

Monday, January 11, 1999

5

PHOTOCOPY
PRESERVATION



THE PRESIDENT HANSEN
1-11-99

Do reply

Arthur L. Schechter
Ambassador of the United States of America

Nassau, Bahamas
December 24, 1998

Mr. William Jefferson Clinton
President of the United States of America
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President,

I want to thank you for
done for all of us. It takes
courage to do what you do in
hard work and direction for
country.

The Minister of Tourism
requested that I provide you
on golfing here. I talked to
Saturday night and told him
send this information to you

Mr. President, why don't you stop here in
Nassau on the way back from Central America in
February and take a couple of days to play golf
and relax?

If you wish to do so, you can bet that the
entire community here, from the Prime Minister
down, is very supportive of you and are
enormous Clinton fans. The trip could be as
private or as public as you wish, but the golf
courses here are beautiful. I would be most
happy to vacate our residence, which is secure,
and which overlooks one of these golf courses,
to accommodate your visit.

Of course, the offer is not limited to a
February stop, as Nassau is only about two

1-11-99
Send to NSC for reply
Yes _____
No 1 _____
cc: ~~State~~ # *Response*



1-11-99

Dr. [unclear]

Arthur L. Schechter
Ambassador of the United States of America

Nassau, Bahamas
December 24, 1998

Mr. William Jefferson Clinton
President of the United States of America
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President,

I want to thank you for all that you have done for all of us. It takes a real heap of courage to do what you do in your unfailing hard work and direction for the good of our country.

The Minister of Tourism in The Bahamas had requested that I provide you with information on golfing here. I talked to Vernon Jordan Saturday night and told him that I was going to send this information to you.

Mr. President, why don't you stop here in Nassau on the way back from Central America in February and take a couple of days to play golf and relax?

If you wish to do so, you can bet that the entire community here, from the Prime Minister down, is very supportive of you and are enormous Clinton fans. The trip could be as private or as public as you wish, but the golf courses here are beautiful. I would be most happy to vacate our residence, which is secure, and which overlooks one of these golf courses, to accommodate your visit.

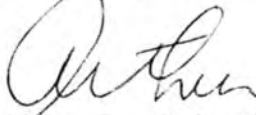
Of course, the offer is not limited to a February stop, as Nassau is only about two

hours flying time from Washington. It would be a great weekend getaway at any time.

Please know you, Hillary, and your family have our love, appreciation and best wishes for a healthy, happy, and progressive new year.

I remain,

Yours with warmest and best regards,

A handwritten signature in cursive script, appearing to read 'Arthur L. Schechter'.

Arthur L. Schechter



January 8, 1999

President William J. Clinton
1600 Pennsylvania Avenue, NW
Room 185
Washington, DC 20500

1-11-99
Send to Scheduling
Yes ☒
No ☐

Dear President Clinton:

I am writing to ask that you consider taking part in wh
shaping the thinking of over 400 international leaders
disciplines: the Young President's Organization (YPC
19-26, 1999.

I have been working for a year now on the planning for the University, and
have created the platform for an important spiritual and learning event of a
very rare nature. The speakers who have accepted our invitation elevate this
event beyond the already high standards for such Universities to a completely
new level.

For example, Billy Graham has accepted our invitation to attend the University
as an anchor speaker for the Religion track of the curriculum. We have
tentative acceptances from important leaders of the Catholic Church. In
addition, Madame Jetsun Pema, the sister of the Dalai Lama has also agreed to
attend the University as a spokesperson for the Buddhist faith. There are
other global spiritual leaders who are considering our invitations now.

Knowing your work on behalf of philanthropic causes, I believe that we have a
rare opportunity to present your message about philanthropy and its importance
in your life (and to society as a whole) to an audience that will find
compelling meaning in that message. Our membership is composed of successful
business men and women who collectively control vast resources personally and
within their companies. Many of them are searching for ways to apply these
resources to create positive change in the world. Your work in this area
would be a beacon for them at a pivotal time in their lives - all our members
are under 50 years of age.

It is my belief that our membership will respond enthusiastically to a strong
philanthropic example. If you are willing to share your vision with our group,
I know that it would create a strong sense of momentum, inspiring our members
to achieve their own philanthropic goals.

ROME University
June 19-26, 1999
Young Presidents' Organization

Hickok Center
451 S. Decker Drive
Irving, Texas 75062 U.S.A.

Tel. 972.650.4600
Fax 972.650.4777
www.ypo.org

Simonetta and Momi Brandolini d'Adda
University Chairmen
Florence

Harold and Kaysie Montgomery
On-Site Education Chairmen
Lone Star-Dallas

Michael and Kathryn Cappy
Off-Sites Education Chairmen
Florence

Scott and Kathi Arnoldy
Hospitality Chairmen
Houston

Robert and Lesley Hippenmeyer
Academies Chairmen
Alpine

Giuseppe and Laura Mazzini
Transportation Chairmen
Florence

Franco and Anna Maria Fanini
Liaison Chairmen
Florence

Michael Ledeen
Faculty Dean of Education

Duchess Grazia Salvati
University Advisor

Michael Collins
University Advisor

Steven and Michelle Karol
International President 1998-99
New England

Roger W. Johnson

1/5/99

BB:Z:11 JAN 11 PM 2:48

Mr. President,

Per our phone conversation I hope
you might give this Rome event
specific consideration. Obviously, there will be
many others both in the US and internationally,
but this is our next "major" one -

as ever, y.





January 8, 1999

President William J. Clinton
1600 Pennsylvania Avenue, NW
Room 185
Washington, DC 20500

Dear President Clinton:

I am writing to ask that you consider taking part in what will be an event shaping the thinking of over 400 international leaders from a variety of disciplines: the Young President's Organization (YPO) University in Rome, June 19-26, 1999.

I have been working for a year now on the planning for the University, and have created the platform for an important spiritual and learning event of a very rare nature. The speakers who have accepted our invitation elevate this event beyond the already high standards for such Universities to a completely new level.

For example, Billy Graham has accepted our invitation to attend the University as an anchor speaker for the Religion track of the curriculum. We have tentative acceptances from important leaders of the Catholic Church. In addition, Madame Jetsun Pema, the sister of the Dalai Lama has also agreed to attend the University as a spokesperson for the Buddhist faith. There are other global spiritual leaders who are considering our invitations now.

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It is my belief that our membership will respond enthusiastically to a strong philanthropic example. If you are willing to share your vision with our group, I know that it would create a strong sense of momentum, inspiring our members to achieve their own philanthropic goals.

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University Advisor

Michael Collins
University Advisor

Steven and Michelle Karol
International President 1998-99
New England

In sum, our goal is the change the lives of our participants - whatever their background or origins - through the presentations of world class thinkers.

Your participation in this University will be crucial in developing our themes and sharpening their impact on the audience. In turn, the more powerful the message we are able to provide, the more change our audience will create in the world through the businesses they lead.

Specifically, I hope that you will consider creating a class or two on a subject of your choice, preferably integral to the areas described above. As you can see, we have several important speakers already committed to the University. I believe that it is incumbent on us as the organizers to make the most of this world class opportunity.

You and your spouse or guest would be our guests at all University functions, including classes, off-sites (arranged tours of area sights of interest as only YPO can do them), and social functions such as lunches and dinner parties - some of which will be held in the Grand Palaces of Rome. These opportunities include a whole day trip to Naples and Pompeii via special YPO train. In addition, we would pay for your round trip airfare if you are not already in Europe at the time. During the University, your hotel, meals, etc. will be covered by YPO. All hotels are in the Via Veneto area and are first class. The main Hotel for the University is the Excelsior.

I think you will find the University fulfilling on three levels:

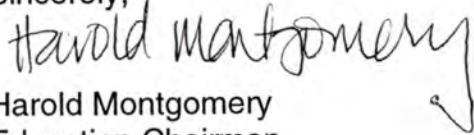
1. The chance to influence a group of leaders from around the world with your special message. I can assure you that the group is eager to hear what you have to say.
2. The chance to work with and learn from the other members of our faculty - a world class group of scholars, thinkers, authors and leaders.
3. The sheer joy of being in Rome with an exciting group - attending social functions which cannot be done any other way except the YPO way.

Our University Chairman, Contessa Simonetta Brandolini d'Adda has made sure that all arrangements are of the utmost quality. Indeed, she has held no opportunity back in the planning of this University.

I hope that you will consider attending the University as a faculty member.
I know that your presence there will have an impact broader than the immediate audience and for a long time to come.

Please contact me with any questions you may have.

Sincerely,

A handwritten signature in cursive script that reads "Harold Montgomery". The signature is written in dark ink and is positioned above the printed name and title.

Harold Montgomery
Education Chairman

THE WHITE HOUSE
WASHINGTON

Date

1/11

To:

Jake Simmons, WHMO

From:

The Staff Secretary

Please advise. President
wants this looked into, with all
appropriate handling, of course.

Phil Caplan

Attn.

Nancy Hernandez

from:

Karen Burris

- memo you requested

Thank you!

Karen Burris
6615 Ivy Hill Drive
McLean, Virginia 22101
(703) 356-8628

99 JAN 11 AM 11:06

November 16, 1998

Dear Mr. President,

I would like to thank you for taking the time to speak with me personally at the end of the receiving line at the Veteran's Day breakfast. To refresh your memory, I am the wife of Major Andrew Burris, a soldier in the 82nd Airborne, who was senselessly killed in a training accident while evaluating the Maryland National Guard during their annual two week training period.

Mr. President, I truly believe that your offer to help me in any way possible was sincere and your concern was genuine. I implore you to read the attached memo detailing the incredible errors that occurred on the night of my husband's death. I attended the wreath laying service at Arlington National Cemetery after the breakfast. Your speech touched upon the very core of the problems facing our soldiers during peace time training today. My husband's death was due to a complete lack of leadership and organization of the most severe kind and a total breakdown of national guard soldiers being trained properly and adequately.

My husband was a graduate of the Virginia Military Institute and was an infantry officer for fifteen years. He was a consummate soldier and would proudly have given his life for his country but not to the negligence of the Maryland and Florida National Guards. He was highly respected by his subordinates, peers and superiors. His favorite motto was "lead by example" and he did just that. He performed his duties beyond the best of his abilities and he expected the same of his fellow soldiers. He was a paratrooper in the 82nd Airborne Division, spent eight months in Desert Storm and never wavered in his loyalty and love for his country. Please help me in my quest in having individuals held properly accountable for their failure to perform their duties bestowed upon them. I want my daughter to be certain that her father's life was worthy of individuals being held responsible for their actions. I am looking forward to hearing from you.

Sincerely,

Karen Burris

Karen Burris

Wrongful Death of Major Andrew Scott Burris

On Friday, June 13th, 1997, Major Burris was struck and subsequently killed by a 2 ½ ton truck in black-out conditions while waiting to evaluate an ambush performed by the Maryland National Guard at Camp Blanding, Florida. Below is a summary of the most severe failures and deficiencies in planning and decision making that occurred the night of his death although there were several other failures.

- the driver and assistant driver (from the Maryland National Guard) were not supposed to be driving in the area in which they were traveling
- they were ordered hours beforehand to stop driving the vehicle to which they replied they did not have to comply that their "mission was over"
- they were driving 30-35 mph in a 5mph zone without any head lights, running lights or ground guides
- were not wearing their issued Night Vision Goggles although the assistant driver had his in his lap
- struck Major Burris and kept driving thinking they had hit a wild animal
- when stopped by another soldier and informed that they had indeed hit Major Burris claimed that their vehicle was not involved in the accident and that they had simply stopped to put light on the accident scene.

Major Burris knew he had been run over by the truck and yelled for help. Absolutely no medical evacuation plan was in place and not one soldier knew the Standard Operating Procedures for an accident of this magnitude.

Medical Malfunctions...due mostly to the Florida National Guard at Camp Blanding

- * an ambulance did not reach the accident site for 45 minutes and arrived inadequately equipped with medical supplies to help Major Burris
- the second ambulance to arrive was also lacking in medical supplies
- medical treatment was sub-standard. Major Burris should have received 3000 cc's of fluids and only received 250 cc's
- a civilian helicopter was ordered and also arrived without proper medical supplies and did not have any communication devices that would allow them to communicate with the ground resulting in Major Burris being flown around between hospitals and not having any medical personnel available to help him. A MEDEVAC helicopter should have been ordered to deal with the magnitude of his injuries stocked with medical supplies.
- Major Burris was grossly misdiagnosed by a Physician's Assistant. He was diagnosed with head trauma while internal bleeding was never diagnosed although he himself had stated that he had been run over and had obvious tire marks on his abdomen.
- Physician's Assistant was not current on Advanced Trauma Life Support (ATLS) and therefore not capable of diagnosing the severity of Major Burris' injuries

IN SUMMARY: I was told in a meeting at the Pentagon by the Army Surgeon General, General Blanck, that had my husband had proper medical treatment that he would have survived his injuries without any change in quality of life. The entire medical evacuation procedure should have taken 18 minutes and it took them 2 hours to get my husband to a hospital where he died on the tarmac. The previous year's evaluation performed by the same battalion in the 82nd Airborne of the Maryland National Guard pin-pointed EVERY deficiency and problem that lead to the death of my husband. The Maryland and Florida National Guard had an entire year to fix these problems and did not. It is in my opinion that due to total negligence and failure in leadership from the very top to the bottom Major Burris is dead and not one person has been held properly accountable.

If you have any questions please do not hesitate to call:

Karen Burris (703) 356-8628 (wife of Major Burris).

1-11-99

THE WHITE HOUSE

WASHINGTON

January 9, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN *FW*
DAVID GOODFRIEND

SUBJECT: Recent Information Items

We are forwarding

(A) **Shalala Me
Bruce Reed**

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surplus (\$3B)
survey, key
caseload red
became elig
TANF strate
year-to-year
caseload dec
states to spe

Tab B - page 1 of cover + memo

Blumenthal / Podesta / Burkhardt (for reply) it

Tab C - 1-page 1 of cover + memo

Lewis / Podesta / Burkhardt (for reply)

2 - not returned

Tab D - page 1 & 2 of cover + memos

Murguia / Podesta

Joseph (for reply) - 5th page

(B) **Sam Beer S**

on your behalf before the House Judiciary Committee, urges you to go forward with the SOTU on January 19; it's an ideal opportunity for you to provide your arguments for staying in office (i.e., your accomplishments and policy agenda).

(C) **Recent Clips from Ann Lewis**

(1) - Ratty
an op-ed from Wayne Johnson, Clinton delegate in '92 and '96, appearing in *Galveston Daily News* and *Texas City Sun* rebutting arguments for resignation and explaining your popularity by cataloguing the Administration's accomplishments and illustrating how Texas families have benefitted from your policies;
(2) satirical piece by Art Levine from *The Washington Monthly* datelined December 7, 1941; piece written as if today's press corps were covering FDR; portrays Pearl Harbor and WWII as elaborate distractions designed to distract country from reports about FDR's personal life.

(D) **Congressional Correspondence via Janet Murguia** -- (1) Sen. Hollings -- frustrated by media's concern over "momentary issues appearing in polls...;" in his recent campaign he tried to focus on the real needs of the country; includes his op/ed advocating protection of the Social Security fund and reforming trade policy; (2) David Bonior -- per discussion with you at Camp David, reiterates his concern about use of "secret evidence" in INS proceedings; includes letter he and other members sent to Attorney General Reno;

THE WHITE HOUSE

WASHINGTON

January 9, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN *PC*
DAVID GOODFRIEND

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

- by Regy* (A) **Shalala Memo on Temporary Assistance for Needy Families (TANF) Memo with Bruce Reed Cover Note** -- Secretary Shalala advises that states are spending only about 3/4 of available TANF funds. DPC and HHS will work with states to prevent the large surplus (\$3B as of June) from leading to TANF budget cuts. According to an HHS survey, key reasons for the delays in spending the funds include: unexpectedly large caseload reductions; states in early implementation phases (*i.e.*, people only recently became eligible); states saving money for a "rainy day fund;" and some states' lack of TANF strategies. The surplus can be interpreted positively: states can carry over funds year-to-year in case of an economic downturn; states are spending more per person due to caseload declines; and the Maintenance of Effort provisions you fought for have led states to spend their own funds first.
- by Regy* (B) **Sam Beer SOTU Letter via Sid Blumenthal** -- Professor Beer of Harvard, who testified on your behalf before the House Judiciary Committee, urges you to go forward with the SOTU on January 19; it's an ideal opportunity for you to provide your arguments for staying in office (*i.e.*, your accomplishments and policy agenda).
- let to* (C) **Recent Clips from Ann Lewis** -- (1) an op-ed from Wayne Johnson, Clinton delegate in '92 and '96, appearing in *Galveston Daily News* and *Texas City Sun* rebutting arguments for resignation and explaining your popularity by cataloguing the Administration's accomplishments and illustrating how Texas families have benefitted from your policies; (2) satirical piece by Art Levine from *The Washington Monthly* datelined December 7, 1941; piece written as if today's press corps were covering FDR; portrays Pearl Harbor and WWII as elaborate distractions designed to distract country from reports about FDR's personal life.
- by Regy* (D) **Congressional Correspondence via Janet Murguia** -- (1) Sen. Hollings -- frustrated by media's concern over "momentary issues appearing in polls...;" in his recent campaign he tried to focus on the real needs of the country; includes his op/ed advocating protection of the Social Security fund and reforming trade policy; (2) David Bonior -- per discussion with you at Camp David, reiterates his concern about use of "secret evidence" in INS proceedings; includes letter he and other members sent to Attorney General Reno;

(3) Benjamin Gilman -- thanks you for your birthday greetings; (4) Charlie Rangel -- thanks you for re-election congratulatory note; "No matter what, we will survive and perhaps thrive politically. The American people can only take so much from them...;" (5) Tom Sawyer -- in the spirit of the bipartisan Hershey Retreat on civility in the House three years ago, he is planning another Hershey retreat for March but believes it needs your "license"; suggests you mention Hershey in the SOTU; (6) Vic Snyder -- says there was little bipartisanship in the House impeachment votes; requests "that you continue to hold the Office of the Presidency...One of the most important parts of your legacy may be that you stood your ground and did not allow an impeachment process saturated with partisanship to thwart the will of the country..."

'99 JAN 8 PM5:45

THE WHITE HOUSE

WASHINGTON

1-11-99

January 8, 1999

Copied
Blumenthal
Buckhardt
(for reply)
Podesta

MEMORANDUM TO THE PRESIDENT

FROM: SIDNEY BLUMENTHAL, *SB*

SUBJECT: SAM BEER ON THE STATE OF THE UNION

Sam Beer, the distinguished Harvard emeritus professor of government, who sat next to you at last year's Thinkers' Dinner and who testified on the White House's behalf before the House Judiciary Committee, has sent me the enclosed letter. His sound advice prescribes the approach you are already pursuing toward the State of the Union. He expresses this position strongly.

HARVARD UNIVERSITY
FACULTY OF ARTS AND SCIENCES

2912 32nd St NW,
Washington DC 20008
(202) 965-1880

SAMUEL H. BEER
Eaton Professor of the Science of Government
Emeritus

LITTAUER CENTER G-9
CAMBRIDGE, MASSACHUSETTS 02138
(617) 495-3210

January 8, 1999

Mr. Sidney Flumenthal,
Communications, West Wing,
The White House,
Washington DC,

Dear Sid:

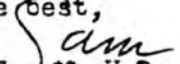
I keep in touch with you via Steve Holmes. Herewith ^{support}our latest brainwave.

The State of the Union Message must not be postponed. The right time and place for it is the appointed date, January 19, in the very midst of the process in the Senate. If the President makes an appearance there, it must not be to submit to cross-examination, and therefore to hectoring and humiliation by his enemies. He should speak and be heard as the nation's leader presenting his program of action and making his claim ^{support}for carrying it out.

The essential purpose and effect of this process is not, as in a court trial, to decide on punishment for a past misdeed. It is a deliberation on whether this President should remain in, or be removed from, office. Normally, under the Constitution, a decision of this kind is made directly by the voters. When the voters do make that decision, the central question is what in the light of his record and his proposals this President can be expected to accomplish while in office. When in the exceptional case of impeachment, the Constitution gives this power to the legislature, its members should base their decision on the same considerations. The fate of this particular person, the President, is relevant only as it bears on the fate of the nation's business.

In this process, the President must be given the opportunity to present his side of the argument. Fortunately, in this instance, the State of the Union Message provides an ideal opportunity. In it President Clinton can put forward his program in the light of his accomplishments and therewith make the case for his continuance in office. And, if witnesses are called, some should be called who can testify to the merits of these accomplishments and this program. Senators could do this, but I gather are for bidden to talk. The Vice President would fill the bill handsomely.

I know that the White House attorneys must do their lawyerly part to expose the flimsiness of the legal charges. The main question, however, is the nation's business, as the President fully recognizes and is right continually to emphasize. Put also in the Senate and in outside comment on its deliberations, every opportunity should be taken to call attention to, not just the narrow legal issues, but also the record of the accomplishments and the promise of his Presidency.

All the best,

Samuel H. Beer

THE WHITE HOUSE
WASHINGTON

1-11-99

'99 JAN 6 AM 10:53

January 6, 1998

copied
Lewis
Podesta
Burrkhardt
(for review)

MEMORANDUM FOR THE PRESIDENT

FROM: ANN LEWIS *ALW*
SUBJECT: RECENT CLIPS

Enclosed are two articles:

- An op-ed by Wayne Johnson that appeared in the Galveston Daily News on January 4, and the Texas City Sun on January 1. Wayne is an old friend who made great use of our achievement information. (Note: Wayne was a Clinton delegate in '92 and '96.)
- An example of how President Roosevelt might be covered today from this month's edition of Washington Monthly.

President Clinton has improved nation, Texas

On Aug. 23, Publisher Dolph Tillotson wrote that the president should resign, and — despite a 67-percent approval rating for the president — in 90 days “the rest of you will catch up.”

It now has been four months and the president's approval rating has not fallen; indeed it has increased.

This column is about why President Clinton is so popular and why his presidency has been among the greatest in our nation's history.

In Texas and the rest of the nation, American families are better off today than they were six years ago.

For the first time in 30 years, we have a balanced federal budget.

Nationally, we have the lowest unemployment rate in nearly 30 years and the highest home ownership rate in 30 years.

The \$500-per-child tax credit will help 26 million families with 40 million children.

Nationally, we have had the largest four-year drop in child poverty since the 1960s.

The nation is experiencing the lowest crime rate in nearly 25 years and the welfare rolls have decreased more than 40 percent since 1992, giving us the largest decline in history.

His administration has made the largest investment

GUEST COLUMN



● WAYNE JOHNSON

in education in 30 years.

The \$1,500 HOPE Scholarship credits are making the first two years of college universally available.

The Brady Bill, supported by the president, has resulted in 250,000 felons, fugitives and stalkers being denied handguns.

In Texas, our unemployment rate has declined from 7.6 percent when George Bush was president, to 4.9 percent under President Clinton; 1,576,900 new jobs have been created in Texas since 1993. That is 274,243 per year compared to 153,075 under the Bush administration.

The federal debt has been reduced by \$25,000 for each family of four in Texas.

The Texas crime rate has fallen by 15 percent since 1992.

Our state has seen a 54-percent decrease in people on wel-

fare since 1993.

Nine superfund toxic waste sites have been cleaned up, including one in Texas City and one in Friendswood. Only six were cleaned up during the previous 12 years of the Reagan and Bush administrations.

The American people do not view the president's impeachment as a rational or valid act. It was overwhelmingly partisan and done without the support of the people. It does not mar the president's outstanding record of accomplishment.

As of this writing, the latest polls (CNN/USA Today/Gallup) show the president with a 73-percent approval rating, the highest of any president since that rating has been taken.

Only 31 percent of the American people view the Republican Party favorably while 57 percent view them unfavorably. The Democratic Party is viewed favorably by 57 percent while 30 percent view the Democrats unfavorably.

The Republicans' crassly partisan attempt to reverse two consecutive election victories for the president is leading to their destruction.

Instead of pinning the tail on the donkey, they have only succeeded in mutilating themselves in the process.

● Wayne W. Johnson III is county commissioner, Precinct 3.

ART LEVINE:

THE PRESIDENT UNDER SIEGE: LUCY AND THE JAPAN CRISIS

Washington, December 7, 1941—Ever since last week's disclosure of wheelchair-bound President Roosevelt's dalliance with social secretary Lucy Mercer, the President has been seeking to keep the country's attention on the mounting threat to America's overseas allies. Today was no exception to this public relations strategy, advisers say. Even though it was a Sunday, the crippled President, wearing his customary smoking jacket and sporting his jaunty cigarette holder, was wheeled into the Oval Office for a series of photo ops and meetings that sent a clear message: The President of the United States is hard at work protecting our interests.

Even so, the exposure of the Mercer affair, added to the recent spate of articles on the President's polio-induced handicap by *New York Daily News* gossip columnist Ed Sullivan, has severely damaged the President's political standing, analysts say. As Father James Coughlin, a Senior Fellow at the America-First Enterprise Institute, pointed out, "The President has to keep the public distracted, and a war may be the only way to do so."

The day's first meeting only added to the mood of impending crisis in the nation's capitol. Seated behind a desk, the President greeted War Secretary Henry Stimson with a hearty "Hello, Hank!" before turning to a discussion of the progress of the Lend-Lease Act, the shrewd legislative PR gambit that has increased war supplies to Britain, although some White House political advisers worry that it could draw America into an unpopular war—and drive down the President's approval ratings. Before lunch, to show he still retains the famed Roosevelt charm, he posed with his dog Fala, who barked playfully while seated on a red

checkered blanket on his master's lap. "Don't worry, fellas," he joked to reporters, "his bark is worse than his bite. Kind of like [Prime Minister] Tojo."

The Japanese threat to Asia, though, is taken seriously at the White House—now more than ever. For months, the Administration has been engaged in diplomatic sparring with Japan over its aggressive moves against Indochina and China, even imposing a controversial oil embargo against a country that State Department insiders say is only seeking vital natural resources. The mounting strain between Japan and the U.S. seems to have reached the boiling point today, just as the President was enjoying a lunch of salmon and asparagus served by two uniformed White House stewards on the First Lady's favorite china, a wedding gift from that brisk March day in 1905 when the then-hopeful couple were married in a lovely outdoor ceremony at Hyde Park.

About 1 p.m., the President was interrupted by an urgent visit from his top aide, Harry Hopkins. "Yes, Harry?" the President inquired. "What's so important?" Hopkins, sources say, blurted out: "The Japanese have attacked Pearl Harbor, sir!" The President appeared genuinely surprised by the news, White House sources insist, although Republican critics, such as Montana Republican Jeannette Rankin, contend that the Pacific Fleet was moved to Hawaii to lure just such an attack. Whatever the truth of the allegation in a city abuzz with rumors, there's no question that President Roosevelt acted swiftly to summon Secretary Stimson and his other top advisers to learn the grim facts of the "surprise" attack, as the White House called it—and to shape an effective political response.

The White House has been torn by dissension over how to respond to the carnage in Hawaii and the subsequent Japanese declaration of war. The military damage is severe: The first wave of attacking planes arrived at 7:53 a.m., Hawaii time, and by the time it was all over, 2,400 servicemen were killed, nearly 200 planes were destroyed and the Pacific Fleet was crippled. But the question in Washington now is whether a President who is crippled both physically and politically has the capital needed to wage war against Japan. "When the President is speaking to the public about war, won't everyone have a thought bubble in their minds about the President in bed with Lucy Mercer? How can he be credible?" one Republican strategist wondered.

Today, there's furious debate among the President's advisers about the tone of the speech the President is scheduled to deliver Monday before Congress. One version, drafted by Hopkins, reportedly refers to December 7 as "a date which will live in infamy," and

asks for a declaration of war. But another team of advisers, led by Vice President Henry Wallace, has been urging instead a tamer version that refers to December 7 as a "date which will live forever in our saddened hearts" and urges in no uncertain terms an immediate resumption of the stalled negotiations with Japan over the U.S. oil embargo. The President, weighing the various options and concerned about potentially negative media coverage, hasn't yet decided which course to take. Only time will tell. ●

ART LEVINE is a contributing editor for U.S. News & World Report.

rec'd 1-5-99
10:45 pm

THE WHITE HOUSE
WASHINGTON

December 28, 1998

1-11-99

copied
Murguia
Joseph (for
reply)
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: JANET MURGUIA *Jm*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your review are letters from the following
Members of Congress:

- 1) Sen. Ernest F. Hollings (D-SC), expressing concern over the media's interest in "momentary issues," and requesting that you read his enclosed editorial regarding "fiscal" and "trade" cancers;
- 2) Rep. David E. Bonior (D-MI), following up on his recent conversation with you at Camp David, and forwarding information about the use of "secret evidence" by the Immigration and Naturalization Service to arrest, detain and deport individuals; and,
- 3) Rep. Benjamin A. Gilman (R-NY), thanking you for the recent birthday greeting.

ERNEST F. HOLLINGS
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EMAIL: <http://www.senate.gov/~hollings>

December 15, 1998

COMMITTEES:

COMMERCE, SCIENCE, AND
TRANSPORTATION: RANKING

APPROPRIATIONS
COMMERCE, JUSTICE, STATE AND
THE JUDICIARY: RANKING

DEFENSE
LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION

ENERGY AND WATER DEVELOPMENT
INTERIOR

BUDGET

DEMOCRATIC POLICY COMMITTEE

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

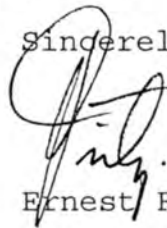
Dear Mr. President:

The great frustration in this last campaign was the constant questioning by the media about momentary issues appearing in the polls. The real needs of the country seldom appear in a political poll -- or if so, like the Marshall Plan, fail public support. I tried during the campaign to discuss these needs. Now elected, I will continue to try. Please read the enclosed and if disposed, give me your reaction. It is critical we excise these two cancers -- the quicker, the better.

Many thanks for your consideration.

With kindest regards, I am

Sincerely,



Ernest F. Hollings

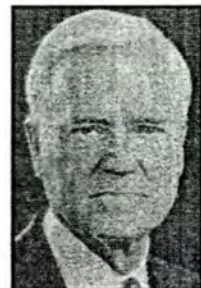
EFH/kmk
Enclosure

Public must be alerted to threat of fiscal, trade cancers

By Sen. Ernest F. Hollings

To lie about personal conduct is one thing, but for a public official to lie about official conduct is reprehensible. Even worse is for the media to join in the lie.

All in Congress know we spend more each year than we take in. For years we have been taking from Social Security surpluses — transferring the money to the spending column — Republicans getting their tax cuts, the Democrats their spending increases. All the while we shout "surplus" and "balanced budget." Who is to know the difference? The free press knows. But rather than keeping us politicians honest, the press and media join the conspiracy.



Sen. Hollings

In "Breaking the News," James Fallows details a dichotomy between Walter Lippmann and John Dewey over journalism's responsibility to maintain a strong democracy. Lippman contended that the world is so complicated, the issues so complex that journalists must become experts on the various issues and render their expert opinions to the public. Acting on these opinions, politicians would make the right decisions, the public would support the policies.

John Dewey maintained that the public must first feel engaged in the process for opinion to jell and become policy. Dewey contended that the best way to obtain the public's involvement is for journalists to report the truth — even when it hurts. The problem today is the journalists and media have gone from "all the news that's fit to print" to entertainment. The media now takes polls to find out what to report and even engages focus groups to determine how to report it.

With this charade, the public doesn't know what to believe and is now threatened on two scores: fiscal cancer and a trade cancer.

Republican dogma is to cut the size of government. But in its messianic march for less government, it increases government faster than reducing it. Republi-

can theory is that if the government has less to spend, less money will be spent. The sales pitch is "Cut Taxes," "Growth, Growth." With the people spending more rather than sending it to Washington, the economy would grow. Instead, what has grown is the national debt and interest costs to carry this debt.

When President Lyndon Johnson balanced the budget last, the national debt was less than a trillion dollars with interest costs of \$16 billion. Today the debt is \$5.7 trillion and interest costs \$364 billion. This means we are forced to spend \$348 billion more than President Johnson — all for nothing.

Instead of this waste, we could be doubling the defense budget and still have \$100 billion left for education and health research. This waste grows at the rate of \$1 billion a day, adding to the debt, adding to interest costs, increasing waste, increasing the size of government. With 1998's deficit at \$109 billion, taxes can't be cut without increasing spending.

This fiscal cancer grows because the media and the financial world join in the charade of a "unified" budget. Financial guru Alan Greenspan disregards Section 21 of the 1983 Greenspan Report on Social Security, calling for Social Security to be placed outside of a unified budget. The intent was to put Social Security funds off-budget to be available for the baby boomers through the year 2056. President Bush signed this provision into law in 1990 — but all ignore it.

The last thing that the politicians and the financial community want is for the government to come with its sharp elbows into the financial market, borrowing to pay its bills, crowding out private investment, running up interest rates and causing inflation. Each in the conspiracy feels that he won't be around when it becomes necessary to increase taxes to pay benefits. The reality of fiscal cancer is now. For everyone crying "Save Social Security," the first order of business is to stop destroying it by looting the fund. Today we owe Social Security \$736 billion.

"Free Trade" is an oxymoron. The word "trade" denotes a consideration rather than something free. Each country is bound to base its trade policy on that country's needs. The idea of free trade springs from the developed country looking for markets in the unde-

veloped. As an undeveloped country, having just obtained our freedom, the United States was beseeched by Britain to practice free trade.

England had industry, we had agriculture. Fortunately, Alexander Hamilton realized that for the colony to become a nation state, it must have a strong manufacturing capacity. In his booklet, "Reports on Manufacturers," Hamilton rejected the doctrine of comparative advantage or free trade and the second bill to pass our national Congress (the first for the U.S. seal) on July 4, 1789, was a tariff bill of 50 percent on numerous articles. The income tax was not enacted until 1913. We financed the government, we built this industrial giant, USA, with protectionism.

At the end of World War II, the United States had the only industry. We were looking for markets, we were looking to spread capitalism. With the Marshall Plan and the yielding of our markets, capitalism has conquered communism — and we should be proud. But treating foreign trade as foreign aid can no longer continue.

In 10 years, we have gone from 26 percent of our work force in manufacturing down to 13 percent. We are headed the way of England. At the end of World War II, the Brits were told not to worry — instead of a nation of brawn, they would be a nation of brains; instead of producing products, Britain would provide services; instead of creating wealth, Britain would handle it, becoming a financial center.

Today, little Ireland outproduces Great Britain, which is fast becoming a society of haves and have-nots. In a similar fashion, the middle class is shrinking in America. There are good wages in technology and communications, but manufacturing is fleeing our shores. Corporate America leads the way. The majority of imports to the United States now are American-generated overseas — or down in Mexico.

Corporate America cries "Free Trade" and the media joins in. It is not China or the Pacific Rim that is our main competition; rather, America is competing with itself. We have the highest productivity but have productive cancer. As trade deficits soar to \$300 billion, the president travels afar, whining, "Exports, exports." We are fast becoming short of anything to ex-

port. Unless we can stem the tide of imports, we will soon be taking in each other's washing.

We should have learned by now that foreign countries will not be persuaded to open their markets by the United States setting the example. Pacific Rim countries are building their economies. Their markets will open only when it is to their economic advantage. Instead of whining, "Free trade," we must use the rich United States market as leverage to open markets. More importantly, we must protect our standard of living.

A government can't require a minimum wage, Social Security, clean air, clean water, a safe working place, safe machinery, anti-trust safeguards, parental leave, plant closing notice and corporate taxes and then open its market to none of the above.

The first order of business is to limit the 17 percent advantage of offshore production with a value-added tax, its revenues allocated to eliminating the deficit and debt. In this way, we start excising the fiscal and trade cancers at one and the same time. Then, instead of eliminating the Department of Commerce, strengthen it into a Department of Trade. Assign the functions of the Special Trade Representative to the Secretary of Commerce and have the department enforce our dumping laws.

Save \$43 million by abolishing the International Trade Commission and requiring the International Trade Administration to determine the dumping penalty as well as the dumping violation. Require an import license and increase customs enforcement to stop the illegal transshipments. Eliminate corporate welfare such as the Overseas Private Investment Corporation, the Ex-Im Bank, the Foreign Sales Corporation and tax subsidies for overseas production. Launch a Marshall Plan for Mexico based on the elimination of drug control and the development of the Mexican standard of living. Stop running around the world whining "Free Trade" and stop berating the American industrial worker to be more productive. He and she have been the most productive in the entire world for 30 years. What hasn't produced is the government in Washington.

Hollings, D-S.C., is serving his 7th term.

DAVID E. BONIOR
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Congress of the United States
House of Representatives
Washington, DC 20515-2212

December 2, 1998

The Honorable William Jefferson Clinton
President of the United States
The White House
Washington, D.C.

Dear Mr. President:

As per our recent conversation at Camp David, I wanted to send you some information about the practice by the Immigration and Naturalization Service of arresting, detaining and deporting individuals on the basis of "secret evidence" – evidence whose source and substance is not revealed to the individual or to their counsel. I believe this use of "secret evidence" raises serious questions about due process and basic fairness.

I have enclosed a report about a particularly egregious example of this procedure – the case of Dr. Mazen Al-Najjar, who has been detained by the INS for over eighteen months, even though he has not been allowed to see the evidence against him and has not been charged with any crime. I have joined with a bi-partisan group of my colleagues in a letter opposing this procedure to Attorney General Reno. Although we have taken no position on the merits of Dr. Al-Najjar's case, we believe that unless he is allowed to examine the evidence against him -- and unless he is charged with a crime and given an opportunity to defend himself -- he should be released.

I have also enclosed several interesting editorials from across the country condemning the use of "secret evidence" by the INS and raising particular concerns about the abuse of this procedure in the case of Dr. Al-Najjar. These editorials make a compelling case that the policy of using "secret evidence" in INS proceedings must be changed. I appreciate your attention to his matter, and I look forward to the opportunity to discuss it with you further.

Sincerely,



David E. Bonior
Democratic Whip

cc: Samuel Berger

The Use of “Secret Evidence” in INS Proceedings

The anti-terrorism law passed in 1996 (Anti-Terrorism and Effective Death Penalty Act of 1996) allows the Immigration and Naturalization Service to arrest, detain and deport non-citizens on the basis of “secret evidence” — evidence whose source and substance is not revealed to the potential deportees or their counsel.

This use of “secret evidence” in INS deportation proceedings has raised serious questions about due process. Individuals in these proceedings are faced with evidence whose source and substance is not disclosed. In many cases, these individuals are being held without trial, without charges pending against them, and without the opportunity to provide bail. Muslims have been the primary target of this procedure, and perhaps the most egregious case is that of Dr. Mazen Al-Najjar of Tampa, Florida.

Dr. Mazen Al-Najjar was born in the Gaza Strip in 1957. He came to the United States in 1981 to pursue graduate education in Industrial Engineering and Management. He received a doctorate in Engineering from the University of South Florida. Dr. Al-Najjar and his wife Fedaa, a licensed pharmacist, settled in Tampa, Florida. Their three daughters, now ages 10, 8 and 3, are U.S. citizens. His parents are permanent residents of the United States, and a brother and sister have received their U.S. citizenship.

In the early 1990's, Dr. Al-Najjar and his brother-in-law founded the World and Islam Studies Enterprise (WISE), which was affiliated with the University of South Florida. Dr. Al-Najjar became the chief editor of the respected research journal of WISE. In five years, he edited 20 volumes and 3 books with more than 80 American and foreign scholars.

He was part of the Islamic Committee of Palestine, which organized conferences to raise awareness about the Palestinian intifada between 1988 and 1992. Dr. Al-Najjar was also a pastor at his local mosque, where he frequently lectured and offered marital counseling.

On the morning of May 19, 1997, Dr. Al-Najjar was arrested by agents of the FBI, INS and the local sheriff's office. He was handcuffed in front of his wife

and children in an arrest apparently staged for a local paper photograph. Dr. Al-Najjar was taken to an INS detention facility, where he has been held ever since without bond. He was not charged with any crime — nor has he been to date — let alone convicted.

Although the evidence has not been revealed to Dr. Al-Najjar or his attorney, the local paper in Tampa and federal authorities investigated WISE and its associates for more than three years, without any evidence of wrongdoing. A separate investigation by former American Bar Association president William Reece Smith, Jr., ordered by the University of South Florida, concluded that WISE and its associates had done nothing wrong.

After the INS denied Al-Najjar release on bond on June 6, 1997, he asked an immigration judge to review the decision. INS prosecutors alleged that Dr. Al-Najjar was a threat to national security and asked the judge to review classified evidence — unavailable to Dr. Al-Najjar — which they said supported their claim. The judge released an unclassified summary of the evidence, which stated only that Dr. Al-Najjar was “associated with a terrorist organization known as the Palestinian Islamic Jihad.” Dr. Al-Najjar has publicly denied any involvement with terrorist organizations. The judge denied Dr. Al-Najjar’s release on bond, despite having no criminal record and having lived peacefully in the same community for more than ten years.

Dr. Al-Najjar then requested political asylum. Both he and his wife are stateless Palestinians; they do not hold citizenship in any country. The immigration judge found that they did not qualify for political asylum because they did not show a threat of persecution, the burden required for a grant of political asylum. The judge ordered Dr. Al-Najjar’s family to be separated, with him deported to the United Arab Emirates, and his wife to Saudi Arabia, even though neither country has agreed to accept them.

Dr. Al-Najjar filed an appeal of the judges’ decisions with the Board of Immigration Appeals. In September 1998, the BIA rejected his appeal. His legal team is preparing an appeal to the federal district court. Dr. Al-Najjar has been detained longer than all but one of the current 24 “secret evidence” cases. All but two of these cases involve people of Arab and/or Islamic descent.

Congress of the United States

House of Representatives

Washington, DC 20515

May 15, 1998

The Honorable Janet S. Reno
United States Attorney General
U.S. Department of Justice
Main Justice Building Room 5111
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Dear Madame Attorney General:

We the undersigned write to oppose a particular practice by the Immigration and Naturalization Service (INS). While we generally support the Administration's actions to combat international terrorism, we oppose the INS' use of secret evidence in its proceedings. Evidence whose source or substance is not disclosed to either an individual or his counsel has no place in our judicial system. In many cases, these individuals are being held without trial, without charges pending against them and are not even offered the opportunity to provide bail.

One such case is that of Dr. Mazen Al-Najjar in Tampa, Florida. In an action decried by newspaper editorials, human rights advocates, immigration specialists and constitutional scholars, Dr. Al-Najjar has been jailed indefinitely since May 19, 1997, shortly after he appealed a deportation order issued against him. He has not been charged with a crime, let alone convicted, yet he has been denied bail pursuant to secret evidence, neither the source nor the substance of which has been disclosed to him or his attorney. This action was taken despite the immigration judge's findings that Dr. Al-Najjar is a man of good moral character and has extensive family and community ties.

Deprivation of due process is an act of extreme concern to us. Therefore, we appreciate the fact that you are taking a great interest in this case by having your staff meet with representatives from Mr. Al-Najjar's family and community and promising a report on the matter. Holding an individual in prison without trial or charge based upon secret evidence runs contrary to due process guaranteed by our Constitution. Although we do not comment on the merits of Dr. Al-Najjar's case, we believe that unless he and his counsel are allowed to view the evidence, and unless he is charged with a crime and given a fair opportunity to defend himself, he should be set free.

We appreciate your attention to this matter and look forward to a resolution of the issue.

Sincerely,



Cin D. R. dizez Paul E. Brown

Dennis J. Kucinich

William E. Jones

Alfred H. Hastings

James H. Hollander

Charles C. Delapack

Coe: MEX

David J. Puckett

Joe E. Kiser

Bobby Platter

Bruce Wille

David V. Gutierrez

Jim Moran Jim Ralston

EDITORIALS

'Secret evidence'

A local professor languishes in jail, even though he has been charged with no crime, thanks to a troubling provision of a new anti-terrorism law.

In their zeal to protect U.S. citizens against acts of domestic terrorism, such as the World Trade Center and Oklahoma City bombings, President Clinton and Congress passed the Anti-terrorism and Effective Death Penalty Act of 1996. Unfortunately, the legislation undermines some of the constitutional rights that make America the free nation it is.

Nothing illustrates this dilemma better than the case involving Palestinian refugee Mazen Al-Najjar, a 40-year-old, American-educated engineer who taught Arabic part time at the University of South Florida in Tampa. He was not rehired after his visa was not renewed.

Al-Najjar has been in an Immigration and Naturalization Service holding facility at the Manatee County Jail since four agents grabbed him from his northeast Tampa home the morning of May 19. He has been denied bail based on "secret evidence" said to connect him with the Islamic Jihad, a notorious terrorist organization in the Middle East.

INS officials allege that the World and Islam Studies Enterprise, the USF think tank that Al-Najjar managed, is a fund-raising front for terrorists and that Al-Najjar is an Islamic Jihad shill. Troubles started for Al-Najjar and others connected to WISE on Oct. 26, 1995, when the head of Palestine Islamic Jihad was shot to death on the Mediterranean island of Malta. Days later, Ramadan Shallah, who had been an instructor at USF and a member of WISE, became the new leader of Islamic Jihad.

Authorities assumed they would find a ter-

rorist cell at USF. But no convincing evidence to support that suspicion has been made public. After an internal investigation, USF President Betty Castor said: "Was there illegal activity, subversive activity, terrorist activity? We don't have any evidence of that."

Was USF's investigation incomplete? Were Castor's conclusions self-serving? If the government possesses evidence that the USF investigation missed, it isn't revealing it.

Yet Al-Najjar remains in jail. No formal charges have been brought against him. He is being held under an unconstitutional provision of the Anti-terrorism Act. The merit of the case notwithstanding, the anti-terrorism legislation allows the government to use informant testimony or other forms of secret evidence to imprison and deport legal immigrants suspected of terrorism without letting the suspects cross-examine their accusers.

Remember, the U.S. Supreme Court has ruled that aliens have the same rights of due process that U.S. citizens enjoy. U.S. citizens should expect their government to take all reasonable steps to protect them from terrorism, both foreign and domestic. But officials have a responsibility to balance the need for security with the obligation to protect the constitutional rights of everyone.

If investigators have incriminating evidence against Al-Najjar, then let him, his family and the rest of the nation see it. Either Al-Najjar should be tried — with evidence of his activities in plain view — or he should be set free. The U.S. Constitution calls for no less. He deserves no less.

The Miami Herald

JOHN S. KNIGHT (1894-1981)

JAMES L. KNIGHT (1904-1991)

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Managing Editor

A political prisoner?

No one knows if Mazen Al-Najjar is a terrorist, a terrorist sympathizer, or simply a man badly abused on the stage of international politics.

Mr. Al-Najjar is a 40-year-old engineering professor at Tampa's University of South Florida. He has been held in detention since last May. Born in Gaza, he has lived in this country since 1981, having first arrived on a student visa. He acquired advanced degrees, married, and fathered three U.S.-born children.

He also overstayed his visa by seven years. That offense, though commonplace, makes him eligible for deportation. That said, most such violators with clean records and family ties are allowed to stay in this country.

Not so Mr. Al-Najjar. Tampa newspaper stories identified him as an activist in an Islamic charity and with a think tank. A former colleague, a member of both groups, has been identified as a leader of Islamic Jihad terrorists in Syria. USF officials investigated Mr. Al-Najjar's activities but found no reason for concern or dismissal.

The Immigration and Naturalization Service found both Mr. Al-Najjar and his wife, who also overstayed her visa, to be deportable. But during a bond hearing for Mr. Al-Najjar, things took a bizarre, sickening turn. The immigration judge met privately with government officials, then returned with an order declaring Mr. Al-Najjar a threat to national security. That was seven

JAILED WITHOUT TRIAL
A college professor is held without bond based on secret evidence.

months ago.

Mr. Al-Najjar has been confined to a tiny cell since. Neither he nor his lawyer has been told the nature of the secret evidence, whence it came, nor on

whose word it is based. To jail a person indefinitely without charge or trial would be understandable in Cuba, Iran, North Korea, or Algeria. But in America, it's unconstitutional.

Such conduct in this country is reprehensible and morally repugnant. If the government thinks that Mr. Al-Najjar is a terrorist or criminal, then let it produce evidence and conduct a fair, open trial. If it thinks that Mr. Al-Najjar is deportable, then apply to him the same standard that it does to thousands of others similarly situated whose circumstances have warranted mitigation.

The INS and the Justice Department must cease immediately this condemnation by innuendo, denial of liberty based on secret testimony, and destruction of reputation on the basis of guilt by association. INS officials assert piously that they have acted within their legal authority. True enough.

However, to do so is to chop a head simply because one has an ax. Any INS or Justice official who cannot comprehend this basic tenet of a free society should fly to New York City and read Benjamin Franklin's paraphrased words in the stairwell of the Statue of Liberty's pedestal: "They that can give up essential liberty to obtain a little safety deserve neither liberty nor safety."

EDITORIALS

Inalienable rights

Contrary to recent actions by the federal government, the right to a fair and open hearing is not a privilege reserved only for citizens of the United States.

It's time for the Justice Department to decide if the spirit of the U.S. Constitution is more important than the letter of an ill-conceived law. The government has been holding former University of South Florida Arabic teacher Mazen Al-Najjar nearly a year without bail on the basis of secret evidence of terrorist activity. If the government has proof, it should come forward and show its hand; otherwise, he should be set free while appealing his deportation on an expired visa.

Gouging the due process guarantees of the Constitution for immigrants is not an acceptable way to fight terrorism. It gives up too much liberty for a speculative increase in safety. Basic rights to fair and open hearings are not reserved to those lucky enough to be born or naturalized American; they are inalienable rights that should be granted all those who come under the jurisdiction of our legal system.

Al-Najjar, an American-educated Palestinian who managed the World and Islam Studies Enterprise at USF, was arrested last May and sits in the Immigration and Naturalization Service's holding facility in the Manatee County Jail. He was denied bail pending review of his deportation order because he was deemed a threat to national security. In a one-sentence ruling, an immigration judge declared there was evidence tying him to the Islamic Jihad, a Middle Eastern terrorist group.

Does the government have solid evidence of his terrorist activities? Who knows? The press doesn't know, the public doesn't know, even Al-Najjar doesn't know. The only ones who know are Al-Najjar's prosecutors and the judges involved in his deportation and bail denial. And they won't tell what they've got.

Al-Najjar's case is not unique. Secret evidence is being used by the Justice Department to justify deportations and bail denials in

at least 11 other cases. Most notorious is the recent decision in California to deport a group of men who were originally invited to the United States because they assisted the CIA in planning a failed coup against Iraqi President Saddam Hussein. The order of deportation was based on secret evidence that the men never got a chance to see or rebut. If they are returned to Iraq, they face certain death.

How can such a star chamber exist in our system? It shouldn't. The Constitution guarantees all those on American soil, even immigrants, the right to know in specific terms why they have been denied bail, the right to respond to adverse evidence and to confront accusers. None of these rights has been respected in the case of Al-Najjar.

Secret evidence is often faulty. Even if presented by well-intentioned attorneys, informant testimony can be based on unfounded rumors. Another USF professor, Sami Amin Al-Arian, who was suspended from teaching computer engineering because of his INS troubles, was denied citizenship largely based on "classified" evidence that turned out to be copies of newspaper articles.

A New York federal court will soon decide the constitutionality of the use of secret evidence in the denial of bail for another alleged Middle Eastern terrorist sympathizer. Meanwhile, there is an appeal pending in Al-Najjar's bail denial case, and a delegation of people concerned with his plight recently pleaded his case to officials at the Justice Department.

The department has a chance to serve justice by supporting Al-Najjar's petition for bail. It should also unilaterally cease the use of secret evidence. Justice Department lawyers don't have to wait for the courts to tell them what they are doing to these immigrants is wrong. They already know.

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On Secret Evidence

NOTHING IS more inimical to the American system of justice than the use of secret evidence to deprive someone of his liberty. Yet that is precisely what is happening to more than a dozen Arab aliens picked up on an immigration charge, suspected of an association with terrorism but so far not charged with any actual crime. The classified information that is the basis of their detention typically comes from the FBI, is shared with the judge but is withheld from the prisoner and his lawyer.

Secret evidence is not available to be used in criminal cases, including national security cases, in American courts. But a decades-old regulatory authority allows such evidence to be introduced into certain immigration proceedings—not those determining whether someone should be deported but whether they should receive asylum, permanent residence, naturalization or release on bond. The basis for the secrecy presumably is to protect confidential government sources. It is a convenience for law enforcement officials and conceiv-

ably a protection for the public. But it is a convenience and protection purchased at a prohibitive price to individual liberty.

In fact, terrorist incidents in New York and, of course, Oklahoma City and elsewhere have induced an incipient fever. The Clinton administration's anti-terrorism bill of last year disclosed a broad executive, congressional and popular latitude for encroachments on the rights of terrorism suspects. The Immigration and Naturalization Service, in the course of getting with the anti-terrorism program, has moved into the territory itself. The conviction—without secret evidence—of a number of Arabs in actual bombings seems to have lowered the standards by which other Arabs are being swept off the streets. Possibly some of them may be supporting Hezbollah and Hamas not for their criminal attacks but for the social welfare programs these groups also run. Others of the detainees may well be terrorists. All of them deserve to know the evidence against them.

EDITORIALS

Secrecy ill serves justice

By using unsubstantiated smears, pre-trial detention and closed court proceedings to fight supposed terrorists, the federal government is undermining the very democracy it is supposed to uphold.

A review by the *St. Petersburg Times* of declassified material in a handful of cases shows that much of the government's "evidence" would never withstand scrutiny in open court. Even the accused under this legal charade are denied the basic right to hear and challenge allegations by ex-wives, investigators and paid informers.

"It's pure Star Chamber," said a former CIA director, James Woolsey, in describing one pending case.

Undermining the Constitution is no way to protect the republic. America stands alone in the community of nations for the inalienable rights that it formally grants to all under an open and equal system of justice. Inherent in the principle of government by the people is the freedom from unreasonable seizure and the right to challenge one's accuser.

Every American is threatened by a process that legitimizes the denial of due process and segregates defendants — be they citizens or immigrants — into classes receiving different standards of fairness.

Though secret evidence is used in only a fraction of immigration cases, the miscarriage of justice is too consequential for Congress to ignore. In dozens of cases, prosecutors are using secret evidence to jail U.S. residents indefinitely while seeking their deportation from the country. The evidence, which often consists of newspaper clippings, third-hand allegations and bigoted intuition on the part of government investigators, is withheld from defendants and their attorneys for "national

security reasons."

A former university teacher in Tampa, Mazen Al-Najjar, has been jailed 16 months without charge, accused simply of "association" with a Palestinian terrorist group. A New Jersey retailer is accused of meeting with a World Trade Center bomber, an allegation he calls a lie propagated by his ex-wife. In California, six Iraqis who allied with the CIA to fight Saddam Hussein face deportation and probable execution upon their return.

If the government has hard evidence that these people have been involved in terrorist activity, it should lay its case on the table. Terrorists pose a danger to human life, not only to the security of allied governments or to the institution of American democracy. We have the right, as members of an open society, to understand the risks and to ensure that our government responds to them accordingly.

No one should minimize the difficult job the government faces in protecting its citizens. But that is not the issue. The public has long been accepting of secrecy for legitimate "national security" interests, and so have the courts. Yet such an article of faith makes it incumbent upon government to strike a balance between the public interest served by secrecy and the constitutional entitlement of individual rights. Law enforcement cannot rely on the blunt tools of rumor and secrecy to substantiate credible threats to our national security.

Members of Congress who truly are concerned about the rule of law should ask Attorney General Janet Reno to explain her department's bizarre application of "justice" in these most egregious cases. Turning these suspects into *causes celebres* does not make America more secure.



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Let's not keep a secret

It's no secret that the United States government suspects Mazen Al-Najjar of having links to terrorists. The problem is that the evidence against Dr. Al-Najjar also is secret.

Dr. Al-Najjar is not an American citizen, though his three young children are. He was arrested May 19 and remains in jail based on secret evidence allowed under federal immigration law and the 1996 Anti-Terrorism and Effective Death Penalty Act.

Dr. Al-Najjar is a former instructor at the University of South Florida in Tampa, which explains how federal authorities became interested in him. Another former USF instructor, Ramadan Shallah, shocked the university in 1995 when he became head of the Islamic Jihad, a radical group that sponsors terrorism. Shallah took over just days after Jihad's former chief, Fathi Shikaki, was assassinated in Malta.

At USF, Shallah had founded the World and Islam Studies Enterprise. WISE organized conferences, published journals and collected millions of dollars in donations. Federal agencies suspected WISE was laundering money for terrorists. Dr. Al-Najjar's association with WISE is behind his current detention. But investigations of WISE that began in 1995 have not turned up clear evidence the organization and its officials were secret terrorists.

The government says it has evidence, but only a judge can see the

A former University of South Florida instructor, suspected of terrorism, can't see any of the evidence against him.

evidence; the accused and his lawyer can't. So there's no opportunity to refute the evidence. With no prospect of challenge, mere allegations become proof. The potential for abuse is clear.

A dozen other cases of people being held on secret evidence are pending. Most are alleged to have connections to Middle East terrorists. Some could be deported into the hands of governments that may execute or torture them.

In addition, the anti-terrorism law contains other dangerous provisions. One allows the U.S. government to declare any organization to be terrorist-linked. Another makes any donation to such an organization — even for humanitarian purposes — a criminal act. The government has been slow to use those provisions, but they also carry the possibility of abuse.

Obviously, the government should be aggressive in preventing terrorism. Dr. Al-Najjar and his associates should be investigated. But Dr. Al-Najjar should be protected by a Constitution that makes no secret of its contempt for secret evidence.

Abroad at Home

ANTHONY LEWIS

Kafka
In
America

WASHINGTON

The prisoner has been in solitary confinement for 17 months. There is no charge that he has ever committed a crime. He is held as a danger to the security of the state — on the basis of evidence that he is not allowed to see and cannot answer.

It sounds like a report from a tyrant state, but it is happening in our country. The prisoner, facing a deportation proceeding, is being held in a New York City jail without bail because an immigration judge heard secret charges that he was a risk to national security.

The U.S. Department of Justice is using secret evidence in at least nine other current deportation cases. And the practice could be greatly expanded under a clause that the chief Congressional scourge of immigrants, Representative Lamar Smith of Texas, is trying to slip into a supposedly non-controversial bill.

To penalize someone without giving him a chance to confront his accusers goes against fundamental American ideas of fairness. That happened in this country during the McCarthy years. Even when officials in good faith use secret evidence that they think is reliable, testimony untested by cross-examination may be tainted by bias or mistake.

The New York deportation case shows how unfair such a shadowy process can be. The prisoner is Nasser Ahmed, an Egyptian who has lived in the United States since 1966 and has three American children. He worshiped at the mosque in Brooklyn where Sheik Omar Abdel Rahman preached and was a court-appointed translator at the trial in which the sheik was convicted of conspiracy to blow up buildings in New York.

The Immigration and Naturalization Service sought to deport Mr. Ahmed to Egypt for overstaying his visa. He asked for asylum, on the ground that his association with Sheik Abdel Rahman would subject him to persecution by the Egyptian Government.

Bail is usually granted in such cases, but Government lawyers op-

posed it. In secret they gave the immigration judge, Donn Livingston, evidence they said showed Mr. Ahmed was connected with a terrorist organization. They would not tell Mr. Ahmed the names of the alleged terrorist group or of his accusers.

On the open evidence, Judge Livingston said, Mr. Ahmed "would most certainly be found to be a good candidate for release" — and there were "compelling" reasons for him to fear what would happen to him if sent back to Egypt. But on the basis of the secret hearing, the judge denied bail.

Mr. Ahmed's lawyers argued that it was unconstitutional to imprison someone on evidence he could not examine and rebut. Judge Livingston found that argument "appealing because it is based on the most important principles of a free society." But as an immigration judge, he said, he had no jurisdiction to consider constitutional objections. Mr. Ahmed's lawyers have now gone to a Federal court to seek his release.

Another case is that of Mazen Al-Majjar, who taught at the University of South Florida in Tampa. He has been in prison since May 19, again on the basis of secret evidence said to show he had connections with a terrorist organization.

The subjects in those two cases are Arabs. And so are eight others against whom secret evidence is being used. Four of them, imprisoned in Bakersfield, Calif., are Iraqis whom the U.S. Government brought out of Iraq after a C.I.A.-managed plot against Saddam Hussein collapsed but whom we now apparently consider pro-Saddam.

Representative Smith is trying to broaden the use of secret evidence through a provision he has written into a proposed "Technical Corrections Act" for last year's immigration law. It would require deportation of any alien found, on secret evidence, to be a member of an organization that has been described by the Secretary of State as "terrorist." Anonymous accusations of Communist Party membership were a scandalous feature of the McCarthy years. Here the accusations would often come from foreign governments that want to get a critic home where they can deal with him.

On Nov. 23, 1953, at the height of McCarthyism, President Eisenhower told a B'nai B'rith dinner about the ideals he had learned growing up in Abilene, Kan.: "In this country, if someone ... accuses you, he must come up in front. He cannot hide behind the shadow. He cannot assassinate you or your character from behind."

The deportation
process's shadowy



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

BENJAMIN A. GILMAN
20TH DISTRICT, NEW YORK

December 8, 1998

Dear Mr. President:

Thank you so much for your kind greetings on the occasion of my recent birthday. Your thoughtfulness in taking the time to send your message is especially appreciated.

Georgia joins me in extending our best wishes for a happy, healthy, and safe holiday season, and also a productive New Year.

With best wishes,

Sincerely,
A handwritten signature in black ink, appearing to read "W. Clinton", written over the word "Sincerely,".

The Honorable William Clinton
President Of The United States
The White House
Washington, D.C. 20500

'99 JAN 7 PM 9:44

THE WHITE HOUSE
WASHINGTON

January 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: JANET MURGUIA *Jm*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your review are letters from the following Members of Congress:

- 1) Rep. Charles B. Rangel (D-NY), thanking you for your note of congratulations on his re-election to the House of Representatives and pledging his continued friendship and support as you continue your work together during the 106th Congress;
- 2) Rep. Thomas C. Sawyer (D-OH), concerning the bipartisan Hershey retreat on civility for Members of Congress, and your upcoming State of the Union speech; and,
- 3) Rep. Vic Snyder (D-AR), expressing his personal support for you and urging you not to resign in the wake of the impeachment vote.



CONGRESSMAN CHARLES B. RANGEL

December 15, 1998

The Honorable Bill Clinton
President of the United States
The White House
Washington, DC 20090

Dear Mr. President,

Thank you very much for your warm note of congratulations on my re-election to the House of Representatives. I greatly appreciate your good wishes.

The upcoming 106th Congress faces challenging substantive issues important to the American public. After winning re-election with 95% of the vote in my District, I look forward to returning to Washington to work for the good of all Americans.

Thank you for your friendship and support. I look forward to working with you in the future.

Sincerely,

Charlie
Charles B. Rangel

CBR:

Please count on my continued support. No matter what we will survive and perhaps thrive politically. The American people can only take so much from them.

NOT PRINTED AT GOVERNMENT EXPENSE

Congress of the United States
House of Representatives
Washington, DC 20515-3514

December 30, 1998

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

Dear Mr. President:

December 19 was a painful and difficult day for all of us.

So when you spoke in the East Room of the importance of healing the House and of our role in modeling behaviors to make that possible, it was moving and right on point. But it won't come easily.

You may know that Dave Skaggs and I, in partnership with Ray LaHood and Amo Houghton, saw a similar need some three years ago. The bipartisan Hershey Retreat on civility in the House was the result. We believe that it was the largest bipartisan gathering of Members of Congress and their families outside of Washington in the nation's history. Its success has led to plans for a similar retreat in March of next year.

It may well be that such an effort has never been more needed -- or more difficult. In the immediate environment, it has not been possible even to broach the subject with many of our members without provoking an angry and bitter response.

It is likely that only you can provide the necessary license to our members to participate in our common interest:

- to facilitate institutional healing;
- to temper the environment in which the nation watches whatever the Senate chooses to do in coming weeks; and
- to help foster the shifting majorities of the center we all will need to fashion issue-by-issue and week-by-week, in the interest of governing the nation.

Page 2
President Clinton

There may be no better vehicle than Hershey to undertake this; there may be no one other than you who can make it happen in the current circumstance.

Having said that, planning for March is well along: the Pew Charitable Trusts once again committed to fund the entire retreat and the Aspen Institute will again administer its execution. Ray will remain as the Republican chair of the Hershey planning group, and I have succeeded Dave as chair on the Democratic side.

My first thought last week was that Ray and I write to you and suggest that you mention Hershey in your State of the Union Address in precisely the terms you used to discuss civility on the 19th.

It would be a dramatic gesture, and I still think it's a good idea.

However, I am convinced that it will require greater care and preparation than that to be effective. In any case, I am neither authorized to act alone on behalf of the planning group in that way, nor am I willing to make such a potentially public suggestion with Ray or anyone else without alerting you first.

I am particularly concerned for this reason: On the evening before that vote, our Steering and Policy Committee met to make committee appointments for new members. During a brief lull, one very senior member mentioned that the new chair of his committee had suggested that they undertake a committee retreat. His acerbic comments about that led to a loud and broad explosion of refusals to take part in any retreats or acts of comity with the other side at all.

I know that it may have been only the heat of the moment, but it stood in stark contrast to your own observations the next day in the East Room

So I write to you today, privately and personally, to ask for your help and to offer my own in making this event happen.

I urge you to consider asking the Vice President and/or our Minority Leader to write to members now along the lines of, "You were there as we/I were/was on that historic afternoon when the President spoke to us about comity and civility and the importance of modeling behaviors for ourselves and the Nation that willetc.... Therefore, we/I urge all members to plan to take part on March 19, 20, and 21 in the Hershey Retreat and to share in its planning and preparation in coming weeks...."

Page 3
President Clinton

I look forward to hearing from your staff to discuss this at the earliest possible moment. We are on the threshold of making commitments to secure final arrangements for this project. I do not want to proceed without your counsel. The opportunity is too great, and the stakes are too high.

With very best wishes for a much better new year, I am

Sincerely,

A handwritten signature in cursive script, reading "Tom Sawyer", followed by a long horizontal flourish.

VIC SNYDER
2D DISTRICT, ARKANSAS

HOME OFFICE:
1527 FEDERAL BUILDING
700 W. CAPITOL AVENUE
LITTLE ROCK, AR 72201-3270
(501) 324-5941
TDD (501) 324-5922

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WASHINGTON, DC 20515-0402
(202) 225-2506
SNYDER.CONGRESS@MAIL.HOUSE.GOV

Congress of the United States
House of Representatives
Washington, DC 20515-0402

December 18, 1998

The Honorable William Jefferson Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

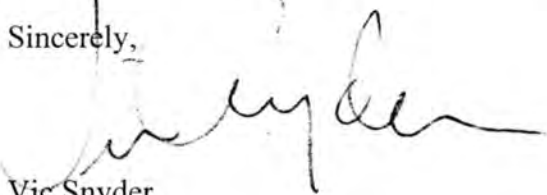
As I sit in my office this evening having observed the partisan process that the majority party in the House has used today and these past weeks to reach its desired result of your impeachment tomorrow, I feel compelled to offer a little unsolicited advice. Please accept this as the strong recommendation from the Congressman from Arkansas representing the district in which you and the First Lady cast your votes.

There has been little that was bipartisan about these House proceedings. In their most blatant act, to deny the members of Congress an opportunity to resolve this issue with a resolution of censure, the Republicans used the rules to not even permit a debate and vote on this motion.

While I can only imagine your personal agony over this situation, I am writing you to respectfully request that you continue to hold the Office of the Presidency. Please do not allow the inevitable calls for your resignation which will result from this partisan exercise in the House to in any way soften your resolve to serve out your term. One of the most important parts of your legacy may be that you stood your ground and did not allow an impeachment process saturated with partisanship to thwart the will of the country as was demonstrated by the elections of 1996 and 1998. To resign now would encourage similar partisan exercises in the future: step one, impeach on charges that do not meet the constitutional standard for impeachment; step two, call for the president's resignation. To go along with such an unfair and partisan process would jeopardize the independence of future presidents who are members of a party different than the one in the majority in Congress.

My best wishes to you and your family in this holiday season.

Sincerely,



Vic Snyder
Member of Congress

99 JAN 8 PM 3:49

HONORARY PARTICIPATION REQUEST

Please return to Neal Sharma, Room 97

Today's Date: January 8, 1999

Date of Request: 12/30/98
Request for: POTUS/FLOTUS
Type of Request: Honorary Patrons
Requestor Name: Ms. Sally A. McDonough
Title:
Address: George Washington Bicentennial
Post Office Box 110
Mount Vernon, Virginia 22121

Contact Tel. #:

Event Date: 2/15/99

Event Description: The Inaugural Celebration of the George Washington Bicentennial 1999

Notes: This is the official kick off for the bicentennial year of George Washington's death. Former Presidents Ford, Carter, and Bush will be invited to attend and speak. All Governors, members of Congress, and Cabinet members will also be invited. Governor and First Lady Gilmore of Virginia plan to attend. The organization is a 501(c)(3), and no admission charge will be assessed the day of the event. A NEXIS search revealed no reason why the President and First Lady should not serve as Honorary Patrons. Ellen Lovell supports this request.

The President and First Lady should ACCEPT.

Recommendations:

MV _____ PC ^{1/11/99} *ab* AC _____
(Unless otherwise noted, a yes answer will automatically generate a message as well as acceptance of the honorary position).

Comments:



George Washington
1999
B I C E N T E N N I A L

December 30, 1998

Ms. Mary Ellen McGuire
Assistant to the Deputy Chief of Staff
The Office of the First Lady
The White House
Room 101
Washington, DC 20500

Dear Mary Ellen:

It was wonderful to chat with you yesterday regarding participation of the President and First Lady at the grand opening of the *George Washington Bicentennial* at Mount Vernon on Monday, February 15, 1999, the official observance of Washington's Birthday/Presidents' Day. I have attached the details of the morning event for your review and presentation to the President's scheduling office.

Knowing that it will take some time to secure final details of the President and First Lady's schedules, and understanding that there is always a possibility that their schedules may change at the last minute, we are hoping to gain approval for a Presidential endorsement of the invitation. I have enclosed a draft invitation, however, we look to you and your legal department for the exact wording. We would like to deliver the invitation to cabinet level officials, U.S. Governors, and to all members of Congress in two weeks and therefore seek your approval by January 7, if possible.

Invitations to participate in the program have also been issued to former Presidents Ford, Carter and Bush. The Governor and First Lady Gilmore of Virginia plan to join us as well. We hope to determine the details of the speaking program by the week of January 11.

We expect hundreds of visitors to join us for the program and national media attention is counted upon as well (Presidents' Day celebrations at Mount Vernon traditionally deliver national media attention without a VIP program). Once the 1999 Birthday program of speakers is secure and if the President and First Lady plan to join us, we will work with The White House press office to target the appropriate media and aggressively work towards national coverage. Early indicators show interest from *Good Morning America*, *CNN*, *Home & Garden Network* and *C-Span*.

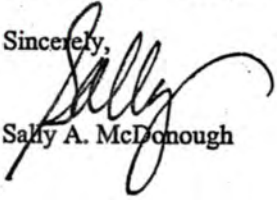
The *Bicentennial of George Washington* officially kicks-off at Mount Vernon on February 15 we had some programs open this fall. To date, the media coverage has been terrific including November 23rd coverage on *The Today Show*. I have also enclosed a few Bicentennial print clips to demonstrate the potential of this event as a national news and feature story.

Additionally, we briefly discussed the possibility of involving the First Lady in a media "first tour" of the Mansion. In preliminary conversations with PBS and other national outlets, we feel that this would be of great interest and a wonderful tie-in to Mrs. Clinton's *Saving America's Treasures* program. I have attached a press release that describes the 100-object tour (see press kit). Of course, there are many natural tie-ins for broadcast of such an event: February (President's Day); April (with a gardening focus); July 4th; and December (the death of Washington). Scheduling from your office as well as from the chosen broadcast house will dictate the broadcast timeframe. We can discuss this in further detail with your press office.

As promised, I have enclosed the background information from the scheduled September Presidential visit that was cancelled due to rain and a Bicentennial press kit. This should provide the necessary background information.

I look forward to working with you and Shirley Sagawa on this project (Charlene Duryea will be thrilled to be working with Shirley). I can be reached at 703-799-8607 or by email at smcdonough@mountvernon.org. It will be a wonderful occasion for the Clintons to host this kick-off celebration in honor of the First President, on President's Day -- during their inaugural visit to Washington's beloved Mount Vernon.

Sincerely,



Sally A. McDonough

1-11-99

Came in interoffice mail

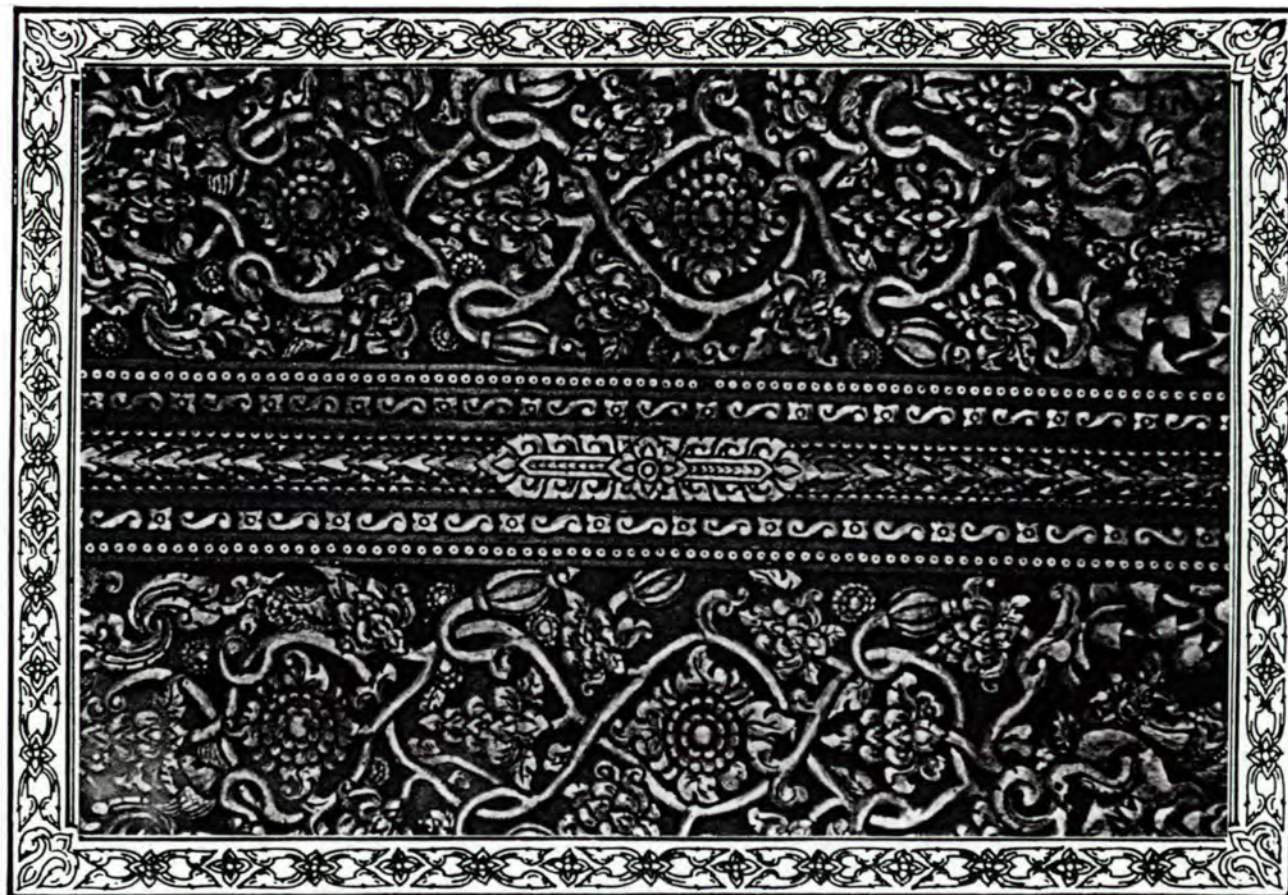
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Yes ☒

No ☐

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Khamtay SIPHANDONE
*Président de la République
Démocratique Populaire Lao*

99 JAN 11 AM 11:08

ສະບາຍດີປີໃໝ່
Happy New Year
Bonne et Heureuse Année

M. *Sour*



1-11-99
THE WHITE HOUSE
WASHINGTON

99 JAN 5 AM 7:05

Copied
Waldman
Podesta

January 5, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL WALDMAN *MW*
SUBJECT: FIRST DRAFT OF
1999 STATE OF THE UNION ADDRESS

Here, for your review and our meeting, is a first draft of the State of the Union Address. It follows our earlier discussion and largely tracks your initial outline (with some modifications, see attached). All the speechwriters, especially Paul Glastris, have worked hard to produce this draft.

I suggest you look at it especially for themes, which are outlined on the first few pages. At your suggestion, we based this section on the speech you gave to the Democratic Leadership Council last month. You will note that the details of the discussion of the surplus and Social Security are omitted. We will discuss those with you at your Social Security meeting on Wednesday.

This draft is long -- if you were to deliver it, it would take about an hour, but it does not include entire sections (such as foreign policy), or the individuals in the First Lady's box. But it will give you a sense of the material you can work with.

REVISED OUTLINE
STATE OF THE UNION

Introduction

Fiscal discipline/the challenge of an aging America

- Social Security
- Medicare
- Long Term Care

21st Century schools

21st Century economy

- Investing in people
- Urban
- International/trade

Strong families in the 21st Century

- Tobacco
- Health care
- Child Care

Strong communities in the 21st Century

- Crime
- Environment
- One America/Immigration
- Hate crimes/ENDA
- Americorps
- Strengthening democracy

Peroration: The Millennium

Draft 1/5/99 12pm

**PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
UNITED STATES CAPITOL
January 19, 1999**

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans:

Tonight, I report to you on the State of the Union -- the last such message of the 20th Century. And tonight, on the threshold of a new century, I call our nation to action -- to meet the great challenges and seize the even greater opportunities of a bold new time. To build a modern retirement system ... a modern school system ... to build strong families and strong communities in the 21st Century.

The century we are leaving has been called the American century. In this time, our nation won two world wars and a long Cold War against tyranny. We overcame economic Depression and lifted millions into the world's greatest middle class. We broke the chains of legalized discrimination. America has been tested by tremendous adversity, and each time has triumphed, becoming stronger, freer, more prosperous, and more indispensable to the world.

Six years ago, we faced a different kind of challenge -- with the onrush of global economic competition, sweeping technological change, an ever-more-diverse America, and a chaotic post-Cold War world. We were failing to master this change. Our economy was

faltering. The standard of living for working families was stagnant. Crime, welfare, teen pregnancy, the decay of our great cities, all seemed destined to worsen forever. The federal budget deficit, painful symbol of political gridlock, was nearly \$300 billion and rising. The citizens of other nations saw the United States as another one of history's great powers facing inevitable decline.

But Americans did not believe that. When I assumed the Presidency six years ago tomorrow, I told our nation that "there is nothing wrong with America that cannot be cured by what is right with America." I believed then -- and I believe still -- that if we offered opportunity to all, demanded responsibility from all, and built a community of all, we could renew our nation.

And so we have. For six years, with energy and ambition, with daring and drive, our people have risen to the challenge of change. From one end of this nation to the other, citizens have rolled up their sleeves and worked hard to renew their neighborhoods, their businesses, their families, their communities, their country.

With more than 17 million new jobs, wages rising at twice the rate of inflation, the lowest unemployment and inflation in a quarter century, the highest homeownership ever, cutting edge new industries, we have created a new economy. It's now official: our peacetime economic expansion is now the longest in history.

Today, I stand before you the first president in three decades to report that the budget is not just balanced, but in surplus.

Today, I stand before you to report that crime and welfare are at their lowest point in a quarter century.

Today, I stand before you to report that the environment is the cleanest in a quarter century, and that we have cut pollution from factories in half -- even as our economy has boomed. For the first time in recorded history, the rate of cancer has fallen.

Today, America stands tall as the indispensable force for peace in the world, bringing reconciliation to lands torn by ancient hatreds -- from Northern Ireland to Bosnia to the Middle East. And every American should be proud that our fighting men and women have struck at an arsenal of weapons of terror in the hands of a dictator -- and doing so without a single loss of American life.

Perhaps most important of all, we proved again to ourselves and the world that when America faces a challenge, we meet it. This nation of young men and women, born in revolution and renewed in each generation, once again is building a new America for a new time. President Washington at the time of the first State of the Union Address said that succeeding generations

must carry forward “the sacred fire of liberty” which is “finally staked on the experiment entrusted in the hands of the American people.” My fellow Americans, at the end of one American century and the dawn of another, that fire, that sacred fire, burns brightly. The State of our Union is strong.

Our union is strong because our vision is clear.

We have moved past the sterile debates over the size and scope of government. America needs a progressive government, a modern government that is flexible, creative, and lives within its means -- that is driven not by rigid ideology, but by the ideas that work. We need a 21st Century government to meet 21st Century challenges.

We have moved beyond the old assumptions that government must either seek to dam up the currents of economic change -- or tell our people to sink or swim on their own. America needs a progressive government that harnesses the power of the global economy and gives people the tools to make the most of their own lives.

We have begun to shape a new America, drawing on our oldest traditions, calling on the vitality of new immigrants from around the world who have become Americans by sharing our ideals.

This is a time of unsurpassed prosperity. And it would be easy, and understandable, for a nation to relax, to savor its success. But if we do, that success may be shortlived. New times pose new perils even as they open wide new vistas of opportunity. Ultimately, the question we face is as old as our Republic. Can we – will we – use the prosperity we have created to meet the great new challenges of the 21st Century? Will we act now – as past generations have, time and again, throughout this century -- to strengthen this nation, securing a future for our children that is even more prosperous, more secure, and more full of possibility than our own times?

Let me say something about the spirit in which we should approach this work. Outside these walls, in schools, businesses and churches, across our nation, Americans of different backgrounds and beliefs are working together toward common goals. They have a right to demand no less of us. This is a rare and fleeting moment; let us put aside politics, rise above rancor, and elevate progress over partisanship. If we do we will be true to our responsibilities and true to our nation.

Fiscal discipline/Social Security

Our fiscal discipline and growing economy have given us an unsurpassed opportunity to act to address our greatest new challenge: the aging of America.

In the past six years, we have freed up \$ billion for productive investment. And lower

interest rates have put [\$ billion] in the pockets of working families. So we must hold fast to our fiscal discipline. I will resist any tax cuts or spending programs that put our balanced budget at risk.

Today, the federal government is the smallest since -- well, since John Glenn first orbited the Earth. Thanks to the pioneering leadership of Vice President Gore, we have reinvented our government, in partnership with federal workers, doing more with less. Tonight we commit: we will further reduce the size of the federal workforce by [75,000] this year.

This fiscal discipline has given us a rare and fleeting opportunity to build for tomorrow.

We must begin with the greatest demographic shift our nation has ever seen. America is and will forever remain a youthful nation -- boundless in its energies, uncontained by convention, impatient in the pursuit of progress. Though our nation is young, our people are aging. The Baby Boom will soon become a Senior Boom. Living longer is what I call a 'high class problem.' But we have no choice but to get ready.

Social Security is more than just a program, more than just a check in the mail. It reflects our deepest values as a nation: the duty we owe to one another. When President Roosevelt created Social Security, a widow wrote to him asking to be released from "the terror of penniless

old age.” Even today, without Social Security, half of our elderly would plunge into poverty.

Today, Social Security is strong. But soon it will face a looming demographic crisis. By 2030 it will not be able to pay out full benefits.

Last year, from this podium, I said we should set aside the surplus until we save Social Security first. I thank the Congress for passing a bipartisan balanced budget that invested in education, hired 100,000 new teachers, and above all, saved the surplus. Now we must use it to save Social Security.

Here’s how. Not by drastic cuts in benefits. Not by raising taxes. We will build a Social Security system for the 21st Century by modernizing Social Security so that it continues to provide a rock solid guarantee of support for future generations.

If we want Social Security to work for the long term, then it should invest wisely the way any private or state government pension would – indeed, the way any family would. I propose that we invest half the budget surplus to save Social Security. If we invest in traditional government bonds, we can extend the life of Social Security for 50 years. If we go further, making prudent private investments, we can save Social Security for 75 years.

Let me make clear my belief that it would be a mistake to drain resources from Social

Security in the name of saving it. Individual accounts are no substitute for preserving the basic guarantee of retirement security for all Americans, regardless of income.

And as we save Social Security, we cannot shrink from our obligation to save Medicare. A strong and bipartisan panel chaired by Senator John Breaux and Rep. Bill Thomas will report in March on how best to do this. I want everyone here to listen very closely to their recommendations. I believe that the dividends of our fiscal discipline should enable us to act on Medicare. So I propose that – after we save Social Security – we use one out of every five dollars in the surplus toward saving Medicare -- extending the life of Medicare for at least 15 years.

Then, we must do more to help all people, beginning in their first days in the workforce, to save. Workers today have jobs that their parents never dreamed of -- a free agent nation, working at home but connected to markets around the world. But as they look to their future, they should enjoy the security their parents did. As President Roosevelt argued when he created Social Security, that program must be bolstered by pensions and by private savings. We have already taken steps to safeguard the pensions of 40 million Americans, and to ensure that pensions can move with workers from job to job.

I believe that once we have saved Social Security, we should create a pension for every American -- a universal pension so that every worker can start saving from their first day on the

job. I propose that the national government contribute to a pension for each and every individual, to be invested as he or she sees fit.

There are many other ways to address the challenge of an aging America.

Today, millions of households are caring for elderly relatives and even neighbors, often at great cost to their families. Our parents worked and saved and sacrificed to care for us in our youth. Adult children are working and saving and sacrificing to care for their parents in old age. It is the cycle of life -- a vital and sacred compact among generations -- and one we should recognize and reward as a nation.

That is why in my balanced budget I will propose a long-term care tax credit -- \$1,000 for people with long-term care needs or for the families that shelter them. It would help offset the direct costs of long-term care, like home health visits and adult day care, as well as the indirect costs, like the unpaid leave some family members take from work. The care they provide is invaluable; but we can show we value it very much indeed.

[elderly housing]

[intergenerational centers]

In new economy, opportunity for our people will depend on their creativity, their knowledge, and their skills. In the 20th Century we built a system of public schools that lifted millions into the middle class. Now we must build public school system for the 21st Century.

With easier student loans, more Pell grants for deserving students, 1 million new work study jobs, education IRAs, and the HOPE scholarship that nearly 6 million Americans received this year, today we can say what we could not say six years ago: Every high school graduate in America, regardless of income, can afford to go to college.

When it comes to renewing our public schools, we have made steady progress: Nearly every state has imposed tougher academic goals. Thousands of schools have cracked down on drugs and gangs, and students who were once literally killing each other over jackets and sneakers are now wearing school uniforms. We have found ways for values and religious faith to find their proper place in our public schools.

All these efforts and more have begun to bear fruit. SAT scores have climbed every year since 1993, and average math scores for have risen nation wide. But while our fourth graders outperform their peers in other developed countries in math and science achievement, our twelfth graders rank at the bottom. Clearly, American students start out smart, but the system fails them. We must do better.

Last year, we reached across party lines on behalf of our children and began to hire 100,000 new teachers to reduce class size in the early grades. I ask this Congress to renew that commitment until we achieve the goal of hiring 100,000 new teachers. Smaller classes will mean more discipline, more attention, more learning.

We are making progress towards connecting every school and classroom in America to the Internet by the year 2000, but we are not there yet. Over a million classrooms remain cut off from the technology that all children will need in the 21st Century. This year, over \$1 billion will become available to connect every classroom. I ask every school in every community in America to link our children to the future.

I ask the Congress to fund a Digital Library that will put online state of the art math and science curriculum, the treasures of the Smithsonian, and most important of all, will make available up to 400,000 books. Imagine what it will mean when we can put at the fingertips of every child in every community all the knowledge of human history.

And once again I ask the Congress to help communities modernize or build 5000 new schools. Our children deserve to learn in clean and well-equipped classrooms. Children who learn in trailers will trail behind. We cannot have 21st Century schools in 19th Century buildings.

All these steps will build the 21st Century schools our children need. But the most important thing we can do is to bring a revolution of rising expectations to our schools: higher standards, strict accountability.

Every spring, one in five public school students moves from grade to grade even though their own teachers say they haven't mastered the basics. That's nearly 10 million students each year, destined to fall further and further behind. And each year, hundreds of thousand of young people graduate high school without the skills they need to balance a checkbook or fill out a job application.

Tonight, I ask you to join me in launching a bold and concentrated drive to bring reform and renewal to every public school in America. Each year the federal government invests over \$13 billion in our public schools. I believe we can get a better return on that investment by demanding real accountability. I propose that every school in every community receiving federal help for their schools take the following steps.

First, schools must end social promotion. From now on, students simply will not be able to graduate if they have not mastered the basics. Advancing students who have not mastered the basics does great harm to those students and sends the message to all students that performance and effort don't matter.

It would be wrong to mark these students as failures when our schools have failed them. If we are going to hold students to high academic standards, we must give them the help they need to meet those standards. That is why my new balanced budget contains an additional \$400 million for academically-enriched summer school and after school programs. After school programs will keep students learning and off the street in the hours after regular school lets out, when juvenile crime soars and working parents are frantically struggling to get home. Our children should learn their lessons in a classroom, not on the streets.

Second, states and school districts must take responsibility to identify their worst-performing schools, and do everything possible to turn them around, as Chicago has done. If that means bringing in new principals, fresh resources, and better-trained teachers, so be it. My balanced budget includes \$200 million to help communities turn around failing schools.

Third, teachers must be qualified to teach. But today too many teachers simply aren't trained in the subjects they are teaching. In Massachusetts last year, sixty percent of teachers failed a basic competency test.. States and school districts should require competency tests for incoming teachers, and swift but fair procedures for removing those who cannot do the job. A teacher who cannot teach has no business being in the classroom.

[teacher recruitment?]

Fourth, we must empower parents with more and better information about their local schools. It is usually easier to get information on the quality of local restaurants than the quality of local public schools. Schools issue report cards on students. I believe every school district should issue report cards on schools.

We must also give parents more choice within the public school system, with 3000 innovative, independent charter schools by the Year 2000, and with new public school choices tailored to the way families work and live today -- including new public schools located at workplaces, so that harried working parents can spend more time with their children and be more involved in their education.

[national tests]

[Anecdote -- Jenner Elementary School in Cabrini Green, which I visited. Test scores at Jenner have doubled on a percentage basis in just one year.]

In the information age, learning must continue throughout a lifetime. Today, there is not so much an income gap as a skills gap. This past year I was proud to sign bipartisan legislation to transform our worker training system. With a simple voucher, Americans can now choose the skills they need. Now we must build upon that momentum -- with a national campaign to improve adult literacy, with new online learning, with a new drive to ensure that every American

who needs cutting edge training gets it.

[21st Century economy -- R&D, Y2K, financial consumer protections]

To build a 21st Century economy, we must do more to make sure that opportunity reaches into every home and prosperity extends into every corner of every community.

Already, by expanding the Earned Income Tax Credit, we have helped [x] million work their way up from poverty. In this time of prosperity, a family that is working should not be poor. We should raise the minimum wage.

Already, empowerment zones, a new network of community banks and lending institutions, and a dramatic increase in investment by private banks has brought [\$x] trillion into our inner cities and poor rural areas. Tonight I propose the next stage of our urban opportunity strategy. More capital into our inner cities. A new American Private Investment Corporation to make loan guarantees for investment in our untapped domestic markets. Tax credits for new investments.

And we must work to make sure that prosperity reaches rural America. It is in our farm communities that our values take root. But even in these good times, too many farmers are struggling. We must work together to improve the farm safety net.

Already, over seven million Americans in the past six years have bought their first home. Tonight, we launch a new drive to give every American in every community the pride that comes with owning a home. 100,000 new vouchers to help poor people move out of public housing. And I am pleased to announce that the nation's homebuilders have committed to build one million new homes in our cities by [x].

We can and must do all these things to widen the circle of opportunity at home. But we know that now and even more so in the years to come, the prosperity of our nation depends upon the prosperity of the world. Our nation has benefitted greatly from the free flow of goods and capital. Until recently, a full one third of our economic growth has come from trade. But over the past year and a half, financial turmoil around the world has put that growth at risk.

Our nation has no choice but to lead -- to spur global growth, to stabilize global economy and keep the world trading system open, free, and fair. The world economy is still in flux. But because America led and America acted, the world economy is much more sound than it would have been. I thank lawmakers of both parties for your support.

[international financial architecture -- taming boom & bust/putting a human face on global economy]

For too long, trade has divided Americans, across lines of party and philosophy and

economic station. We must find a new approach to trade – the common ground on which business and labor and government can stand. This common approach must be the basis of legislation giving the President traditional trade authority.

Tonight I propose to launch new trade negotiations to open markets to our goods and services – a new round of negotiations in the World Trade Organization to expand our exports of farm products, services and manufactures -- trade with Africa -- a Free Trade Area of the Americas -- trade with the Central American nations devastated by the recent hurricane.

In all these, we must press for trade that is more open and more free. [But we must also press for trade that promotes the dignity of work and the rights of workers.] We must insist that international trade organizations be open to the sunlight of public scrutiny. We must insist that trade rules never be used as a pretext to destroy environmental protections. We must never let vigorous international economic competition become a race to the bottom among nations.

And we must act, once and for all, to end the most exploitative trade practices of all. I will sign a new international agreement to ban child labor everywhere in the world.

We must do more to help American manufacturers, hit hard by economic turmoil abroad, as our trading partners are unable to buy our goods – and import cheaper goods into our markets at the same time. Tonight I propose an initiative to help American manufacturers in this difficult

time. I ask the Congress to provide \$100 million to spur American exports abroad. Let's be clear: If steel is being unfairly dumped in our country we must be willing to enforce our trade laws to protect our workers and communities. But America must stand firm against a worldwide wave of protectionism that would put up walls and close down the opportunity, growth and freedom that comes from an open global economy and trading system.

[international financial architecture]

In the 20th Century, the American family underwent tremendous stress as it adapted to new ways, but survived and was transformed. Now, we must strengthen the American family for the challenges of the 21st Century.

Today, American families are faced with even more stresses than ever. A commercial culture that too often undermines our efforts to instill strong values in our children. New technologies and growing demands and expectations in the workplace. Family breakup.

No government can raise or love a child. Mothers and fathers do. But government can empower parents with the tools they need to meet their most vital responsibilities.

Tobacco

We begin with the children. As is now well known, our children are the target of a massive media campaign to hook them on cigarettes – a product that will kill them. A secret tobacco industry document calls young people “replacement smokers.” They are not the future of the tobacco industry; they are the future of our nation. And we must act to protect them.

I ask this Congress to resist the awesome power of the tobacco lobby and pass comprehensive, bipartisan legislation that will raise the price of cigarettes, protect farmers, and give us the tools to protect our children from tobacco.

The tobacco industry and its deceptions have imposed a cost not just on our families. Illness due to smoking -- from cancer to emphysema -- costs Medicare [X billion] a year. Taxpayers should not be left holding the bag. Already, state governments have recovered [x] billion dollars for taxpayers for state health care costs.

Tonight, I am directing the Department of Justice to prepare and bring a lawsuit against the tobacco companies for the costs to Medicare of smoking.

Any funds we recover from these tobacco companies will help strengthen and reform Medicare. And these funds could be used to extend health care, including a new Medicare prescription drug benefit.

We know that tobacco is not the only product that can bring early death to our children. Each year, on too many dark roads, drunk drivers kill too many of our children. I ask the Congress to write into law a national standard cracking down on drunk driving.

There is no greater challenge, today and in the future, than helping the millions of working American parents who every day give their all to succeed at home and at work. I ask the Congress once again to enact a comprehensive plan to help make child care more affordable, higher quality, and more educational than ever. Our plan – tax cuts, subsidies for small business, training and standards for providers – is fully paid for in our balanced budget.

Any child care plan that is in balance with our values will also help those mothers who choose to stay at home with their children. They are working, too, and giving up income while they do so. Our child care plan therefore will propose a tax credit to help stay at home mothers. No job is more important than the job of raising our children.

[family leave]

Health care

Then we must act to give all our families access to a 21st Century health care system.

To do this, we must make certain that the rise of HMOs and managed care plans do not diminish quality as they decrease costs.

Here is a true story told to us by an emergency room physician from Dearborne, Michigan. A patient was rushed into the emergency room; he had died. The doctor managed to resuscitate him, and he revived. But the man's health plan said they would not pay, because they did not believe it was "an emergency" and the patient had not gotten prior approval from the health plan.

Our health care bill of rights says: Every American should have the right to the best care, not just the cheapest. The right to see a specialist. The right to continuity of care. The right to emergency care.

Within my power as President, I have acted, extending these rights to the 85 million Americans served by Medicare, Medicaid, and other federal health plans. But only Congress can extend this Patient's Bill of Rights to all Americans, and again I ask Congress to do so, on a bipartisan basis, early this year.

Step by step, we must also extend health insurance to every American. We should give people 55 and older the chance to buy in to Medicare. We should make it easier for small businesses to offer health insurance to their employees. We should pass the bipartisan

legislation, introduced by Senators Kennedy and Jeffords, to allow people with disabilities to buy Medicaid health insurance when they return to work.

And we must continue to invest in the medical research that has begun to flower into the greatest burst of innovation known to Man. In just the past six years, medical researchers introduced the first effective drugs to treat HIV. They have begun testing the first drugs to prevent or reduce risk of cancer. They have found a way to grow new blood vessels around a diseased heart. They have discovered the process of aging itself – raising the prospect of new treatments to prevent or delay the infirmities of old age, from Parkinsons to Alzheimers to arthritis.

My balanced budget will keep us on track to increase the budget for the National Institutes of Health by fifty percent. We know now we can entirely eradicate polio from the earth by the end of next year. By voting to fund scientific research, you will commit our nation to finding a cure for cancer and HIV early in the new century.

[privacy -- I will act]

[mental health -- Mrs. Gore]

Welfare to work

21st CENTURY COMMUNITIES

Crime

For decades it seemed as if crime – increasingly vicious, increasingly random -- was an ever-worsening threat to our domestic freedom. Six years ago, our country was at peace, but too many of our communities were at war. Gangs and drug dealers controlled entire neighborhoods where even police officers weren't safe to walk the streets. Too many families lived in fear. And too many children did not believe they would live to see the ripe old age of 20.

Then the national government said that we would no longer stand on the sidelines -- we would go to the frontlines and help communities take back our streets from crime. In 1994, we enacted a comprehensive crime bill, based on what law enforcement and community leaders alike told us they needed. Our strategy was simple -- more police on the beat and fewer guns in the hands of criminals, tougher punishment, better prevention -- and the results have been nothing short of remarkable.

Today, crime is declining dramatically, dropping a record seven years in a row.

Violent crime is at its lowest since [TK]. Murder is at its lowest rate since 1962. Across the country, from Oakland to Chicago to Boston, in cities large and small, communities once ravaged by crime are coming back to life.

But you and I know that crime is still a dangerous fact of life in too many neighborhoods. That is why we must build on our success of the past six years and decisively break the cycle of violence in America.

Tonight I propose a crime bill for the 21st Century to press our growing advantages against the criminals, so we can deploy the latest tools, technologies and tactics to the fight against crime. We know what works -- and now we must put that knowledge to work.

This year, we will reach our goal of putting 100,000 community police officers -- under budget and a full year ahead of schedule. Now we must give this new law enforcement brigade the support it needs, with a substantial new investment to put more police on the street ... to hire 2000 prosecutors ... and to give law enforcement the high technology tools they need to fight crime, so they can move from Dragnet to catching criminals on the Internet.

But to really prevent crime in the twenty-first century, we must address the cause of crime. And that means severing the deadly connection between crime and drugs, and doing

more to get drugs off the street.

The men and women in our nation's prisons are doing time for different reasons, but the overwhelming majority -- a full 80 percent -- have one thing in common: a drug problem. Once they return to the streets, only 1 percent are ever drug tested, and as a result, most return to drugs. It's an ugly cycle of crime and drugs and prison -- a cycle we can and must break.

My balanced budget proposes \$100 million for drug testing and treatment for prisoners, parolees and probationers. If they test positive for drugs, they should be ready to face the consequences. We should say to every criminal in America: if you test positive for drugs, you are going back to prison.

Next, we know that one of the greatest factors in the declining rates of murder and violent crimes have been the declining numbers of guns on our streets. The Brady Bill into law -- and it has been an unqualified success. Since it took effect, 250,000 felons, fugitives and stalkers have tried to buy guns have been turned away empty handed. That's enough guns to overflow the floor of this chamber. Who knows how many lives have been saved.

Now the requirement for a waiting period for buying a handgun has expired. I ask the Congress to keep in place a law that has worked, and make a mandatory waiting period for

buying a handgun once again the law of the land.

We can do more to take guns out of the hands of criminals. We should crack down on gun shows, where unscrupulous individuals slip through a loophole to buy guns. I call on Congress to pass legislation so that every sale of every gun at every show is governed by the same law. No background check, no guns, no exceptions. And we should say: nobody but a gunrunner needs to buy more than one handgun a month.

My friends, it is no mystery why the murder rate was so high in the 1980s. It was a simple equation: young men, with guns, involved with drugs, equaled murder. Law enforcement across America has focused on this phenomenon and begun to take back our streets. Now we can break the cycle of violence and drugs for good.

We must protect the environment for the 21st Century.

A century ago, President Theodore Roosevelt told our nation that no task is more important than "leaving this land even a better land for our descendants than it is for us." He set aside millions of acres of forest and mountains and valleys and canyons -- lands shaped by the hand of God over hundreds of millions of years -- so they could not be sacrificed for short term gain.

This is the vision we are fulfilling yet today, with our work to protect California's ancient redwoods, Utah's stunning red-rock canyons, and our precious Yellowstone, America's very first National Park. The air we breathe is healthier, the water we drink cleaner. The American bald eagle, the symbol of our national strength, is thriving once again. I am very proud to announce that later this year we will officially remove the bald eagle from America's endangered species list. But for America to soar high and free throughout the new century, there are new environmental challenges we must come together to meet.

The most profound environmental challenge of the 21st Century is the quickening threat of global warming. A few days ago, scientists confirmed that 1998 was the warmest year on record, topping the previous heat record, set just one year before. The extreme weather of the last year -- crippling ice storms and biblical floods, deadly heat waves and withering drought -- are but a foretaste of what future generations will endure unless we act now.

Tonight, I call for several major new actions to advance our nation's aggressive, common-sense strategy: a clean air fund to help coal-burning factories to convert to cleaner fuel; new research and development to spawn clean, efficient energy sources; tax cuts for the purchase of energy-efficient cars, homes, and appliances; rewards for companies that take early, voluntary action to reduce their greenhouse pollution. And finally, we will continue our vigorous diplomatic efforts, at the highest levels, to ensure a truly global response to this global threat.

Another new environmental challenge is, quite literally, in our very backyards. At a time when so many more Americans are sharing in our prosperity, buying new homes, and living the American Dream, we must find new ways to keep our growing communities livable and green.

So tonight, Vice President Gore and I propose a \$TK initiative to help states and communities restore and expand city parks, preserve precious green spaces in our growing suburbs, and to keep prime farmland from being paved over with parking lots. In so many ways, the most important park is the one near our house. We have proven at the national level that economic growth and environmental protection go hand in hand; we can prove this in communities across America as well.

Other community issues -- to come:

- One America
- Immigration
- ENDA
- Hate crimes
- Strengthening democracy
- Political reform
- Service - Americorps
- Millennium Project

A STRONG AMERICA IN A NEW WORLD

[Foreign policy section, to come]

Peroration on the meaning of the new millennium -- the need to face it with optimism

The strength of our union is measured not only in laws passed or speeches delivered. The real gauge of our progress is whether responsibility and mutual respect are on the rise. The real test of our resolve is whether parents can unlock their front doors with confidence and let their children play in front yards without fear. The real measure of our prosperity, in short, is not found in possessions, percentages, or profits alone, but in the potential of our people, in their dreams and hopes and ideas -- the things that are never counted on the balance sheet, but count for everything.

THE PRESIDENT HAS SEEN

1-11-99

THE WHITE HOUSE
WASHINGTON

January 11, 1999

MR. PRESIDENT:

The attached Berger/Stein memo seeks your approval to make a strong effort to achieve Senate ratification of the Comprehensive Test Ban Treaty this year. *If you approve Sandy will announce the effort in a speech tomorrow and you will push for the Treaty in your State of the Union speech.*

Sandy and Larry believe the CTBT can be an enduring achievement of your presidency. Over 150 nations have signed the treaty, but it cannot enter into force until 44 specific countries ratify it, including the U.S., India, Pakistan, Russia and China. If the U.S. fails to ratify it, these other key nations will also balk.

As you know, we made a push for ratification last year, but Senator Helms (with Lott's approval) blocked hearings on the Treaty, holding it hostage to hearings on the 1997 ABM accords and the Kyoto Treaty, neither of which we are prepared to submit to the Senate. Despite the Helms/Lott opposition, Sandy and Larry recommend an all-out campaign to achieve Senate approval before next fall, when a conference of CTBT nations will convene.

Approve ☒ Disapprove ☐ Discuss ☐

Phil Caplan *Phil*
Sean Maloney *SM*

copied
Berger
Stein
Podesta
NSC WW Desk

THE WHITE HOUSE
WASHINGTON

'99 JAN 8 PM 4:59

January 8, 1999

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER *R*
LARRY STEIN *LS*

SUBJECT: Pushing CTBT Ratification in 1999

Purpose

To request your approval to mount a serious effort in 1999 to achieve Senate approval of the Comprehensive Nuclear Test Ban Treaty (CTBT).

Background

The successful negotiation of the CTBT in 1993-1996 and its signature by 151 states since then is an enduring achievement of your Presidency, marking both a significant step back from the Cold War and a significant step forward in constraining nuclear proliferation. The Treaty cannot, however, enter into force until 44 specific countries ratify it, including the United States, India, Pakistan, Russia and China. The fate of our efforts to: (a) secure Senate advice and consent to the CTBT; and (b) achieve the Treaty's international entry into force (EIF) will almost certainly be decided in 1999. If the United States does not show leadership by ratifying:

- India will almost certainly balk, frustrating our nine-month diplomatic effort to achieve Indian adherence to the CTBT and shore up the international nonproliferation regime in the destructive wake of India's nuclear tests;
- Russia and China will also hold off on ratification; and
- Pakistan will likely not take steps to adhere to CTBT ahead of either the United States or India.

Efforts last year. Our push to move the CTBT in 1998 built on a series of "CTBT" events -- including your State of the Union

cc: Vice President
Chief of Staff

appeal; the endorsement by four former Chairmen of the JCS; and your trip to Los Alamos, where all three lab directors assured you of their confidence in the stockpile stewardship program. The nuclear tests by India and Pakistan provided urgency -- albeit unexpected and unwelcome -- to our efforts in the Senate.

On the "plus" side, our efforts helped establish strong public support for CTBT, fueled by global abhorrence of India's and Pakistan's tests. Recent polls show 75-80 percent of the American public favor ratification, and editorials across the country overwhelmingly support the Treaty.

Nonetheless, Senator Helms, with open support from Senator Lott, blocked hearings in his committee. Helms has repeatedly said CTBT will be held hostage to: (a) hearings on the 1997 ABM accords (which we do not intend to submit to the Senate until Russia ratifies START II), and (b) hearings on the Kyoto Treaty (which we do not intend to submit until developing states agree to some form of meaningful participation).

Game Plan for 1999. Recognizing we must assume Lott and Helms will not agree to cooperate in moving CTBT unless we are prepared to cut some sort of deal involving CTBT and a Republican legislative priority (without, of course, compromising our strong Democratic support), I believe we should nonetheless launch an all-out campaign this year to achieve Senate approval: the stakes are high; we have solid support from most Democrats and some Republicans; public support is strong.

As a first step, if you approve, I would announce next week in a speech on Nonproliferation at the Carnegie Center that the Administration intends to make CTBT a top foreign policy legislative priority this year, and that we will push for early Senate hearings and a vote on the Senate floor. We would also feature CTBT in your State of the Union address, and follow this up with an aggressive legislative and public affairs campaign, with active participation by relevant Cabinet officials.

In all our representations, it will be important to emphasize the importance of achieving ratification by September 1999 so that we can positively influence both Indian and Pakistani adherence and participate in the Conference of States that have ratified CTBT that is to be held as early as next October. Unlike last year, we can fairly represent that we are facing a CTBT "deadline" of sorts (though it is not as "hard" as the deadline we faced with the CWC in our successful 1997

THE PRESIDENT HAS SEEN
1-11-99

ratification battle). Only those states (including the United States) that have ratified the CTBT by October can fully participate in and vote at the crucial EIF Conference. Such a "deadline" might help light a fire under Senate Republicans who understand the connection between CTBT, India-Pakistan diplomacy and U.S. global leadership in the fight against nuclear proliferation.

Recognizing the difficulties, the bottom line remains that CTBT ratification remains a "win/win" issue for us -- exactly the kind of business the U.S. public overwhelmingly wants to see its government conducting.

RECOMMENDATION

That you approve our making an all-out effort to achieve advice and consent to CTBT in 1999.

Approve ☒ _____

Disapprove _____

99 JAN 6 PM 10:59

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
1-11-99

January 6, 1999

MEMORANDUM TO THE PRESIDENT

FROM: GENE SPERLING
SANDY BERGER
LAEL BRAINARD

SUBJECT: Revised Steel Options

*Copied
Sperling
Berger
Brainard
COS*

Following our discussions with you, there have been a series of discussions among the international economic principals -- including those opposed -- to seek broad agreement around a recommendation addressing your inclination to take some trade action on steel. Although there is continued disagreement about whether you should take any action on section 201, there is broad agreement that if you do, you should not undertake both 201 options together, and you should couch either 201 option you choose in language mitigating the protectionist impact. Thus, we have reformulated both options with those goals in mind, which are described in greater detail below.

In addition, we have developed a new trade option focusing primarily on Japan that commands broad although not unanimous support. It is described in detail below.

Finally, in light of your apparent interest, we have sought to develop a proposal for early release of trade data in response to the industry's request, which would not require the creation of an onerous and seemingly protectionist import licensing system. This is described below.

Attachments:

Revised Options for Additional Steel Trade Actions
Revised Option for Early Release of Steel Import Statistics

I. REVISED OPTIONS FOR ADDITIONAL STEEL TRADE ACTIONS

Option 1: Focus on Japan and Russia: Russia and Japan account for the preponderance of the pressures facing the American steel industry. Together, they account for 60 percent of the increase in steel imports and an even greater share in the hot-rolled sheet category. Under this option, we would pursue a differentiated strategy to address the surge in imports from these two countries, reflecting greater concern about unfair trade practices in the case of Japan and greater concern about the foreign policy implications of excessive stringency in the case of Russia. We would pressure Japan to reduce imports to pre-crisis levels by threatening self-initiation of targeted trade actions, and continue to explore with Russia a broad, balanced agreement that would offer the Russians some assurances of market access in return for a significant reduction in imports. Although the Russia strategy is unlikely to yield demonstrable progress for another few weeks, this option would contain novelty in the approach to Japan. If you decide to pursue this option, we would contact the Japanese ambassador to request that Japan provide a formal assurance that imports would return to “appropriate precrisis” levels in 1999, reference their earlier assurances to this effect, and indicate that if imports from Japan did not return to pre-crisis levels, we would be prepared to take trade action against Japan. To manage U.S. antitrust risk, the Japanese Government should impose any restraints through mandatory legal measures as when they agreed to restrain steel exports in the 1980s.

Proposed Report Language:

- Japan is a key focus of our efforts, since Japan has been the single largest contributor to the current pressures faced by the American steel industry, alone accounting for almost one half of the entire U.S. import surge.
- *We have told the Japanese government that we expect Japan's exports to return to pre-crisis levels in order to restore stability to the United States steel market.*
- The Japanese government has given assurances that Japanese steel exports would return to appropriate pre-crisis levels by the first quarter of 1999.
- Accordingly, the Administration's steel task force will monitor steel imports from Japan on a monthly basis.
- *The Administration stands ready to take appropriate WTO-consistent action to ensure that imports from Japan return to pre-crisis levels, including self-initiated actions under our trade laws, if necessary.*

Considerations:

By targeting Japan with the threat of extraordinary trade action, we would single out the country that is both the biggest single contributor to the steel import surge and the biggest target of allegations of unfair trade practices. Moreover, the Japanese Government has already announced its intention to reduce exports to pre-crisis levels and Japanese export statistics for November already indicate a 70 percent decline in hot-rolled sheet (this is likely to show up in our December

and January import statistics, which will not be released until February and March). Finally, this action appears more surgical than self-initiation of a 201 case, which must by law cover all exporting countries (even though ultimately the 201 remedy could be designed to impact countries differentially).

Nonetheless, it is important to note the drawbacks of this option. First, although it is designed to command broad domestic support, the steel industry is unlikely to be satisfied, since they hold Russia equally responsible for their woes as Japan, and they remain skeptical that the current negotiations with Russia will address their concerns (although this problem is inherent in any balanced action toward Russia). Second, there is a significant risk that our threats to initiate trade cases against Japan could set off heightened trade tensions with Japan, especially if the Japanese government is not inclined to work to resolve this issue. In addition, an explicit restraint agreement with Japan could be successfully challenged in the WTO, and the risk of such a challenge, while small, cannot be entirely ruled out. Finally, joint export restraints by Japanese producers could present U.S. antitrust risks if not implemented through mandatory Japanese Government legal measures.

Option 2: Conditional Commitment to Self-initiate Section 201 Safeguards Case: Under this revised option, we would commit in the Steel Report that we would be prepared -- if circumstances warrant -- to request that the ITC initiate an expedited investigation to determine whether the steel industry has suffered injury. We would mitigate the protectionist signal associated with this statement by emphasizing the consistency of this action with international trade rules permitting safeguards against surges and with established precedent. We would also make clear that we were choosing to fully avail ourselves of remedies under the WTO and consistent U.S. law, while rejecting protectionist pressures to modify U.S. law. (All principals agree the Steel Report should include an indication of our support for the safeguards law and our willingness to ask the ITC to expedite an investigation requested by industry, even though there is disagreement whether we should request such an investigation).

Option 3: Easing Injury Standard for Safeguards Law (Section 201): Under this revised option, we would indicate in the Steel Report our support for easing the injury standard for the Section 201 safeguards law. We would mitigate the protectionist signal associated with this action by making clear that we propose bringing the injury standard into conformance with WTO guidelines and existing EU law, and that we would support such a change only in the context of broader market-opening legislation.

RECOMMENDATIONS:

Option 1: Focus on Japan and Russia

There is broad but not unanimous agreement among your international economic advisers that Option 1 achieves the best balance between effectively addressing the legitimate concerns of the domestic steel industry and protecting your strong commitment to open markets and leadership on global recovery.

John Podesta, Secretary Herman, Ambassador Barshefsky, Director Lew, Sandy Berger, Gene Sperling, Larry Stein, Karen Tramontano and Lael Brainard support option 1. Sandy Berger supports option 1, but is concerned that the associated threat of self-initiation should be explicitly limited to antidumping actions. John Podesta and Gene Sperling believe it is critical that the threat of self-initiation in option 1 implicitly cover the possibility of 201.

Secretary Daley supports a more muscular variant of option 1 that would more directly threaten trade action, but believes options 2 or 3 would command greater domestic political support.

Secretary Albright supports a softer variant of option 1. Secretary Rubin and Deputy Secretary Summers would prefer not to do any of the options, but of those presented prefer a variant of option 1 because it targets Japan as the bete noire of the trade community. They prefer a variant that would take credit for the fact that our jawboning and dumping decisions have yielded a 70 percent decrease in hot rolled imports. In addition, they -- along with Secretary Albright -- are concerned that the current formulation sounds like an ultimatum and is therefore likely to damage the prospects that Japan will do what we seek.

Chairman Yellen is concerned that option 1 would be viewed as protectionist and unilateralist and could lead to a WTO-inconsistent outcome.

Options 2 and 3: Action on Section 201

Secretary Albright, Secretary Rubin, Chairman Yellen, Sandy Berger and Deputy Secretary Summers continue to oppose both options 2 and 3. However, between options 2 and 3, Secretary Albright, Sandy Berger, and Deputy Secretary Summers prefer option 2 as the less protectionist alternative on the margin.

Secretary Herman continues to support options 2 and 3 and would not preclude doing these in addition to option 1 if necessary at a later date.

Gene Sperling, Larry Stein, and Lael Brainard continue to favor option 2 over option 3 as the less protectionist alternative. (Gene Sperling is indifferent between options 1 and 2, while Lael Brainard favors option 1 over either of the 201 alternatives).

John Podesta, Secretary Daley, Ambassador Barshefsky and Karen Tramontano continue to favor option 3 over option 2.

Option 1 _____ Option2 _____ Option 3 _____

II. REVISED OPTION FOR EARLY RELEASE OF STEEL IMPORT STATISTICS

The steel industry has requested earlier release of steel import statistics to facilitate the preparation of trade cases and to permit better inventory and pricing decisions. There is currently a 45-50 day lag in the data release: thus, November import statistics will not be released publicly until the middle of January.

Although the steel industry has asked the Administration to support legislation instituting an import licensing system for steel to permit earlier release of import statistics, your international economic advisers are opposed. Import licensing could be seen as a protectionist first step toward implementing quantitative restrictions and the type of border harassment that our exporters have opposed in foreign markets.

Secretary Daley has proposed an alternative method to obtain early release of steel data, which would not require the creation of a licensing system or new statutory authority. We would request that Census release preliminary import data for a limited period (6 months) for specific industries that face extraordinary circumstances, specifically high import penetration, a sharp surge in imports and a history of unfair trade practices. This would result in the public release of preliminary steel import data with approximately a three-week lag -- 20 days prior to the current release date. Because of differences in the way import and export statistics are collected, steel export data would continue to be available only after the full 45-50 day lag. This change in practice, authorizing early release of one set of data on a particular industry to the public in preliminary form, has never been done before. It will require a waiver of the standard OMB directive governing the release of economic statistics. If we proceed, the Administration will need to develop standards to separate this case from a range of possible other industry requests.

RECOMMENDATIONS

Secretary Daley, Ambassador Barshefsky and Karen Tramontano support the proposal. They believe it addresses an important legitimate concern and could help ease pressures for extraordinary relief by reducing the lag between the time at which a trade determination (e.g. critical circumstances) is reached and the time it is discernible in available import data. Moreover, the criteria are sufficiently narrow to exclude most industries.

Director Lew, Gene Sperling and Lael Brainard recognize the need to respond to the industry's requests in some way and accept this approach notwithstanding the possible precedent and the difficulties it will create for Customs and Census.

Director Yellen and Deputy Secretary Summers strongly oppose the proposal; Secretary Rubin also opposes. It creates a bad precedent that could lead to similar demands from a variety of additional industries. Moreover, the stand-alone release of steel import statistics each month will result in regular news articles focusing on steel import trends and generate added pressure for action. Furthermore, this unprecedented exception might be perceived as playing politics with the release of statistics, threatening the credibility of the statistical agencies.

Agree



Disagree

THE PRESIDENT HAS SEEN
1-11-99

THE WHITE HOUSE
WASHINGTON

January 8, 1998

MEMORANDUM FOR THE PRESIDENT

FROM:

ANN LEWIS *AL*

SUBJECT:

STATE OF THE UNION CARD

*Copied
Lewis
Podesta*

The State of the Union offers the opportunity to tell the story of your accomplishments as we prepare for the new agenda. As in previous years, we are producing a card with this information which can be used by surrogates and made available through our outreach offices.

This year, we would like to make the card more attractive and user-friendly with more space and graphics. Because January 18 is a holiday, we want to distribute the card by January 15. Attached is the most updated set of your accomplishments, including a chart of your economic accomplishments as approved by the policy shops and senior staff.

_____ APPROVE

_____ DISAPPROVE

*ok to
put
in
Chron?*

A NATION TRANSFORMED

Clinton-Gore Administration Accomplishments: 1993 - 1999

Over the last six years, President Clinton and Vice President Gore have led America in preparing for the 21st Century. The President and Vice President have put our economic house in order while providing tax relief for middle income families, expanding critical investments in the future and continuing American leadership in the world. The accomplishments of the Clinton-Gore Administration are giving Americans the tools to realize their potential, providing opportunity while demanding responsibility and building One America in which all are challenged to serve.

Economy: the Strongest Economy in a Generation

Closing The Book on A Generation of Deficits -- in 1992, the deficit was \$290 billion, a record dollar high. This year, the Administration expects the budget surplus to be at least \$76 billion, the largest budget surplus in history.

Nearly 18 Million New Jobs -- more than 90% of the new jobs have been created in the private sector, the highest percentage in 50 years.

Fastest Real-Wage Growth In More Than Two Decades -- after adjusting for inflation, wages have increased 2.5% in the past 12 months -- the fastest real wage growth in more than two decades.

Lowest Unemployment in Nearly Thirty Years -- down from 7.5% in 1992 to 4.3% today -- staying below 5% for 18 months in a row.

Highest Homeownership Rate in History -- there are more than 7 million new homeowners since the President took office.

Families and Communities: Strengthening America's Working Families

\$500 Per-Child Tax Credit -- 26 million families with 40 million children will receive the \$500 per-child tax credit.

Tax Cuts for Working Families -- 15 million working families receive additional tax relief through the President's expansion of the Earned Income Tax Credit.

Largest Four-Year Drop in Child Poverty Since 1960s -- Under President Clinton, the child poverty rate has declined from 22.7% to 19.9% -- the biggest four-year drop in nearly 30 years.

Increased the Minimum Wage from \$4.25 to \$5.15 per hour -- increasing wages for 10 million workers.

Protecting Families -- Family and Medical Leave allows workers to take up to 12 weeks of unpaid leave to care for family members without fear of losing their jobs. Millions of workers have already benefited from FMLA since its enactment.

Signed Landmark Adoption and Safe Families Act -- this law will help thousands of children waiting in foster care move more quickly into safe and permanent homes.

Putting Families First -- put in place first-ever plan to protect our children from tobacco. Required the installation of V-chips in all new televisions. Encouraged schools to adopt school uniform policies to deter school violence and promote discipline. Produced guidelines on religious expression in public schools.

Building One America -- established the President's Initiative on Race to lead the nation towards becoming One America in the 21st Century. In FY99 budget, won first real increase in the Equal Employment Opportunity Commission in several years.

Education: Largest Investment in Education in 30 Years

Making 13th & 14th Grades as Universal As High School -- making the first two years of college universally available with \$1,500 HOPE Scholarship credits.

Expanding College Opportunity with Tuition Tax Credits, Education IRAs, Work Study and Increased Pell Grants -- 20% tax credit helps offset tuition costs for college or lifetime learning. The expanded IRA allows penalty and tax-free withdrawals for education. This year, nearly one million students will be able to work their way through college because of the President's expansion of the Work Study Program. And in 1999, nearly four million students will receive a Pell Grant of up to \$3,125, the largest maximum award ever.

Making College More Affordable -- cut student fees and interest rates on all loans, expanded repayment options including income contingent repayment, and improved service through the Direct Loan Program.

Paying for College Through Community Service -- AmeriCorps has allowed more than 100,000 young people to serve their communities while earning money for college or skills training.

More High-Quality Teachers With Smaller Class Sizes -- won a down payment on the President's new initiative to hire an additional 100,000 well-prepared teachers, helping school districts reduce class size in the early grades.

Teaching Every Child to Read by the 3rd Grade -- more than 1000 colleges have committed Work Study students to tutor children in reading, and thousands of AmeriCorps members and senior volunteers are organizing volunteer reading campaigns. Won \$260 million for a new child literacy initiative, consistent with the President's America Reads proposal.

Providing Safe After-School Opportunities for A Quarter of A Million Children Each Year -- expanded the 21st Century Community Learning Centers program to provide safe and educational after-school opportunities for up to 250,000 school-age children in rural and urban communities each year.

Preparing for the 21st Century by Expanding Access to Education Technology -- created the Technology Literacy Challenge Fund to help connect every school to the Internet by 2000, increase the number of multimedia computers in the classroom and provide technology training for teachers. Secured low-cost connections to the Internet for schools, libraries, rural health clinics and hospitals.

94-98

Establishing the GEAR-UP Mentoring Program for Middle School Children -- created a new mentoring initiative to help up to 100,000 low income middle school children prepare for college.

Expanding Choice and Accountability in Public School -- supported increase of public charter schools, from one charter school in the nation in 1993 to more than 1,000 charter schools in 1998, on track toward 3,000 quality charter schools early next century.

Providing Early Education to 835,000 Children with Head Start -- now reaching more kids than at any time since its creation in 1965 and more than 200,000 additional children than in 1992.

Crime and Drugs: Lowest Crime Rates in 25 Years

Violent Crime at Lowest Level since 1973 -- violent crime fell 7% in 1997 and 21% since 1993. The murder rate is down more than 25% since 1993, its lowest point in 30 years.

Putting 100,000 New Police on the Street -- in 1999, ahead of schedule and under budget, the Administration will meet its commitment of 100,000 police officers for our communities.

Over 250,000 Felons, Fugitives and Stalkers Denied Handguns -- since the President signed the Brady Bill into law. And the historic 1994 Crime Bill banned 19 of the deadliest assault weapons and their copies, keeping assault weapons off our streets.

Developed Comprehensive Anti-Drug Strategy Including an Unprecedented \$2 Billion Anti-Drug Youth Media Campaign -- appointed four-star General Barry McCaffrey as the nation's Drug Czar.

Fighting Hate Crimes -- enacted the Hate Crimes Sentencing Enhancement Act in 1994. Announced sponsorship of the Hate Crimes Prevention Act during the historic White House Conference on Hate Crimes in 1997.

Health Care: Increasing Access for Millions of Americans

Protected Medicare -- protected, modernized and extended the Medicare trust fund for at least a decade while offering new options for patient choice and preventive care.

THE PRESIDENT HAS SEEN
1-11-99

Enacted Single Largest Investment in Health Care for Children since 1965 -- the \$24 billion Children's Health Insurance Program (CHIP) will provide health care coverage for up to five million children.

Passed Meaningful Health Insurance Reform -- signed the Kassebaum/Kennedy Health Care Bill which limits exclusions for pre-existing conditions, makes coverage portable and helps individuals who lose jobs maintain coverage.

Raised Immunization Rates to All Time High -- 90% of toddlers in 1996 received the most critical doses of each of the routinely recommended vaccines -- surpassing the President's 1993 goal.

Ensuring Safe Food for America's Families -- issued new standards to reduce and prevent contamination of meat, poultry, and seafood; signed the Food Quality Protection Act with special safeguards for kids; issued new regulations that improve the safety of fruit and vegetable juices; and created a President's Council on Food Safety to develop a comprehensive food safety strategic plan for federal agencies.

Welfare Reform and Community Empowerment: Largest Drop in the Welfare Rolls in History

✓ **5.7 Million People Are Off Welfare Today Compared to 1992** -- a more than 40% decrease from 1992 and the largest decline in the welfare rolls in history. Signed the landmark welfare reform law to require work, impose time limits and dramatically expand child care spending. Between 1996 and 1998, the number of people who were on welfare in one year and working in the next year increased 28% to 1.5 million people. lowest % of people on welfare in 29 yrs.

80% Increase in Child Support Collections -- signed into law the toughest child support crackdown in history.

Moving from Welfare to Work -- the Balanced Budget included \$3 billion to move long-term welfare recipients into jobs and a tax credit for employers.

Helping People Get to Work -- the President's Access to Jobs initiative and reverse commute grants will help communities design innovative transportation solutions so that families who need to work can get to work.

Helping Families Move from Welfare to Work with New Housing Vouchers -- 50,000 new housing vouchers will help families get or keep a job.

Expanded Investment in Urban and Rural Areas -- by creating 31 Empowerment Zones and more than 100 Enterprise Communities that have created new jobs, new opportunities and stronger communities.

Environment: Protecting Natural Treasures and Public Health

Toughest New Air Quality Standards in a Generation -- approved new clean air standards for smog and soot that will prevent up to 15,000 premature deaths a year and improve the lives of millions of Americans who suffer from respiratory illnesses.

Accelerating Toxic Cleanups and Brownfields Redevelopment -- cleaned up nearly three times as many Superfund sites in six years as the previous administrations did in twelve. Leveraged nearly \$1 billion in private sector investment for brownfields redevelopment.

Keeping Our Drinking Water Safe -- proposed and signed legislation to strengthen the Safe Drinking Water Act to ensure that our families have healthy, clean tap water. Required America's 55,000 water utilities to provide regular reports to their customers on the quality of their drinking water.

Reducing the Threat of Global Warming -- negotiated an international treaty to reduce greenhouse gas emissions in an environmentally strong and economically sound way. Secured \$1 billion in FY99 for research incentives to reduce greenhouse gas emissions through energy efficiency and clean energy technologies.

Protecting Our Natural Treasures -- protected or enhanced nearly 150 million acres of public and private lands, from the red rock canyons of Utah to the Florida Everglades. Reached agreements to protect Yellowstone from mining and save the ancient redwoods of California's Headwaters Forest.)

Science and Technology: Leading America into the Next Millennium

Historic Investments in Biomedical Research -- the FY99 budget contained the largest-ever dollar increase in funds for the National Institutes of Health (NIH), including a 14% increase in NIH research funding. This expansion will enable scientists to pursue a wide range of cutting edge research from cancer to AIDS to genetic discoveries.

Supporting University Research, Training the Next Generation of Scientists and Engineers -- the FY99 budget contained a 7% increase in the National Science Foundation research budget to support science and engineering research across all fields and disciplines.

Strengthening the Economy and National Security with Information Technology -- provided \$1 Billion investment to help ensure that America leads the world in information technologies that predict tornados, design life-saving drugs, and make air travel safer and more efficient, and maintain our nuclear weapons stockpile without nuclear testing.

Ensuring U.S. Leadership in Space Science and Exploration-- increased investments in space science that supported space exploration as well as new discoveries about the creation of the universe.

Foreign Policy: World's Strongest Force for Peace, Freedom and Prosperity

Promoting Peace and Strengthening Democracy

- **Restored momentum to the Middle East peace process**, brokering the Wye River Memorandum and visiting Israel and Gaza
- **Brokered peace agreement in Northern Ireland**, ending decades of bloodshed
- **Negotiated cease-fire in Kosovo**, preventing humanitarian catastrophe and new war in Europe
- **Building a self-sustaining peace in Bosnia** through implementation of the Dayton Peace accords
- **Restored democracy in Haiti**, ending military dictatorship and stopping refugee flows
- **Helped settle Peru-Ecuador border dispute and end civil war in Guatemala**
- **Pressing for human rights, religious freedom, and an elimination of child labor** worldwide

Combating New Threats

- **Protecting Americans from Weapons of Mass Destruction** by reducing Russian nuclear arsenals, **ratifying the Chemical Weapons Convention**, and **signing the Comprehensive Test Ban Treaty**
- **Combating terrorism** by developing a national counterterrorism strategy and striking terrorist targets in Afghanistan and Sudan. **Addressing threats to our infrastructure** like cyberterrorism and biological and chemical weapons
- **Containing Saddam Hussein** through diplomacy, economic sanctions and military force
- **Preventing North Korea from developing nuclear weapons** through deterrence, diplomacy and non-proliferation
- **Improving military readiness** through increased defense spending

Strengthening Alliances and Building Partnerships

- **Built a stronger and larger NATO** to ensure a more stable, democratic Europe and a fully-integrated Russia
- **Deepening security alliances with Japan and South Korea**
- **Built more constructive relationship with China** through engagement and frank dialogue on human rights, security and trade
- **Expanding trade relations and strengthening democracy in Asia and Latin America**
- **Building partnerships with Africa** during historic Presidential trip

Expanding Prosperity

- **Opening markets abroad** through NAFTA, GATT and ~~more than 270~~ other free trade agreements
- **Addressing global economic crisis** by leading international relief efforts and stimulating worldwide growth
- ~~Sponsored creation of the World Trade Organization to reduce tariffs and settle trade disputes~~
Leading world efforts to establish world financial trade systems to help economy that helps ordinary citizens in all countries

THE PRESIDENT HAS SEEN

1-11-99

THE CLINTON-GORE ECONOMIC RECORD		
	<u>Before</u>	<u>After 6 Years</u>
Budget Deficit/Surplus	\$290 billion <u>deficit</u> in 1992 -- the highest dollar level in history	First budget <u>surplus</u> in a generation -- the largest dollar surplus on record
Unemployment	7.5% in 1992	4.5% in 1998 -- the lowest in 29 years and lowest peacetime rate in 41 years
Job Growth	Previous Administration: worst record since the Great Depression	17.7 million new jobs -- with the highest percentage in the private sector in 50 years
Private-Sector Growth (Average Annual Rate)	2.4% from 1981-1992	3.9% -- the fastest rate since Johnson was President
Business Investment (Producer's Durable Equipment Average Annual Growth Rate)	1.9% from 1988-1992	12.1% -- the fastest rate since Kennedy was President
Real Hourly Wages	Down 5% from 1981-1992	Up about 2.5% over past year -- the fastest in over 20 years
Government Spending (As A Share of GDP)	Up from 21.7% in 1980 to 22.5% in 1992	Down to lowest level in 25 years <i>with 4%</i>
Auto Production	1992: Trailed Japan for 13th consecutive year	World's #1 auto producer for five years in a row
Inflation (Average Annual Rate)	4.2% from 1981-1992	2.5% -- the lowest since Kennedy was President
Homeownership Rate	Down, from 65.4% in 1981 to 64.2% in 1992	7.4 million new homeowners -- the highest homeownership rate in history <i>with 6 in</i>
Median Family Income (Adjusted for Inflation)	Down \$1,835 from 1988-1992	Up \$3,517 since 1993
Competitiveness	1992: Trailed Japan, Germany, Denmark, and Switzerland	World's most competitive economy for five years in a row

DEBORAH M. SALE
151 WEST 74TH STREET
NEW YORK, NEW YORK 10023

Dear Mr. President,

Each year at Renaissance at least one or two of our faux songs are deemed to have pushed the envelope a bit too far and are cut from the show. This year the rather greater than usual interest in not appearing partisan resulted in the jettisoning of "Where Has Al D'Amato Gone" (I suspect the tune is obvious). I thought you might well enjoy it.

Where has Al D'Amato gone?
To Geneva
Why has Al D'Amato gone
so far away?
Little Chuckie Schumer slayed
The man that everybody paid.
So his campaign war chest
May soon in Swiss banks rest.

What has happened to the Newt?
High and mighty
When abandoned by his troop
Newt stomped away
He who'd taught them how to play
Took his ball and went away.
Shocked at ingratitude
Hoist on his own platitudes.

What's with Speaker Livingston
Absent from the fray
Why has Speaker Livingston
Resigned today?
Was it sex or boys or booze?
Larry Flynt will get the news
From darkest Africa
Dr. Livingston, I presume.

O K, so the last two lines are a bit free verse, but we couldn't resist.

Ted and I are outraged at recent events and have taken to defending you a every turn. We wish we could do more.

Warm regards,

Deborah

*EB Do not reply
to Ricchetti (Am. Sec.)*

*Copied
Ricchetti
Lewis
Podesta*

FAX FORM

Hospital for Special Surgery 535 East 70th Street, NY, NY 10021

DATE JANUARY 6, 1999

TO: PRESIDENT CLINTON FAX: 202-456-6703

FROM: DEBORAH M. SALE

PHONE: 606-1196

FAX: 794-1309

Number of pages including cover sheet:(2)

For the President to lighten at least a moment of his day.

A family racquet

Father-daughter duo transforms hobby into national title quest

By Joe Garrison
Staff writer/photographer

Racquetball has always been a favorite sport and hobby for Tech. Sgt. Jeffrey Elders, but once his 8-year-old daughter, Brianna, became interested in the fast-paced sport, it quickly became a family affair.

Elders, who is assigned to the Presidential Pilots Office, has been the Bolling and Andrews AFB racquetball champion for seven years and an area racquetball legend who has been involved in the Maryland state racquetball championship tournament held in Baltimore. He took first place in the men's division this year.

Elders recently returned from a one-week service-wide racquetball competition at Fort Sam Houston, Texas, and placed second during the Air Force racquetball competition and fourth place service-wide. What keeps Elders competitive is his physical conditioning program.

"To keep up to par, I do 840 sit-ups and 400 push-ups each day," said Elders. "Before competitions I increase my sit-ups to 1,600 and do over 500 push-ups a day to increase my endurance helping me to beat my competition."

Elders began competing in racquetball 11 years ago and was thrilled to find his daughter interested in competing just over two years ago.

"Brianna has always been at the racquetball court since she was an infant," said Elders. "She was able to watch me through the glass and play with her toys during my practicing and games."

"One day, she asked if she could hit the ball and then play a few games," added Elders. "I gave her her own racket and goggles, and she strongly took an interest in racquetball and competing."

Brianna, like her father, has also competed in racquetball by taking first place in the girls' eight and under Maryland state competitions and then third place in the boys' 10 and under category.

The racquetball duo can usually be seen at the gym's racquetball court, where they practice together for upcoming events and competitions.

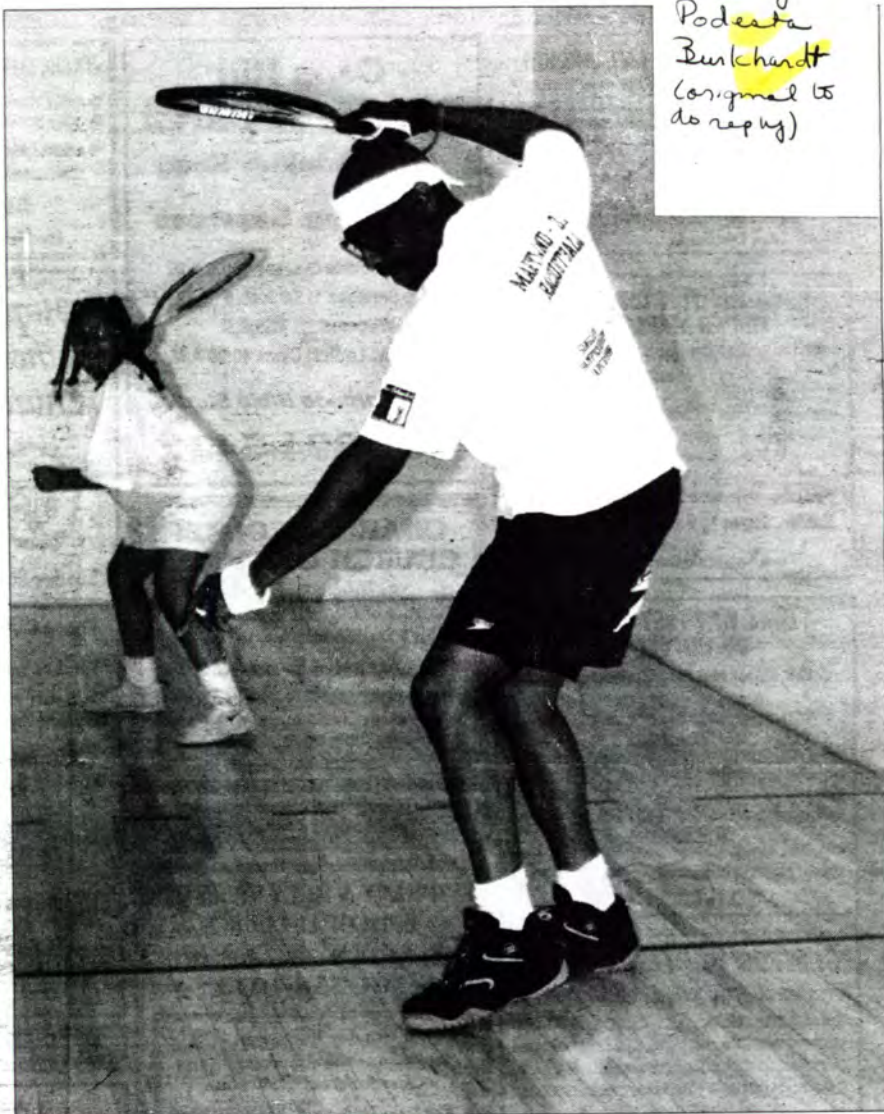
"My Dad does not take it easy on me on the court," said 8-year-old Brianna while adjusting her safety goggles just before practice. "But that keeps me better at racquetball."

Brianna is now ranked ninth in the country in the eight and under girls' racquetball category.

Elders credits his unit for their support over the past 11 years while he has been chasing his dream of racquetball championship competition.

"The PPO has been very supportive during every competition I have participated in," said Elders.

"They know how important this sport is to me and my family," added Elders. "They have always been there to help in any way."



(Top photo) The Elders racquetball teammates practice for future competitions at the West fitness center's racquetball court. 8-year-old Brianna prefers practicing with her father, Jeffrey Elders, to keep up on her game. Brianna also competes in the girls' 8 years and under and boys' 10 years and under category.

(Right) Brianna adjusts her protective eye goggles just before a workout. She will soon complete the second grade at Fort Foote Elementary and continue to practice with her father and compete during the summer break.

Brianna's first racquetball gear (goggles and racquet) is what encouraged her to practice and compete in racquetball. She is locally and nationally well known for her racquetball competition and skills.



Photos by Joe Garrison

Copied
Lindsay
Podesta
Bunkhardt
(original to do reply)

"My Dad does not take it easy on me on the court ... but that keeps me better at racquetball."

-- Brianna Elders

THE WHITE HOUSE
WASHINGTON

Date 1/12

TO: Gene Sperling ✓
Sandy Berger ✓

FROM: The Staff Secretary

Do you want to put a
cover memo on this, or send
it in as is?

Phil

cc: Carol Brainerd ✓
Glyn Davies ✓



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

'99 JAN 12 PM 12:54

SECRETARY OF THE TREASURY

January 12, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Robert E. Rubin *R.E.R.*
SUBJECT: Update on Your International Financial Initiatives

As we move into the new year, I thought it would be useful to give you a brief update on the status of the international financial initiatives that you set out in September and October.

In general, these initiatives and the policy actions that followed have brought a bit of calm back to global financial markets. At the same time, we still face considerable uncertainty and risk, and it will take some time before we work through the problems that remain in the system.

I would assess recent developments as follows:

- The combined effect of your statement in the Council on Foreign Relations speech that the balance of risks in the global economy had shifted, the statement by G-7 Finance Ministers and Central Bank Governors and the monetary policy actions in the U.S. and G-7 more broadly have had a significant effect in improving market confidence.
- Approval by Congress of an expansion of the IMF's resources, along with the proposed new IMF mechanism for contingency financing, reassured markets that the international community would be able and willing to provide adequate financial assistance to support countries pursuing sound policies. Many of the details for the contingent mechanism have been agreed upon within the G-7, and we are now working in the IMF to put the mechanism in place. In the interim, a similar approach is already in use to support Brazil's economic reform program.
- The substantial program of policy reform and financial support that has been put in place for Brazil was initially well received. But confidence has begun to erode again, and reserve losses have accelerated. We continue to watch this situation very closely.
- In certain respects, policy in Japan has now moved in the direction we have been promoting. But the outlook for growth is still very poor and, in some cases, forecasts are being revised downward. Substantial concerns remain about the Japanese strategy for addressing weakness in their financial system.
- Building on the Asian Growth and Recovery Initiative that you and Prime Minister Obuchi announced in November, we are engaged in a multilateral effort to revitalize private sector growth in Asia, with particular focus on accelerating the pace of corporate and bank

restructuring. A Treasury team met in early December with representatives from Japan, the World Bank and Asian Development Bank to hammer out more details of the initiative. A broader meeting with potential beneficiaries and donors is tentatively planned for late January.

- The World Bank and Asian Development Bank have responded positively to your challenge to increase the assistance they provide to protect the most vulnerable in society from bearing the most severe pain of adjustment. The World Bank has promised to triple and the Asian Bank to double their **social sector lending**.
- In addition, the World Bank and the Inter-American Development Bank have established new **emergency lending** instruments for countries with exceptional emergency financing needs. The loans are expected to focus on social and financial sector structural reforms.
- As you pledged, the Export-Import Bank stepped in to help ease the crunch caused by a drying up of **trade credits** in Asia -- in particular by expanding its medium-term trade finance program for Korea to \$3 billion, and announcing medium-term programs for Indonesia and Thailand of \$1 billion each. This is in addition to previous Ex-Im Bank actions.

Collectively, this set of initiatives has had a significant impact. Nonetheless, a complex set of reinforcing concerns underline the need for continued caution.

- Despite recent progress in addressing the immediate crisis, forecasters have again pared back their projections for global economic growth in 1999. Although the crisis-stricken economies in Asia may show some positive growth in 1999, economic conditions are likely to get worse before getting better in a number of emerging market economies, including Russia, Brazil and China. Japan is still a major risk and growth is slowing in Europe. In addition, with a mature recovery and a growing current account deficit, some observers question how long the United States will continue to be a strong source of growth for the world economy. Furthermore, a broad set of other emerging market economies still face daunting challenges.

Meanwhile, minimizing the severity and costs of similar crises in the future will depend on further steps to strengthen the **international financial architecture**. We sent you a paper in early December that outlined our current thinking on this subject. We are now moving to flesh out an approach internally and to build consensus both within the G-7 and a broader group. We will keep you informed as our thinking evolves. In the meantime, the attached report from G-7 Finance Ministers to Heads (which the UK organized in its last act as chair this year) provides further detail on specific measures now being implemented, as well as future areas for consideration. This report is not being made public.

Attachment

REPORT FROM G7 FINANCE MINISTERS TO G7 HEADS
21 December 1998

FOLLOWING-UP THE G7 DECLARATION
ON THE GLOBAL FINANCIAL ARCHITECTURE

1. At Birmingham on 15 May the G7 Heads of State or Government endorsed a report from Finance Ministers on ways to strengthen the global financial architecture. They hoped "firm proposals on a range of issues could be put forward for decision later in the year", and asked "Finance Ministers to report on progress with out delay".
2. A great deal of progress has been made since Birmingham, in particular in response to a turbulent period faced by the world economy. We the G7 Finance Ministers met with our Central Bank Governors in Washington in October and, following extensive further consultation, released a Declaration on 30 October, in parallel with a statement from G7 Heads, setting out a number of reforms to the international financial system.
3. These reforms contain four main elements. First, strengthened arrangements for dealing with contagion in international capital markets, the central element of which would be the establishment of an enhanced IMF facility. Second, measures to increase the transparency and openness of the international financial system, the cornerstone of which is stronger and more comprehensive internationally agreed principles, standards and codes of best practice, as well as extension of international surveillance of their implementation. Third, policies and processes to ensure the stability and improve the surveillance of the international financial system, and to develop better ways to respond to crises, in particular through the involvement of the private sector. Fourth, measures aimed at reforming the International Financial Institutions, such as the IMF, while deepening cooperation among industrialized and developing countries.
4. We are now reporting a timetable with concrete actions for taking forward the commitments set out in our Declaration. The commitments fall into three categories. First, policy actions which we the G7 have committed ourselves to taking. Second, reforms which we have tasked the various international institutions to take forward, and on which we have now written to the Heads of each of the institutions setting out a specific timetable. Third, areas for further work which we have committed to take forward. A detailed

timetable is attached as an annex.

5. We have asked our Deputies to push forward all endeavors towards reform of the international financial system and to cooperate closely with the Sherpas in the preparation of the Köln Summit. We will ourselves prepare a comprehensive report, for consideration by the Summit, on the progress achieved by then.

ANNEX

G7 COMMITMENTS

1. We have agreed to take a number of actions to enhance transparency in our own economies and to strengthen the global financial system. We will implement these according to the following timetable:

- i. Implementation of the IMF Quota increase, by end January 1999;
- ii. Further consideration, in the context of the proposed enhanced IMF facility, of the appropriateness of bilateral contingent financing which might be provided on a case-by-case basis;
- iii. Compliance with the IMF code of good practices on fiscal transparency, with the objective of completing this by the 1999 Spring Meetings;
- iv. Compliance with an internationally-agreed code of best practices for monetary and financial policy transparency, according to a timetable we will agree once the code has been agreed;
- v. Dissemination of regular and timely information on the aggregate foreign exchange liquidity position of our central governments and central banks by end-June 1999, and of the whole of the public sectors in our own economies according to a timetable we will agree;
- vi. Compliance with the existing IMF SDDS by 1 January 1999, and with the strengthened SDDS by end 1999;
- vii. Report to G7 Heads on compliance of our private sectors with standards of transparency, including on sound corporate governance and accounting, by end-1999;
- viii. Bringing together the key international institutions and national authorities involved in financial sector stability - we look forward to Hans Tietmeyer's recommendations by the February 1999 G7 Finance Ministers/Governors meeting, and will strive for a consensus and to begin implementation of any agreed actions by the Köln Summit;
- ix. Consideration of ways to strengthen regulation of financial sector institutions in our own countries; in particular examining the implications

arising from the operation of leveraged international financial organizations, including hedge funds and offshore centers - report by the 1999 Spring Meetings, consensus on how to proceed by the Köln Summit;

- x. Consideration of ways to promote greater use of collective action clauses in bond issues - report by the February 1999 G7 meeting, consensus on how to proceed by the Köln Summit;
- xi. Report on progress in development of mechanisms for involving the private sector, including market-based contingency financing mechanisms, by the 1999 Spring meetings.

TASKING THE INTERNATIONAL INSTITUTIONS

2. We tasked the various international institutions to carry out a number of tasks. We have now written to the Heads of those institutions asking them to take forward this work according to the following timetable:

- xii. IMF to report proposals for the establishment of an enhanced IMF facility which would provide a contingent short-term line of credit for countries pursuing strong IMF-approved policies, by the end of the year;
- xiii. IMF to complete a manual on implementation of the Code of Good Practices on Fiscal Transparency by the 1999 Spring meetings, and to begin surveillance of implementation of the Code thereafter;
- xiv. IMF to work with the BIS, supported by a diverse group of central banks, and with other relevant organizations, on a code of best practices for monetary and financial policy transparency, with the objective of completing this by the 1999 Spring meetings;
- xv. IMF to reach decisions on steps to strengthen the SDDS by the end of 1998;
- xvi. OECD, taking into account the views of the World Bank and other international regulatory organizations, to complete its code of principles of sound corporate governance by the May 1999 OECD Ministerial;
- xvii. IASC to finalize by early 1999 a proposal for a full range of internationally agreed accounting standards. IOSCO, IAIS and Basle

Committee to complete a timely review of these standards;

- xviii. Appropriate committees headquartered in the BIS, consulting with IOSCO, the OECD and other relevant bodies, to examine transparency and disclosure standards for private sector financial institutions involved in international capital flows, including hedge funds - preliminary findings by the 1999 Spring meetings, formal report by the Köln Summit;
- xix. IMF, and standard-setting bodies, to prepare strategy for implementation and surveillance of all the above codes and standards by the 1999 Annual Meetings;
- xx. IMF to publish transparency reports, beginning 'pilot' assessments immediately and finalizing a structure for transparency reports by the 1999 Annual Meetings;
- xxi. IMF, World Bank, OECD and international regulatory and supervisory organizations to provide technical assistance to help countries comply with the codes and standards. IMF and World Bank to prepare a joint paper on this strategy by the 1999 Annual Meetings;
- xxii. World Bank, together with the IMF and other multilateral development banks, to prepare an interim report on progress in establishing insolvency and debtor-creditor regimes, by the 1999 Spring Meetings;
- xxiii. IMF to move ahead with its recently reaffirmed policy of lending into arrears and to consider extending this policy, under carefully designed conditions and on a case-by-case basis. G7 IMF Executive Directors to report on progress by the 1999 Spring Meetings;
- xxiv. IFIs to play a constructive role in the process of orderly opening of the capital account in emerging economies;
- xxv. World Bank and other relevant institutions to produce an interim report on progress towards development of principles of good practice in social policy, by the 1999 Spring Meetings;
- xxvi. IMF to continue including policies on trade liberalization, elimination of state-directed lending on non-commercial terms to favored industries, enterprises or institutions, and provision of non-discriminatory

THE WHITE HOUSE
WASHINGTON

January 9, 1999

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) Interest Rates/Stock Prices
- (B) Global Markets Update
- (C) NEC
- (D) DPC
- (E) CEQ
- (F) OSTP
- (G) Climate Change
- (H) Legislative Affairs
- (I) Communications
- (J) Public Liaison
- (K) Intergovernmental Affairs
- (L) Cabinet Affairs
- (M) Political Affairs

Phil Caplan 
David Goodfriend

- Tab C - copied Sperling, Podesta
- Tab D - copied Reed, Kagan, Podesta;
copied p.2 to Waldman
- Tab E - copied Frampton, Podesta
- Tab F - copied Lane, Sperling, Reed, Podesta
- Tab G - copied Stern, Waldman, Podesta
- Tab I - copied Lewis, Spector, Podesta
- Tab J - copied Johnson, Podesta, Moore
p.2 to Burkhardt for reply
- Tab K - copied Ibarra, Sperling, Podesta
- Tab L - copied Marshall, Balderston, Podesta
p.10 to Lewis
- Tab M - copied Moore, Podesta

THE WHITE HOUSE
WASHINGTON

99 JAN 9 PM 12:09

January 8, 1999

THE PRESIDENT HAS SEEN

1-11-99

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

RE: NEC WEEKLY REPORT

cc: JOHN PODESTA

Copied
Sperling
COS

Hog Price Crisis: Your meeting on Tuesday (1/5) with Senators Daschle, Dorgan, Conrad and Kerry and some of their constituents was very well received; later that day many of the individuals you met with appeared at a hearing and spoke about your interest and concern. Sally Katzen has been leading an interagency group, including USDA, to evaluate the various options both for providing short-term relief and developing a long-term vision. Friday morning (1/8), the Vice President announced in Iowa several concrete steps to help some of the pork producers, including direct cash assistance to small pork producers from a fund of roughly \$50 million dollars. We will continue to monitor pork prices (which are slowly moving upward, in part because of some of the actions that Dan Glickman has taken) and concentrate on some of the longer range issues identified by the pork producers.

Apparel Industry Partnership (AIP) and other International Labor Issues: Next Wednesday (1/13), we are hosting a briefing for opinion leaders on "Promising Approaches to Sweatshop Elimination." At the briefing, members of the AIP will discuss how the AIP works and White House, Labor Department, and State Department officials will talk about the Administration's policy objectives and how the AIP meets those objectives. We have invited a couple hundred representatives from universities, religious organizations, consumer, human rights, and civil rights groups, and socially responsible investment firms. Karen Tramontano and I met this week with representatives of the AFL-CIO. We have agreed to disagree about the AIP, but to try to work together on other sweatshop elimination projects. Your FY2000 budget includes a small grant program that we hope will allow us to support projects sponsored by groups from different perspectives and "let a thousand flowers bloom." While Labor remains concerned about our support for AIP, they called your radio address announcement of a new ILO program to help countries develop core labor standards and social safety nets "spectacular."

Disability Event: On Wednesday (1/13), you will unveil the Administration's new, \$1.7 billion (over 5 years) work incentive initiative for individuals with disabilities. This package includes: (1) the Jeffords-Kennedy Work Incentives Improvement Act, which provides disabled persons wishing to work and retain health coverage the ability to buy into Medicaid (at the states' option) and Medicare; (2) a new tax credit for work-related impairment expenses (such as transportation

(11-99)

and personal assistance services that are essential to enabling people to work); and (3) a \$35 million initiative to increase the availability of information technology that can be used by people with disabilities (e.g., speech recognition technology for people who can't use a keyboard, text-to-speech for people who are blind). The initiative will include making the federal government a "model user" of this technology, helping states set up loan programs to make it more affordable, and working with industry and researchers to improve state-of-the-art assistive technology. Because of strong, bipartisan interest from the Finance Committee and the Labor and Human Resources Committee, Jeffords-Kennedy and the other components of this initiative have an excellent chance of passing this year.

Meeting with Rep. Jackson Lee on Lay-offs: On Thursday (1/7), Secretary Herman, Sally Katzen and I met with Representatives Sheila Jackson Lee (D-TX), Rosa DeLauro (D-CT), and Jay Inslee (D-WA) to discuss their concerns about the effect of the recently announced lay-offs on the economy and local labor markets. Secretary Herman described the Department of Labor's Rapid Response Team that works with businesses that are planning lay-off to ease the transition of displaced workers to new employment. She also agreed to be the Administration's point person on such matters. Representative Jackson Lee is chairing a group of Representatives (which includes Reps. DeLauro, Inslee, Clay (D-MO), Clyburn (D-SC), Kennedy (D-RI), Millender-McDonald (D-CA), McDermott (D-WA), Rangel (D-NY), and Roybal-Allard (D-CA)) that will work with Sec. Herman to make sure that industry is aware of the resources available through the Department of Labor.

Meeting with Rep. Rangel on Disadvantaged Youth: On Thursday (1/7), Bruce Reed, Maria Echaveste, Jack Lew, Larry Stein, and I met with Rep. Rangel to discuss the Administration's new initiatives regarding out-of-school youth and failing inner-city schools. Rep. Rangel was excited to hear about many of our initiatives while also pushing hard for us to reconsider adding Education Opportunity Zones to this year's budget. We explained that given our lack of success getting an authorization for Education Opportunity Zones last year, the best strategy for actually getting them is through this year's ESEA reauthorization with a subsequent addition to next year's budget. Rep. Rangel seemed reasonably satisfied with this strategy, although he also suggested that it might be useful to think about a mechanism to help communities coordinate their Federal funding and for the Hill to get feedback on the outcomes of that funding. We are working on his suggestion.

School Construction and Native Americans: Chuck Marr on my staff held an inter-agency meeting (Treasury, OMB, Education, Interior, and others) this week to develop a new add-on Native American component to your school construction tax cut proposal. The group tentatively decided on a new proposal, modeled after Senator Daschle's proposal, that includes a 1.5 percent set aside (about \$291 million) of bond authority that the Secretary of Education, in consultation with the Secretary of Interior, would allocate to tribes on a competitive basis. We decided on describing it as an add-on rather than a set aside. We would provide \$150 million in the first year and \$150 million in the second year (\$300 million in bond authority at a rough revenue of \$50 million) to Native American schools.

1-11-99

Child Labor: We are looking for a forum during your trip to Central America to unveil your child labor initiative for FY 2000, which includes a new program at USAID to help improve educational alternatives to child labor. Projects under this new program will complement the IPEC projects funded through the \$30 million annual contributions that we won last year and will seek again this year. We hope to unveil \$5 million in Central American regional projects during your trip. On the domestic front, the NEC will complete a policy process next week to make final recommendations on whether you should call for legislation to modernize domestic agricultural child labor laws in the State of the Union. Opposition from agricultural employers appears increasingly certain -- especially given their disappointment to our opposition to changes in the H2A visa program last year.

Medicare Commission Update: The Medicare Commission met Tuesday (1/5) and Wednesday (1/6). Since it has (at most) two meetings left before its March 1 reporting deadline, the press is paying greater attention to its progress. One idea that has received much attention is premium support, coined by Reischauer and Aaron. Premium support describes a combined defined contribution and defined benefits model. In practice, this means that beneficiaries would still be entitled to a minimum set of benefits, but the government payment for those benefits would be limited. You should know that there is growing consensus among all members that there should be a prescription drug benefit. However, there is no consensus over its design, financing, management, and scope (i.e., do all beneficiaries or only those in managed care receive it).

* There is also private acknowledgment by virtually all members (and a public statement from Bruce Vladeck) that significant new revenues are needed to extend the life of the Trust Fund for any period of time. Chairman Breaux is calling on us to provide technical assistance as he develops his mark, which he said would include the set of principles to guide reform developed by Congressman Dingell. However, Dingell and other Democratic appointees remain concerned that they will be asked to vote for premium support that does not meet their principles. The NEC will hold a principals' meeting next week to coordinate our public position and ongoing working relationship with the Commission.

Manufacturing Exports Initiative: Dorothy Robyn on my staff put together the \$108 million initiative to promote manufacturing exports that you announced in this week's radio address. Most of the money will go to the Export-Import Bank, which has played a critical role this year in keeping U.S. exports flowing to Korea and other developing countries in which commercial credit has largely disappeared. As you know, Ex-Im Bank is particularly critical to Boeing, which sells one of every four aircraft it produces to Asia. And because Japanese banks, which have financed many of Boeing's sales to Asia airlines in recent years, have largely pulled out of this market, Ex-Im is playing a much bigger role there now. We expect Congress to respond favorably to this initiative, but we will track the appropriations process carefully in the months ahead to ensure that Ex-Im receives full request.

Tied Aid: Lael Brainard chaired a contentious deputies meeting Tuesday (1/5) on “tied aid,” which refers to subsidized financing for capital projects in developing countries that is conditioned on the purchase of equipment from donor country firms. In 1993, NEC principals agreed that the USG would aggressively *match* tied aid offers by foreign governments -- using a tied-aid “war chest” at Ex-Im Bank -- but that we would not *initiate* any ourselves, so as to maintain the moral high ground in the OECD. Although our tied aid strategy has been successful, and the level of foreign tied aid has dropped substantially, Ex-Im has spent very little of the money in its war chest. Ex-Im Bank believes we need to loosen the criteria for granting matching tied aid -- criteria that were agreed to through a hard-fought interagency process. Treasury and OMB want to maintain restrictive criteria, in part because they believe a large war chest itself serves as a deterrent to use of tied aid by our trading rivals. The deputies (including the Ex-Im vice chair) agreed to have a two-week staff-level interagency process to try to reach a compromise on key issues.

China Update: Lael Brainard (NEC) and Jim Steinberg (NSC) co-chaired a meeting in preparation of the visit of Zhu Rong Ji in April. The group resolved to use Larry Summers’ visit to China, later this month, to deliver a message to the Chinese leadership about the importance of China taking the steps necessary to accede to the WTO by the time of Zhu’s visit. We will craft into the message a signal that we will have to pursue alternative bilateral channels to achieve market access unless we are able to conclude a WTO accession deal by or shortly after the visit. This may be a very difficult time to make progress on trade due to the effects of the financial crisis on China’s economy and political sensitivities in China, but we will want to make our best efforts in the run-up to the Zhu visit.

THE WHITE HOUSE
WASHINGTON

99 JAN 9 PM 1:46

January 9, 1999

THE PRESIDENT HAS SEEN
1-11-99

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

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Reed
Kagan
COS*

*copied p. 2
Waldman*

1. **Health Care -- Disability Package:** You are scheduled to participate in a bipartisan event on Wednesday to unveil the Administration's new work incentives initiative for individuals with disabilities. Your package, which costs \$1.7 billion over five years, includes funds for: (1) the Jeffords-Kennedy Work Incentives Improvement Act, which would allow working people with disabilities to buy into Medicaid (at the states' option) and Medicare; (2) a new tax credit for work-related expenses of disability, such as transportation and personal assistance services; and (3) a program to help fund the development and dissemination of new assistive technologies for people with disabilities. Your proposal will receive strong support from the disability community. The package also should attract strong bipartisan interest in Congress, giving us an excellent chance of enacting Jeffords-Kennedy and the other components of the initiative this year.

2. **Health Care -- Medicare Managed Care:** As required by the Balanced Budget Act, HCFA will announce by Friday a plan to implement a risk adjustment payment mechanism for Medicare managed care plans. This payment mechanism is meant to ensure accurate reimbursement by increasing compensation for plans serving disproportionately sick patients and lowering compensation for plans serving disproportionately healthy beneficiaries. Because current data indicate that HMOs are attracting fairly healthy patients, the implementation of this new system would reduce payment rates to most Medicare managed care plans, in many cases by as much as 15 percent in 2000. Managed care providers are now warning that the system would drive many participating plans out of the Medicare program, adding to the problems caused by last year's HMO withdrawals. In light of this danger, we have decided to use our administrative authority to phase in the risk adjustment payment mechanism over a five- to six-year period; we are also in the process of developing additional policies (in the nature of both carrots and sticks) to minimize the likelihood of plan withdrawals. The delay in full implementation of the risk adjustment system will save the industry hundreds of millions, if not billions, of dollars. We expect, however, that the industry will petition Congress for further redress, up to and including repeal of the system.

3. Health Care -- Medicare Commission: As the Medicare Commission nears its March 1 deadline, members are intensifying their efforts to come up with reform proposals and the press is paying greater attention to their progress. Most of the attention at last week's meeting focused on a "premium support" approach that Senator Breaux is pushing, but that most other Democrats on the Commission are now reluctant to embrace. "Premium support" is a term coined by Reischauer and Aaron to refer to models that have both a defined contribution and defined benefits. These models essentially guarantee a set of benefits, but limit government payment for those benefits in some way. The Commission's discussion of the premium support approach left many critical issues unresolved, and neither HCFA nor the CBO has yet scored these proposals. (HCFA hopes to complete its estimates within two weeks, while the CBO has declined to do any work for the Commission.) We took no position on the premium support ideas coming out of the meeting, noting that "the devil is in the details" and that we will be analyzing the ideas closely as the Commission gives them greater content. On a related issue, most Commission members now appear to agree that Medicare should include a prescription drug benefit, but have reached no consensus on its scope, design, management, or financing. (As you know, one critical question is whether all beneficiaries or only those in managed care should receive this benefit.) Finally, virtually all members now privately acknowledge (and Bruce Vladeck said publicly last week) that significant new revenues will be needed to extend the life of the Trust Fund.

4. Education -- Education Week Report: In its annual "Quality Counts" report, released last week, Education Week focused on how states are (or aren't) holding schools, educators, and students accountable for results -- and in so doing, provided strong support for our ESEA proposals. The report demonstrates that although states are beginning to adopt accountability measures, relatively few are using the full set of measures needed to ensure high-quality performance. According to the report, 36 states issue report cards for each school, but only 26 place them on the internet and only 13 send them directly to parents. Perhaps even worse, only 19 states publicly identify and provide assistance to low performing schools; of these, 18 have the ultimate power to take over, reconstitute, or close down failing public schools, but only three (New York, Oklahoma and Texas) actually have applied this sanction (to a total of 55 schools). Only 19 states provide rewards to successful schools, with only fourteen giving such schools additional money. And only five states have what the report considers a comprehensive system for holding schools accountable for results -- school report cards and ratings, monetary rewards for success, and graduated sanctions for failure, up to and including reconstitution or closure. Significantly, other studies have shown that two of these five states -- North Carolina and Texas -- can boast the largest overall gains in student achievement and the greatest success in closing the achievement gap between minority and majority students. As you know, our ESEA proposal essentially would require states to adopt and carry out this set of accountability measures, as well as a number of others focusing on ending social promotion and ensuring teacher quality.

Co Billed / Al Waldman

Wagner wants to be town
of them -

1-11-99

✓ **5. Crime -- 21st Century Policing Initiative:** You are scheduled to participate in an event on Thursday to unveil the 21st Century Policing Initiative contained in the FY 2000 budget. This \$1.275 initiative includes (1) \$600 million to continue to hire and redeploy police officers; (2) \$300 million for new crime-fighting technology, such as crime mapping systems; (3) \$200 million to hire community prosecutors; and (4) \$125 million for innovative community crime prevention programs. In addition, you can release new data from the National Crime Victimization Survey showing continued declines in crime in the first six months of 1998.

6. Crime -- Victims Assistance: The Vice President will announce next week the release of over \$300 million from the Crime Victims Fund to provide assistance for victims. These funds help to support nearly 3,000 victims' service agencies nationwide, including domestic violence shelters, child abuse and sexual assault programs, and programs to assist survivors of homicide. Money in the Crime Victims Fund comes exclusively from fines paid by criminal offenders, collected by U.S. Attorneys, federal courts, and the Bureau of Prisons. All 50 states will receive funding, including: \$43 million for California; \$17 million for New York; \$23 million for Texas; \$15 million for Florida, \$12 million for Illinois, and \$3 million for Arkansas.

7. Crime -- Prisoners Report: The Justice Department will release a report on Sunday indicating that prisoners, and particularly violent offenders, are serving out more of their sentences. The Bureau of Justice Statistics report, *Truth in Sentencing in State Prisons*, indicates that by the end of 1998, 27 states and the District of Columbia required violent offenders to serve at least 85 percent of their prison sentences -- up from five states in 1993. An additional 13 states have adopted truth-in-sentencing laws requiring violent offenders to serve some substantial portion of their sentences before becoming eligible for release. As you know, the 1994 Crime Act provides additional prison construction funds to states that adopt the 85 percent standard, and the Justice Department has awarded over \$1.3 billion to states through this incentive grants program. The average time served by released violent offenders (those convicted of murder, rape, robbery, or aggravated assault) increased from 43 months in 1993 to 49 months in 1997. In addition, the release rate among murderers was cut in half between 1990 and 1996 -- from 10 percent to five percent of all murderers.

8. Welfare -- Work Participation Data: We released two weeks ago the first work participation data under the welfare reform law, which was better than anyone had expected. All 36 states (plus the District of Columbia) subject to participation rates in FY 1997 met their target. The data showed that 28 percent of all adults on welfare participated in a direct work activity (employment, work experience, or community service) or another welfare-to-work activity (job search or vocational education). The data also showed that the percentage of welfare recipients in a direct work activity tripled since 1992.



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

THE PRESIDENT HAS SEEN
1-11-99

January 8, 1999

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. *GTF Jr.*

SUBJECT: CEQ WEEKLY REPORT

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cos*

RESOURCE STEWARDSHIP

Talisman Land Transfer

Late last night, we reached an agreement in principle on the Talisman Land Transfer. You will recall that a year ago we announced an agreement to purchase the 53,000 acre property, and in mid-December we closed into escrow on the deed. For nearly a year we have been negotiating to trade pieces of the purchased property for additional parcels of land south of the Talisman acreage which are more valuable for restoring the Everglades.

The agreement in principle clears the way for completing the acquisition and allows us to begin transferring the various parcels of land. Coupled with additional state purchases, the deal secures over 51,000 acres for water storage and another 11,000 acres for filtering nutrients. The agreement also helps further strengthen the promise made by the Vice President in December 1997 to purchase the land as part of the Administration's Everglades restoration effort.

Baca Ranch

Yesterday, negotiations for Federal acquisition of the Baca Ranch in northern New Mexico broke down. The owners of the ranch pulled out of the deal, citing the Forest Service's refusal to sign a confidentiality agreement. The details of the confidentiality agreement were unusual for a land acquisition such as this and the Forest Service therefore acted according to customary procedures. We suspect there may be other motivations for the owners' action.

In October, we concluded a bipartisan deal with Senator Domenici authorizing legislation necessary for the proposed acquisition. The collapse of the deal has come as a surprise to all those involved and we are actively searching for ways to revive the negotiation. I have attached an article from today's *Albuquerque Journal* for your review.

What does Biegain say

1-11-99

Pacific Salmon

New discussions with Canada on Pacific salmon issues are scheduled to begin next week. Such talks have proven fruitless over the past five years because of differences between Oregon and Washington on the one hand, and Alaska on the other. If we are to close a deal with the Canadians, we must first settle U.S. internal interests. Resolving these issues is also important to making overall progress on salmon recovery in the Northwest.

✓ We have a short window of opportunity in which we can bring this difficult set of problems to a conclusion. Governors Kitzhaber and Locke want a high-level White House representative to be the chief U.S. negotiator or to oversee the discussions, as do the Canadians; they believe this is the only way to get Alaska to the table. We are actively searching for someone to fulfill this role.

Attachment

*1 summary
Kaufman*

Friday, January 8, 1999

Deal To Buy Baca Ranch Killed *Release of Details Concerned Sellers*

By Ian Hoffman

Journal Northern Bureau

SANTA FE -- A deal to open most of a ranch formed by an ancient collapsed volcano to the American public is dead. At least for now.

A year of negotiations over federal purchase of the 96,000-acre Baca ranch in northern New Mexico fell apart Thursday, leaving government and congressional leaders stunned and an uncertain future for the 1.2 million-year-old Valles Caldera.

The Dunigans, a Texas oil and real estate family, withdrew their offer to sell the ranch's sweeping meadows, mountain rims, hot springs and trout streams to the government. The family said the U.S. Forest Service would not sign on to earlier promises of confidentiality for an appraisal of the ranch.

Government and congressional sources said the Dunigans insisted on keeping all but the final price tag for the ranch secret until the purchase contract was signed -- a degree of confidentiality unprecedented for Forest Service land buys in the last 25 years.

"This is not a negotiating ploy," said Walt Cramer, a business manager for the three Dunigan sons and the family companies.

In Congress and the White House, officials expressed surprise, confusion and dismay. Democratic Sen. Jeff Bingaman led the campaign to buy the ranch. Republican Sen. Pete Domenici and President Clinton had roughed out a political deal to buy the Baca aboard Air Force One this summer. All worked together to win a \$40 million appropriation last year as "earnest money" for the purchase. They settled on a novel scheme for trustees, not the government, to operate the Baca as a "working ranch"

supported by its grazing, timber and recreational fees -- a deal requiring compromises on all sides.

"Apparently that wasn't enough," Domenici said in a statement.

Bingaman was "deeply disappointed" at the breakdown of the deal.

"I will certainly be looking for any possible means of reviving the process," he said.

Domenici found it "difficult to express the sense of profound disappointment I feel about collapse of these talks. I'm frustrated ... We have worked long and hard to get this deal going."

Five months of talks over a confidentiality agreement collapsed this week. Such negotiations typically are concluded in a day, said congressional staffers familiar with land buys.

"Everybody here has been saying 'What is the real story here?' " said Steve Bell, Domenici's chief of staff. "For something like this to fall apart on a confidentiality agreement is just bizarre. It just doesn't seem like enough ... We are very unhappy about it, and we have spent a lot of political capital on it."

Conservationists pleaded for the government and the Dunigans to reopen their negotiations.

"If the NBA can work out a deal, so can we," said Dave Simon, Southwest director for the National Parks and Conservation Association. "I refuse to believe the deal is permanently deceased. It's just too important."

The White House likewise sounded a conciliatory note.

"We're disappointed, but we remain fully committed to preserving this extraordinary land for the enjoyment of all Americans," said George Frampton Jr., acting chairman of the President's Council on Environmental Quality, in a prepared statement.

It is the third time since the 1930s that federal attempts to purchase the ranch have collapsed.

The last time, in 1980, Abilene oilman and family patriarch Pat Dunigan died in the midst of sale negotiations with the government. He had bought the ranch for \$2.5 million in 1962. His three sons offered the ranch up again in 1997, saying they were obeying their father's wishes.

"It's certainly regretful," said Cramer. "There's been a lot of hard work on both sides put into this process. It's just something we didn't envision."

No decisions have been made about the future of the Baca, he said, although the Dunigans have hinted in the past at selling all or parts of the ranch to developers.

Only the Dunigans and their representatives know the appraised value of the ranch. Its value has been informally estimated at more than \$100 million.

The Wilderness Society named the Baca ranch deal and last year's \$40 million appropriation from Congress as one of the 12 best things to happen on U.S. lands in 1998.

The deal broke down over the appraisal, performed privately at the behest of the Dunigans. Government attorneys reluctantly agreed to that, on condition that the Forest Service could review its compliance with federal appraisal standards.

Federal law requires the government to keep appraisals confidential during the review. The Dunigans insisted all details of the appraisal but the ultimate value stay confidential as Congress debated the purchase legislation.

"Until there was a binding contract all the material was pre-decisional, and it was not to be disclosed," Cramer said. Otherwise, he said, the family might lose bargaining position in other business deals if the government purchase fell through.

"If the appraisal wasn't approved, then disclosure of our proprietary business information could have damaged us in the marketplace," he said. "We were not asking for something the Forest Service hadn't indicated they could afford us. It's something that in our business is afforded between businesses every day."

Congressional and government officials said they were amazed the Dunigans could expect that so much of an appraisal for a public purchase remain private.

"The Forest Service worked diligently to address the family's confidentiality concerns," Domenici said.

"Obviously, any land purchase utilizing taxpayer money must be reviewed by the Congress and the public before authorizing legislation (for the purchase) could pass."

Despite calls for a return to negotiations, some congressional staff speculated that political deals in Congress for the purchase and its funding might be too delicate to survive collapse of the negotiations.

"It's going to be really hard now to get some more money for this," said one staffer. "As someone just said, you can still smell the bridge burning."



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

January 8, 1999

THE PRESIDENT HAS SEEN

1-11-99

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *Neal*

CC: JOHN PODESTA

SUBJECT: OSTP WEEKLY REPORT

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*cc Guss/Baker
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speech? - stored*

Information Technology Initiative Takes Shape

X You and Jack Lew did yeoman's work to find \$356 million for an information technology initiative in FY 2000. The NSTC principals recognize and appreciate that effort, and I believe we have a truly collaborative effort underway that will yield big payoffs for the Nation. NSF has agreed to take the primary leadership role in the initiative, and will share leadership with DOE (on applications of information technology to all areas of research) and with DARPA (on research to advance information technologies). I will work closely with OVP and NEC to ensure the initiative is well organized by the time you are ready to announce it, and to ensure the agencies remain focused over the long haul. Your initiative is responsive to the recommendations of your Information Technology Advisory Committee, and I plan to encourage their participation in the rollout of the budget.

Y2K Problem and U.S. Telecommunications Networks

On January 5, I called the first meeting since 1992 of the Joint Telecommunications Resource Board, which consists of senior federal agency telecommunications experts who support my responsibility under Executive Order 12742 (1984) to advise you on the allocation of surviving telecommunications resources in an emergency or crisis. Given the possibility of Y2K telecommunications disruptions, we agreed at Tuesday's meeting on steps to better prepare us for such contingencies. A key point is the need to rationalize my responsibilities under this Executive Order with your initiatives in critical infrastructure protection and Y2K preparedness. I will meet with Dick Clarke and John Koskinen to ensure that OSTP's activities in this area are fully integrated with their respective programs.

State-Federal S&T Partnership Helps Recruit Math and Science Teachers

With the help of representatives of the United States Innovation Partnership established by your Administration and the National Governor's Association, industry and business leaders have identified the shortage of skilled employees with adequate math and science abilities as a limitation to continued economic growth. As a result, these leaders have begun to establish their own partnerships with local school boards to invest in their future workforce by jointly recruiting

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film section*

and hiring K-12 math, science and technology teachers and employing and paying the teachers over the summer. Teachers are provided the opportunity to work in a scientific or technical environment and to learn the skills expected by area employers, and teachers develop networks to better integrate the lessons learned during their experiences into their schools' classrooms. These experiences -- plus the salary enhancement that comes with private sector employment during the Summer months -- should help make teaching a viable option for college math and science majors who otherwise opt for the higher salaries offered by business and industry.

Using a relatively small amount of federal seed money, local school boards in ten pilot sites will implement the program. Assuming (conservatively) that the partnerships hire just 10 new teachers each year, we expect that federal dollars will be leveraged by more than 10 to 1 by the funds of the local businesses who provide the Summer employment to the teachers.

Losses from Natural Disasters Exceed \$90 Billion Worldwide in 1998

Munich Re, one of the world's largest reinsurance companies, issued a year-end report estimating that losses from natural disasters exceeded \$90 billion in 1998 (only \$15 billion was insured), which is second only to 1995, when the Kobe earthquake contributed to \$180 billion in losses. Natural catastrophes also claimed 50,000 lives in 1998, far in excess of the 13,000 lives lost in 1997. The most frequent events were severe storm systems and floods, which accounted for 85 percent of the economic losses. Efforts such as the NSTC's Public-Private Partnership 2000 on natural disasters and the Global Disaster Information Network (GDIN) are directed toward early warning of impending disasters and mitigation of these types of losses.

'99 JAN 8 PM 5:35

THE WHITE HOUSE
WASHINGTON

January 8, 1999

MEMORANDUM FOR THE PRESIDENT

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

*cc: Al Waldman
Waldman
Memo to
Pres's speech*

Domestic Policy

(1) **Budget/Tax.** Your FY 2000 budget request will put the Climate Change Technology Initiative above the level needed to stay on its five-year trajectory. Our R&D funding request for energy efficiency and renewable energy is more than 20% above last year's appropriated level. In addition, the budget will include a substantial increase in climate change money related to agriculture, both on the technology and the research sides -- altogether some \$38-45M of new money requested as compared to \$10M of new money requested last year.

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Waldman
COS*

(2) We have also revised last year's \$3.6B tax package, to make it more effective. It will include improved tax credit proposals for energy efficient homes, certain large home appliances, cars and biomass. Regarding the auto tax credit, we have had extensive discussions with Ford, GM and Chrysler and have reconfigured it in a way they like better, but they still have reservations. We will continue working with them after the budget has been submitted.

Your tax package will also include a new Green Bonds proposal, which is designed to help finance open spaces, clean water and brownfields development. There is a climate component to this, since reforestation and replanting will be among the eligible uses of Green Bond money.

Finally, the budget will include around \$200M for a new Clean Air Partnerships Fund, to help state and local governments finance reductions of air pollutants and greenhouse gases.

(3) **Credit for early action.** You asked me in a note whether the lead story in last Sunday's *New York Times* -- regarding industry efforts to get credit for early reductions of greenhouse gases -- is good news. The answer is yes. Legislation to reward companies that act early may well become the most important domestic climate change issue for 1999. We have been working on this policy for several months, though we have chosen for strategic reasons to let the Hill and the business community take the lead. The *Times* piece was very good and quite useful for us. We worked a lot on background with Jack Cushman, who wrote it.

Good **Executive Orders.** We have draft orders on federal procurement and transportation that need some further work. We are planning to role these out in mid-February, to coincide with a federal government workshop on energy management that we are also preparing.

1-11-99

Diplomatic

The Buenos Aires Plan of Action charts an aggressive international work program on four key issues: international emissions trading, the Clean Development Mechanism, sinks and compliance. Meetings and workshops will be held this winter; papers and negotiating text are due during the next several months. In many areas, this work will fill technical gaps; in others, it will define differences for further negotiation. We are hard at work shaping strategy and submissions on these items.

We are also working to encourage greater participation from key developing countries. Technical delegations are preparing trips to Argentina and Kazakhstan (both of which agreed to take targets at the Buenos Aires meeting). We are exploring possible climate change agreements in connection with your Central America trip in February. Preparations are underway for high-level meetings with the Chinese and Russians in the months ahead.

Science

Researchers at NASA's Goddard Institute for Space Studies have released data indicating that 1998 was the warmest year on record, while NOAA plans to release similar data at next week's annual meeting of the American Meteorological Society. "There should no longer be an issue about whether global warming is occurring, but what is the rate of warming, what is its practical significance and what should be done about it," said NASA scientist Dr. James Hansen.

One of the climate changes identified in the United States has been an increase in minimum temperatures ("lows") in many areas, which has often been greater than the increases in maximum temperatures. A new study in this week's *Science* concludes that increased spring minimum temperatures in NE Colorado are correlated with a reduction in the abundance of buffalo grass. This alteration in species composition of the rangeland affects its ability to provide an ecosystem service that ranchers have come to rely on -- the availability of a productive, palatable, drought-resistant grass, which is important to livestock production.

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

THE WHITE HOUSE
WASHINGTON

January 9, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: ^{Ann} ANN LEWIS AND STACIE SPECTOR ^{SS}

SUBJECT: COMMUNICATIONS WEEKLY REPORT

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State of the Union Planning

We have been planning an extensive ramp-up and roll-out in conjunction with your State of the Union address, working closely with the Press Office and other White House outreach offices. The State of the Union plan will include briefings for Members of Congress and constituents, conference calls with elected officials and friends and activists across the country. We have also begun an organized effort to encourage watch parties and Cabinet Member travel into targeted cities to anchor some of the larger watch parties.

In addition to the accomplishments card [enclosed in a separate memo for your approval], we have been developing documents of overall Administration accomplishments, state-by-state accomplishments, accomplishments by constituency groups, and several one-pagers on specific issues that you will introduce in your State of the Union address [these will be distributed only after you deliver the address].

Immediately after you deliver your State of the Union address, the speech will be put up on the White House web site and faxed to a nationwide network. Additionally, Ann will conduct a conference call that evening with top tier elected officials and friends to go over basic talking points for them to amplify to local press.

Last Monday, Ann addressed a meeting convened by Wade Henderson with civil rights, environmental and other issue based organizations, to talk about the importance of working together on our common agenda and ways in which they can build support, through their constituent organizations, for State of the Union initiatives and urge Congress to focus on doing the people's business.

The organizations agreed to use their own media contacts, get word out to their own leadership, participate in State of the Union efforts and develop other ways they can be especially helpful at

this time.

THE PRESIDENT HAS SEEN

1-11-99

Outreach Efforts

Surrogates. As we discussed, we host a daily telephone call for surrogates and in-town talkers to provide our approach to daily events, and ask for their suggestions and advice. Daily participants include Jim Hamilton, Michael Zeldin, Lanny Davis, Anne Wexler, Michael Berman, David Dreyer, Judy Lichtman and many others. Regular - if not daily - participants also include Lloyd Cutler, Ab Mikva, and Leon Panetta.

Outreach Calls. We have also done a series of conference calls organized by the Outreach offices (OPL, IGA, etc.) and by the DNC, in which as many as one hundred of our friends at a time can listen to a 6-7 minute presentation by Ann, who then takes 2-3 questions. These have been very well received and will continue.

Some Individual Comments:

- 
- Walter White, our friend from Renaissance, is now providing commentary for the BBC (the BBC does not subscribe to the Argument Culture; he tells me he is the only commentator). He has our legal information and we have now added him to the fax list for regular updates.
 - Herb Alexander, the longstanding expert on campaign finance and author of many books on the subject, is now living in Silver Spring Maryland. He and his neighbors organized a telephone tree to call into Connie Morella's office.
 - Carol Gilligan also wants to be helpful and we are going to talk next week about what more she could do: perhaps an op-ed on the misuse of certain "moral" terms in the interest of political partisanship.

Amplification

For all of your major events this week we distributed your remarks, talking points and fact sheets to a wide network of friends, constituencies, and local elected officials, as well as through the agencies and on the Hill. In addition, the following events were further amplified:

- **Long Term Care Event.** Information was distributed to 25 African American health care organizations and 250 African American leaders and practitioners.
- **Budget Surplus Event.** Information was distributed to 1000 African American business and labor leaders and organizations.
- **After-School Programs (21st Century Community Learning Centers)/Social Promotion.** We drafted sample op-eds for IGA to distribute to Mayor Beverly O'Neill of Long Beach, CA, the Chair of the U.S. Conference of Mayors' Education Committee, and

three other key mayors, and for OPL to distribute to 25 key education advocates in order to encourage them to write their own op-eds for their local papers.

- **Detroit Economic Club Speech.** Materials were distributed to 1000 African American business and labor leaders and organizations.

Special Projects

- 
- **Feminist Majority/Taliban.** We are working with the Feminist Majority to find a date for your meeting with them to discuss American policy toward the Taliban. Early February would be good for them, and I have also discussed the date with Harry Thomasson. I will have a preliminary meeting next week to prepare an update on our current policy.

- 
- **MLK Day.** We have begun planning volunteer activities for Administration officials to participate in on Martin Luther King Jr. Day which will also raise the visibility of Americorps. We are looking at options for you, the Vice President, Mrs. Clinton and Members of the Cabinet which will include local communities receiving MLK Service Grants.

We are holding a meeting with Americorps staff and staff from IGA and Legislative Affairs to get local elected officials and Members of Congress involved in Americorps activities on that day. Next week's radio address, broadcast live on January 16, will focus on service in commemoration of Dr. King and citing Americorps as an example of service.

THE WHITE HOUSE
WASHINGTON

January 8, 1999

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: BEN JOHNSON *BJ*

SUBJECT: OFFICE OF PUBLIC LIAISON WEEKLY REPORT (January 4-8)

*Copied
Johnson
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Moore
copied p. 2 to
Burkhardt for
reply*

ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES

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main folks
meeting
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State of the Union: OPL is coordinating SOTU Watch Parties and is well on its way toward having the most ever. We continue to generate ideas from our work with constituents and plan to brief key groups on January 19.

Long Term Care: The response to your Long Term Care Initiative has been tremendous. A substantial majority of the senior citizens' groups have written letters of support and have expressed their enthusiasm for the Initiative. Barbara Woolley noted that your announcement marks the first time that she has seen AARP abandon its neutrality and become engaged. DPC will brief senior groups in response to their questions. While your announcement was positively received by much of the disability community, some thought there was too much emphasis placed on "being taken care of." They encourage you to highlight the empowerment potential of direct consumer tax-credits for working people with disabilities.

- **21st Century Learning Program:** Education and children's advocates are very impressed by the magnitude of your proposed funding increases. We have already received numerous e-mails in support of your announcement. Advocates are saying that you have done more for education than any other president.

CONSTITUENT OUTREACH AND OTHER ISSUES

AFRICAN AMERICAN OUTREACH

- **Black Farmers:** John Boyd of the National Black Farmers Association, Lawrence Lucas of the Coalition of Minority Employees of USDA, Civil Rights Leaders, and CBC Members are praising you and the Administration for the historic settlement of the civil rights lawsuit brought by African American farmers against the USDA. Boyd has appeared on several television broadcasts and in newspapers applauding your

commitment to fight discrimination against American farmers, especially African American farmers. African American farmers are proud of you and your commitment to them.

BUSINESS OUTREACH

- **North American International Auto Show:** Bill Ford and Jacques Nasser of Ford Motor Company, Bob Eaton and Jurgen Schrempp of DaimlerChrysler, and Jack Smith of General Motors were pleased that you visited with them Friday and toured their exhibits during your trip to the Show. Following what was a very good year for the automobile industry, they are encouraged by their continuing partnership with the Administration, especially for the sustained support the Administration has shown for the Partnership for a New Generation Vehicle.

to Burkhardt
to coordinate
reply w/ Stern

EDUCATION

- **Education Report:** Education Week published *Quality Counts*, an annual state-by-state survey that is highly regarded by educators and policy makers. The study concludes that most states have yet to enforce their relatively new policies for holding schools accountable for student achievement. The survey suggests that part of the reason states fail to hold schools accountable stems from their reluctance to identify low-performing schools and to offer monetary incentives to high-performing schools. The study also notes that the views of parents and employers on how to make schools accountable differ substantially from the views of teachers.

GAY/LESBIAN OUTREACH

- **Gay Ban:** The Arkansas Child Welfare Agency Review Board voted Wednesday to make Arkansas the second state to ban gays from being foster parents. The vote does not take effect immediately (a comment period follows and the ban could conceivably be derailed during this time). New Hampshire has banned homosexuals from being foster parents since the late 1980's. Prospective foster parents are required to sign a statement that no adult member of their household engages in homosexual activity. Florida is the only state with a law prohibiting homosexuals from adopting children but has no such restrictions on foster parents. Gay rights advocates say efforts to prohibit gays from adopting and becoming foster parents are ongoing in several other states, but so far no restrictions have been passed. The Administration won praise during last years budget negotiations for insisting that an anti-gay adoption amendment to the DC Appropriations bill be withdrawn as part of the budget deal.

HEALTH OUTREACH

- **Medicare Cuts:** Hospital administrators continue to meet with officials at the White House to express their dislike for Medicare cuts to hospitals. The administrators note that they are already losing money in other kinds of services.

HISPANIC OUTREACH

- **Refugees:** OPL participated in a meeting with DCOS, DPC, NSC and Interaction, an organization that provides assistance to refugees seeking asylum. Interaction believes that the current number of refugees allowed to enter the United States is too low. Given the multitude of post-cold war conflicts that create refugees, Interaction would like the Administration to adopt a strategy that allows more refugees asylum in the United States.

JEWISH OUTREACH

- **Senate Letter:** In a letter to the U.S. Senate, a group of Jewish and Christian religious leaders said the Senate should censure you but not hold a trial that could lead to your removal from office. Leaders of the Central Conference of American Rabbis and the Rabbinical Assembly, which represent U.S. Reform and Conservative rabbis, respectively, were among those signing the letter. The letter was released at a press conference on Tuesday when plans for a National Faith Leaders Summit on Civility in Public Discourse were also announced. The Summit, which is sponsored by the Interfaith Alliance, will be held in Washington on January 26.

RELIGIOUS OUTREACH

- **Middle East:** World Vision's Jerusalem Country Director reports that your visit brought incredible hope to the Palestinians, but that the longer the Wye Accord is put aside, the deeper despair becomes -- particularly as more homes and orchards are plowed under. The Director has also been told that the government in Iraq will to remove all humanitarian aid workers, including those of churches and NGOs.

RURAL OUTREACH

- **Commodity Prices:** In response to the White House's efforts to save the pork industry, cattlemen tell us "no money for the pork industry." The cattlemen also wrote a letter to Secretary Glickman saying that none of the Administration's possible proposals for the pork industry considers how government intervention will economically impact other livestock sectors. The cattlemen say they have lost \$4.04 billion in equity compared to the \$1.3 billion in equity losses to pork producers. Cattlemen claim that we are pitting commodity against commodity. They would like to be included in any discussion we have to improve commodity prices across the board. In contrast, the pork industry has been very appreciative of the Administration's work.

Should
call
cattlemen
before
to
leverage

WOMEN'S OUTREACH

- **Trade Summit:** Jenny Luray met with representatives from the Canadian Embassy to discuss U.S. participation in the first U.S.-Canadian Women's Trade Summit. The Women's Office was asked to help SBA and Commerce step up their efforts to recruit women-owned, export-orientated businesses to the Toronto-based Summit this spring. We discussed ways of connecting the Summit to the anniversary of NAFTA.
- **Family Planning:** We are working with the First Lady and the Vice President to host a

small meeting of family-planning advocates later this month. The meeting will provide an opportunity to highlight your support for increased family planning funds and contraceptive coverage policy in the FY 2000 budget .

1-11-99

THE WHITE HOUSE

WASHINGTON

99 JAN 9 PM 12:26

January 9, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra

Winkler

SUBJECT: Office of Intergovernmental Affairs Weekly Report - January 4-8, 1999

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Sperling
COS***Steel**

- ~~X~~ Steel imports continue to be a hot issue for our elected officials in the affected states. Governor Tom Ridge (R-PA) and Governor Frank O'Bannon (D-IN) remain concerned about the steel crisis and are expected to seek a bi-partisan meeting with you. The governors believe that this week's report to Congress did not help alleviate the concerns of their colleagues. We are organizing a conference call with NEC and elected officials next week.

Livable Communities

- The Administration's new partnership initiatives on livable communities has been a big priority of local governments. We are coordinating with CEQ and the Office of the Vice President to support the livable communities event January 11. A number of mayors and county officials will be in attendance.

Iowa

- Lynn Cutler and our IGA team coordinated a number of events for the Vice President's trip to Des Moines and Sioux City on January 8. More than 100 local elected officials attended the issue forum on Methamphetamine. Local mayors, sheriffs, supervisors and county attorneys are on the front line combating this drug which has become a major problem. We also helped coordinate the Vice President's statement on hog prices and his Social Security event in Sioux City.

*Not sure they
understand
what we
are trying to say. I hope our
sources can help.*

Governors

- IGA arranged a meeting between HHS, DPC and OMB to discuss the just completed state by state cost allocation for Medicaid and Food Stamp adjustments and how this information should be communicated to states. While we feel confident that the states were properly consulted and apprised during this process, there will be some states who will claim that the Federal Government did the calculation to fit budgetary targets.
- Governor Paul Patton (D-KY) is very concerned that his state's approved CHIP plan does not cover the children of state employees. HHS is working on this concern, but is not optimistic about arriving at a solution. Patton is seeking a meeting with Secretary Shalala to discuss this further. This may become a major issue in the fall campaign for governor.
- Governor Gray Davis (D-CA) is very concerned about the citrus crisis in California resulting from the severe freeze that began on December 20. IGA and Cabinet Affairs have been assisting with their FEMA request, and have already secured immediate assistance at USDA, DOL, and SBA.
- The Vice President attended the Inauguration of Governor Gray Davis (D-CA) on January 4. Governor Davis lauded you, the First Lady and the Vice President for your leadership and all you did to help him during the election campaign.

IGA Outreach

- This week, we sent material to governors, mayors, county officials, and state legislators on: long term care, prison drug announcement, after-school expansion, and your Detroit Economic Club message. In addition, we sent your statement on Cuba to over 80 Latino elected officials.

Indian Country

- Raynell Morris, our Associate Director, delivered an address to 100 tribal government officials at the National Congress of American Indian Conference on January 5. The conference was a pro-active outreach effort called, "Developing a Unified Tribal Voice on the Eve of the New Millennium." Raynell is a member of the Lummi Indian Nation and has been a valuable addition to our IGA team.

Insular Affairs

- Hurricane Georges generated the greatest number of assistance applications ever received for a disaster according to FEMA. Over 403,000 applications were filed in Puerto Rico. Governor Pedro Rossello (D-Puerto Rico) has asked for special housing aid for families too poor to be adequately helped by existing housing disaster programs.
- We sent a message on your behalf to be read at the inauguration ceremony in the Virgin Islands for Governor Charles Turnbull (D).

We the People

- An Ann Lewis conference call was conducted January 5 with 133 elected officials and community leaders to brief our friends on the matters of concern to the American people that you continue to focus on: SOTU, Budget, health care, education, the economy, crime, and much more.
- We are assisting the Staff Secretary prepare 126 letters of thanks from you to the elected officials who sent you statements of support in December.

Mayor Williams

- The Clinton-Gore Administration was well represented at the inauguration events for Mayor Anthony Williams of Washington, DC January 2. Secretary Glickman attended the Swearing-in Ceremony and Secretary Slater addressed the Inaugural Ball participants.

SOTU

- We completed a very good consultation with the Big Seven organizations of elected officials and Michael Waldman December 29 regarding the State of the Union Address. They offered some good advice, suggestions, and reactions for our consideration. They greatly appreciated the opportunity.

Utah

- A letter from you was prepared as you requested for Secretary Babbitt to read at the January 8 Ceremony with Governor Leavitt in Salt Lake City to officially transfer the land titles included in the Utah Schools and Lands Exchange Act of 1998.

- Frank Joklik, CEO and President of the Salt Lake Organizing Committee (SLOC) for the Salt Lake 2002 Winter Olympic Games, resigned yesterday amid the growing allegations of wrong doing associated with the site selection process in 1995. We have assured SLOC, Governor Leavitt, and Mayor Corradini that The White House Task Force for these Olympic Games remains fully committed to assist them with preparations for the games.

1-11-99

'99 JAN 8 PM 6:49

THE WHITE HOUSE
WASHINGTON

January 8, 1999

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports
January 8 - 15, 1999

Copied
Marshall
Balderston
Podesta

copied p. 10 to
Lewis

DEPARTMENT OF TREASURY

- **European Monetary Union:** On January 1, the European Monetary Union (EMU) was officially established. On January 4, the new currency, the "euro," began to trade. On January 6, however, there were indications of some settlement problems and the euro fell to close at \$1.1618. The problems seem to have been corrected. Trading volume has been relatively light.
- **Brazil:** On January 7, the Brazilian Senate passed the first of two votes on a key element of its fiscal adjustment package. Final passage by the Senate and the House is expected by March. Also on January 7, a Brazilian Governor announced a 90-day moratorium on repayment of debt owed to the central government which could endanger the fiscal program. International markets reacted negatively to this action, and the Brazilian Government pledged to ensure states meet their fiscal obligations in full.
- **Asia:** On January 18, Deputy Secretary Summers will travel to Japan, South Korea, China, and Indonesia, to assess the state of economic reforms. He is scheduled to meet with government counterpart and business leaders in each country.
- **Tobacco Smuggling:** On December 22, Under Secretary Johnson, ATF Director Magaw, Customs Commissioner Kelly, IRS Assistant Commissioner Brown, with representatives from DOJ, announced that Northern Brands International, Inc., an affiliate of R.J. Reynolds, entered a guilty plea in a northern border cigarette smuggling case. This is the first time an affiliate of a major tobacco company has been convicted of a federal crime in the U.S. The defendant has been fined \$5 million and has been ordered to pay \$10 million to the Treasury Asset Forfeiture Fund. ATF, Customs, and IRS all participated in the investigation.

DEPARTMENT OF JUSTICE

- **State Sentencing Laws:** On January 10, DOJ's Bureau of Justice Statistics will release a report detailing how changes in state sentencing laws are increasing the time served in state prisons. The report indicates that as states continue to enact restrictions on the possibility of early release, prisoners, especially violent offenders, are spending more time in prison. By the end of 1998, 27 states and DC required violent offenders to serve at least 85 percent of their prison sentences, up from five states in 1993. Another 13 states have adopted truth-in-sentencing laws requiring violent offenders to serve a substantial portion of their sentence before being eligible for release. Consequently, about 70 percent of prison admissions for a violent offense in 1997 were in states requiring offenders to serve at least 85 percent of their sentence and more than 90 percent were in states requiring at least 50 percent of the sentence to be served.

DEPARTMENT OF INTERIOR

- **Contempt Hearing:** On January 11, U.S. District Judge Lamberth will hold a hearing on whether Secretaries Babbitt and Rubin should be held in contempt for failing to respond adequately to numerous and burdensome document production requests in the Indian trust funds class action litigation. DOI also has been plagued with various difficulties in identifying and locating the requested documents. DOJ has assigned a new team of lawyers to defend the Secretaries and the judge has indicated that he appreciates the tone and candor of the government's brief filed on the matter. Nonetheless, the judge recently found DOC in contempt for document production issues and DOI anticipates a rough hearing.
- **Headwaters:** On December 31, the DOI negotiating team completed discussions with the Pacific Lumber Company (PALCO) on the terms of a Habitat Conservation Plan (HCP) that will restrict logging activity on PALCO property. Completion of the HCP is the last major hurdle in completing the purchase and permanent set-aside of the old-growth redwood Headwaters Forest to the U.S. and CA. The final Environmental Impact Statement and HCP will be published by January 20. Following a mandatory 30-day waiting period, the final HCP will be signed, already-appropriated U.S. and CA funds will be released, and the title for the Headwaters Forest will be transferred to the U.S. and CA. Federal legislation requires that the transfer take place by March 1.
- **CA Proposition 5 Gaming Compacts:** On December 4, 15 CA tribes submitted compacts for DOI's consideration under CA's Tribal Government Gaming and Economic Self Sufficiency Act of 1998 (Proposition 5). Under this Act, CA's Governor has 30 days to sign the compact. If he does not sign, the compact becomes effective by operation of law. The CA Supreme Court has issued a stay of the effect of the Act, pending a decision on the merits. DOI sent a letter to CA Governor Davis stating that DOI would approve the compacts, but for the court-ordered stay.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Class Action Case:** On January 5, Secretary Glickman announced that USDA settled the class action civil rights suit brought on behalf of African American farmers who claimed that USDA discriminated against them between 1981 and 1996. Under the terms of the settlement, which an independent, third-party arbitrator will administer, claimants may request a streamlined review of their case by which, if sufficiently documented, USDA will forgive any outstanding debt that the farmers may owe USDA and provide them a \$50,000 settlement or, under a second process, claimants may receive additional compensation for losses provided they can meet a higher standard of evidence. While the judge has not given final approval to the settlement -- that will come after a March fairness hearing -- the arbitrator will immediately begin to notify prospective members of the class. The case and the settlement have been the subject of intense public, congressional, and media attention.
- **Pork Price Crisis:** On January 6, Secretary Glickman met with the Chairman and Ranking Member of the House Agriculture Committee on options to deal with the hog price crisis and met with Chairman Lugar and Senator Harkin on the same problem. In addition to evaluating further options, USDA readied the final procedures of the accelerated pseudorabies eradication program -- by which USDA will spend approximately \$80 million to remove as many as 1.5 million hogs from production -- for public release, which the Vice President tentatively may announce on January 8.
- **Commodity Markets in Review:** Wheat cash prices rose last week on slow farmer sales, but futures declined as crop conditions remain favorable and foreign competition remains strong. Corn cash and futures prices sank; markets were dominated by talk of a drop in domestic demand resulting from hog inventory liquidation. Soybean prices moved lower on good conditions for the South American crop and poor export prospects for soybeans and soybean meal. Firm rice cash prices also gave a boost to futures last week, as increased export business is expected. Cotton prices fell in very light trading. Cattle prices jumped in slow trading, reflecting highly selective purchases. Hog prices moved sharply higher for the second consecutive week, as poor weather restricted Midwest marketings and an imminent inventory liquidation was largely confirmed by the December 29 *Hogs and Pigs* report. Weak seasonal demand helped push broiler prices down. Butter prices turned down slightly in thin market activity. Cheese prices were unchanged.

DEPARTMENT OF COMMERCE

- **Economic Reconstruction of Central America:** International Trade Administration (ITA) is playing a major role in DOC's contribution to the economic reconstruction of Central America in the aftermath of Hurricane Mitch. ITA will serve on an assessment team that will visit the region in January to assess damage and determine the role of the

U.S. private sector. Secretary Daley will host a business roundtable in early February to present the team's findings, which will serve as the basis for a subsequent commercial reconstruction mission to the region in May.

- **U.S.-Africa Economic Partnership Dialogue:** Interagency planning is continuing for the Dialogue, now scheduled for March 9-10 in Washington, D.C. As many as 46 Sub-Saharan African countries could be represented at the ministerial level. Secretary Daley is expected to participate in the opening plenary along with Secretaries Albright, Rubin, and Slater.
- **South Korea Airport Construction Authority:** The ITA recommended that USTR initiate WTO dispute settlement proceedings against South Korea for the discriminatory procurement practices of the Korea Airport Construction Authority (KOACA). Separately, the Trade Compliance Center has been consulting with U.S. suppliers and service providers that have been active participants in the South Korean government procurement market or that have previously bid on KOACA tenders to gauge the level of U.S. industry support for the initiation of WTO dispute settlement. No U.S. company has voiced opposition to the increased USG efforts to ensure Korea's compliance with its international obligations.
- **Mexico Steel:** On December 23, U.S. producers requested a North American Free Trade Area panel to review a scope ruling in the anti-dumping administrative review involving Circular Welded Non-alloy Steel Pipe and Tube from Mexico. The panel decision will be due in October.
- **San Joaquin Valley Freezes:** The arctic outbreak the week of December 20 affected the National Weather Service (NWS) Western Region with cold temperatures. The most economically-damaged area was the San Joaquin Valley. Ten days of minimum temperatures below the freezing mark left the citrus crop damaged to a total of at least \$600 million. The impact on agricultural communities in lost jobs during the harvest will be immense.
- **Advanced Technology Program (ATP):** On January 11, the National Institute of Standards and Technology will host a public meeting in San Francisco, CA, for potential proposers and other interested parties to review general information on the 1999 ATP competition, selection process, and ATP rules and procedures.
- **ESA will release the following indicators:**
 - ▶ January 11 - Housing Completions (November).
 - ▶ January 13 - Quarterly Financial Report For Retail Sales (Third Quarter).
 - ▶ January 14 - Advance Retail Trade (December).
 - ▶ January 15 - Manufacturing and Trade: Inventories and Sales (November).

- **Baldrige Award:** In January, the National Institute of Standard and Technology will distribute a new report on the first ten years of the Baldrige National Quality Program to key industry and government leaders.

DEPARTMENT OF LABOR

- **Texaco:** On January 5, Texaco agreed to pay \$3.1 million to 186 women who worked at corporate offices across the country, in the largest “glass ceiling” settlement ever reached with DOL’s Office of Federal Contract Compliance Programs (OFCCP). The money will go to women in professional and executive positions who were consistently paid less than their male counterparts in similar positions. OFCCP, a division of the Employment Standards Administration, enforces equal opportunity requirements of companies that have contracts with the federal government. Texaco has a contract with DoD to supply petroleum products.
- **Lifelong Learning Summit:** DOL has taken a leading role in the development of the Vice President’s “21st Century Skills for 21st Century Jobs Summit” scheduled for January 12. The Summit will focus on access by adult incumbent workers to various aspects of on-going educational enhancement, as well as skills training. It will also highlight Best Practices of employers, educational organizations, and labor entities that provide lifelong learning opportunities to their own employees.
- **School-to-Work:** On January 12-14, the School-to-Work State Grantees Meeting will be held in Baltimore, MD. This is the first meeting since all 50 states, DC, and Puerto Rico have received implementation grants. As a prelude to the meeting, the states that received first-time implementation grants in 1998 will be given an overview of the National School-to-Work office, DOL’s grants office, and outreach and evaluation strategies.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **National Guideline Clearinghouse (NGC):** On January 14, the National Guideline Clearinghouse (NGC), a new Internet-based resource for health professionals, will be launched. For the first time, health professionals will have free access to an electronic resource that will help them compare the recommendations of different guidelines. The NGC is a five-year project, at a cost of about \$6 million, and will contain about 400 guidelines from over 50 organizations.
- **Health Care Fraud:** On January 4, HHS released a fact sheet on its comprehensive strategy to fight health care fraud, waste, and abuse. The heightened focus on fraud and abuse since 1993 by the HHS Inspector General, the FBI and DOJ, the Health Care Financing Administration (HCFA), and others throughout government is yielding a more detailed picture of fraudulent activities aimed at the Medicare and Medicaid systems.

HHS launched Operation Restore Trust, aimed at coordinating federal, state, local and private resources and targeting them on areas most plagued by abuse. During its two-year demonstration phase, the project identified \$23 in overpayments for every \$1 of project costs. Under the Health Care Fraud and Abuse Control Program, HHS has reported more than \$1.2 billion in fines and restitution returned to the Medicare Trust Fund during FY97-98. Since 1993, actions affecting HHS health care programs have saved taxpayers more than \$38 billion, and have increased convictions and other successful legal actions by more than 240 percent.

- **Drug Labeling:** During the week of January 11, HHS anticipates publishing a final rule in the *Federal Register* to establish a clear, simple, and readable format for over-the-counter (OTC) drug labeling, similar to nutrition labeling on foods. The "Drug Facts" standardized labeling format should help consumers better understand information about OTC drug product benefits and risks and how the drugs should be used most effectively.
- **Needle Exchange:** The Public Citizen's Health Research Group has requested that the Centers for Disease Control and Prevention provide all documents generated between January 1, 1998, and June 30, 1998, related to the decision not to fund needle exchange programs. Public Citizen has also requested that CDC provide documents on the clinical trial of isoniazid prophylaxis for TB in HIV-infected persons in Uganda.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

• **Home Mortgage Loan Limits:** On January 1, HUD began insuring larger home mortgages to keep pace with rising home prices. HUD began insuring loans of up to \$115,200 in communities where housing costs are relatively low and loans ranging up to \$208,800 in communities where housing costs are higher. This is the second increase in the loan limits since October.

• **EZ Announcements:** On January 13, the Vice President will announce new Empowerment Zones with Secretary Cuomo.

- **Central America Reconstruction:** On January 11, an interagency group that includes USAID, the Department of Interior's U.S. Geological Survey (USGS), DOI, and HUD is scheduled to depart on a ten-day trip to Honduras and Nicaragua to continue the relief and reconstruction efforts started in the aftermath of Hurricane Mitch.

DEPARTMENT OF TRANSPORTATION

- **Upgraded Facilities and Equipment:** The FAA has completed two additional items in its continuing effort to modernize air traffic control systems. On January 15, FAA will commission the new automated radar terminal system in Moline, IL. On January 16, FAA will dedicate the new airport traffic radar approach control facility in Albany, NY.

- **Transit Benefits Services:** Starting in January, the Transp-Administrative Service Center (TASC) will develop and manage a transit subsidy program for members and staff of the House of Representatives, under an agreement signed on December 29. TASC will be working directly with congressional offices to develop specialized distribution, accounting, and service procedures for the House program.
- **Memphis Area Transit Authority:** On January 20, the Federal Transit Administrator will join Mayor Herenton at the opening ceremony for the Memphis Area Transit Authority's Career Center and bus transfer facility. The Memphis Area Career Center will house three agencies and offer a variety of job counseling, training, and placement services for clients making the transition from welfare to work.
- **Cuban Migrant Interdictions:** Cuban migrant cases have risen almost 250 percent during the past month. As a result, the Coast Guard has increased surface and aircraft coverage of the Florida Straits. Currently, inclement weather has delayed the return of 53 migrants onboard USCG cutters waiting for repatriation to Cuba.

DEPARTMENT OF ENERGY

- **Electric Vehicles:** USPS is moving forward with a solicitation to acquire 6000 electric mail delivery vehicles over the next three years. DOE is performing baseline and accelerated reliability testing on six of the first vehicles produced.

DEPARTMENT OF EDUCATION

- **CA Events:** On February 16, Secretary Riley will deliver his State of Education Address at California State University at Long Beach. The speech will include a strong emphasis on teaching, including recruitment, retention and professional development. Meetings with CSU college presidents and LA Unified School District security chiefs are tentatively planned during his visit to California, as well as a meeting with state legislators.
- **Meetings with Labor and Human Resources Democrats:** At the suggestion of Senator Kennedy, the Secretary plans to meet in January with the Committee's Democrats to discuss ESEA reauthorization content and strategy.
- **Mars Millennium Launch:** Secretary Riley plans to join the First Lady for the Mars Millennium Launch at the Smithsonian's Air and Space Museum on January 14.
- **SC Governor's Inauguration:** On January 13, Secretary Riley will attend the inauguration of the new South Carolina Governor and will address various groups regarding educational issues.

- **U.S. Conference of Mayors:** The Secretary plans to address the U.S. Conference of Mayors on January 27.
- **NAEP Reading Results:** The National Assessment of Educational Progress results for reading will be released in early February.
- **One America:** DOEd's January 19 Satellite Town Meeting, titled "Learning Together: Diverse Schools Building One America," will draw attention to the advantages of diversity and the importance of equity in education.
- **Ending Social Promotion:** DOEd senior officers are reviewing a draft guide prepared in response to your Directive on Ending Social Promotion. The guide presents promising strategies to prevent academic failure and intervene when students need extra assistance to meet high expectations.

VETERANS AFFAIRS

- **Disabled Veterans:** In FY98, VA increased its representation of disabled veterans in its workforce, including disabled veterans with 30 percent or more service-connected disabilities. Disabled veterans also accounted for 7.7 percent of employees participating in career development programs.

ENVIRONMENTAL PROTECTION AGENCY

- **Livable and Clean Community Bonds:** EPA is working with the Vice President's Office, the Domestic Policy Council and others to plan a potential Vice Presidential announcement on January 12 of the Livable and Clean Communities Bonds Initiative. This new program -- which is likely to be included in your FY 2000 Budget proposal -- provides tax credits to state and local land trusts to preserve open space and ensure more livable communities.
- **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 Rights Act, EPA is required to ensure that minority communities are not disproportionately impacted by pollution. The Committee is focusing on how to assist states in developing a state permitting program that would address environmental justice concerns while allowing for economic growth.
- **Tailpipe Emission Standards:** In early February, EPA will issue a proposed regulation which for the first time ever strengthens tailpipe emission standards for cars and light duty trucks, such as sport utility vehicles, minivans and pick-up trucks. These emission standards will likely be in place for 10 to 15 years. The 1990 Clean Air Act required the Agency to review the tailpipe emission standards set by the Act and, if necessary, set new

standards effective for model year 2004. Last summer the Agency determined that the emission standards needed to be strengthened to ensure continued clean air benefits for the nation. EPA has recognized that it is necessary for the oil industry to reduce the level of sulfur in gasoline if automobile emissions control systems are to operate properly and if tailpipe emissions are to be reduced. Thus, EPA will address the level of sulfur in gasoline at the same time as new tailpipe standards. To that end, Administrator Browner has met with representatives of the automobile and oil industries to discuss these issues and to attempt to develop an agreed-upon approach.

- **Coral Reef Health:** On January 15, EPA, the Center for Marine Conservation, and the Professional Association of Diving Instructors will announce a partnership to establish the Citizen Scientist Coral Reef Health Monitoring Project. This project will use volunteers from the recreational diving community to collect ecological data on coral health, for example, temperature, salinity, and visibility.

UNITED NATIONS

- **Angola:** The Security Council is focused on several conflicts in Africa that have intensified in recent days to full-scale war. In Angola, two UN aircraft have been downed and neither the Government of Angola nor UNITA have provided access to the crash sites for a search and rescue. Control of both crash sites has been changing sides as all-out battles rage throughout parts of Angola. On January 6, the Dos Santos Government agreed to conduct joint search and rescue missions for the two aircraft following a strong demarche by the Secretary-General's Special Envoy Benon Sevon.
- **Sierra Leone:** On January 5-6, rebels overran the Nigerian-led ECOMOG forces in the eastern and western parts of Sierra Leone and attacked the capital, Freetown. The rebel offensive threatens to overthrow the democratically-elected government of Ahmed Tejan Kabbah for the second time in two years.

UNITED STATES TRADE REPRESENTATIVE

- **Japan's Minister of International Trade and Industry (MITI):** On January 8, Ambassador Barshefsky will meet with MITI Minister Yosano to discuss various outstanding trade issues including the upcoming WTO Ministerial, Japan rice tariffication, steel, and the implementation of agreements such as Autos, Flat Glass, and Government Procurement.
- **Bananas:** On January 1, the European Union failed to meet a WTO-mandated compliance deadline on banana imports. On January 14, the U.S. will submit a written request for WTO authorization to suspend tariff concessions on EU products. The request will be considered at a meeting of the WTO Dispute Settlement Body on January 25.

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THE PRESIDENT HAS SEEN

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OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Chicago Trip:** On January 12-13, Director McCaffrey will travel to Chicago, IL. Events include the following: a meeting with Reverend George Anderson in support of the ONDCP Religious Initiative; a working dinner with the Chicago HIDTA where the Director will receive Federal, State, and local updates on the illegal drug situation in the greater Chicago area; visits to a women's treatment center and a boot camp for drug offenders; and an address to the Chicago Chamber of Commerce, where the Director will discuss drugs and prisons, the Southwest border, and your National Drug Control Strategy.
- **1999 National Drug Control Strategy:** The interagency process is working well in making progress toward completion of your *National Drug Control Strategy*. A series of meetings took place in December among representatives of the affected federal agencies. In addition, a letter of consultation requesting input from all of those involved with the drug control effort went out in early December. A first draft of the *Strategy* will be distributed the week of January 11. A well-coordinated, four-volume *Strategy* is expected to be ready for roll-out by early February.

SMALL BUSINESS ADMINISTRATION

- **Mexico:** On March 8-12, Administrator Alvarez will lead 25 new-to-export U.S. small businesses on a trade mission to Mexico City and Guadalajara. This U.S.-Mexico Small Business Trade and Investment Mission presents tremendous opportunities for U.S. companies seeking business and marketing opportunities. The mission is co-sponsored by SBA, Nacional Financiera, Secretaria de Comercio y Fomento Industrial, DOC, and the U.S. Trade Center in Mexico City.
- **National Hispanic Partnership Agreement:** SBA is planning the National Hispanic Partnership Agreement signing ceremony on January 28. The NHPA will bring together the largest gathering of Hispanic leaders at a signing ceremony with more than 25 national Hispanic professional, business, community, and advocacy organizations in an effort to increase lending and growth in the Hispanic business community.

OFFICE OF PERSONNEL MANAGEMENT

- **Long-Term Care:** On January 6, OPM submitted to the Congress the long-term care proposal for Federal employees, retirees, and members of their families that you announced on January 4.
- **Welfare-to-Work:** The Federal government has hired 9,739 welfare recipients since April 1997 when the Federal welfare-to-work hiring initiative was launched. This is 92 percent of OPM's goal of 10,000 hires by the year 2000.

Cory Lewis

When we meet
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GENERAL SERVICES ADMINISTRATION

- **Long-Distance Service Contracts:** GSA has awarded Sprint the first of two possible contracts under the FTS 2001 program for long-distance telecommunications services. GSA will award the second contract by mid-January. Prices under the new Sprint contract are expected to save about 60 percent from what Federal users are paying under FTS 2000. Unlike the current contract, FTS 2001 will not be mandatory for Federal agencies.
- **GSA 50th Anniversary:** In 1999, GSA is celebrating its 50th anniversary. President Truman signed an order on July 1, 1949, to create the agency. A number of special events are planned.

cc:

The Vice President
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Paul Begala
Sandy Berger
Sidney Blumenthal
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THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

JAN 8 1999 99 JAN 11 PM 5:15

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Creation of Military and Veterans Health Coordinating Board

The Department shares your commitment to "improve the health of our veterans, their families, and all who serve our nation, now and in the future." This responsibility includes interagency cooperation working towards minimizing adverse health effects that may be experienced during future military service. Critical to achieving this commitment will be establishment of the Military and Veterans Health Coordinating Board (MVHCB).

We worked closely with the National Science and Technology Council (NSTC) developing the interagency plan "to address health preparedness for and readjustment of veterans and families after future conflicts and peace keeping missions." We have continued to work with the NSTC and the Departments of Veterans Affairs and Health and Human Services to develop a charter for a MVHCB that I have signed today and forwarded to the NSTC. This board will provide close coordination of efforts to minimize adverse health effects from military service and to provide for the health care and benefits of military members, veterans, and their families.

The Department is committed to an interagency approach to future issues regarding the health of veterans and their families.

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EDITORIAL

Impeachment is only the latest outrage

Gangsta GOP

AMERICA HAS BEEN asleep. The partisan vote by the House of Representatives to impeach President Clinton is not a political aberration: it's business as usual. Ever since Clinton was elected, Republicans seditiously have tried to undermine his mandate. Their methods have not been dramatic. In fact, at a glance they appear to be the dreary stuff of legislative procedure. But closer scrutiny reveals an unprecedented, arguably counterrevolutionary move to thwart the will of the electorate and ultimately destroy the Clinton presidency. Now the GOP is a Senate vote away from achieving its goal.

Here's the history:

The night Clinton was elected in 1992, then-Senate Minority Leader Bob Dole vowed to use the filibuster to torpedo major presidential initiatives. He kept his word. Throughout 1993 and 1994, when the White House enjoyed a Democratic majority on Capitol Hill, repeated GOP filibusters — or the threat of them — foiled the White House at every turn. In modern memory, the filibuster is best remembered as the last-ditch device employed by Southern Democrats hell-bent on killing civil-rights legislation. Those eloquent old racists would take to the floor and stop all business until the measure under consideration died a natural death. By frequently resorting to this tactic, Senate Republicans effectively rewrote the Constitution: whereas it takes a simple majority of 51 to pass a bill, it takes 60 votes to end a filibuster. Yet few noticed that the last resort of the mossbacks had become standard operating procedure for the well-manicured legions of the post-Reagan/Bush GOP. Even fewer cared.

That was not the case in 1995, however, when the House and Senate ganged up on Clinton in an attempt to repudiate his pro-

gram and forced the national government to shut down. It was an act of irresponsibility that may be unrivaled in our history. This time, the usually disengaged public revolted and the Republicans, led by Newt Gingrich, retreated.

But the Republicans had had their ultimate agent of destruction — Ken Starr — in place since 1994. With the help of Jesse Helms, the Republicans removed Robert Fiske, a moderate and independent member of the GOP, as Whitewater investigator and replaced him with Starr, who was unconscionably close to Clinton's enemies and had consorted with the legal team representing Paula Jones. No legislative party concerned with fairness — or even the appearance of fairness — would countenance such an act. But the Republicans did. It's well known that Starr failed to turn up any evidence of illegal acts in the controversies he investigated. But he did uncover a sordid extramarital affair with Monica Lewinsky that has provoked the constitutional showdown we face today.

Since Starr delivered his smutty report to the House Judiciary Committee, the Republicans have continued to act as if they alone define the public good. In considering the weightiest of constitutional questions — the removal from office of a twice-elected and still-popular president — the GOP denied the House a chance to vote to censure Clinton, which would clearly have passed with broad bipartisan support. Instead, we have impeachment. This is a stain that will shame the Republicans for years to come, just as Clinton's conduct will shame him.

And what of those who have brought us to this point? Consider Clinton's comrades in adultery: House judiciary chief Henry Hyde, who in defending Oliver North and Ronald

Reagan during the Iran-Contra scandal said that lying under certain circumstances was tolerable, and who in defending a fellow House member accused of sleeping with a 17-year-old female page asked his colleagues to condemn the sin, but forgive the sinner. Hyde is singing a different tune today.

And then there is the soon-to-be-departing Bob Livingston, whose sense of history is as screwy as Clinton's personal life. Livingston is the man who thinks that Nixon was forced to resign because he covered up a crime he didn't commit. His less rabid colleagues have no doubt informed him by now that Nixon not only covered up the Watergate break-in, he ordered it — and a host of other illegal activities.

That some in the House believe Clinton should have been impeached is a reasonable proposition. That the majority of the body was denied the chance to consider censure — especially by the likes of Hyde and Livingston — is an outrage.

For six years the Republicans have employed bully-boy tactics that flout the sense of fair play so essential to our system. In a democracy, conflict is a given. Because fights between competing visions are fierce, those fights have traditionally been governed by commonly accepted rules. By rewriting the rules, Republicans have tried to rewrite the Constitution. Judging by the polls, the GOP has been damaged by these tactics. Perhaps the public is waking up.

As this matter moves to the Senate, the cocksure Republican Party might do well to remember the words of Judge Learned Hand. "The spirit of liberty is the spirit which is not too sure that it is right; the spirit of liberty is the spirit which seeks to understand the minds of other men and women; the spirit of liberty is the spirit which weighs their interests alongside its own without bias."

The spirit of this nation requires the Senate to weigh the will of the majority, which favors censuring Clinton's behavior — not removing the president from office. ■

Public broadcasters have blown it on the hearings

PBS falls short

AMID THE TAWDRINESS and the partisanship, the impugning of motives, and the hypocrisy over sex and privacy, it is sometimes easy to forget that impeachment is serious business. But it is, and the repugnant behavior of both the president and his congressional pursuers does not diminish the importance of what's unfolding in Washington.

In a time of such historical significance,

article of impeachment and completed their misbegotten task.

From the Army-McCarthy hearings to Watergate, from the funeral of John F. Kennedy to the testimony of Oliver North, television has excelled at creating a sense of shared community during times of national crisis. Today, unfortunately, network executives would rather send civic-minded viewers to cable television, where the proceedings

addition to the three days of hearings, *The NewsHour* also produced a nightly one-hour wrap-up and covered impeachment during its regular show.

Asked about PBS's obligation to viewers, Kantor responds: "I think the obligation is to provide the information that people need to make an informed decision." Kantor and other PBS executives may believe they have provided that, but the lack of gavel-to-gavel cov-

THE PRESIDENT HAS SEEN
1-11-99

THE WHITE HOUSE
WASHINGTON

January 8, 1998

MEMORANDUM FOR THE PRESIDENT

FROM:

ANN LEWIS *AL*

SUBJECT:

STATE OF THE UNION CARD

*Copied
Lewis
Podesta*

The State of the Union offers the opportunity to tell the story of your accomplishments as we prepare for the new agenda. As in previous years, we are producing a card with this information which can be used by surrogates and made available through our outreach offices.

This year, we would like to make the card more attractive and user-friendly with more space and graphics. Because January 18 is a holiday, we want to distribute the card by January 15. Attached is the most updated set of your accomplishments, including a chart of your economic accomplishments as approved by the policy shops and senior staff.

____ APPROVE

____ DISAPPROVE

1-11-99

*POTUS gave directly
to Ann Lewis - she
sent back to us*

B.

A NATION TRANSFORMED

Clinton-Gore Administration Accomplishments: 1993 - 1999

Over the last six years, President Clinton and Vice President Gore have led America in preparing for the 21st Century. The President and Vice President have put our economic house in order while providing tax relief for middle income families, expanding critical investments in the future and continuing American leadership in the world. The accomplishments of the Clinton-Gore Administration are giving Americans the tools to realize their potential, providing opportunity while demanding responsibility and building One America in which all are challenged to serve.

Economy: the Strongest Economy in a Generation

Closing The Book on A Generation of Deficits -- in 1992, the deficit was \$290 billion, a record dollar high. This year, the Administration expects the budget surplus to be at least \$76 billion, the largest budget surplus in history.

Nearly 18 Million New Jobs -- more than 90% of the new jobs have been created in the private sector, the highest percentage in 50 years.

Fastest Real-Wage Growth In More Than Two Decades -- after adjusting for inflation, wages have increased 2.5% in the past 12 months -- the fastest real wage growth in more than two decades.

Lowest Unemployment in Nearly Thirty Years -- down from 7.5% in 1992 to 4.3% today -- staying below 5% for 18 months in a row.

Highest Homeownership Rate in History -- there are more than 7 million new homeowners since the President took office.

Families and Communities: Strengthening America's Working Families

\$500 Per-Child Tax Credit -- 26 million families with 40 million children will receive the \$500 per-child tax credit.

Tax Cuts for Working Families -- 15 million working families receive additional tax relief through the President's expansion of the Earned Income Tax Credit.

Largest Four-Year Drop in Child Poverty Since 1960s -- Under President Clinton, the child poverty rate has declined from 22.7% to 19.9% -- the biggest four-year drop in nearly 30 years.

Increased the Minimum Wage from \$4.25 to \$5.15 per hour -- increasing wages for 10 million workers.

Protecting Families -- Family and Medical Leave allows workers to take up to 12 weeks of unpaid leave to care for family members without fear of losing their jobs. Millions of workers have already benefited from FMLA since its enactment.

Signed Landmark Adoption and Safe Families Act -- this law will help thousands of children waiting in foster care move more quickly into safe and permanent homes.

Putting Families First -- put in place first-ever plan to protect our children from tobacco. Required the installation of V-chips in all new televisions. Encouraged schools to adopt school uniform policies to deter school violence and promote discipline. Produced guidelines on religious expression in public schools.

Building One America -- established the President's Initiative on Race to lead the nation towards becoming One America in the 21st Century. In FY99 budget, won first real increase in the Equal Employment Opportunity Commission in several years.

Education: Largest Investment in Education in 30 Years

Making 13th & 14th Grades as Universal As High School -- making the first two years of college universally available with \$1,500 HOPE Scholarship credits.

Expanding College Opportunity with Tuition Tax Credits, Education IRAs, Work Study and Increased Pell Grants -- 20% tax credit helps offset tuition costs for college or lifetime learning. The expanded IRA allows penalty and tax-free withdrawals for education. This year, nearly one million students will be able to work their way through college because of the President's expansion of the Work Study Program. And in 1999, nearly four million students will receive a Pell Grant of up to \$3,125, the largest maximum award ever.

Making College More Affordable -- cut student fees and interest rates on all loans, expanded repayment options including income contingent repayment, and improved service through the Direct Loan Program.

Paying for College Through Community Service -- AmeriCorps has allowed more than 100,000 young people to serve their communities while earning money for college or skills training.

More High-Quality Teachers With Smaller Class Sizes -- won a down payment on the President's new initiative to hire an additional 100,000 well-prepared teachers, helping school districts reduce class size in the early grades.

Teaching Every Child to Read by the 3rd Grade -- more than 1000 colleges have committed Work Study students to tutor children in reading, and thousands of AmeriCorps members and senior volunteers are organizing volunteer reading campaigns. Won \$260 million for a new child literacy initiative, consistent with the President's America Reads proposal.

Providing Safe After-School Opportunities for A Quarter of A Million Children Each Year -- expanded the 21st Century Community Learning Centers program to provide safe and educational after-school opportunities for up to 250,000 school-age children in rural and urban communities each year.

Preparing for the 21st Century by Expanding Access to Education Technology -- created the Technology Literacy Challenge Fund to help connect every school to the Internet by 2000, increase the number of multimedia computers in the classroom and provide technology training for teachers. Secured low-cost connections to the Internet for schools, libraries, rural health clinics and hospitals.

94-98

Establishing the GEAR-UP Mentoring Program for Middle School Children -- created a new mentoring initiative to help up to 100,000 low income middle school children prepare for college.

Expanding Choice and Accountability in Public School -- supported increase of public charter schools, from one charter school in the nation in 1993 to more than 1,000 charter schools in 1998, on track toward 3,000 quality charter schools early next century.

Providing Early Education to 835,000 Children with Head Start -- now reaching more kids than at any time since its creation in 1965 and more than 200,000 additional children than in 1992.

Crime and Drugs: Lowest Crime Rates in 25 Years

Violent Crime at Lowest Level since 1973 -- violent crime fell 7% in 1997 and 21% since 1993. The murder rate is down more than 25% since 1993, its lowest point in 30 years.

Putting 100,000 New Police on the Street -- in 1999, ahead of schedule and under budget, the Administration will meet its commitment of 100,000 police officers for our communities.

Over 250,000 Felons, Fugitives and Stalkers Denied Handguns -- since the President signed the Brady Bill into law. And the historic 1994 Crime Bill banned 19 of the deadliest assault weapons and their copies, keeping assault weapons off our streets.

Developed Comprehensive Anti-Drug Strategy Including an Unprecedented \$2 Billion Anti-Drug Youth Media Campaign -- appointed four-star General Barry McCaffrey as the nation's Drug Czar.

Fighting Hate Crimes -- enacted the Hate Crimes Sentencing Enhancement Act in 1994. Announced sponsorship of the Hate Crimes Prevention Act during the historic White House Conference on Hate Crimes in 1997.

Health Care: Increasing Access for Millions of Americans

Protected Medicare -- protected, modernized and extended the Medicare trust fund for at least a decade while offering new options for patient choice and preventive care.

Enacted Single Largest Investment in Health Care for Children since 1965 -- the \$24 billion Children's Health Insurance Program (CHIP) will provide health care coverage for up to five million children.

Passed Meaningful Health Insurance Reform -- signed the Kassebaum/Kennedy Health Care Bill which limits exclusions for pre-existing conditions, makes coverage portable and helps individuals who lose jobs maintain coverage.

Raised Immunization Rates to All Time High -- 90% of toddlers in 1996 received the most critical doses of each of the routinely recommended vaccines -- surpassing the President's 1993 goal.

Ensuring Safe Food for America's Families -- issued new standards to reduce and prevent contamination of meat, poultry, and seafood; signed the Food Quality Protection Act with special safeguards for kids; issued new regulations that improve the safety of fruit and vegetable juices; and created a President's Council on Food Safety to develop a comprehensive food safety strategic plan for federal agencies.

Welfare Reform and Community Empowerment: Largest Drop in the Welfare Rolls in History

✓ **5.7 Million People Are Off Welfare Today Compared to 1992** -- a more than 40% decrease from 1992 and the largest decline in the welfare rolls in history. Signed the landmark welfare reform law to require work, impose time limits and dramatically expand child care spending. Between 1996 and 1998, the number of people who were on welfare in one year and working in the next year increased 28% to 1.5 million people. lowest % of people on welfare in 29 yrs.

80% Increase in Child Support Collections -- signed into law the toughest child support crackdown in history.

Moving from Welfare to Work -- the Balanced Budget included \$3 billion to move long-term welfare recipients into jobs and a tax credit for employers.

Helping People Get to Work -- the President's Access to Jobs initiative and reverse commute grants will help communities design innovative transportation solutions so that families who need to work can get to work.

Helping Families Move from Welfare to Work with New Housing Vouchers -- 50,000 new housing vouchers will help families get or keep a job.

Expanded Investment in Urban and Rural Areas -- by creating 31 Empowerment Zones and more than 100 Enterprise Communities that have created new jobs, new opportunities and stronger communities.

Environment: Protecting Natural Treasures and Public Health

Toughest New Air Quality Standards in a Generation -- approved new clean air standards for smog and soot that will prevent up to 15,000 premature deaths a year and improve the lives of millions of Americans who suffer from respiratory illnesses.

Accelerating Toxic Cleanups and Brownfields Redevelopment -- cleaned up nearly three times as many Superfund sites in six years as the previous administrations did in twelve. Leveraged nearly \$1 billion in private sector investment for brownfields redevelopment.

Keeping Our Drinking Water Safe -- proposed and signed legislation to strengthen the Safe Drinking Water Act to ensure that our families have healthy, clean tap water. Required America's 55,000 water utilities to provide regular reports to their customers on the quality of their drinking water.

Reducing the Threat of Global Warming -- negotiated an international treaty to reduce greenhouse gas emissions in an environmentally strong and economically sound way. Secured \$1 billion in FY99 for research incentives to reduce greenhouse gas emissions through energy efficiency and clean energy technologies.

Protecting Our Natural Treasures -- protected or enhanced nearly 150 million acres of public and private lands, from the red rock canyons of Utah to the Florida Everglades. Reached agreements to protect Yellowstone from mining and save the ancient redwoods of California's Headwaters Forest.

Science and Technology: Leading America into the Next Millennium

Historic Investments in Biomedical Research -- the FY99 budget contained the largest-ever dollar increase in funds for the National Institutes of Health (NIH), including a 14% increase in NIH research funding. This expansion will enable scientists to pursue a wide range of cutting edge research from cancer to AIDS to genetic discoveries.

Supporting University Research, Training the Next Generation of Scientists and Engineers -- the FY99 budget contained a 7% increase in the National Science Foundation research budget to support science and engineering research across all fields and disciplines.

Strengthening the Economy and National Security with Information Technology -- provided \$1 Billion investment to help ensure that America leads the world in information technologies that predict tornados, design life-saving drugs, and make air travel safer and more efficient, and maintain our nuclear weapons stockpile without nuclear testing.

Ensuring U.S. Leadership in Space Science and Exploration-- increased investments in space science that supported space exploration as well as new discoveries about the creation of the universe.

Foreign Policy: World's Strongest Force for Peace, Freedom and Prosperity

Promoting Peace and Strengthening Democracy

- **Restored momentum to the Middle East peace process**, brokering the Wye River Memorandum and visiting Israel and Gaza
- **Brokered peace agreement in Northern Ireland**, ending decades of bloodshed
- **Negotiated cease-fire in Kosovo**, preventing humanitarian catastrophe and new war in Europe
- **Building a self-sustaining peace in Bosnia** through implementation of the Dayton Peace accords
- **Restored democracy in Haiti**, ending military dictatorship and stopping refugee flows
- **Helped settle Peru-Ecuador border dispute and end civil war in Guatemala**
- **Pressing for human rights, religious freedom, and an elimination of child labor** worldwide

Combating New Threats

- **Protecting Americans from Weapons of Mass Destruction** by reducing Russian nuclear arsenals, ratifying the Chemical Weapons Convention, and signing the Comprehensive Test Ban Treaty
- **Combating terrorism** by developing a national counterterrorism strategy and striking terrorist targets in Afghanistan and Sudan. **Addressing threats to our infrastructure** like cyberterrorism and biological and chemical weapons
- **Containing Saddam Hussein** through diplomacy, economic sanctions and military force
- **Preventing North Korea from developing nuclear weapons** through deterrence, diplomacy and non-proliferation
- **Improving military readiness** through increased defense spending

Strengthening Alliances and Building Partnerships

- **Built a stronger and larger NATO** to ensure a more stable, democratic Europe and a fully-integrated Russia
- **Deepening security alliances with Japan and South Korea**
- **Built more constructive relationship with China** through engagement and frank dialogue on human rights, security and trade
- **Expanding trade relations and strengthening democracy in Asia and Latin America**
- **Building partnerships with Africa** during historic Presidential trip

Expanding Prosperity

- **Opening markets abroad** through NAFTA, GATT and ~~more than 270~~ other free trade agreements
- **Addressing global economic crisis** by leading international relief efforts and stimulating worldwide growth
- ~~Sponsored creation of the World Trade Organization to reduce tariffs and settle trade disputes~~ *Leading world efforts to establish world financial trade systems for 21st century that benefit ordinary citizens in all countries*

THE CLINTON-GORE ECONOMIC RECORD		
	<u>Before</u>	<u>After 6 Years</u>
Budget Deficit/Surplus	\$290 billion <u>deficit</u> in 1992 -- the highest dollar level in history	First budget <u>surplus</u> in a generation -- the largest dollar surplus on record
Unemployment	7.5% in 1992	4.5% in 1998 -- the lowest in 29 years and lowest peacetime rate in 41 years
Job Growth	Previous Administration: worst record since the Great Depression	17.7 million new jobs -- with the highest percentage in the private sector in 50 years
Private-Sector Growth (Average Annual Rate)	2.4% from 1981-1992	3.9% -- the fastest rate since Johnson was President
Business Investment (Producer's Durable Equipment Average Annual Growth Rate)	1.9% from 1988-1992	12.1% -- the fastest rate since Kennedy was President
Real Hourly Wages	Down 5% from 1981-1992	Up about 2.5% over past year -- the fastest in over 20 years
Government Spending (As A Share of GDP)	Up from 21.7% in 1980 to 22.5% in 1992	Down to lowest level in 25 years <i>watch</i>
Auto Production	1992: Trailed Japan for 13th consecutive year	World's #1 auto producer for five years in a row
Inflation (Average Annual Rate)	4.2% from 1981-1992	2.5% -- the lowest since Kennedy was President
Homeownership Rate	Down, from 65.4% in 1981 to 64.2% in 1992	7.4 million new homeowners -- the highest homeownership rate in history <i>net 60</i>
Median Family Income (Adjusted for Inflation)	Down \$1,835 from 1988-1992	Up \$3,517 since 1993
Competitiveness	1992: Trailed Japan, Germany, Denmark, and Switzerland	World's most competitive economy for five years in a row

99 JAN 6 PM 10:59

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
1-11-99

January 6, 1999

MEMORANDUM TO THE PRESIDENT

FROM: GENE SPERLING
SANDY BERGER
LAEL BRAINARD

SUBJECT: Revised Steel Options

Copied
Sperling
Berger
Brainard
COS

Following our discussions with you, there have been a series of discussions among the international economic principals -- including those opposed -- to seek broad agreement around a recommendation addressing your inclination to take some trade action on steel. Although there is continued disagreement about whether you should take any action on section 201, there is broad agreement that if you do, you should not undertake both 201 options together, and you should couch either 201 option you choose in language mitigating the protectionist impact. Thus, we have reformulated both options with those goals in mind, which are described in greater detail below.

In addition, we have developed a new trade option focusing primarily on Japan that commands broad although not unanimous support. It is described in detail below.

Finally, in light of your apparent interest, we have sought to develop a proposal for early release of trade data in response to the industry's request, which would not require the creation of an onerous and seemingly protectionist import licensing system. This is described below.

Attachments:

Revised Options for Additional Steel Trade Actions
Revised Option for Early Release of Steel Import Statistics

I. REVISED OPTIONS FOR ADDITIONAL STEEL TRADE ACTIONS

Option 1: Focus on Japan and Russia: Russia and Japan account for the preponderance of the pressures facing the American steel industry. Together, they account for 60 percent of the increase in steel imports and an even greater share in the hot-rolled sheet category. Under this option, we would pursue a differentiated strategy to address the surge in imports from these two countries, reflecting greater concern about unfair trade practices in the case of Japan and greater concern about the foreign policy implications of excessive stringency in the case of Russia. We would pressure Japan to reduce imports to pre-crisis levels by threatening self-initiation of targeted trade actions, and continue to explore with Russia a broad, balanced agreement that would offer the Russians some assurances of market access in return for a significant reduction in imports. Although the Russia strategy is unlikely to yield demonstrable progress for another few weeks, this option would contain novelty in the approach to Japan. If you decide to pursue this option, we would contact the Japanese ambassador to request that Japan provide a formal assurance that imports would return to “appropriate precrisis” levels in 1999, reference their earlier assurances to this effect, and indicate that if imports from Japan did not return to pre-crisis levels, we would be prepared to take trade action against Japan. To manage U.S. antitrust risk, the Japanese Government should impose any restraints through mandatory legal measures as when they agreed to restrain steel exports in the 1980s.

Proposed Report Language:

- Japan is a key focus of our efforts, since Japan has been the single largest contributor to the current pressures faced by the American steel industry, alone accounting for almost one half of the entire U.S. import surge.
- *We have told the Japanese government that we expect Japan's exports to return to pre-crisis levels in order to restore stability to the United States steel market.*
- The Japanese government has given assurances that Japanese steel exports would return to appropriate pre-crisis levels by the first quarter of 1999.
- Accordingly, the Administration's steel task force will monitor steel imports from Japan on a monthly basis.
- *The Administration stands ready to take appropriate WTO-consistent action to ensure that imports from Japan return to pre-crisis levels, including self-initiated actions under our trade laws, if necessary.*

Considerations:

By targeting Japan with the threat of extraordinary trade action, we would single out the country that is both the biggest single contributor to the steel import surge and the biggest target of allegations of unfair trade practices. Moreover, the Japanese Government has already announced its intention to reduce exports to pre-crisis levels and Japanese export statistics for November already indicate a 70 percent decline in hot-rolled sheet (this is likely to show up in our December

and January import statistics, which will not be released until February and March). Finally, this action appears more surgical than self-initiation of a 201 case, which must by law cover all exporting countries (even though ultimately the 201 remedy could be designed to impact countries differentially).

Nonetheless, it is important to note the drawbacks of this option. First, although it is designed to command broad domestic support, the steel industry is unlikely to be satisfied, since they hold Russia equally responsible for their woes as Japan, and they remain skeptical that the current negotiations with Russia will address their concerns (although this problem is inherent in any balanced action toward Russia). Second, there is a significant risk that our threats to initiate trade cases against Japan could set off heightened trade tensions with Japan, especially if the Japanese government is not inclined to work to resolve this issue. In addition, an explicit restraint agreement with Japan could be successfully challenged in the WTO, and the risk of such a challenge, while small, cannot be entirely ruled out. Finally, joint export restraints by Japanese producers could present U.S. antitrust risks if not implemented through mandatory Japanese Government legal measures.

Option 2: Conditional Commitment to Self-initiate Section 201 Safeguards Case: Under this revised option, we would commit in the Steel Report that we would be prepared -- if circumstances warrant -- to request that the ITC initiate an expedited investigation to determine whether the steel industry has suffered injury. We would mitigate the protectionist signal associated with this statement by emphasizing the consistency of this action with international trade rules permitting safeguards against surges and with established precedent. We would also make clear that we were choosing to fully avail ourselves of remedies under the WTO and consistent U.S. law, while rejecting protectionist pressures to modify U.S. law. (All principals agree the Steel Report should include an indication of our support for the safeguards law and our willingness to ask the ITC to expedite an investigation requested by industry, even though there is disagreement whether we should request such an investigation).

Option 3: Easing Injury Standard for Safeguards Law (Section 201): Under this revised option, we would indicate in the Steel Report our support for easing the injury standard for the Section 201 safeguards law. We would mitigate the protectionist signal associated with this action by making clear that we propose bringing the injury standard into conformance with WTO guidelines and existing EU law, and that we would support such a change only in the context of broader market-opening legislation.

RECOMMENDATIONS:

Option 1: Focus on Japan and Russia

There is broad but not unanimous agreement among your international economic advisers that Option 1 achieves the best balance between effectively addressing the legitimate concerns of the domestic steel industry and protecting your strong commitment to open markets and leadership on global recovery.

John Podesta, Secretary Herman, Ambassador Barshefsky, Director Lew, Sandy Berger, Gene Sperling, Larry Stein, Karen Tramontano and Lael Brainard support option 1. Sandy Berger supports option 1, but is concerned that the associated threat of self-initiation should be explicitly limited to antidumping actions. John Podesta and Gene Sperling believe it is critical that the threat of self-initiation in option 1 implicitly cover the possibility of 201.

Secretary Daley supports a more muscular variant of option 1 that would more directly threaten trade action, but believes options 2 or 3 would command greater domestic political support.

Secretary Albright supports a softer variant of option 1. Secretary Rubin and Deputy Secretary Summers would prefer not to do any of the options, but of those presented prefer a variant of option 1 because it targets Japan as the bete noire of the trade community. They prefer a variant that would take credit for the fact that our jawboning and dumping decisions have yielded a 70 percent decrease in hot rolled imports. In addition, they -- along with Secretary Albright -- are concerned that the current formulation sounds like an ultimatum and is therefore likely to damage the prospects that Japan will do what we seek.

Chairman Yellen is concerned that option 1 would be viewed as protectionist and unilateralist and could lead to a WTO-inconsistent outcome.

Options 2 and 3: Action on Section 201

Secretary Albright, Secretary Rubin, Chairman Yellen, Sandy Berger and Deputy Secretary Summers continue to oppose both options 2 and 3. However, between options 2 and 3, Secretary Albright, Sandy Berger, and Deputy Secretary Summers prefer option 2 as the less protectionist alternative on the margin.

Secretary Herman continues to support options 2 and 3 and would not preclude doing these in addition to option 1 if necessary at a later date.

Gene Sperling, Larry Stein, and Lael Brainard continue to favor option 2 over option 3 as the less protectionist alternative. (Gene Sperling is indifferent between options 1 and 2, while Lael Brainard favors option 1 over either of the 201 alternatives).

John Podesta, Secretary Daley, Ambassador Barshefsky and Karen Tramontano continue to favor option 3 over option 2.

Option 1 _____ Option2 _____ Option 3 _____

II. REVISED OPTION FOR EARLY RELEASE OF STEEL IMPORT STATISTICS

The steel industry has requested earlier release of steel import statistics to facilitate the preparation of trade cases and to permit better inventory and pricing decisions. There is currently a 45-50 day lag in the data release: thus, November import statistics will not be released publicly until the middle of January.

Although the steel industry has asked the Administration to support legislation instituting an import licensing system for steel to permit earlier release of import statistics, your international economic advisers are opposed. Import licensing could be seen as a protectionist first step toward implementing quantitative restrictions and the type of border harassment that our exporters have opposed in foreign markets.

Secretary Daley has proposed an alternative method to obtain early release of steel data, which would not require the creation of a licensing system or new statutory authority. We would request that Census release preliminary import data for a limited period (6 months) for specific industries that face extraordinary circumstances, specifically high import penetration, a sharp surge in imports and a history of unfair trade practices. This would result in the public release of preliminary steel import data with approximately a three-week lag -- 20 days prior to the current release date. Because of differences in the way import and export statistics are collected, steel export data would continue to be available only after the full 45-50 day lag. This change in practice, authorizing early release of one set of data on a particular industry to the public in preliminary form, has never been done before. It will require a waiver of the standard OMB directive governing the release of economic statistics. If we proceed, the Administration will need to develop standards to separate this case from a range of possible other industry requests.

RECOMMENDATIONS

Secretary Daley, Ambassador Barshefsky and Karen Tramontano support the proposal. They believe it addresses an important legitimate concern and could help ease pressures for extraordinary relief by reducing the lag between the time at which a trade determination (e.g. critical circumstances) is reached and the time it is discernible in available import data. Moreover, the criteria are sufficiently narrow to exclude most industries.

Director Lew, Gene Sperling and Lael Brainard recognize the need to respond to the industry's requests in some way and accept this approach notwithstanding the possible precedent and the difficulties it will create for Customs and Census.

Director Yellen and Deputy Secretary Summers strongly oppose the proposal; Secretary Rubin also opposes. It creates a bad precedent that could lead to similar demands from a variety of additional industries. Moreover, the stand-alone release of steel import statistics each month will result in regular news articles focusing on steel import trends and generate added pressure for action. Furthermore, this unprecedented exception might be perceived as playing politics with the release of statistics, threatening the credibility of the statistical agencies.

Agree



Disagree

THE WHITE HOUSE
WASHINGTON

January 13, 1999

Mr. President:

I've sent copies of Eli's memo to Michael Waldman, Paul Begala and Bruce Reed.

Phil Caplan

copied
Waldman
Podesta
Besala
Reed

Phil Caplan
w/ Mulderman
w/ showed me
that in son -

1-13-99

MEMORANDUM

TO: The President
 FROM: Eli Segal *ES*
 DATE: January 11, 1999
 IN RE: Welfare to Work, Two Years Later

I enclose an AP article you may have missed on the continuing success of welfare to work.

Just two years ago, welfare to work was little more than a leap into the unknown. Would time limits and a motivated business community surmount a bankrupt, but deeply embedded system?

While the resounding answer two years out is "yes" (dramatic decline in the rolls; hiring and retention of hundreds of thousands of former recipients to good paying, full-time jobs with health benefits), there is now a new note of skepticism about the last two million plus "hardest to place."

We shouldn't be cavalier about those still left behind. Nevertheless, talk about "the hardest to place" and "the bottom one third" is the jargon of social policy divorced from labor market realities. I can now document many companies who stepped gingerly into welfare to work two years ago who are so enthusiastic about the bottom line benefits to them now that *X* (they are expanding their efforts while the pool grows smaller – even though it means they will probably need to invest more dollars per hire for recruitment, training and retention.

That's the unstated message of this AP article. Welfare to work is not about dead end jobs (a particularly noxious, even elitist, formulation). All companies, especially companies in growing industries like financial services, are looking to the nontraditional source of labor because those formerly on the rolls are proving to be among their best and most loyal employees.

As you prepare for your State of the Union address, you'll remember that you asked five companies to lead the welfare to work effort in your address two years ago (UPS, United *X* || Airlines, Sprint, Monsanto, Burger King). There are now 10,000 companies – all regions, industries and sizes – who have joined them, virtually all of whom have already hired at least one former recipient!

On the one hand, this is astonishing progress. On the other hand, it points out how many great things can happen with inspired political leadership. It took courage and backbreaking work to find the right formula for you and a Republican Congress to pass the 1996 Welfare Reform Act. Then, it took vision for you to challenge the business community to do its part. The country is quietly reaping the rewards each day.

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Luis Vizcaino

From: Laura Meckler [lmeckler@ap.org]
Sent: Tuesday, January 05, 1999 5:09 PM
To: Luis Vizcaino
Subject: Welfare to Wall St. story

Welfare to Wall Street, Bjt,900<

^Welfare-to-work where you'd least expect it<

^With AP Photos NYR101,102,103<

^By LAURA MECKLER=

^Associated Press Writer=

¶ NEW YORK (AP) _ Walk across the marbled atrium, through the security checkpoint and past the Java City stand dispensing caffeinated jump-starts to investment bankers. You'll find 10,000 Salomon Smith Barney employees moving more than \$1 trillion each week.

¶ It seems galaxies away from the struggles of welfare, but scattered throughout this world of multimillion-dollar stock offerings are 67 former welfare recipients _ proof, backers say, that welfare-to-work can thrive even where you'd least expect it.

¶ "Some of these women literally go from food stamps to stock options within a year," said Michael Schlein, a corporate vice president.

¶ Beyond the odd marriage of welfare and Wall Street, the program represents a fundamental shift in the job-training field, from traditional programs that prepared people for the abstract work force to training for an actual, specific job. Here, the jobs include filing, processing checks and executing transactions over the phone.

¶ And while these jobs are clearly meant for particularly qualified welfare recipients, the program is shaking up stereotypes about people on welfare _ both within the company and, to a growing extent, the white collar world of finance.

¶ Participants are woven into the fabric of Salomon Smith Barney after four months of specialized training at a neighborhood center and a four-month paid internship. The company participates to meet its own hiring needs _ not to be a good corporate citizen _ and recruits get very little special treatment.

¶ "In a big company like this one, just being here alone is an opportunity to make it in life," said Jackie Diaz, 27, who began her internship in November working in the file room of accounts payable. Before that, she supported her two daughters with welfare and a midnight waitressing job.

¶ Both the high-powered environment and the work can be intimidating. Margaret Herndon, hired permanently last year, remembers her internship in operations, where she executed stock transfers.

¶ "I would call Merrill Lynch and ask, 'Does a certain party have certain shares?' Then I would transfer them," said Herndon, who now makes \$24,500 a year after a 10-year absence from the labor force.

¶ "At first I didn't even know what it was," she said. Then it clicked. "I was like, 'Wow!' when I finally realized what I was doing."

¶ Now the firm's parent company, Travelers Group, plans to duplicate the program with other subsidiaries in Atlanta, Baltimore and Hartford, Conn. And realizing it can only hire a handful of New York City's welfare recipients, Salomon approached its competitors on Wall Street and urged them to create similar programs. Plans are under way with Morgan Stanley Dean Witter and McCann Erickson, an advertising firm, and others are considering it.

¶ The program required a sales job within the company, too, said Barbara Silvan, vice president for human relations. With publicity surrounding welfare-to-work at Marriott and Burger King, people assumed that welfare recipients were "flipping burgers and making beds."

¶ "There's a sense ... they wouldn't fit in here," she said.

¶ But they have fit in. In three years, 68 percent of the 111 people who have finished the internship program have been hired into full-time jobs, and 90 percent of those are still working. Starting salaries range from \$18,500 to \$30,000 a year, with the average \$24,500.

¶ Like other companies, Salomon Smith Barney found the retention rate higher than normal, and it aims to hire 50 new welfare recipients each year.

¶ No one is promised a job: hiring is based on openings and performance. Those rejected usually have attendance problems _ not surprising since attendance is also the No. 1 reason for firings company-wide.

¶ The program was created by Wildcat Service Corp., a 25-year job training veteran. In 1994, with tough new welfare rules in the legislative pipeline, Wildcat moved to create a program with stronger ties to the private sector.

¶ At the same time, Smith Barney (not yet merged with Salomon Brothers) was desperately looking for workers.

¶ Together, Wildcat and Smith Barney created a training program using the same computers and software packages used at the company, as well as "soft skills" like interviewing, proper attire and the importance of punctuality.

¶ "It's fundamentally different than what job training used to be," said Jeff Jablow, who runs the program for Wildcat.

¶ But this program isn't for everyone on welfare, Jablow admits. Wildcat trains hundreds of welfare recipients each year, and only those with the fewest barriers to work get into the Salomon Smith Barney program. The company requires a high school degree or an equivalency certificate, and the Securities and Exchange Commission bars anyone with a felony conviction.

¶ "You need to be strongly motivated to succeed," Jablow said. "It feels and tastes and smells like a job from the moment they start."

¶ Toyce Hampton remembers when she started in 1996, wondering, "What are they thinking? What kind of person do they think I am?" Then just two months into her four-month internship, her boss was so pleased with her work that he offered a permanent job.

¶ "I was so excited," she said, "I wanted to cry."