American law enforcement organizations and national African American organizations.
- **Economic Development in Inner Cities.** Distributed materials to 1400 national and local Hispanic organizations, 70 religious leaders and organizations as well as 200 African American business leaders and organizations.
- **HIV/AIDS Council Meeting.** Distributed materials to 1,000 African American leaders and organizations as well as 70 religious leaders and organizations. In addition, Winnie Stachelberg, the Human Rights Campaign pledged their support in a statement today. “[The Clinton/Gore] Administration has done more for people with HIV and AIDS than any other administration. The President’s Advisory Council on HIV and AIDS has our full support in their efforts and we are committed to following up on their work with the consistent advocacy necessary to implement their recommendations.”

Friends

- Ann talked with many of our friends this week who were preparing public messages of support, including Barbara Streisand and numerous organization leaders.

Preparing public messages of
tion leaders.

- On Friday, we prepared talking points (attached) for distribution to our network. Ann led three conference calls for friends and elected officials, walking them through these points and proactive communications plan for the upcoming phase.

Web

- This week, we launched *A Winter Wonderland -- Holidays 1998* on the White House website. This section contains photos from the rooms on the holiday tour, recipes, the official greeting card, and a welcoming letter from you and the First Lady.
- The website for your Israel trip received over 30,000 hits, a significant number for such a brief trip.

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THE WHITE HOUSE
WASHINGTON

December 19, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN *TDS*
SUBJECT: Climate Change Weekly Report

Domestic Policy

We are continuing work on the climate change tax and investment package for FY 2000. We have had extensive discussions with Ford, GM and Chrysler in an effort to reconfigure our auto-tax credit in a way they can support. We now have a new proposal that they like better than last year's and that would still be good substantively and good for consumers. Whether we will get all the way there with them, so that they actively support it, is not clear yet, but we have come far enough so that we should be able to include the new proposal in our FY 2000 tax package.

Science

Record temperatures. Scientists from the World Meteorological Organization announced that the Earth's average temperature in 1998 will end up about a quarter degree F higher than the previous record year (1997) and will be 1° F warmer than the 1960-90 average. (The Earth's average temperature fluctuates by only about 9-13° F from major ice ages to warmer periods.) The ten warmest years on record have all occurred since 1983, with seven of them since 1990. The regional temperature patterns (January through November) show all of the continents with above average temperatures, except for the northern sections of Eurasia. In the United States, spring and summer heat and drought caused massive wildfire outbreaks in Florida and damage to crops from the southern plains to the southeast. April-June was the driest period in at least 104 years in Florida, Texas, Louisiana, and New Mexico, and May-June was the warmest period on record.

Higher in the atmosphere, where regular measurements are made by instruments on weather balloons and satellites, record high temperatures also occurred. From the surface to about 4.5 miles altitude, record temperatures in 1998 were 0.85° F higher than the average of the last 20 years, making 1998 by far the warmest year. In the lower stratosphere (about 10 to 13 miles above the surface of the Earth) 1998 was colder than usual, though not quite as cold as in 1995-1997 period. (The stratosphere is expected to cool under global climate change, as the lower atmosphere "traps" more heat and warms.)

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Press

In next week's *Business Week*, there is a story on Ford's problem of reconciling their new Sport Utility Vehicle, the Excursion, which will be the largest on the market, getting only 12 miles to the gallon, with their desire to be viewed as environmentally friendly. The nineteen-foot Excursion will be 10 inches longer than the next longest SUV, the Chevy Suburban. It is expected to generate huge profits -- as high as \$20,000 per vehicle. Last year, Ford earned \$5 billion in pre-tax profits from the sale of SUVs -- over 57% of its total earnings.

In next week's *U.S. News and World Report*, there is a story on the recent warming of the Arctic Ocean, where the ice has thinned by around a foot, to 6.5 feet, since the late 1980s, and the problem for scientists posed by the Navy's planned decommissioning of a certain class of nuclear submarines (20-year old Sturgeons) that have been useful in Arctic research.

cc: Vice President
John Podesta
Sandy Berger
George Frampton
Leon Fuerth
Ron Klain
Neal Lane
Jack Lew
Joe Lockhart
Gene Sperling
Jim Steinberg
Janet Yellen

Pod / VP
Can we make up
to research gap in
some other way

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

December 18, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *Neal*
CC: JOHN PODESTA
SUBJECT: OSTP WEEKLY REPORT

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(for reply) ✓
Podesta ✓*

1998 Global Temperature Warmest by a Wide Margin

X The Earth's average temperature in 1998 is projected to be the highest since record keeping began in 1860, the World Meteorological Organization (WMO) said Thursday. The WMO reported that the global average for the year is expected to be 1 degree F above the long-term average of 59 degrees, setting the record by .27 degree F. This jump is extremely large -- records are usually set by the hundredths, not tenths of degrees. This will be the 20th consecutive year during which the earth's surface temperature has been above normal. New temperature records have been set in each of the past 18 months. The *Washington Post* and the *New York Times* today (12/18/98) both carry stories about the announcement.

The official U.S. announcement will be made with representatives from the three long-term surface data sets (NOAA, NASA, and the UK Meteorological office) and the controversial satellite short-term record will report a united finding that 1998 was the warmest year on record. The announcement will be made at the American Meteorological Society meetings in Dallas on January 10-15.

South Korean Scientists Claim To Clone Human Embryo

Both the *Washington Post* and the *New York Times* carried reports yesterday (12/17/98) of a claim made by South Korean scientists that they successfully used cloning techniques to produce a human embryo. The announcement triggered a world-wide response of skepticism and alarm as it was seen as evidence that human cloning is moving forward much faster than many expected. The Korean announcement led U.S. biology experts to question the veracity and ethics of the Korean team. Arthur Caplan, the head of the Center for Bioethics Center of the University of Pennsylvania said, "My first response is that science by press conference in an area as controversial as this is somewhere between despicable and devious." It is important to note that none of their work has been published, and they have released no data, making it impossible to determine the veracity of their claim. According to reports, the cloned embryo was not implanted into a woman's womb, but destroyed at the 4-cell stage. This is too early to know that the cloned embryo would have the potential to develop into a child. However, most scientists

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agree that their claim could be technically feasible, although most also agree that it would be immoral. The spirit of your directive that no federal funding be allowed for the cloning of human beings is accepted worldwide. The Associated Press reported on Friday that "South Korea banned funding today for research into human cloning but acknowledged that it cannot stop 'maverick doctors' from forging ahead with the controversial procedure."

Department Of Energy Wins "Breakthrough Of The Year" Award

Science magazine awarded scientists at the Department of Energy's Lawrence Berkeley National Laboratory their "Breakthrough of the Year" award for work on explaining the expansion of the universe. These Berkeley scientists measured the rate at which distant galaxies are receding from the earth, concluding that there appears to be a force acting at very long distances in the universe that partially counteracts gravity. Einstein's equations for general relativity include a term for such a force -- called the "cosmological constant" -- but Einstein later rejected it. This is the first experimental observation that indicates the term may be real after all. This is the 10th year-end recognition by *Science* of the top developments in scientific research, assessed by their effects on society and the advancement of science. The magazine stated that "Without question, the discovery of the accelerating universe and the resurrection of the cosmological constant fulfill our definition of a breakthrough as a rare discovery that profoundly changes the practice or interpretation of science or its implications for society."

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THE WHITE HOUSE
WASHINGTON

December 18, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

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1. Welfare Reform -- IRS Notice on Workfare and Taxes: The IRS this week issued a long-awaited notice clarifying that welfare recipients who participate in workfare programs do not need to pay income taxes or payroll (FICA) taxes. State and local governments welcomed this ruling because it allows them to run workfare programs without paying the employer's share of FICA taxes. (As you may recall, Governors Carper and Chiles were especially insistent that we issue this ruling.) At the same time, unions decided not to oppose the ruling vigorously, principally because it makes clear that it does not affect the application of the minimum wage or other worker protections to workfare participants.

2. Welfare Reform -- GAO Report on Access to Jobs: A GAO report issued last week on Access to Jobs -- the welfare-to-work transportation initiative you urged Congress to include in the highway bill -- applauds the Administration's early efforts to implement the program. GAO commends the Department of Transportation for coordinating Access to Jobs with other federal welfare-to-work initiatives. It also specifically praises joint guidance by the Secretaries of Labor, HHS, and Transportation, issued even before Congress approved the program, to help state and local officials use available funds to provide transportation for working welfare recipients. The same three departments are about to release an updated version of this guidance, reflecting Congress's enactment of the Access to Jobs program. In addition, we have worked with OMB to include a 100 percent increase in the program (from the \$75 million appropriated last year to the \$150 million authorized) in your FY 2000 budget request.

3. Education -- Scholarships for Teachers: In Thursday's budget meeting, you asked about our scholarship program for students who commit to teaching in high poverty areas. This program, authorized as part of the Higher Education Act last year, receives 10 percent of the appropriation for a broader Teacher Quality and Recruitment Program, which also includes grants to states to raise licensing standards and grants to partnerships between school districts and universities to improve teacher education. The appropriation for the entire program in FY 1999 was \$75 million, which gave us \$7.5 million for approximately 1,400 scholarships. We and OMB are currently exploring whether to propose an increase in the program for FY 2000, with a greater percentage (say, 50 percent) going to the scholarships.

4. Drugs -- Study on Youth Drug Use: HHS released on Friday the 1998 Monitoring the Future study on drug use trends among 8th, 10th, and 12th grade students. The study found, for the second year in a row, a flattening of drug use rates generally, with significant decreases in some categories of use. In the good news department, the study shows: (1) declines among 8th graders in past-30-day use of inhalants (from 5.6 to 4.8 percent) and LSD (from 1.5 to 1.1 percent); (2) declines among 10th graders in past-year use of all illicit drugs (from 38.5 to 35 percent), marijuana (from 34.8 to 31.1 percent), and stimulants (from 12.1 to 10.7 percent), as well as in past-30-day use of marijuana (from 20.5 to 1.7 percent) and cigarettes (from 29.8 to 27.6 percent); (3) declines among 12th graders in daily use of LSD (from 0.2 to 0.1 percent) and cigarettes (from 24.6 to 22.4 percent); and (4) an end to the recent decline in perceived harmfulness of drugs in all grades and an increase in perceived harmfulness of marijuana and drinking among 8th graders. In the bad news department, the study shows: (1) that the use of drugs remains at unacceptably high levels, with for example 25.6 percent of 12th graders, 21.5 percent of 10th graders, and 12.1 percent of 8th graders using an illicit drug (typically marijuana) in the past 30 days; and (2) that cocaine use, while low overall, continues to rise slightly, with for example an increase in past-year use of crack among 8th graders from 1.7 to 2.1 percent.

5. Crime -- Juvenile Brady: You recently asked us how many states have passed laws prohibiting violent juveniles from owning firearms as adults. According to the most recent survey by the Justice Department, 22 states have passed some kind of prohibition on firearms possession by delinquents who have committed violent offenses. Of these states, four permanently prohibit the possession of firearms, six prohibit possession until a court or the Governor orders a restoration of rights, and the remainder prohibit possession for a set period of time (e.g., 10 years) following adjudication of the offense or release from a juvenile facility.

6. Health Care/Tobacco -- Meeting with Senator Kennedy: You are scheduled to meet with Senator Kennedy this week to discuss the FY2000 budget. Among other matters, he will raise the possibility of using tobacco receipts (either from an excise tax or from recoupment of state settlement funds) for a new Medicare prescription drug benefit. Such a benefit probably would cost between 5 and 15 billion dollars a year -- far too much for tobacco receipts to cover in the context of this year's budget. We do believe, however, that a prescription drug benefit is an essential component of any comprehensive reform of Medicare, and that you should indicate your desire to make progress on this issue during the coming year. We are currently considering a way for you to talk about the issue in the State of the Union (which we would like to discuss with you soon), but think it would be premature to raise the idea with Kennedy.

7. Tobacco -- Attorneys' Fees: An arbitration panel last week awarded \$8.2 billion in legal fees to the attorneys representing Florida, Texas, and Mississippi in tobacco litigation. The industry will pay the fees to the attorneys over the next 20 or so years, over and above what it will pay the states. (The industry's annual payments for arbitral judgments are capped at \$500 million per year.) The panel determined the fees by multiplying 10 percent of each

state's settlement by a figure (between 1.9 and 3.5) representing the risks taken and work done by the state's attorneys. The panel used the largest multiplier to calculate fees for Mississippi's attorneys, because they brought the very first tobacco suits. Minnesota's attorneys settled earlier this year for the relative pittance of seven percent of the state's award. Attorneys for the other 46 states have a choice between seeking fees from an arbitration panel and accepting an offer of "liquidated fees" from the industry. Fees for most of these attorneys will be much smaller, reflecting the fact that they did less work and took less risk in bringing their cases.

THE PRESIDENT HAS SEEN

12-21-98

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

December 18, 1998

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Economic report:
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Spending
Podesta

CHART OF THE WEEK

Goods Trade with Mexico



The relative importance of U.S. trade with Mexico has been growing, and that country is now our second largest trading partner, behind Canada. U.S. exports to Mexico fell after the financial crises of 1982 and December 1994. Nevertheless, exports have risen 91 percent in the 5 years since NAFTA went into effect in January 1994, while imports have risen 156 percent. The upward trend in U.S.-Mexico trade began after Mexico joined the GATT in 1986.

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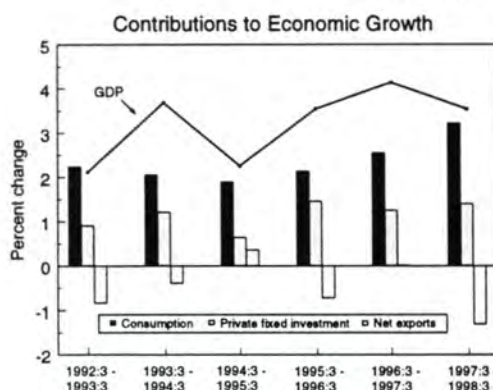


MACROECONOMIC UPDATE

The Energizer Economy Is...Still Going...

GDP grew by 3.5 percent between the third quarter of 1997 and the third quarter of 1998—slightly less than the year-earlier pace of 4.1 percent. Growth in the fourth quarter appears to be running in the 3 to 4 percent range. These rates of growth are higher than most analysts were expecting when they assessed the likely impact of the widening Asian crisis a year ago.

Changing contributors to growth. In the year leading up to the emergence of a serious Asian crisis



in late 1997, consumer expenditures and private fixed investment were important contributors to growth, with little growth coming from other factors including net exports (see chart). Over the next 4 quarters, the widening international crisis had the expected effect of reducing net exports. However, rising consumer expenditures offset much of the drag on growth from declining net exports.

Current performance. Consumption continues to be strong in the fourth quarter as indicated by motor vehicle and other retail sales through November. Job growth has also been robust. Net exports are most likely to be a drag over the medium term, but the trade deficit in October was smaller than expected.

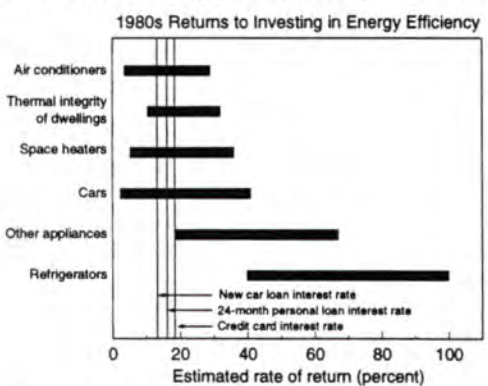
The future. Growth has continued to be faster than the long-run sustainable pace of 2.4 to 2.5 percent per year that is consistent with annual labor force growth of 1.2 percent and trend productivity growth of 1.3 percent. The Administration is forecasting that growth will slow to 2 percent in 1999 and 2000 as the waning effects of the stock market boom lead to lower consumption and excess industrial capacity slows the demand for industrial equipment. Private forecasters, too, are forecasting a significant slowing.

SPECIAL ANALYSIS

It's Getting Harder to Save Money by Being Green

Studies in the 1980s found an apparent "energy paradox" in which consumers were unwilling to invest in energy-efficient products such as improved insulation materials and energy-efficient appliances, even though such purchases might have saved them money. In the 1990s, the implementation of energy efficiency standards contributed to raising average energy efficiency, but, combined with lower energy prices, the tighter standards may have reduced the opportunities for *additional* investments that save both energy and money.

The 1980s. More energy-efficient products typically require a larger initial outlay than their less-efficient counterparts, but they result in lower energy bills through time. These energy-cost savings can be expressed as a rate of return on the extra cost



of the more efficient product. The chart shows ranges of estimates of such rates of return from the 1980s for a number of products. In the most dramatic example of how a consumer could save money and energy, the rate of return on investing in a more energy-efficient refrigerator was estimated to be in the 39 to 100 percent range, compared with financing costs of less than 20 percent.

The 1990s. Two factors have reduced the rate of return from investing in energy efficiency in the 1990s. First, the relative price of electricity has fallen by about 27 percent since 1983, reducing the energy cost savings associated with more efficient products. For example, the rate of return on today's standard high-efficiency central air conditioner is 2.3 percent, but it would be 8.7 percent if electricity were still priced at its 1983 rate. Second, the implementation of energy efficiency standards for products such as refrigerators, washing machines, and florescent light bulbs reduced the difference in efficiency between more- and less-energy-efficient products, and hence the potential cost savings from investing in greater efficiency. Lower interest rates in the 1990s make energy efficiency investments more attractive, but this effect has been outweighed by the changes in prices and efficiency standards.

Implications. A substantial fraction of domestic greenhouse gas emissions comes from energy use, and reducing energy consumption will play a central role in reducing emissions. The energy paradox implies that opportunities exist for consumers to save energy *and* money by making energy-efficient investments and that at least some reduction in energy can be achieved costlessly. However, today's low energy prices and higher efficiency standards have eliminated some of the "low hanging fruit" and reduced opportunities for such money-saving investments in energy conservation.

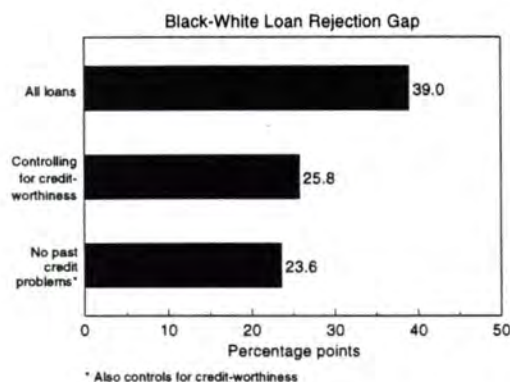
Chris / cc / Hilary
Alvarez

ARTICLE

Discrimination in the Small Business Credit Market

Black-owned small businesses are about twice as likely to have loan applications denied than are similarly credit-worthy white-owned businesses, according to a new study. Discrimination appears to be more prevalent in small business lending than in the high-profile mortgage loan market. Because of the demanding capital requirements for starting and running small businesses, racial discrimination in the credit market can be especially harmful for minority ownership.

The black-white loan rejection gap. The new study, which is based on the credit experiences of more than 4,600 small businesses surveyed in the early 1990s, found that 66 percent of loan applications from black-owned firms were rejected, compared with 27 percent of those from white-owned firms. This gap was due in part to black-white differences in financial background and previous loan delinquency, profitability and sales, experience and education of owner, and other factors relevant to credit-worthiness.



All things equal? Even after controlling for factors relevant to credit worthiness, the study found that black-owned firms still faced a loan denial rate about 25 percentage points higher than that of white-owned firms (see chart). The study found less bias in loan approvals against firms owned by other racial groups and

none against those owned by women. The black-white rejection gap existed even among firms that had no past credit problems. Furthermore, black-owned firms also paid interest rates about 1 percentage point higher than their counterparts with similar credit-worthiness. Surprisingly, the difference was even greater (about 1.5 percentage points) for those with no past credit problems.

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Minding one's own business. Because entrepreneurs are generally liquidity constrained and thus rely on existing personal assets, loans are critical to small business ownership and self-employment. For example, all else equal, workers are more likely to move from employment to self-employment when they have greater family assets or have received an inheritance or gift, that is, when they are less constrained by loan availability. Discrimination in small business lending would further disadvantage non-white entrepreneurs. Black men are only one-third as likely to be self-employed as white men; they move into self-employment at one-half the rate of whites and they move out at twice the rate.

More than mortgages. This evidence is consistent with inequities in other lending markets. In the mortgage market, for example, the most widely cited evidence shows

that lenders are about 8 percentage points less likely to approve loans for non-whites than for whites with similar characteristics. (Without controlling for any other characteristics, the data show non-whites being rejected 28 percent of the time and whites 10 percent.) One explanation for the larger black-white gap in small business lending is that lenders may feel a greater “distance” from the applicant in the mortgage market. Because about 50 percent of mortgage loans are traded in a secondary market (Fannie Mae, Freddie Mac, and Ginnie Mae), the original lender may have little intention of maintaining the loan relationship and hence less reason to discriminate.

How to discriminate with statistics. These gaps in loan rejection and interest rates among blacks and whites with similar characteristics may result from a number of unlawful practices. “Red-lining,” or the denial of equal terms to applicants from different neighborhoods, may disproportionately harm non-white applicants. Also possible is “statistical discrimination,” which is the use of race as an indicator of credit-worthiness. Finally, there is the simple personal prejudice of the lender. The reported gaps may overstate illegal discrimination if some lawful information that creditors use is missing from the survey; however, these gaps may understate discrimination if creditors discourage non-white entrepreneurs from applying in the first place. In short, despite the statistical evidence of bias against non-whites, the exact motivations and mechanisms for discrimination in credit markets remain unclear.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

More Americans Will Pay Zero Federal Income Tax in 1998. The number of Americans who will pay no Federal income taxes is expected to rise in 1998. But the share of taxes collected from people earning more than \$40,000 a year continues to grow, according to a new report from the Congressional Joint Committee on Taxation. Nearly 48 million Americans will owe no Federal income tax for this year, compared with 46 million in 1997. The increase was attributed in part to the new \$400-per-child tax credit. Taxpayers with incomes above \$40,000 will pay 96 percent of income taxes collected in 1998, up from 94 percent the year before. The 10.5 million taxpayers (8 percent of all returns) with incomes in excess of \$100,000 will account for 62 percent of 1998 income taxes, compared with 56 percent last year. The report also estimates that only 36 million of the 87 million taxable returns in 1998 will itemize deductions.

Do Managers Have Discretion in Wage Setting? Economists have long recognized that managers do not always have the incentive to maximize profits. A recent study examines whether managers might exhibit non-maximizing behavior when they set wages. It uses states' passage of anti-takeover legislation as a source of independent variation in managers' discretion over wages. The study assumes that managers recognize that if they fail to maximize profits, they endanger themselves by risking takeover and subsequent job loss. Anti-takeover laws insulate managers from takeover pressures and may dull their incentives to maximize profits. The study looks specifically at business combination (BC) laws passed in 28 states during the middle and late 1980s that impeded highly leveraged takeovers. Using firm-level data from 1976 to 1995, the study finds that the passage of BC laws led to an increase in annual wages of 1 to 2 percent, or \$500 per year. This increase in wages may have gone to existing workers in the form of above-market wages, or it may have stemmed from managers' preferences for hiring more qualified (and therefore higher paid) workers.

SO₂ Permit Prices Rise as Phase II Approaches. The price for SO₂ allowances in the EPA's Acid Rain Program increased 84 percent over 3 months this spring. The permits, which had been trading at around \$100 per ton for almost a year, are now trading at approximately \$189 per ton. The costs of Phase II of the program, which will begin in 2000, are expected to be much higher than those of Phase I, because Phase II calls for further reductions in emissions. But SO₂ permits can be banked and used in the future and one would not have expected such large price movements solely on the basis of this anticipated policy change. One possible explanation is that the approach of Phase II and the need to develop compliance strategies may have shocked firms out of their myopia. A second explanation is that legislation is pending that could effectively reduce the number of permits available in Phase II. If fewer permits are available for Phase II, prices in that phase will be much higher than previously anticipated.

INTERNATIONAL ROUNDUP

Most Firms Are Not Ready for the EMU. The majority of European companies are not ready for the implementation of the EMU, according to a report by a major consulting firm. Nearly all survey respondents claimed they had a strategy regarding EMU implementation. Less than two-thirds had estimated adaptation costs, however, and less than half had budgeted for them. Some early estimates suggest that system adaptation alone might require one-and-a-half times the effort of Y2K compliance. Moreover, significant mismatches are likely in terms of when sectors and countries price and purchase in euro, when employees start being paid in euro, and when the euro becomes firms' core accounting currency. In addition, firms have identified broader implications of the single currency for pricing, marketing, and branding. According to the report, monetary union is expected to have an impact on everything from price points and packaging to supply chains and workforce and plant location.

And in One Respect, Neither Is France. In what might signal a more aggressive stance toward the liberalization of member countries' foreign ownership restrictions, the European Commission recently said France's "golden share" in its largest oil company was incompatible with Community law on the free movement of capital. So-called golden shares are those containing special ownership rights not accruing to ordinary equity holders. Many governments have retained such shares in privatized firms, establishing veto power over future changes in ownership deemed contrary to their national interest. Uncertainty surrounding government interference, however, is likely to impede the large-scale industrial consolidation expected ultimately to result from monetary union. Since 1997, the Commission has initiated similar cases against Portugal, Spain, Italy and Belgium for practices that infringe on the free movement of capital.

Disappointing Results in the "World's Largest Auction." Thailand's Financial Sector Restructuring Authority (FRA) closed bidding this week on what it claimed would be "the world's largest auction." It had hoped to sell loans with a total face value of \$10.3 billion. Most of the loans were non-performing and backed by property collateral. Some hoped that the sale would return liquidity to the real-estate market by establishing a market-clearing price for the property collateral. It was expected that banks would be required to use this value to mark down the value of the property collateralizing their bad loans. In this way the auction results could also have shed light on the ultimate cost to the government of the bank bailout. Earlier this week, it seemed that the potential contribution of the sale to the restructuring process had won out over both political pressure to forestall the sale and nationalist concerns over potential sales of assets to foreigners. The only good news thus appears to be that the sale took place at all. The FRA accepted bids on only 8.6 percent of the loans, at an average of 37 percent of face value, only slightly higher than the minimum bid of 30 percent that was set to avoid triggering a further collapse in asset prices. The failure to amend bankruptcy and foreclosure laws was blamed by many for the poor results, with troubling implications for future restructuring.

RELEASES THIS WEEK

U.S. International Trade in Goods and Services

The goods and services trade deficit decreased to \$14.2 billion in October from \$14.4 billion in September.

Industrial Production and Capacity Utilization

The Federal Reserve's index of industrial production declined 0.3 percent in November. Capacity utilization fell 0.6 percentage point, to 80.6 percent.

Housing Starts

Housing starts decreased 3 percent in November to 1.65 million units at an annual rate.

Consumer Price Index

The consumer price index increased 0.2 percent in November. Excluding food and energy, consumer prices also increased 0.2 percent.

MAJOR RELEASES NEXT WEEK

Gross Domestic Product (Wednesday)
Advance Durable Shipments and Orders (Wednesday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1997	1998:1	1998:2	1998:3
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	3.8	5.5	1.8	3.9
GDP chain-type price index	5.4	1.7	0.9	0.9	0.8
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.5	1.7	3.5	0.3	3.0
Real compensation per hour:					
Using CPI	0.6	1.9	4.1	2.0	2.2
Using NFB deflator	1.3	2.0	4.3	3.4	3.8
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.6	11.0	11.2	10.9
Residential investment	4.5	4.0	4.2	4.3	4.4
Exports	8.2	11.9	11.6	11.3	11.0
Imports	9.2	13.1	13.1	13.1	12.9
Personal saving	5.2	1.5	0.9	0.3	0.1
Federal surplus	-2.7	-0.3	0.7	0.9	1.1
	1970- 1993	1997	Sept. 1998	Oct. 1998	Nov. 1998
Unemployment Rate (percent)	6.7**	4.9**	4.6	4.6	4.4
Payroll employment (thousands)					
increase per month			172	145	267
increase since Jan. 1993					17273
Inflation (percent per period)					
CPI	5.8	1.7	0.0	0.2	0.2
PPI-Finished goods	5.0	-1.2	0.3	0.2	-0.2

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

New or revised data in **boldface**.

FINANCIAL STATISTICS

	1996	1997	Oct. 1998	Nov. 1998	Dec. 17, 1998
Dow-Jones Industrial Average	5743	7441	8164	9006	8876
Interest Rates (percent per annum)					
3-month T-bill	5.01	5.06	3.96	4.41	4.35
10-year T-bond	6.44	6.35	4.53	4.83	4.58
Mortgage rate, 30-year fixed	7.80	7.60	6.71	6.87	6.69
Prime rate	8.27	8.44	8.12	7.89	7.75

INTERNATIONAL STATISTICS

Exchange Rates	Current level December 17, 1998	Percent Change from Week ago	Year ago
Deutschemark-Dollar	1.666	0.7	-5.8
Yen-Dollar	116.3	-0.6	-8.4
Multilateral \$ (Mar. 1973=100)	94.36	0.3	-4.0

International Comparisons ^{1/}	Real GDP growth (percent change last 4 quarters)	Unemployment rate (percent)	CPI inflation (percent change in index last 12 months)
United States	3.5 (Q3)	4.4 (Nov)	1.5 (Nov)
Canada	2.3 (Q3)	8.1 (Oct)	1.1 (Oct)
Japan	-3.5 (Q3)	4.3 (Oct)	0.2 (Oct)
France	2.8 (Q3)	11.6 (Oct)	0.5 (Oct)
Germany	2.7 (Q3)	^{2/} 7.3 (Oct)	0.7 (Oct)
Italy	1.1 (Q2)	12.4 (Jul)	1.7 (Oct)
United Kingdom	2.3 (Q3)	6.2 (Aug)	3.1 (Oct)

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

2/ Rate for former West Germany. Using OECD standardized unemployment data, the unemployment rate for unified Germany for October 1998 is 9.3 percent.