FOIA Number: 2016-0970-F

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

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Subseries:

OA/ID Number: 15168

FolderID:

Folder Title:
Sean Maloney Assignments Done August 1999 [2]

Stack:	Row:	Section:	Shelf:	Position:
S	44	5	6	1

August 11, 1999

The Honorable Michael A. Waldman
3531 Porter Street, N.W.
Washington, D.C. 20016

Dear Michael:

I have received your kind letter of July 12, and it is with regret that I accept your resignation as Assistant to the President and Director of Speechwriting. I am truly grateful for all you have done on behalf of my Administration and our nation.

Throughout the past seven years, from your work on my election campaign and the transition to your tenure here at the White House, you have served with distinction and dedication. As my Director of Speechwriting, you have helped me to reach out to the American people and to promote my vision for the future of our nation. Your passion for ideas and your ability to express them in a language that is both simple and powerful have set a standard few can match. As my Special Assistant for Policy Coordination, you played an important role in the passage of NAFTA and in the development of my 1995 budget. I am especially grateful for your leadership on campaign finance reform. You have consistently gone above and beyond whatever was asked of you, and on behalf of all those who have had the privilege of working with you, I thank you for a job well done.

I will always consider you an important member of my White House team, and as you move on to new challenges, Hillary joins me in sending best wishes to you, Liz, Benjamin, Susannah, and Joshua.

Sincerely, BILL CLINTON

BC/NS/DDA/SH/DC/DWB/emu-pfs-bws (Corres. #4440198)
(8.waldman.ma)

cc: SPM/DWB, 94
cc: John Wertman, 97

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

MICHAEL WALDMAN 7-13

7-13-99

After you have seen, we will send to Burkhardt.

Carol.

5pm

[illegible]

Copied
POTUS
Podesta
Burkhardt
(for reply)
Clerk

THE PRESIDENT HAS SEEN
7-13-99

FOR: THE PRESIDENT

FROM: MICHAEL WALDMAN

THE WHITE HOUSE
WASHINGTON

[illegible]

Michael Waldman 7-15-99
THE PRESIDENT HAS SEEN
7-19-99

THE WHITE HOUSE
WASHINGTON

July 12, 1999

Dear Mr. President,

I understand that you are already aware that I will be leaving the White House early next month. I wanted to write a quick note to thank you for the chance you have given me to be a part of your work these past 7 years.

It has been the greatest privilege I could ever imagine to serve you and the American people. It has been a particular honor, of course, to serve you as director of speechwriting these past 4 years. Every day, without fail, I have learned something new about America — and something new about how to write and speak to the hearts of ordinary citizens — all from watching you.

The reason I'm leaving, simply, is that after 7 years, I'm looking forward to spending more time with my family, with Liz and our 3 young children. I'm also looking forward to writing and speaking in my own voice. I look forward to being a strong supportive voice from the outside.

And it goes without saying that if I can ever be of help, I am eager to do so.

With warmest regards,

Michael

August 11, 1999

The Honorable Janet L. Yellen
Chair
Council of Economic Advisers
Washington, D.C. 20502

Dear Janet:

I have received your letter of August 3, and it is with regret that I accept your resignation as Chair of the Council of Economic Advisers. I am deeply grateful for all you have done on behalf of our nation and my Administration.

From your tenure on the Federal Reserve Board to your current position here at the White House, you have served with distinction and professionalism. Your expertise in domestic and international economics has played an important role in the formation of my Administration's policies regarding Social Security, Medicare, trade, and the global economy. I am especially grateful for your leadership in preparing the annual Economic Report of the President to the Congress, helping to craft my annual budget, and promoting our climate change agenda. You can be proud that your dedicated efforts have helped to create a brighter future for the American people.

I will miss your insight and valuable counsel, and on behalf of all those who have had the privilege of working with you, I thank you for a job very well done. Hillary joins me in extending best wishes to you, George, and Robert.

Sincerely, BILL CLINTON

BC/CKS/DDA/DC/DWB/emu-pw-pfs
(Corres. #4449927)
(8.yellen.jl)

cc: Tim Saunders, 5 OEOB,
cc: Ruth Eaglin, ~~PPO~~
cc: ~~DWB/SPM, 94 OEOB,~~
cc: John Wertman, 97

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

Janet Yellen

8/2/99

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

'99 AUG 2 AM 11:37

THE CHAIRMAN

August 3, 1999

Dear Mr. President:

It is with great regret that I resign my position as Chair of the Council of Economic Advisers, effective August 3, 1999. I plan to return to the University of California at Berkeley. I am enormously grateful to you for giving me the opportunity to serve first on the Federal Reserve Board and later, at the White House, on your economic team. It has been an honor to work with you and a slew of amazingly talented people who, day in and day out, dedicate themselves to public service. They have shown me what it means to give of oneself, to work hard, and to be a good American. I return to California assured that the country is in good hands.

The current expansion is now the longest in peacetime history, and quickly on its way to setting a record as the longest in all of American history. On top of that, inflation is low, real wages are rising handsomely, we are enjoying an investment and productivity boom and job growth and earnings gains for disadvantaged workers who have too long been sidelined in the labor market. At long last, a rising tide is lifting all boats. This outstanding record never could have occurred without the fiscal and monetary policies which make this country the envy of the rest of the world.

I will greatly miss the Council of Economic Advisers, which is a remarkable institution. The CEA attracts the best and brightest members of the economics profession into national economic policy. In part because of its small size, there exists a real sense of cohesiveness and camaraderie among its incredibly dedicated and energetic staff. I owe a particular debt of gratitude to the members of the Council I have been privileged to work with: Robert Lawrence, Rebecca Blank, Jeff Frankel and Alicia Munnell.

I want you to know what a pleasure and honor it has been to serve in your Administration, and to learn from you not only about economics and policy-making, but about the rewards of public service. Thank you for giving me this opportunity.

8-2-99

SPM

Should we send to POTUS w/response?
Yes ✓
no ____

cc: Exec Clerk Yes ✓
no ____

Sincerely yours,

Janet L. Yellen

Janet L. Yellen

7/14

August 11, 1999

The Reverend John G. Kutulas
St. Andrew's Greek Orthodox Church
5649 North Sheridan Road
Chicago, Illinois 60660

Dear Father Kutulas:

I am delighted to congratulate you as you are honored by your parish family for your extraordinary leadership at St. Andrew's Greek Orthodox Church.

This special tribute is a fitting recognition of your contributions as an outstanding church leader and dedicated priest. Through your 32 years of devotion to St. Andrew's, you have enriched the lives of your congregation and community. You have served as an example of faith to the people of St. Andrew's, tending to their spiritual needs as well as fostering an atmosphere of compassion and fellowship. Your efforts have made a positive difference in the lives of the many people you serve.

Hillary joins me in extending best wishes for a memorable celebration and every future happiness.

Sincerely,

BC/WMW/mah/pfs-bws (Corres. #4426001)
(8.kutulas.jg.msg)

cc: DWB/SPM, 94 OEOB

(Event: ASAP)

cc: Presidential Messages, 91 OEOB

SENT TO:
Mr. Angelo Leventis
St. Andrew's Greek Orthodox Church
5649 North Sheridan Road
Chicago, Illinois 60660

DO NOT MAIL -- RETURN TO CARMEN FOWLER, ROOM 91,
FOR DISPATCH TO DAN BURKHARDT ROOM 94

SENT REGULAR MAIL PER PODESTA'S OFFICE Troh

The Parish Family of
St. Andrew's Greek Orthodox Church
cordially invites you to

A Tribute of Love and Appreciation

honoring

Rev. Protopresbyter
John G. Kutulas

Saturday, the twenty-eighth of August
Nineteen hundred and ninety-nine

Fellowship 6 o'clock
Dinner 7 o'clock

St. Gregory Auditorium
5649 Sheridan Road
Chicago, Illinois

St. Andrew's Greek Orthodox Church
5649 North Sheridan Road
Chicago, Illinois 60660

7/14

7/12

SEND TO
DAN — PODESTA
REQUESTS LETTER
OF CONGRATS.
PLEASE ROUTE
BACK THROUGH
ME. FAX.

SPM

COLOVOS
COMPANY

6/25/99

Dear Mary

Enclosed is the invitation and an early write up on the event for Fr. Kutulas.

If John needs additional information on Fr. Kutulas please let me know and before I leave for Greece July 12th.

In the event I am out of town please contact Fr Michael Koutos for additional details on Fr. Kutulas.

Call me if you are confused.

Love you

Soto

4444 WEST OHIO STREET CHICAGO IL 60624-1036
PHONE 312 533 4444 FAX 312 826 1555

St. Andrew's Greek Orthodox Church

5649 NORTH SHERIDAN ROAD CHICAGO, ILLINOIS 60660-4803 (773) 334-4515 FAX: (773) 334-4517

IOCESE of CHICAGO

EV. MICHAEL H. KONTOS, JR.,
Proistamenos

REV JOHN G. KUTULAS,
Proistamenos Emeritus

June16, 1999
Feast of the Holy Miracleworker, St. Tychon, Bishop of Amathountos

Blessed is God, Who pours out His grace upon His priests, as ointment upon the head, which runs down upon the beard, the beard of Aaron, which runs down to the hem of his garment.

Prayer of Vesting with the Epitrachilion

Dearly Beloved in Christ,

In January of 1967, a young priest, the Reverend Father John G. Kutulas came to St. Andrew's Greek Orthodox Church to assume the responsibility of Spiritual Father and Associate Pastor. Now, after three decades of ecclesiastical excellence and spiritual guidance, his Parish Family seeks to honor Fr. John with a "Tribute of Love and Appreciation."

The celebration will take place on Saturday evening, August 28, 1999 in the S.J. Gregory Auditorium of St. Andrew's Church. More details are forthcoming.

The Parish of St. Andrew and Fr. John have meant so much to all of us over the past 32 years. As a way to express our love and affection, we wish to present Fr. John with a commemorative album expressing in either word and/or photographs how he has touched all our lives. We would greatly appreciate messages, written or typed, expressing your heartfelt feelings or favorite Fr. John story. We would also like photos, with or without Fr. John, of special occasions such as weddings, baptisms, picnics, dances, social and sporting events, seminars, and lectures. Please identify the occasion, the individuals and approximate date of the photos. Please note that none of the above shall be returned to you. Send your messages and/or photos to Angelo Leventis c/o St Andrew's Church - 5649 N. Sheridan Road, Chicago, IL 60660.

This celebration will require the assistance of many people with various talents. Please give us a hand, we welcome your support with open arms and love. Call the church office at 773/334-4515 and let us know of your desire to assist in the celebration.

We thank you for your anticipated support and look forward to hearing from you soon.

With love in Christ,

Fr. Michael
Rev. Michael H. Kontos, Jr.
Proistamenos

Soto Colovos
Co-Chairman

Alex A. Gianaris
Co-Chairman

Angelo J. Leventis
Angelo Leventis
Co-Chairman

8/14

August 11, 1999

Mr. Thomas D. Trapasso
Unit 426
1400 South Barton Street
Arlington, Virginia 22204

Dear Thomas:

I have received your letter, and it is with regret that I accept your resignation as Staff Specialist in the Office of Legislative Affairs at the Department of Defense.

In an era of historic change, you have distinguished yourself by your inspired leadership and your impressive record of accomplishment. Whether preparing briefing papers or analyzing defense programs, you have carried out your demanding responsibilities with skill and professionalism. I am especially grateful for your deep and heartfelt commitment to our men and women and uniform and for your help in guiding our Armed Forces through the challenges posed by the post-Cold War era. You can be proud of your role in our efforts to prepare our nation for the challenges and opportunities of the 21st century.

On behalf of all who have benefited from your service, I thank you for a job well done. I know that your experience and skills will continue to serve you well as you move on to new challenges. You have my best wishes.

Sincerely,

BILL CLINTON

BC/DDA/DC/lynn-bws (Corres. #4413324)
(7.trapasso.td)

cc: ~~DWB/SPM, 94 OEOB~~
cc: Neal Sharma, 97 OEOB

5/14

OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

'99 MAY 12

staff secretary

Thomas D. Trapasso
1400 South Barton Street
Unit # 426
Arlington, VA. 22204

May 4, 1999

5/12/99

Send to Burkhardt?
Yes ✓
No

PMC

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

cc: Clerk?
Yes
No ✓

Dear Mr. President:

It is with both regret and anticipation that I must tender my resignation to you as of Friday, May 21, 1999.

In joining the administration six years ago, I was inspired by your dynamic vision for building a better America. I firmly believed then, as I do now, in the democratic ideals that are the backbone of the countless successful initiatives this administration has generated.

Throughout these years it has been my privilege to work alongside the talented and dedicated men and women of the United States Armed Forces, for whom I have the utmost respect and admiration.

It has truly been an honor to serve my country in the capacities afforded to me over these past years, but the time has come for me to embrace new challenges in the private sector. I take with me a great sense of pride and accomplishment from my time in the federal government and, more specifically, in your administration.

Thank you for allowing me the rewarding opportunity to serve my country.

Sincerely,

Thomas D. Trapasso

Thomas D. Trapasso

August 11, 1999

Ms. Rosalie M. Grattaroti
17R Conant Road
Marblehead, Massachusetts 01945

Dear Rosalie:

Thanks so much for your heartfelt letter and the book about Medjurgorje. Your continued thoughtfulness and prayers mean a lot to me.

I also appreciate the candor of your remarks regarding our victory in Kosovo. As you know, we are entering a new phase in our quest for peace and justice in the Balkans, and there are formidable challenges ahead. I am committed to protecting all the people of this troubled region -- Serbs and Albanians alike, and I plan to be involved in the long-term efforts of the international community to promote democracy and stability in the region.

I hope you and your family are well, and I send my best.

Sincerely,

BILL CLINTON

BC/WMW/SH/DDA/DC/DWB/pfs-bws (Corres. #4435665)
(8.grattaroti.rm)

~~cc~~: J. Wertman, 97 OEOB
cc: ~~DWB/SPM, 94 OEOB~~
cc: G.H
Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

Rosalie M Grattaroti

6-24

6-23-99
To Burkhardt for reply?
Yes ✓ No —

Coordinate with NSC?
Yes ✓ No —
B.

June 15, 1999

President William Jefferson Clinton
The White House
Washington, DC 20500

17R Conant Road
Marblehead, MA
01945
781 631 6507

Dear Mr. President:

Once again I am taking the liberty of writing to let you know that I am greatly pleased with the NATO victory. Although many, many innocent people have suffered much harm, and although I did not support you in the bombing campaign, I applaud you for your courage and boldness.

I hope you will now look into your heart and make all the necessary reparations and arrangements to rebuild the country so destroyed. A true peacemaker is one who takes the best interests of <u>all</u> affected parties to heart. Please do not make this only an intellectual exercise but look at the entire situation from a truly global perspective – one where your example as a compassionate world leader will have a positive effect on all citizens of the world.

I hope the serious and passionate tone of my previous letters was not offensive to you. Please remember I am one of your biggest fans as is my mother and other members of my family. We have prayed for you as you know, and have supported you throughout your years in office especially through your, and our country's, most painful times.

My message comes with love and understanding not only for your role as President, but as a fellow Christian on the difficult path God lays before us. As I stated in an earlier letter, I believe God has a special plan for you and will ask you some time soon to follow His guidance. I hope this statement doesn't sound "corny" or out of place, but know that it comes from one who has walked the path of Christ and who, much to her surprise, has been called to do some very special work.

In that letter I believe I mentioned the fact of my healing gift – which has become quite an extraordinary avocation for me. Although I work in the secular world, there are opportunities presented to me almost daily where I am guided to give a "healing touch," and then God takes it from there.

Please do not view my correspondence as inappropriate. But I want you to know that there are many such people in the United States who have been so called and, from my own personal experience and observation, I know you are also one.

You may not have had the opportunity to look at the book I sent you on Medjurgorje but if you have a few minutes some time at least glance through it and read some of the story. It is a powerful occurrence and manifestation of God's active role in the world. And although it may seem foreign to many, the fact that 30 million people from all over the world have traveled to that remote village speaks to its validity.

I wish you continued success as our country's leader and as a world leader to be emulated and praised. The world desperately needs leaders like yourself who have above all else – heart. Try to keep it open to God's call and know that greater work and service is ahead for you, not only as President but in the years to come. I don't think God plans to "waste" all the goodness and strength that now resides within your soul. There is much healing to be done in the world and I'm sure you are to play a major role.

Again, I hope my words are not inappropriate. Just know that they come from another whose heart and soul have been strengthened through great pain and adversity.

I continue my prayers for you each day, and know that God will gently guide you by the hand.

Respectfully,

Rosalie Grattaroti

Rosalie M. Grattaroti

ROSALIE M GRATTAROTI

'99 JUN 23 PM4:28

June 15, 1999

Ms. Betty Currie
The White House
Washington, DC 20500

17R Conant Road
Marblehead, MA
01945
781 631 6507

Dear Ms. Currie:

Now that the war in Yugoslavia has ended, I am writing to support the President and applaud him for his courageous efforts.

Once again, I impose on your kindness and ask that you give my letter to President Clinton. Thank you for your courtesy.

Respectfully,

Rosalie Grattaroti

Rosalie M. Grattaroti

Eugenie Bisulco

06/24/99 04:07:02 PM

Record Type: Record

To: Janice H. Vranich/WHO/EOP@EOP

cc:

Subject: Re: I think this is a "nobody"..

Yes, she is a someone. The Pres. met her mother at an event this spring and recognized her birthday publicly. Then she sent photos, and we sent her some from the WH photographer, signed.

7/13

August 10, 1999

The Honorable Fred DuVal
Deputy Assistant to the President
for Intergovernmental Affairs
The White House
Washington, D.C. 20502

Dear Fred:

Thank you so much for your kind letter. It is with regret that I accept your resignation as Deputy Assistant to the President for Intergovernmental Affairs.

I am truly grateful for all you have done. From your tenure as Deputy Chief of Protocol at the State Department through your work on my reelection campaign to your position in the Office of Intergovernmental Affairs, you have carried out your responsibilities with sensitivity, professionalism, and diplomacy. Whether greeting heads of state and helping to facilitate their visits, traveling with Presidential delegations representing my Administration, responding to the needs of the Diplomatic Corps, or reaching out to elected officials across America, you have set a standard of excellence that is an inspiration to those around you. I am especially grateful for your work on matters of concern to Puerto Rico and our other territories as well as your efforts to improve our environment.

I will always consider you an important member of my White House team, and I know that your experience and skills will continue to serve you well as you move on to new challenges. Hillary and I extend our best wishes to you and Willie for every success and happiness.

Sincerely, BILL CLINTON

BC/TFS/DDA/DWB/bws-pw-emu (Corres. #4448972)
(8.duval.f)
cc: Tim Saunders, 5 OEOB
cc: Ruth ~~Eaglin, 158~~ OEOB
~~cc: DWB/SPM, 94 OEOB~~
cc: John Wertman, 97
cc: Tracy Sisser, 97
Xeroxed copy of personally signed original to NH through Sean Maloney
CLEAR THRU SEAN MALONEY
PRESIDENT TO SIGN

Fred DuVal

THE PRESIDENT HAS SEEN
7-12-99

7-13

7-12-

THE WHITE HOUSE
WASHINGTON

Should we send to Burkhardt for reply?
Yes ✓
No ___

SPM

July 9, 1999

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

It is with a great deal of pride and gratitude that I have had the pleasure of serving you for three years as Deputy Chief of Protocol, and for the past two years as Deputy Assistant to the President for Intergovernmental Affairs.

The past six years have been filled with the most exhilarating and profound experiences of my life. As I will be leaving the White House effective August 13, I want to thank you for your leadership and for giving me the honor of serving in your Administration and on behalf of our country.

Sincerely,

Fred DuVal

Fred DuVal

Apr. 22. 1999 5:45PM No. 1045 P. 2/2

4h

Seeds of Peace

8/9

370 Lexington Avenue
Suite 1409
New York, NY 10017-6503
Tel: 212-573-8040
Fax: 212-573-8047
E-mail: sopnyc@aol.com
www.seedsofpeace.org

'99 APR 22 PM6:23

April 22, 1999

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

THE WHITE HOUSE
WASHINGTON

FYI,

NSC Europe passed Wallach letter on to USAID for consideration. A response on behalf of POTUS was sent to Wallach 6/25 (from Don Pressley Acting Asst Admin) NRN

-WW

Pls contact Marion @ USAID 712-4755 w/ any questions.

See attached

n and Kosovar

ogram to help this
ummer camp site

y of the
uggestions of

-to-three week

i and Arab
en years. We have
will again host a
om the Fulbright

istration, I look

John Wallach
President and Founder

USAID

FAX TRANSMITTAL	# of pages ► 2
To Devayna W.	From Marion C.
Dept./Agency OEOB	Phone # 712-4755
Fax # 456-5426	Fax #
NSN 7540.01 317-7368 5099-101	GENERAL SERVICES ADMINISTRATION

U.S. Agency for
International
Development

JUN 25 1999

Mr. John Wallach, President and Founder
Seeds of Peace
370 Lexington Avenue, Suite 1409
New York, NY 10017

Dear Mr. Wallach:

The President has asked me to respond to your letter of April 22, 1999, regarding Seeds of Peace's September camp program for Kosovar and Serbian children.

The U.S. Agency for International Development (USAID) applauds Seeds for Peace's efforts in the Balkan region. Advocating peace and conflict resolution among the region's children is an important part of achieving long-term stability in this part of the world. At present, USAID's major effort in the Balkans is focused on alleviating the existing humanitarian crisis in Kosovo through our partnerships with private voluntary and non-governmental organizations. Due to the enormous challenge we currently face in providing Kosovar refugees and returnees with the required humanitarian assistance and infrastructure support, we regret that we do not have funds available at this time to fund your September camp program. However, we expect to establish an umbrella grant mechanism to support humanitarian and social assistance programs within the next few months, under which your program could be considered.

There are a number of private organizations currently working in the Balkan region to bring an end to the suffering of children that may be interested in participating in Seeds of Peace's programs.

1300 Pennsylvania Avenue, N.W
Washington, D.C. 20523

- Catholic Relief Services (CRS) is working to form Parent School Partnerships. Their program establishes groups in the Kosovar schools similar to U.S. PTAs. The point of contact for CRS is Sara Mierke, Deputy Director for Development Programming, CRS/Macedonia, Prashka 48, 91000 Skopje, Macedonia, tel: (381.91) 365.129, fax: (381.91) 365.058, email: smierke@unet.com.mk.

- Save the Children has been establishing pre-schools in Bosnia, and more recently in Albania. Their address is 54 Wilton Road, Westport, CT 06880, tel: 1-800-243-5075. You may also want to contact Children's Aid Direct. They are located in the United Kingdom, and their address is 12 Portman Road, Reading, Berkshire, United Kingdom, RG30 1EA. Their phone number is 44(0)118 958 4000, and e-mail: enquiries@cad.tele2.co.uk.

- As you are already aware, the International Rescue Committee (IRC), which works at grassroots level in Kosovar villages on community-based initiatives, has been active in the Balkans for some time.

We hope that this information is useful to you as you continue to seek resources. Thank you for your letter and for apprising USAID of the important work Seeds for Peace is doing in support of Kosovar and Serbian children.

Sincerely,

Donald Pressley
Acting Assistant Administrator
Bureau for Europe and the
New Independent States

4/26

Seeds of Peace

370 Lexington Avenue
Suite 1409
New York, NY 10017-6503
Tel: 212-573-8040
Fax: 212-573-8047
E-mail: sopnyc@aol.com
www.seedsofpeace.org

Gregg Gu.

'99 APR 22 PM6:23

April 22, 1999

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

Dear Mr. President:

It is time for reconciliation to begin between Serbian and Kosovar children.

Seeds of Peace would be pleased to host a special program to help this reconciliation process begin in September at our 150-acre summer camp site in Maine.

I have already discussed this idea with Reynold Levy of the International Rescue Committee and would welcome any suggestions of organizations or individuals who might be willing to help.

Seeds of Peace would bear the entire cost of the two-to-three week program in conflict resolution.

As you know, Mr. President, more than 1,000 Israeli and Arab teenagers have graduated from our program in the last seven years. We have also run a Bosnian and Serbian program and this summer will again host a program for Greek and Cypriot teenagers under a grant from the Fulbright Commission.

Hoping that this idea will find support in the administration, I look forward to hear from you or your staff in the near future.

With personal best wishes,

John Wallach

John Wallach
President and Founder

4-22-99

To Burkhardt for reply?
Yes ✓ No ___

Coordinate with NSC?
Yes ✓ No ___

B.

PMC

370 Lexington Avenue
Suite 1409
New York, NY 10017
Tel: 212-573-8040
Fax: 212-573-8047

Seeds of Peace

Fax Urgent

To: PRESIDENT WILLIAM JEFFERSON CLINTON

THE WHITE HOUSE

From: JOHN WALLACH

PRESIDENT AND FOUNDER

Fax: 202-456-6703 **Pages:** 2

Phone: **Date:** APRIL 22, 1999

Re: **CC:**

☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

THANK YOU FOR BRINGING THIS TO THE ATTENTION OF THE PRESIDENT.

7/6

August 5, 1999

Mr. Hays T. Sullivan
Post Office Box 206
Burdette, Arkansas 72321

Dear Hays:

Thanks for your thoughtful letter and the newspaper clippings regarding the plight of America's farmers. Your continued support means a great deal to me, and I appreciate knowing your concerns.

I was sorry to learn about your seed cleaning business, and I want you to know that the Farm Bill I signed in 1996 does not prohibit saving and planting seed grown on farms. I believe some of the restrictions you're referring to were put in place in 1970 to provide incentives to developers of new plant varieties. As I understand it, while you can't sell these seeds, you can save them for planting later. Other restrictions you mentioned may be due to seed companies' own rules for the use of their genetically modified seeds rather than federal law -- the government does not regulate the use of companies' patented seeds. For more information, please feel free to contact Dr. Ann Marie Thro, Commissioner of the Plant Variety Protection Office, at 301-504-5518.

I know that our farmers are struggling, and I am committed to helping them share in America's prosperity. This remains one of my top priorities. Last year, I worked hard to secure $6 billion in emergency aid to farmers to help prevent a disaster in American agriculture. This year, I was pleased to build on that effort by signing into law H.R. 882 -- a bill that accelerates the availability of federally guaranteed loans to America's farmers and ranchers. I also released $580 million -- which financed more than $1 billion in additional farm loans to respond to the emergency needs of our nation's farming communities. My fiscal year 2000 balanced budget proposal includes additional help for farmers and ranchers. Although Congress appears intent on making deep cuts in my request, I remain firmly committed to doing all I can during these difficult times to provide assistance to America's agricultural communities and to strengthen the farm safety net.

Please share my best regards with your mother and thank her for offering to make me more of her delicious pecan pound cake the next time you come for a visit. I look forward to it! I'm glad to know that she is doing well, and I have enclosed the lapel pin I promised her. Hillary and I send our best to you and Gail.

Sincerely,

BILL

BC/RMS/DDA/SH/DC/DWB/emu-efr-lynn-bws-lynn (Corres. #4415314)
(7.sullivan.h)
Enclosure: lapel pin
cc: Neal Sharma, 97
cc: DWB/SPM, 94
~~Xeroxed copy~~ of personally signed original to NH through Sean Maloney
CLEAR THRU SEAN MALONEY
PRESIDENT TO SIGN

Hays T. Sullivan

P. O. Box 206 • Burdette, AR 72321 • (870) 763-4780

7/6

'99 JUL 2 AM9:57

June 24, 1999

7/2/99

Send to Burkhardt?

Yes ✓

No

SPM

President Bill Clinton
Attn: Nancy Hernreich
The White House
Washington, D.C. 20500-2000

Dear President Bill:

In 1982 we were there for you when you needed the farmers in NE Arkansas in your bid for reelection as governor after your unexpected defeat by Frank White. Had it not been for the complete support of the farmers in that election, you would not be President today.

Several of us accompanied you to Missouri, Illinois, Iowa, and Kentucky as Arkansas travelers. You will recall seeing me in Cedar Rapids, Iowa, in August of 1992, and asking what I was doing up there. All I said was that I was helping a good friend of the farmers to be elected President.

The Farmers all across America are in the worst financial crisis today than at any time since the Great Depression of the 1930s. Soybean prices are at a 27 year low. Wheat prices are at a 25 year low, and rice, corn, hogs, milk, are all below the cost of production. Something has to be done!

We need you today as much as the farmers needed FDR in the '30s. Big business is choking the farmer to death. The Plant Protection Act you signed into law in 1996 gives Monsanto, Pioneer, ADM, and others the right to keep us from saving planting seed grown on our own farm to plant back next year. This law has put most small seed cleaning operations out of business. I could be fined $10,000 for saving one bushel of protected Roundup ready seed for next years planting. My grandfather started this seed business in 1932, cleaning soybeans and cotton seeds for neighbor farmers. My father, my brothers, and I ran the business until 1996. Thanks to this Plant Protection Act of 1966, I can no longer clean seeds for my neighbors because I could be fined if I cleaned a protected variety of seed if the owner told me a lie about the variety of the seed I was cleaning.

You have enough power to change this law so that a farmer can save enough seed after paying $30 per bushel for planting seed to plant only his acreage back next year. South America and Mexico do this every year. It only makes good sense to save beans that I would sell for $4.65 thereby saving me $25 per acre during my spring planting 2000. Bill, farmers have saved seed for generations, from the time that our founding fathers first gave corn (Maze) to the Indians to plant in the spring.

We need you now! Wall Street had Santa Claus (you, the President) come in 1993 and from the looks of the stock market, your Presidency and policy is still present. We didn't elect Bob Rubin to jerk your chain; we elected you to do the jerking.

Bill don't take this personal, I have been with you from the start and personally have taken a lot of flack during the last 18 months. I, like you, have broad shoulders and I will be with you to the end. I am committed to visit with farmers in up state New York on Hillary's behalf.

Your friend always,

Hays

Hays T. Sullivan

PS: Mother is 88 and doing well; still driving and helping others. She says if and when I come to Washington, she will send you another one of the pecan pound cakes. She reminded me that she has not received the Presidential Cuff Links and lapel pin that you and she talked about in Cape Girardeau, Missouri in August of 1996.

cc: Senator Blanche Lincoln
Representative Marion Berry
Senator David Prior
Mr. Carl Whillock

bn

Written By
Sherman Cullum
1990

Number 15

Farmer's Prayer*

As Farmers and Ranchers, Dear God, please give us wisdom and patience to understand why a pound of T-Bone steak at $2.50 is high, but a three ounce cocktail at $1.75 is not. And, a fifty cent cup of soft drink at the ball game is cheap but a fifteen cent glass of milk for breakfast is inflationary. And, Lord, help me to understand why five dollars for a ticket to the local movie is a bargain, but $3.35 for a sixty pound bushel of wheat is unthinkable. Cotton is too high at sixty cents a pound, but a twenty dollar cotton shirt is on sale for $18.50. And corn is too steep at two cents worth in a box of flakes, but the flakes are just right at fifty cents a serving. And also, Lord, help me to understand why I have to give an easement to the gas company, so they can cross my property with their gas lines, and then double my price for their gas. And also, Dear God, help me to understand the consumer, who drives by my field and scoffs at me for driving a seventy thousand dollar piece of equipment, that he built, so he could make money and drive down that right-of-way that they took from me to build a road, so that he could go hunting and skiing. Thank you God, for your past guidance and help, and please help me to make sense of it all.

*Reprinted from Arkansas State Plant Board News.

August 5, 1999

Ms. Elizabeth Birch
Executive Director
Human Rights Campaign
Suite 800
919 18th Street, N.W.
Washington, D.C. 20006

Dear Elizabeth:

I want you to know that I received your letter regarding the Religious Liberty Protection Act. I appreciate the candor of your remarks, and I understand that Richard Socarides has been working with you to address the civil rights issues related to the Act. I look forward to a report from Richard and to your continued input.

Hillary and I send our best to you and Hilary. Please stay in touch.

Sincerely,

BILL CLINTON

BC/WMW/SH/DDA/DWB/emu-lynn
(Corres. #4436611)
(8.birch.e)

cc: DWB/SPM, 94 OEOB
cc: J. Wertman, 97 OEOB

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

Elizabeth Birch

HUMAN RIGHTS CAMPAIGN

7/15

7-14-99

(came in on our fax)

To Burkhardt for reply?
Yes ✓ No —

SPM

B.

July 14, 1999

The Honorable William J. Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

via facsimile

Dear Mr. President,

It was with grave disappointment that I read the Statement of Administration Policy (SAP) on the Religious Liberty Protection Act (RLPA). You have been a strong, active advocate for the civil rights of all Americans – including the lesbian and gay Americans. Therefore, I was stunned that your statement on RLPA did not include strong and unequivocal support for the Nadler substitute amendment.

As you know, the Nadler amendment would have clearly and carefully protected civil rights laws from being undermined by RLPA. The few state and local laws providing protection from discrimination on the basis of sexual orientation have been extremely hard fought victories for the lesbian, gay and bisexual community. RLPA – without the Nadler amendment -- puts those few protections in grave danger. Your staff has indicated the final decision to support RLPA without such a safeguard was your own. I fail to see the logic of this decision.

Moreover, it is not just the lesbian and gay community that is put at risk by RLPA. Women, people with disabilities, and people of color stand to have their civil rights challenged. In fact, the NAACP Legal Defense Fund opposes the legislation if it does not include an amendment addressing the civil rights concerns.

I respectfully request, on an urgent basis, that you amend your Administration's position to specifically support the Nadler amendment and ask that it be distributed first thing in the morning.

Sincerely,

EBirch

Elizabeth Birch
Executive Director

WORKING FOR LESBIAN AND GAY EQUAL RIGHTS.

919 18th Street NW, Suite 800 Washington, D.C. 20006
phone (202) 628 4160 *fax* (202) 347 5323 *e-mail* hrc@hrc.org

'99 JUL 14 PM10:06

HUMAN RIGHTS CAMPAIGN

919 18th Street NW, Suite 800
Washington, DC 20006
phone 202 628 4160
fax 202 347 5323

FAX TRANSMISSION

Winnie Stachelberg
Political Director
direct dial 202 216 1549
email winnie.stachelberg@hrc.org

DATE: July 14, 1999

TO: White House

NUMBER OF PAGES: 2 (including cover)

FROM: Winnie Stachelberg

FYI – A copy of the letter from Elizabeth Birch to President Clinton concerning the Religious Liberty Protection Act (RLPA).

August 5, 1999

Ms. Maria Luisa M. Haley
Export-Import Bank of
the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571

Dear Maria:

I have received your letter of July 14, and I accept your decision not to stand for renomination to the Board of Directors of the Export-Import Bank. I want to thank you for your service and friendship throughout the years, and I am pleased that you will remain a vital part of my Administration.

I have every confidence that the extraordinary leadership and professionalism you brought to the Small Business Group at the Ex-Im Bank will continue to serve you and our nation well as you return to the White House. You have my best wishes.

Sincerely,

BILL CLINTON

BC/JHO/DDA/SH/DC/DWB/ckb-lynn
(Corres. #4441012)
(7.haley.ml)

cc: DWB/SPM, 94 OEOB
cc: Jeffrey Oakman, 97 OEOB
cc: Tim Saunders, 5 OEOB

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

Maria L. M. Haley

7-15

THE PRESIDENT HAS SEEN
7-14-99

7-14-99

SPH

To Burkhardt for reply:
Yes ✓ No _

cc: Nash? Yes ✓ No

B.

EXPORT-IMPORT BANK
OF THE UNITED STATES

BOARD OF DIRECTORS

July 14, 1999

No reply

The President
The White House
Washington, DC 20500

Dear Mr. President:

I want to thank you for your decision to renominate me to the Board of the U.S. Export-Import Bank. I am deeply grateful for your unqualified support and for standing by me as you have always done.

I regret to inform you that after much deliberation I believe standing for renomination to the Board of Directors of Ex-Im Bank would not be in the best interest of the staff at the Bank. I can serve you best at the White House, and am very pleased that you have given me the opportunity to do so.

You should know that your appointment of me as the Board Member in charge of Small Business has been the most gratifying experience in my professional life and certainly the highlight of my long career in public service. You should also know that the Small Business Group at Ex-Im has done a remarkable job during your Administration. As a result of their efforts, financing support for small business doubled to 21%, and now 85% of the Bank's transactions are in the small business arena. The staff's unqualified success played a major role in the rechartering of this Bank, and I am truly proud to have served with such hard-working, dedicated and committed civil servants.

Thank you for giving me the opportunity to serve your Administration in this capacity, and I look forward to returning to the White House with renewed energy and dedication.

Sincerely,

Maria

Maria Luisa M. Haley

811 VERMONT AVENUE, N.W. WASHINGTON, D.C. 20571

EXPORT-IMPORT BANK OF THE UNITED STATES

811 Vermont Avenue, N.W. Washington, D.C. 20571
Fax No.: (202) 565-3505

FAX COVER SHEET

DATE: July 14, 1999

ATTENTION: Nancy Hernreich

ORGANIZATION: The White House

FAX NUMBER: 456-6703

PAGES FOLLOWING: 1

MESSAGE:

Original on the way.

SENDER: Carol Kiernan for Maria Haley
DIVISION: Board of Directors
TELEPHONE: 202-565-3530

August 5, 1999

Mr. Robert N. Shamansky
Benesch, Friedlander, Coplan & Aronoff
88 East Broad Street
Columbus, Ohio 43215-3506

Dear Bob:

Thanks for your letters and the information regarding the Money Return Act of 1999. I value your counsel and am glad you followed up with me on our conversation. I've shared your correspondence with Bruce Reed and with Gene Sperling, Director of my National Economic Council. They will be in touch with you.

It's always great to hear from you. I hope you are well, and I send my best. Please keep me informed on this issue.

Bill

Sincerely,

BC/JHO/SH/DWB/efr-efr (Corres. #4426273)
(7.shamansky.rn)

cc: DWB/SPM, 94 OEOB
cc: Neal Sharma, 97 OEOB
cc: w/copy of inc to Gene Sperling (NEC)
cc: w/copy of inc to Bruce Reed (DPC)
cc: Jeffrey Oakman, 97 OEOB

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

BENESCH
FRIEDLANDER
COPLAN &
ARONOFF LLP
ATTORNEYS AT LAW

6/25

88 East Broad Street
Columbus, Ohio 43215-3506
(614) 223-9300
Fax (614) 223-9330

Jewish Comm - S
Swiss Bank lost
accounts - ...

Robert N. Shamansky
Writer's Direct Dial (614) 223-9326

Send to Burkhardt?
Yes ✓
No ______

June 15, 1999

'99 JUN 25 AM10:

President William J. Clinton
The White House
Washington, D.C. 20502

Dear Mr. President:

At the 1997-1998 Renaissance Week-end, I brought to your attention the fact that whereas the Clinton Administration and the world Jewish community had shamed the Swiss Bankers Association into placing on the Internet their list of what they previously had claimed were "lost" Holocaust era accounts, a handful of major American banks through their subsidiaries which handle this country's stock transfer operations, e.g., mailing dividends and recording changes of ownership, for corporate America have failed to put their "lost" accounts on the Internet. The result - as with the Swiss banks before your intervention - is that millions of Americans cannot obtain billions of their own money!

Your response was that this was not right, and you directed me to contact Bruce Reed about this at Renaissance. I did not contact Mr. Reed at that time, because I was working with my friends in the House and Senate for them to sponsor what we now call the Money Return Act of 1999.

At the invitation of Chairman Kasich of the House Budget Committee I am preparing testimony to be given at a hearing in Washington at the end of this month. My congressional classmate Ron Wyden initiated the first House inquiry into the abusive treatment of so-called "lost" securities owners by the securities industry. Ron has agreed to sponsor the Money Return Act of 1999 in the Senate, and John will sponsor the bill in the House. (I have also met with the staff of my Harvard Law School classmate Ted Stevens, who is also interested in working with us in calling a halt to the exploitation of unaware owners of stocks and bonds by the securities industry.)

This is strictly a non-partisan issue: no one - neither Republican nor Democrat - that I have ever spoken with contends that shareholders and bondholders are not entitled to receive <u>their</u> dividends and interest. All money involved belongs to the stockholders and bondholders; none of it is corporate money nor government money.

The Money Return Act will also provide for the creation of the United States Money Return Commission, which will be charged with locating in all Federal agencies money held by those agencies for others and then placing lists of the rightful owners on the Internet so that the rightful owners can

88 East Broad Street
Columbus, Ohio 43215-3506

recover their money. (Again, no money need be appropriated, because the funds are already being held on behalf of their rightful owners.)

I hope the enclosed copies of the cover page of Ron Wyden's report, full page editorial from Money magazine, a piece from the New York Times, and Jane Bryant Quinn's nationally syndicated column will help place this issue in perspective.

My good friend Carol Schwartz and I first heard you speak at Renaissance in 1985, and we concluded then that you recognized that government could be made to work for everybody. Your expressed concern about the abusive treatment of "lost" securities owners, who are disproportionately the elderly, confirmed my 1985 opinion. Fair treatment of the 60 million or more investors in securities is an essential ingredient in making our market economy run efficiently and is the kind of issue which I identify with your presidency. (In the event that Social Security reform allows for some investment in securities, this protection for securities owners will be more needed than ever.)

I very much hope that you will join my friends of both parties in the House and Senate in this strictly non-partisan endeavor.

With best wishes, I am

Respectfully yours,

Bob

Robert N. Shamansky

S:gxm
's.

Bruce Reed

103d Congress
United States House of Representatives
Committee on Small Business
Subcommittee on Regulation,
Business Opportunities, and Technology
B-363 Rayburn House Office Building
Washington, DC 20515-6318

July 28, 1993

TO: Ron Wyden, Chairman, Subcommittee on Regulation, Business Opportunities and Technology

FROM: Subcommittee Staff

SUBJECT: <u>Return to Sender</u>

<u>Tens of Thousands of "Undeliverable" Dividend Payments in Limbo</u>

Individual Investors Lose Billions of Dollars of Shareholder Assets Because of Lax Transfer Rules, Indifference By Public Companies and Government Regulators

<u>A Payday for Public Companies and States?</u>

Mr. Chairman:

At your direction, staff last year began an inquiry into complaints that the dividend distribution practices of publicly held companies were inadequate, inept and inconsistent, and that public agency oversight in this area was woefully insufficient. Although these complaints, and subsequent criticisms identified by subcommittee staff, represent only a relative handful of all shareholders, estimates later revealed that the cumulative value of the dividends and other disbursements involved is staggering -- <u>billions of dollars</u> -- and the number of individual shareholders may reach well into the tens of thousands.

> The problem of the "lost shareholder," in staff's view, reflects a significant gap in state and federal securities law, and a genuine and on-going risk for small investors.

OVERVIEW

Problems in this area may involve billions of dollars per year in dividends which never reach rightful owners. Owners of record die, or move their residence. Mailing lists used by transfer agents are marred by mistakes. Managers of public companies, and their agents, fail to use cost-efficient, state-of-the-art tracing systems to find rightful owners.

PLAYING LOST AND FOUND WITH YOUR MONEY

The problem began when Bob Shamansky finally realized he hadn't received $500 in dividends on the 1,800 shares of The Limited that he had inherited from his Aunt Millie two years before. Manufacturers Hanover, the New York-based transfer agent the $7.8 billion retailer had hired to distribute its dividends, had mixed up his address. So the dividend checks it dutifully mailed to him kept coming back. In the parlance of the transfer trade, Shamansky had gotten "lost." That was bothersome enough, but what sent the Columbus, Ohio attorney scurrying to his law books was the bank's assertion that it is the lost customer's responsibility to make sure he gets found.

"I said, 'Why didn't you look me up in the phone book?' They said they never do that. 'Really,' I said. 'How long would it take you to find me if I owed you the $500?' They were using my money for two years. That's illegal. Under American law, you are not allowed to benefit from your own negligence."

Shamansky, 66, refused to give in. As a former Democratic congressman as well as a lawyer, he was soon telling his story to Washington, D.C. authorities. You guessed it—his experience is almost commonplace. The Securities and Exchange Commission estimates that one shareholder account out of every 20 is "lost." In all, transfer agents are sitting on a staggering $10 billion worth of securities accruing $500 million a year in dividends that they are failing to deliver.

How could that be? As Shamansky suspected, stock issuers and their transfer agents aren't putting much effort into tracking down the rightful owners. For example, Mellon Bank, which has 400,700 lost accounts, has one person assigned to each 11,448—at most. (The bank's comment: "No comment.") Here's the industry's basic procedure:

First, they try to mail the problem away. If, say, a dividend check gets returned, the agent resends it to the same address in the hope that the post office messed up. If it comes back again, the agent sends it back again. Though the likelihood of the post office misdelivering a letter is around three-millionths of 1% (0.00000032%), this futile remailing ritual can continue for years.

Then they flag it and forget it. After perhaps two or three attempts, a symbol is placed on the account signifying that the dividends cannot be delivered and have not been claimed.

Finally, they surrender it to the state. If the account remains unclaimed after three to seven years, depending on local law, it must be handed over to the state. The state then steps up the search somewhat, often by running fine-print newspaper ads listing the names on such accounts. The ads work, at least to the extent of attracting a third of the owners within the first year the state gets the accounts. Eventually, however, if no one comes forward, the states liquefy the accounts and pour the money into their treasuries. So many billions are involved that states have sued one another all the way to the Supreme Court over this loot.

The agents' trade group, the Securities Transfer Association, argues that administering lost accounts already costs 25% more than handling ordinary accounts; therefore, any extra effort to track down these typically small accounts would be uneconomical.

Others disagree with that analysis, however, led by one of Shamansky's former colleagues, Rep. Ron Wyden (D-Ore.), who sits on the committee that oversees the SEC. Last summer Wyden's subcommittee produced a detailed memo titled: "Individual Investors Lose Billions of Dollars of Shareholder Assets Because of Lax Transfer Rules, Indifference by Public Companies and Government Regulators."

"This situation has unfair written all over it," Wyden told MONEY's Elif Sinanoglu. "Billions are sloshing around outside the hands of the rightful owners. I'm going to stay after the SEC until they correct it. And I'm a persistent fellow."

Building on its clear authority to compel agents to maintain accurate records, Wyden wants the SEC to force the industry to adopt the same techniques to find shareholders that are used to trace debtors. Richard Schultz, president of the National Revenue Corp., a leading debt-collection agency, notes that he routinely spends only $1.50 or less to track down a debtor—which is a fraction of what the typical agent wastes sending mail to the wrong address year after year. "With today's databases," says Schultz, "we can sometimes find a person in 90 seconds."

Shamansky wants one more thing. He believes the industry should pay interest to shareholders whenever their accounts get lost because of company negligence. "I demanded the interest on my $500, and I finally got it," he says. "But not everyone is a lawyer with a loud voice. The companies should pay for their mistakes as a matter of simple apology. It's the least they could do."

Frank Lalli

Managing Editor

Reporter associate: Elif Sinanoglu

In Search of Lost Shareholders

Is a Windfall Waiting for You?

By MARCIA VICKERS

IT was as if Brant Cover had won the lottery. Practically overnight, he became $44,000 richer, thanks to a friend who, while reading a local newspaper, happened to spot the name of Mr. Cover's deceased mother and notified him. The name was in fine print on a list of lost shareholders whose funds had been turned over to the state of New Jersey.

"I had no idea the shares even existed," said Mr. Cover, who lives in Fredericksburg, Va.

Mr. Cover's story is not unusual. According to the Securities and Exchange Commission, an estimated 250,000 shareholder accounts become lost each year because of deaths, changes of name or address or other reasons. The S.E.C. defines a lost account as one that has had two pieces of mail, sent at least three months apart, returned as undeliverable to the owner.

In addition to stocks, billions of dollars in other property are also lost each year. Much of it eventually reverts to the government. In New York alone, $298 million in lost funds was turned over to the state in the 12 months ended March 31.

The National Association of Unclaimed Property Administrators, an organization of state officials, says bank accounts are about 40 percent of lost property, while stocks, bonds and dividends make up about 20 percent.

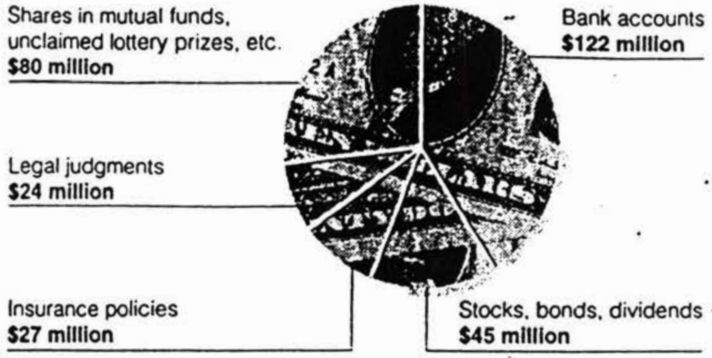
The size of these numbers has led both the S.E.C. and the administrators' group to propose ways to make lost money easier to find.

The S.E.C. proposals, which if approved would probably take effect early in 1997, would require transfer agents to work harder to find lost owners of securities. The agents — banks and other institutions whom companies pay to send out dividend checks and handle other securities-related tasks — would have to engage in at least two searches for these investors within an 18-month period, at no cost to the shareholder.

Transfer agents would also be required to keep records of lost securities holders for at least three years. They and brokerage firms would have to file information about lost accounts with the S.E.C., which might use it to create a national, publicly available data base.

Come and Get It

The breakdown of the $298 million in unclaimed property that was turned over to New York State in the 12 months ended March 31.



Source: New York State Comptroller's Office

The New York Times

"Often transfer agents rely on the mail to find lost shareholders," said Robert Colby, the agency's deputy director of market regulations. "When they don't find the person after one or two tries, they sit and wait and hope the lost shareholder will contact them."

But that often does not happen, he said. Under state statutes, known as escheat laws, unclaimed funds must be turned over to the government at varying times, depending on the type of property. In New York, stocks and bank accounts must be dormant for five years before they revert to the state.

Some transfer agents disagree with some of the S.E.C.'s thinking.

"We work on behalf of issuers, and often issuers feel that the shareholder has a responsibility to notify the appropriate parties when they move or change their names," said Charles Rossi, president of the Securities Transfer Association, a trade group for transfer agents.

Moreover, while he said he favored a uniform code for transfer agents, "It's not fair for other shareholders to bear the expense of locating holders who don't keep good records," he said.

But Robert N. Shamansky, a former Congressman from Ohio who has long championed these proposals, said: "The irony is that transfer agents are generally owned by major banks who use their state-of-the-art technology to track you to the ends of the earth instantaneously if you owe them five cents. But when they have your money, somehow the same technology isn't applied."

Like the S.E.C., the state administrators' group proposes a data base to make finding lost items easier, but its list would include all lost-property holders, not just those who own stocks and bonds. Also, the state group would list only items that have already reverted to the state, while the S.E.C. would include information before that point.

Either way, experts say there may be security problems with such data bases. "We would need to combat people fraudulently coming in under a name or Social Security number, trying to cherry-pick large accounts," Mr. Colby said.

Both the S.E.C. and the state group hope their efforts will also curb activities of some dubious "asset finder" companies. While many of these enterprises offer reasonably priced services, others, some with "900" numbers, charge fees that are too high relative to the assets lost, said Cynthia Munk, spokeswoman for the New York Comptroller's Office.

Even without the adoption of the new proposals, there are sometimes easier ways to find property, at least if it has already reverted to the state.

"What people don't know is that if they notify New York State they can get the information for free," Ms. Munk said.

As for Mr. Cover, it turns out his mother's stock was in Axia Inc., which went private in 1984. In 1974, Mr. Cover's father purchased 1,632 shares of stock in the company, which makes equipment for the construction industry. When the father died, Mr. Cover's mother, apparently without realizing it, inherited the

JANE BRYANT QUINN

Calling All—Some?—'Lost' Securities Owners

What if you own securities you've forgotten about? You're not getting dividend payments because the company doesn't have a valid address for you.

You're probably easy to find—especially through a computer database. But the company never bothers to look.

The Securities and Exchange Commission has taken a first step toward breaking this logjam. There's more it can do, but not much interest in doing it.

The first step involves transfer agents, who transmit interest, dividends and stock distributions from corporations to their bondholders and stockholders.

People inevitably get lost. Sometimes it's your fault: You move without leaving a forwarding address. Sometimes it's the fault of the transfer agent, who might mishandle your address.

Either way, a dividend check goes back to the agent, stamped "addressee unknown."

The SEC believes that transfer agents are holding about 3 million lost accounts, with a value exceeding $450 million. Each year, an additional 250,000 securities holders go missing.

When checks aren't cashed, the corporation keeps the money for two to seven years, depending on your state. Then it goes to the state's unclaimed-property office. Missing owners who turn up get the payment but not the interest the money earned.

Last Dec. 7, the SEC adopted a rule pushed through by former commissioner Steven Wallman to help track lost accounts worth $25 or more.

Under the rule, transfer agents must conduct two searches of a national database for the name or Social Security number of a lost security holder. The searches must be roughly a year apart. With this simple step, the SEC estimates, about 60 percent of the checks can be delivered.

Corporations that handle their own shareholder accounts have to follow the new rule. One result will be to reveal many more account holders as "lost," said Thomas Montrone, president of the Registrar and Transfer Co. in Cranford, N.J.

But there's a big hole in this rule: It doesn't affect the brokerage firms. Stockbrokers hold the vast majority of shares for customers. Some of these customers are lost, but brokers aren't required to search for them.

An SEC official said brokers weren't included because the original proposal focused only on transfer agents and there wasn't much comment about brokers.

Montrone said brokers claimed to "know their clients," but he added that the claim wasn't "factually supported."

There's a second hole in the rule. The transfer agents don't have to check all 3 million accounts that are currently lost; they have to search only for shareholders lost since last Dec. 7. They also don't have to search for heirs.

Shareholders can't be charged for the two database searches. But if you stay lost, your name can be turned over to a firm that searches for the owners of unclaimed property.

If such a firm finds you, it typically asks for 25 percent to 50 percent of the asset before delivering it to you.

The rule's chief cheerleader is lawyer Robert Shamansky of Benesch, Friedlander, Coplan & Aronoff in Columbus, Ohio. He was "lost" twice because of a wrong address.

Infuriated, he dogged the lost-shareholder issue at the SEC. "If I owed the money, how long do you think it would take for the corporation to find me?" he asked.

Shamansky is pushing for a law that would also cover stockbrokers and mutual funds. And why not ask banks, insurance companies, utilities and government entities to check databases, too, when a check is returned as undeliverable?

The SEC considered, and rejected, creating an Internet database of lost securities holders that would allow people (including heirs) to check for lost payments themselves. The SEC cites fraud and privacy problems.

But those aren't insurmountable issues. For example, a company called the CapitaLink Group in New York City has recently started just such a database (*www.ifast.com*).

CapitaLink covers only the lost security holders of its client companies. You enter your name, address and the first four digits of your Social Security number. If there's a match, you'll be given, at no charge, the toll-free number of the corporation holding your funds.

In addition, 25 states have Web sites that let you search by name for unclaimed property they hold; links to those sites can be found at *www.unclaimed.org*. So it could be done, if the SEC gave it a push.

Robert Shamansky

7/26/99

THE PRESIDENT HAS SEEN
7-26-99

Gene S

This guy is X-Rep. from Ohio (D) — says he's written me about this special firm, has never gotten an answer — says there's big issue at issue — He's an old friend — should we say good or not? I want to answer

BC

First Mail

SPM

7-26-99

To Burkhardt for reply
Yes ✓ No __

Coordinate with Sperling
Yes ✓ No __

Red Dot
BS

FIRST-CLASS

BENESCH
FRIEDLANDER
COPLAN &
ARONOFF LLP
ATTORNEYS AT LAW

88 East Broad Street
Columbus, Ohio 43215-3506
(614) 223-9300
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Robert N. Shamansky
Writer's Direct Dial (614) 223-9326

July 23, 1999

President William J. Clinton
The White House
Washington, D.C. 20502

Dear Mr. President:

Enclosed herewith relating to the "lost shareholders" legislation (the Money Return Act of 1999) sponsored by Chairman Kasich of the House Budget Committee, Democratic Members of his Committee, and Senator Ron Wyden, who first raised the issue with the SEC.

Respectfully yours,

Bob

Robert N. Shamansky

RNS:gxm

him.

Mr. MINGE. John, maybe this is something the three of us, now that we have heard it, we can cosponsor together. I think that he has a marvelous set of proposals and I compliment him.

Chairman KASICH. It is kind of hard to believe, especially in the era of all the communication, the technology, it is just pretty amazing.

Mr. SHAMANSKY. If I may, Mr. Chairman, show in a sense a softie I am. I am a lawyer, as I have said repeatedly. That is why I spotted the word "opine" I think, but yesterday, I walked in front of the Supreme Court building, and it says "Equal Justice Under Law." I want you to understand, I am affected by it. I actually believe that, and I was asked earlier, how could you and I be operating on this, and I said that is what this--but that is what this country is about. We are agreeing on the issue, and we are talking about fairness and justice, and it is equal, and that is all we are talking about, but it is what we are talking about.

Chairman KASICH. That is exactly right. I want to pay you the highest compliment for coming today, and I hope we can somehow soon end this frustration. Okay.

We go to our final panel, which is going to be a very interesting panel. Grover Norquist, Americans for Tax Reform; Steve Moore, the CATO Institute; Robert McIntyre,

U.S. House of Representatives

COMMITTEE ON THE BUDGET

Washington, DC 20515

July 6, 1999

Robert N. Shamansky
88 East Broad Street, Suite 900
Columbus, OH 43215

Dear Mr. Shamansky:

Attached is a copy of the transcript of your remarks from the House Committee on the Budget hearing held on June 30, 1999.

Please review the transcript and make any appropriate corrections in your remarks. Please make the marks in red ink or some other contrasting color. Changes in transcripts are strictly limited to technical, grammatical, and typographical corrections.

Return the edited transcript to Dick Magee, Committee on the Budget, U.S. House of Representatives, room 310, Cannon House Office Building no later than July 23, 1999. The edited transcript will serve as the basis for a committee print on the hearing. Please comply with the due date as there is an increase in demand to have our materials available on the Internet as soon as possible.

If you have any questions or have no changes, please call me at (202) 226-7270 or e-mail me at dick.magee@mail.house.gov.

Sincerely,

Dick Magee

Dick Magee,
Committee Printer.

SHAMANSKY. 147 152 170 171 172 175

working with him to make sure that ~~the~~ Bank One, and you know, clearly working with him on that, to make sure that the industry moves on, because all we are talking about is returning money to the--John wants his shareholders to get their money, and he wants his transfer agent to just use the technology and move on with it.

The private sector will just apply the technology. The problem is, I think, institutional at the Securities and Exchange Commission.

Chairman KASICH. Where do you think the proper point is up here for resolving this, Bob, and if we were to try to move to find somebody on a committee at jurisdiction, who could grab this thing and get this thing done, where would we go? Would that be the Banking Committee? Would it be the Commerce Committee?

Mr. SHAMANSKY. I would defer to your expertise on that, John. I don't know which one--I am sorry, I wish I were more knowledgeable on that. Clearly--.

Chairman KASICH. Is Ron Wyden doing anything besides the report?

Mr. SHAMANSKY. As you know, ~~a~~ legislative ~~council~~ counsel is working on the different elements to present a bill and that really is to remind the SEC what its job is and the authority that it has. The only thing that they may need to be encouraged on is the idea of when dividends are declared and interest earned on bonds, say, just put it in trust accounts. None of this is rocket science. We are not taking--we are not bothering any State laws. There are no expenditures. It is just making sure that money is delivered to the rightful owners, and that is so simple. These people at the SEC can't handle that.

Chairman KASICH. Or don't want to.

Mr. SHAMANSKY. Apparently.

Chairman KASICH. Well, I think we need to make an effort. I mean, it is total--this seems to me like something that just should have been done in 11 days, not 11 years, and I think we have got to figure out how we can move all the various contacts we have to try to get this resolved.

Mr. SHAMANSKY. Mr. Chairman, this is based on my experience. This is truly a nonpartisan issue. I have yet to meet Democrat, Republican or anybody else who said a shareholder shouldn't get his dividend and a bondholder shouldn't get his interest. This is not what you are arguing. It is strengthening our market economy, and you do that by encouraging the individual to put his money in it.

Chairman KASICH. Well, just an element of fairness, too. I mean, it is just simple common sense. Gentleman from Georgia.

Mr. CHAMBLISS. I don't have any questions.

Chairman KASICH. Gentleman from Pennsylvania.

Mr. SMITH. No questions, Mr. Chairman. We have the testimony of everyone except Representative Hoeffel. Are you going to make that available?

Chairman KASICH. We have his written testimony. Bob, what we need to do is just stay on top of this and see how we can get this resolved, and to the gentleman from Pennsylvania, I am obviously very interested in your legislation, would like to have a good look at it, and I can't imagine I wouldn't be helpful on that.

To Mr. Minge, David, what have you found in your--what has your experience been so far in your efforts to try to reign some of this in?

Mr. MINGE. Well, I have worked in several different capacities. One is to meet with business and State officials that are involved in economic development and planning, and by and large I found the reception to be quite positive. In fact, the largest criticism that I have had or the most significant criticism is that my bill is not stern enough, that instead of essentially a 100 percent tax on any benefit, I use a lower tax rate or in the alternative they said why don't you just flat out prohibit this and have some agency that is responsible for the enforcement of this so that we don't have states using taxpayer money for subsidies to induce businesses to move from one State to another.

When it comes to our colleagues here in Congress, there is some skittishness. There is a reluctance to jump into what they think is essentially a State and local issue. They feel if states and municipalities want to compete with each other and spend taxpayer dollars trying to woo each other's corporate headquarters, that is, you know, sort of like this is America, that is what we do, but on the other hand, as I have sat down and talked with colleagues about this, they have recognized that this is a very uncomfortable position that their State is often put in, and they would like to see something done.

And what I am doing now is concentrating on finding cosponsors and starting to talk to the Ways and Means Committee ,which is the committee that would have jurisdiction over my bill, to see if they would consider having a hearing on it.

Chairman KASICH. I want to thank all three of you, and I hope that, Congressman Minge, am hopeful that you will help me to assist Mr. Shamansky in being able to get an outcome. I mean I can promise you that he didn't do this because he had any self-interest, I can promise you that. He stumbled into something, and he went this isn't fair, and as a result, he has just been pursuing it, and we have actually worked with him for a while, but we need to get something resolved on this front. So I hope in a bipartisan way you will join with me, and we will make sure we can get this resolved for him.

Mr. MINGE. John, maybe this is something the three of us, now that we have heard it, we can cosponsor together. I think that he has a marvelous set of proposals and I compliment him.

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We go to our final panel, which is going to be a very interesting panel. Grover Norquist, Americans for Tax Reform; Steve Moore, the CATO Institute; Robert McIntyre,

JOHN R. KASICH
12TH DISTRICT, OHIO

MEMBER:
COMMITTEE ON NATIONAL SECURITY
COMMITTEE ON THE BUDGET
CHAIRMAN

Congress of the United States
House of Representatives
Washington, DC 20515–3512

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TELEFAX COMMUNICATION

TO: Bob Shamansky

FROM: Kelly Weiss

DATE: July 21

SUBJECT: SEC bill

TOTAL NUMBER OF PAGES: 9

106TH CONGRESS
1ST SESSION

H. R. ____

IN THE HOUSE OF REPRESENTATIVES

Mr. KASICH introduced the following bill; which was referred to the Committee on ______________________

A BILL

To improve systems for the location of, and payment of dividends to, missing shareholders.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "____ Act of 1998".

TITLE I—RESPONSIBILITIES OF THE SECURITIES AND EXCHANGE COMMISSION.

SEC. 101. ADDITIONAL RESPONSIBILITIES TO SECURE PAYMENTS OF DIVIDENDS.

Section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1) is amended by adding at the end the following new subsection:

"(g) DUE DILIGENCE IN PAYMENT OF DIVIDENDS.—

"(1) DUE DILIGENCE OBLIGATION.—Each issuer of any security registered pursuant to section 12 of this title shall exercise due diligence in delivering dividends and interest to its shareholders, whether such dividends and interest are delivered through a transfer agent, broker, dealer, investment company, investment adviser, indenture trustee, custodian, the issuer itself, or any other paying agent.

"(2) REVISION OF REGULATIONS REQUIRED.—The Commission shall amend the provisions of section 240.17Ad-17 of the Commission's regulations (17 C.F.R. 240.17Ad-17) as in effect on December 8, 1997—

"(A) to extend the application of such section to all such paying agents; and

"(B) to extend the application of such section to securityholders who became lost securityholders before such date.

"(3) NOTICE ON CHECKS TO LOST SECURITYHOLDERS.—Any check to any securityholder who has failed to cash or deposit a previous check for any dividend or interest payment shall bear a notice that—

"(A) states that a previous check has not been cashed or deposited and request that such check be cashed or deposited;

"(B) identifies a toll-free number and address that the securityholder is requested to contact if the securityholder did not receive such previous check.

"(4) LISTING OF LOST SECURITYHOLDERS.—The Commission shall establish or provide for the establishment of a database that is accessible from the Internet and that contains a list of the names of persons who are lost securityholders, and their social security numbers [note-probably a violation of the privacy provisions of the Social Security Act] and the identity of the issuer. [How is the list to be assembled? Who will submit the data?]

"(5) INTEREST ON UNPAID AMOUNTS.—Any amounts owed to a lost securityholders shall be held in trust by the paying agent for any issuer for the benefit of the lost securityholders of that issuer and shall accrue interest during any period—

["(A) beginning 6 months after the first return of any uncollected dividend or interest payment; and

"(B)] ending upon the escheate of such payment pursuant to State law.

"(6) OBLIGATION TO USE COMMERCIAL FINDING AGENTS.—Not less than ____ months prior to any escheate of a payment owed to lsot securityholders, the issuer or its paying agent shall solicit competing bids for the location of lost securityholders, in accordance with such procedures as the Commission shall prescribe by rule. Any successful bidder shall report to the Commission the number of accounts pursued, the percentage of accounts recovered, and the amount and percentage of funds recovered.

"(7) LIABILITY.—Any issuer or paying agent that negligently fails to exercise due diligence in accordance with the requirements of this subsection shall be liable to any lost securityholders or class of lost securityholders for damages. If the court determines that such failure constitutes gross negligence or wanton misconduct, the court may award punitive damages in an amount equal to twice the amount of such damages. An action under this paragraph may be brought in any court of competent jurisdiction.".

TITLE II—UNITED STATES MONEY RETURN COMMISSION.

[A Commission containing members appointed by the Congress (or officers thereof) cannot be charged with 'executing" the law. Since this Commission will collect and publish information on money owed by the Government, and to establish procedures for persons to electronically file claims, it should be either an entirely executive appointed commission, or just an existing officer in the executive branch. Please advise.]

SEC. 201. ESTABLISHMENT.

(a) IN GENERAL.—There is established the united States Money Return Commission. The Commission shall be composed of 5 members appointed or designated by the President and selected as follows:

(1) 1 members selected by the President;

(2) 2 members selected by the Majority Leader of the Senate; and

(3) 2 members selected by the Speaker of the House of Representatives.

(b) CHAIRMAN.—The President shall designate a Chairman from among the members of the Commission.

SEC. 202. FUNCTIONS.

(a) IN GENERAL.—The Commission shall—

(1) collect and publish on the Internet or other appropiate media information on all money held by the United States that is owed to any person or entity; and

(2) establish procedures for the use of state of the art technology to restore such money to it's rightful owner without charge.

(b) REPORT.—The Commission shall make a report on its activities to the President not later than 1 year after the date of the enactment of this Act.

SEC. 203. ADMINISTRATION.

(a) INFORMATION FROM EXECUTIVE AGENCIES.—The heads of Executive agencies shall, to the extent permitted by law, provide the Commission such information as it may require for the purpose of carrying out its functions.

(b) PAY.—Members of the Commission shall serve without any additional compensation for their work on the Commission. However, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the government service (5 U.S.C. 5701-5707), to the extent funds are available therefor.

(c) STAFF.—The Commission shall have a staff headed by an Executive Director. Any expenses of the Commission shall be paid from such funds as may be available to the Secretary of the Treasury.

SEC. 204. TERMINATION.

The Commission shall terminate 30 days after submitting its report.

The Money Return Act of 1999

1. The provisions of this Act apply to transfer agents, broker/dealers, corporate issuers which do their own transfer work, mutual funds, custodians (institutional trust/personal trust), corporate trustees (bonds/debentures), and paying agents of any type.

2. The provisions of revised Rule 240.17Ad-17, effective December 8, 1997, that apply to transfer agents shall also apply to those listed in paragraph 1 above.

3. Revised Rule 240.17Ad-17, effective December 8, 1997, with respect to data base searches for a "lost" security owner, which the SEC describes as a "securityholder", applies to all securities owners "lost" prior to December 8, 1997 as well as to those which were "lost"on or after December 8, 1997.

4. All checks sent to a security owner, whose previously sent checks have not been cashed, will bear a notice that prior check(s) (i) have not been cashed, (ii) request that the check(s) be cashed immediately, and (iii) request that the payee call a toll-free telephone number or write to the sender informing the sender that such check(s) was/were not received by the payee. (Same de minimis exclusion as in revised Rule 240.17Ad-17, effective December 8, 1997.)

5. The SEC shall establish an Internet Website where all securities owners classified as "lost" will be listed. (List by owner's name, Social Security number, and name of issuer of the security, e.g., General Electric, but not with any information as to value, amount owed or held, or the number of such securities, e.g., three shares of General Electric.)

6. Any of those to which this Act applies, which also hold funds for "lost" securities owners, will hold those funds in trust accounts for the benefit of the "lost" securities owners, e.g., any money earned in the trust account by a lost security owner's funds will become a part of that security owner's funds and follow the disposition of those funds according to applicable law, e.g., state unclaimed property laws.

7. No search firm, locator, or "heir finder" will be awarded a contract to locate a "lost" security owner except on the basis of open bidding following the procedure set forth in U.S. Code ______________. Bidding shall be for batches of accounts, and the successful bidder will report to the SEC the results of the search, e.g., numbers of accounts worked, percentage of accounts recovered, amount and percentage of funds recovered.

8. Class action suits permitted, if there are violations of this Act.

9. Only compensatory damages permitted, unless there has been willful or wanton neglect or misconduct, when triple damages can be recovered. (No runaway punitive damages.)

10. The United States Money Return Commission is hereby created:

A. The President appoints the chair person.

B. House and Senate appoint two members each, one from each party.

C. Charge: To collect and publish in print, on the Internet, and other appropriate media, information on all money held by any part of the United States Government for others.

D. Establish procedures using state of the art technology whereby the rightful owners can obtain their money without charge.

PREPARED TESTIMONY

OF

ROBERT N. SHAMANSKY

BEFORE THE

HOUSE OF REPRESENTATIVES
UNITED STATES CONGRESS

WEDNESDAY, JUNE 30, 1999

WASHINGTON, D.C.

Approximately 80 million people have invested their money in securities - both stocks and bonds - issued by businesses, which have made our market economy the most envied in the world. Those 80 million include - most likely - a majority of the members of this Committee as well as a majority of the other people in this room. In fact, for the first time in history, the American people have more money invested in securities and other financial items than they do in their homes.

Businesses have a choice of raising money within one state, such as Ohio, in which case they would register with the Division of Securities of the Ohio Department of Commerce. However, if those businesses want to raise large sums of money across the entire country through our various stock exchanges, they must register with the United States Securities and Exchange Commission (SEC). These national markets regulated by the SEC have trillions of dollars invested through them.

One of the main reasons why Americans have invested in the securities markets is because the securities and exchange legislation passed in the 1930s has assured them that they would be treated fairly by the securities markets, which come under federal regulation. For example, cases such as *Greater Iowa Corp. v. McLeldon*, CA Iowa 1967, 378F2d.783, are cited as holding that securities and exchange legislation has broad remedial purposes for the protection of the investing public and should be liberally construed.

This Committee this day is performing one of the most important, but too often unappreciated of its functions, which is that of Investigation and Oversight. Without this function by the Congress, would we have had the reforms of the abuses uncovered at the Internal Revenue Service? It is quite clear that the answer to that question is a clear "No"!

I became aware of some very unfair and indefensible practices by the securities industry the hard way. My aunt died in 1985, and I and a trust created by my late mother, my aunt's sister, were the beneficiaries of my aunt's estate. In the beginning of 1988, when I was gathering the Forms 1099 for the dividends from the stock I had inherited from my aunt, I discovered that I did not have a Form 1099 for the year 1987 for the most valuable stock I had inherited from her.

When I contacted the transfer agent in New York, I was told that I had not been sent a Form 1099 for the year 1987, because I had not received any dividends in 1987! The reason I hadn't received any dividends was because dividend checks sent to me in 1986 had been returned to the transfer agent, because they could not be delivered to the address the transfer agent was using. When a check like that was returned, no further dividend checks were mailed thereafter.

I asked why they had not looked me up in the phone book, because I had been at the same business address since 1966. They said they never look anybody up in the phone book. I had to look them up.

I asked: "What if I had been made ill by a stroke and could not look anyone up?" They said I still had to look them up.

I asked, "What if I were dead?"; and they said I still had to look them up!

I asked, "What if someone in your shop had been negligent in preparing my address?" They said I still had to look them up..

I pointed out that I was a lawyer and that they had just invented a new principle of American law, i.e., they were negligent; I suffered, because I did not receive my money nor the interest earned by my money; and they benefited from their negligence, because they were using my money as an interest-free loan, i.e., they would turn over my principal but not the money earned by my money.

They said I still had to look them up.

I then noted that they had accumulated over $500.00 of my dividends over a period of four quarters, and that over those four quarters or one year they could not find me. They agreed that they could not find me during that year.

I then asked them how long it would have taken that bank/transfer agent to look me up if I had owed them the $500.00?

I have yet to receive an answer to that question. (The answer is, of course, it would have taken them less than a minute at a cost of less than $1.00 to check me electronically on a database.)

ONLY SENT NOTICES TO ADDRESSES ALREADY PROVED BAD

In August, 1992 I brought the subject of the unfair treatment of so-called "lost securityholders" to the attention of my Congressional classmate, now Senator Ron Wyden, who instantly grasped the significance of my disturbing experience. Ron, as Chairman of a Sub-Committee of the Committee on Small Business, wrote to Richard C. Breeden, then Chairman of the SEC on August 20 and August 13, 1992. On February 22, 1993, SEC Chairman Breeden wrote Ron back in part as follows, "...although the absolute value of undeliverable accounts, about $10 billion according to the Division's (Division of Market Regulation) estimate, is substantial, this is only about one-tenth of 1% of the approximate $10 trillion capitalization of U.S. equity and debt markets."

Based on the enclosed exhibits and my direct experience with the Division of Market Regulation at the SEC, former Chairman Breeden's peremptory dismissal of the $10 billion dollars in undeliverable accounts is a fair characterization of the culture or attitude of the Division of Market Regulation and the SEC itself toward millions of securityholders who are owed billions of dollars of their own money!

In its October 7, 1997 Release of the revised Rule 17Ad.17., the SEC said it had at first estimated that there were 250,000 lost securityholders, but that it later estimated that there were

3,000,000 lost securityholders owed possibly more than $450 million. It is only fair to point out that the SEC was off by a factor of twelve (12) between its first and last estimates of the number of lost securityholders. Among those experts in this field that I am familiar with, most believe that the most recent estimate of about $450 million is too low, also.

Please understand that we are not talking about any money belonging to any government at any level, nor to any money belonging to any corporation. We are talking about uniting owners of securities with their dividends and interest rightfully earned by their securities for which they paid their hard-earned money.

On July 28, 1993 the Sub-Committee staff presented to Chairman Wyden a report entitled:

<u>Return to Sender</u>

<u>Tens of Thousands of "Undeliverable"</u>

<u>Dividend Payments in Limbo</u>

Individual Investors Lose Billions of Dollars of Shareholder Assets Because of Lax Transfer Rules. Indifference by Public Companies and Government Regulators.

A Pay Day for Public Companies and States?

In addition to working with Senator Wyden and his staffs, I have been invited to speak before three annual meetings of the National Association of Unclaimed Property Administrators (NAUPA) and a national meeting of the Security Transfer Association (STA) on the subject of lost securityholders.

Every state in the Union and the District of Columbia have unclaimed property laws, which require holders of other peoples' money to turn over to the respective states - after periods of from 3 to 7 years - the money being held. The states have been doing this for decades, and they have all used public records published originally in newspapers and at county and state fairs and that are now published by a majority of states on the Internet. These states have been doing this without either security or privacy problems. Likewise, corporations have procedures to check claimants for undelivered dividends and interest, and these procedures work very well. In other words, there are no privacy or security problems, except in the minds of those who do not want the lost security owners to obtain their own money.

The advent of the computer and the Internet has completely changed the way securities and their owners can be kept track of. We are no longer in the days of "3 x 5" cards shuffled by hand. As a surgeon should be held liable for negligence today, if he operated to repair a bone fracture without first using a readily available x-ray machine, so should those who transfer securities today, if they refuse to use readily available databases, especially where that refusal benefits others than the owners of the securities.

There are three very big credit rating companies which keep tab on almost every person in the United States who ever got credit or has made investments. When it comes to those who own stocks and bonds, their databases can find up to 80% or more of those sought, starting with either a name, an address, or a social security number, which is on, I believe, every driver's license issued in the United States as required by the Federal law.

People who own stocks and bonds are not trying to hide from their own money. Almost without exception owners of stocks send in their social security numbers on a Form W-9 to transfer agents so that the transfer agents will not withhold twenty percent (20%) of the dividends for the IRS.

People want to get their money, and the fifty states and the District of Columbia have demonstrated conclusively that there are no legal, ethical, or other policy considerations such as privacy or security, which prevent delivery to owners of securities the dividends and interest earned by their securities.

It was my lot to bring to the attention of the SEC through Senator Wyden that the SEC was not assuring investors that they would have their dividends and interest delivered to them promptly - or at all - by the use of good addresses.

Under the SEC's existing Regulation 17 CFR Part 240. Rule 17Ad-10. specifying "Certificate detail",e.g., "(4) the address of the registered securityholder", the SEC had and has the authority of providing for the following common sense, non-rocket science practices, which were suggested to it by me as an investor in correspondence and/or during various meetings at the SEC:

1. Beside transfer agents, the regulations regarding lost securityholders should apply to broker-dealers, corporate trustees, personal and institutional custodians and mutual funds, and issuers which do their own transfer work, because transfer agents maintain records for only approximately one-half (1/2) of the securityholders in the United States. The SEC in 1996 proposed changes to include recordkeeping broker-dealers, but then reversed itself in 1997, saying that changes only applied to recordkeeping transfer agents.

2. Regulations, which apply to securityholders lost on or after December 8, 1997 should apply equally to all securityholders who had been lost before December 8, 1977.

Betrayal of the SH. 3 mil [illegible] $450 million ~~[illegible]~~ an interpretation not required by the text or logic.

3. The lost securityholder regulations should apply to securityholders who meet the $25.00 de minimis test adopted by the SEC in 1997, if their checks remain uncashed for seven months. The next regularly-sent dividend and interest checks should inform the payee that a previously sent check had not been cashed, and the notice should request a call to a toll-free number or other communication. There is sound precedent from Prudential Insurance for notices

[illegible] Morgan Stanley [illegible] [illegible] like this, and I have conferred with one of the most prominent transfer agents that this can be easily done through their computers at insignificant cost.

4. All of the data on lost securityholders generated by transfer agents, broker/dealers et al., should be sent to the SEC for listing on one Internet website. A majority of states already put their unclaimed property lists on the Internet, and NAUPA has a website where it is pooling various state lists. NAUPA created the website, because the SEC proposed such a website for itself in a 1996 release, only to reverse itself after it had been lobbied hard by those who did not want the lost securityholders found. Prominent among those were "heir finders" or locators (or vampires) depending on who is describing them. The SEC already has the Thomson Financial Network operate the SEC's Lost and Stolen Securities Program under the name of Securities Information Center (SIC). If the SEC has a website for its list of lost or stolen pieces of paper, why can it not have a website for its list of the lost owners of securities? Why should a piece of paper be treated better than the owner of a piece of paper?

It must be pointed out that the United States Government and the world Jewish community shamed the Swiss Bankers Association into publishing on an Internet website a list of unclaimed Holocaust era accounts, which the Swiss Bankers Association had previously maintained had been lost or destroyed. (I checked this website from my office in Columbus for the name "Klein", and I came up with three hits!) There is no reason why the few big American banks, which control the biggest transfer agents, do not do what the Swiss show can easily be done, i.e., put on the Internet the SEC list of lost securityholders, which is what the states are already doing with their unclaimed property owners lists.

Based on my experience over these last eleven years, I believe that there is sufficient interest in the private sector to distribute the information on the Internet at no cost to the SEC once the information has been delivered electronically to the SEC. There is, of course, no reason to publish on the Internet the amount owed the lost securityholders nor the quantity of securities owned by the lost securityholder. All that is needed is the simple fact that John Q. Public is owed something by XYZ Corporation. QUOTE SEC

5. Money due lost securityholders as redefined here, which is held by any of the holders as redefined here, must hold that money in trust accounts, so that the securityholder will get the interest earned by his or her dividends and interest instead of becoming a reward to those holding the undelivered dividends or interest.

The case of *Delaware v. New York*, 507 U.S. 490, 113 S. Ct. 1550 (1992), is where New York and Delaware fought over the approximately $1 billion in dividends and their underlying stock generated in "street name" accounts owned by "lost" securityholders, who used the major broker-dealers headquartered in New York City. (Investors who leave their securities in "street name" with a broker-dealer can be as easily lost as any other name on any other list.)

Cite insider
Bear Stearns

Another important reason for requiring that securityholders' money be held in trust accounts can be gleaned from the $63.5 million in fines in addition to the return of $19.1 million illegally taken by Bankers Trust Corporation of New York in early 1994. This $19.1 million was taken from unclaimed property due to lost customers of the bank, and it was illegally used to falsely increase the profits of the bank, instead of sending that money to the states as required.

6. If a locator/heir finder is engaged by any transfer agent, et al., to locate lost securityholders at a cost to the lost securityholder after the obligatory two database checks, those lost securityholder accounts should be placed with locator/heir finders only on the basis of open bidding by locator/heir finders for batches of such accounts, each account in each batch to receive due diligence. In fact the National Association of Unclaimed Property Administrators has urged the SEC to protect lost securityholders from the excessive charges (from 25% to 50%) of heir finders or locators. STATE STREET

open cherry picking NT

7. The United States of America through its many arms and agencies holds great sums of money due others. The United States Money Return Commission should be created to locate all of this money owed to others; the U. S. government should put the information on one Internet website; and then the Commission should simplify the method whereby any claimant can obtain his or her money wherever it may be in the United States government. There is simply no reason for the U. S. government not to use currently available technology to unite people with their money now held by the U. S. government. The same principle applies to the securities industry.

Numbered Exhibits Grouped by Related Subjects

A. National Publications on Lost Securityholders

1. Frank Lalli, Managing Editor of Money magazine in a full page editorial on "Playing Lost and Found with Your Money," January, 1994.

2. Jane Bryant Quinn in The Washington Post on "Collecting All - Some? — `Lost' Securities Owners," Sunday, June 28, 1998.

3. Marcia Vickers in The New York Times on "In Search of Lost Shareholders," Sunday, October 6, 1996.

4. Lynn Asinof in The Wall Street Journal on "Lost and Found: How You Can Recover Your Family's Long-Forgotten Nest Egg," Friday, June 14, 1996.

B. Contrasting the Views of the SEC and Those Who Believe there is a Major, but Correctable Problem

5. Letter dated February 22, 1993 from SEC Chairman, Richard C. Breeden, to Representative Ronald Wyden, Chairman of a Subcommittee of the House Committee on Small Business.

6. Title Page of the July 28, 1993 Report on "Individual Investors Lose Billions of Dollars of Shareholder Assets Because of Lost Transfer Rules, Indifference by Public Companies and Government Regulation" from Staff to Chairman Ron Wyden, Subcommittee on Regulation, Business Opportunities and Technology.

7. Citation of Cases holding that the securities and exchange laws are for the protection of the investing public, are remedial in nature, and should be liberally and flexibly construed.

8. Letter dated June 17, 1994 from SEC Chairman Arthur Levitt to Robert N. Shamansky describing the SEC;'s anticipated steps to correct problems of "undeliverable dividend distributions and lost Securityholders."

9. Letter dated November 17, 1994 from Stephen K. Olson, Director, Unclaimed Property Division, Office of the Attorney General, State of Indiana, to SEC Chairman Arthur Levitt, regarding the "lack of due

diligence by securities issuers and their transfer agents in locating `lost securityholders'."

C. Critiques of the Rules Affecting Lost Securityholders Accepted by the SEC on October 1, 1997

10. Article by Bob Irvine and Karen Anderson, Unclaimed Property Recovery & Reporting, Inc., entitled "Securities Due Diligence Regulation: A Continuing Saga," November, 1998.

11. An analysis of the New SEC Lost Securityholder Rules, 17 CFR 240.17AD-17, 17CFR 240.172-24, August 1998, by Lynden Lyman, Senior Vice President, State Street Bank and Trust Company, with handwritten annotations by Robert N. Shamansky.

12. Text of Rule 240.17AD-10 in 17 CFR Ch. 11 (4-1-92 edition).

D. Internet Website of the Swiss Bankers Association Listing of "Previously Lost" Holocaust Era Bank Accounts in Swiss Banks

13. David E. Sanger in "Swiss Banks Turn up 4,000 More Holocaust-Era Accounts," The New York Times, October, 14, 1997.

14. Successful search on the Swiss Bankers Association on the Internet for the Name "Klein".

15. Barry Meier on "Swiss Banks and Victims of the Nazis Nearing Pact," The New York Times, Saturday, January 23, 1999, reporting $1.25 billion settlement by Union Bank of Switzerland and Credit Swisse and Jewish Claimants.

E. Precedents for an SEC Website for All Lost Securityholders

16. The existing SEC Internet Website for the Securities Information Center (SIC) operated by Thomson Financial Network in Massachusetts which contains a database for lost or stolen securities certificates.

17. TransUnion's Social Security Search Systems to locate people via their Social Security Numbers.

18 John Markoff on "U.S. Shifts to a Free Data Policy, Computer Network to Carry S.E.C. File," The New York Times, Friday, October 23, 1993.

19. AP on "$13 Million Remains Unclaimed by U.S. Pensioners," The Columbus Dispatch, July 10, 1998.

20. Robert Pear on "Not for Identification Purposes (Just Kidding)," The New York Times, July 26, 27, or 28, 199___, on the federally approved uses of Social Security numbers for identification purposes.

21. Jeri Clausing on "U.S. to Offer Search Service that Links Its On-Line Sites," The New York Times, Monday May 17, 1999.

F. 22. List of Various Internet Websites of U.S. Agencies Which Hold Money for Others

G. Documents Relating to the Failure of the Securities Industry to Locate "Lost Securityholders," Because Checks Remain Uncashed

23. Letter dated March 15, 1995 from Massachusetts Financial Services Company to Robert N. Shamansky informing him for the first time that MFS had sent him a check that remained uncashed after five (5) years even though he had never been informed in other written communications from MFS during those five (5) years that it was holding his money.

24. Caption sheet of an action brought unsuccessfully by Robert N. Shamansky, who was not informed by MFS that it was holding money for him as a result of an uncashed check.

25. Copy of a "Notice of Unclaimed Property" from Bell Atlantic Corporation to Samuel C. Shamansky, Trustee of the Sarah Shamansky Trust, of a check dated August 3, 1992, which check was not replaced until June 8, 1998. Bell Atlantic Corporation sent dividends quarterly to the Trust from 1992 to 1998, but never mentioned the uncashed check.

26. Letter dated August 10, 1998 from the Prudential Insurance Company to Janet Gamer-Perlman informing her that a previously sent check dated January 5, 1998 remained uncashed and asking her to contract the Prudential to receive her money.

H. Items Illustrating Why Lost Securityholders' Funds Should be Kept in Trust Accounts

27 Benjamin Weiser on "Bankers Trust Says it Illegally Diverted Unclaimed Money," The New York Times, Friday, March 12, 1999.

28. 18 B Am Jur 2d, Corporations, 1209, citing cases holding that corporations which declare dividends hold the dividends in trust for the shareholders.

I. Two Forms Used by the State of Ohio, Department of Commerce, Division of Unclaimed Funds, which request the providing of "Social Security Numbers or Federal Tax I.D. Numbers" of those owed money by the holder of Unclaimed Funds.

29. Page from 1996 Form.

30. Page from 1992 Report.

Editor's Notes In your interest

EXHIBIT

1

PLAYING LOST AND FOUND WITH YOUR MONEY

The problem began when Bob Shamansky finally realized he hadn't received $500 in dividends on the 1,800 shares of The Limited that he had inherited from his Aunt Millie two years before. Manufacturers Hanover, the New York-based transfer agent the $7.8 billion retailer had hired to distribute its dividends, had mixed up his address. So the dividend checks it dutifully mailed to him kept coming back. In the parlance of the transfer trade, Shamansky had gotten "lost." That was bothersome enough, but what sent the Columbus, Ohio attorney scurrying to his law books was the bank's assertion that it is the lost customer's responsibility to make sure he gets found.

"I said, 'Why didn't you look me up in the phone book?' They said they never do that. 'Really,' I said. 'How long would it take you to find me if I owed you the $500?' They were using my money for two years. That's illegal. Under American law, you are not allowed to benefit from your own negligence."

Shamansky, 66, refused to give in. As a former Democratic congressman as well as a lawyer, he was soon telling his story to Washington, D.C. authorities. You guessed it—his experience is almost commonplace. The Securities and Exchange Commission estimates that one shareholder account out of every 20 is "lost." In all, transfer agents are sitting on a staggering $10 billion worth of securities accruing $500 million a year in dividends that they are failing to deliver.

How could that be? As Shamansky suspected, stock issuers and their transfer agents aren't putting much effort into tracking down the rightful owners. For example, Mellon Bank, which has 400,700 lost accounts, has one person assigned to each 11,448—at most. (The bank's comment: "No comment.") Here's the industry's basic procedure:

First, they try to mail the problem away. If, say, a dividend check gets returned, the agent resends it to the same address in the hope that the post office messed up. If it comes back again, the agent sends it back again. Though the likelihood of the post office misdelivering a letter is around three-millionths of 1% (0.00000032%), this futile remailing ritual can continue for years.

Then they flag it and forget it. After perhaps two or three attempts, a symbol is placed on the account signifying that the dividends cannot be delivered and have not been claimed.

Finally, they surrender it to the state. If the account remains unclaimed after three to seven years, depending on local law, it must be handed over to the state. The state then steps up the search somewhat, often by running fine-print newspaper ads listing the names on such accounts. The ads work, at least to the extent of attracting a third of the owners within the first year the state gets the accounts. Eventually, however, if no one comes forward, the states liquefy the accounts and pour the money into their treasuries. So many billions are involved that states have sued one another all the way to the Supreme Court over this loot.

The agents' trade group, the Securities Transfer Association, argues that administering lost accounts already costs 25% more than handling ordinary accounts; therefore, any extra effort to track down these typically small accounts would be uneconomical.

Others disagree with that analysis, however, led by one of Shamansky's former colleagues, Rep. Ron Wyden (D-Ore.), who sits on the committee that oversees the SEC. Last summer Wyden's subcommittee produced a detailed memo titled: "Individual Investors Lose Billions of Dollars of Shareholder Assets Because of Lax Transfer Rules, Indifference by Public Companies and Government Regulators."

"This situation has unfair written all over it," Wyden told MONEY's Elif Sinanoglu. "Billions are sloshing around outside the hands of the rightful owners. I'm going to stay after the SEC until they correct it. And I'm a persistent fellow."

Building on its clear authority to compel agents to maintain accurate records, Wyden wants the SEC to force the industry to adopt the same techniques to find shareholders that are used to trace debtors. Richard Schultz, president of the National Revenue Corp., a leading debt-collection agency, notes that he routinely spends only $1.50 or less to track down a debtor—which is a fraction of what the typical agent wastes sending mail to the wrong address year after year. "With today's databases," says Schultz, "we can sometimes find a person in 90 seconds."

Shamansky wants one more thing. He believes the industry should pay interest to shareholders whenever their accounts get lost because of company negligence. "I demanded the interest on my $500, and I finally got it," he says. "But not everyone is a lawyer with a loud voice. The companies should pay for their mistakes as a matter of simple apology. It's the least they could do."

Frank Lalli

Managing Editor

Reporter associate: Elif Sinanoglu

EXHIBIT

2

JANE BRYANT QUINN

Calling All—Some?—'Lost' Securities Owners

What if you own securities you've forgotten about? You're not getting dividend payments because the company doesn't have a valid address for you.

You're probably easy to find—especially through a computer database. But the company never bothers to look.

The Securities and Exchange Commission has taken a first step toward breaking this logjam. There's more it can do, but not much interest in doing it.

The first step involves transfer agents, who transmit interest, dividends and stock distributions from corporations to their bondholders and stockholders.

People inevitably get lost. Sometimes it's your fault: You move without leaving a forwarding address. Sometimes it's the fault of the transfer agent, who might mishandle your address.

Either way, a dividend check goes back to the agent, stamped "addressee unknown."

The SEC believes that transfer agents are holding about 3 million lost accounts, with a value exceeding $450 million. Each year, an additional 250,000 securities holders go missing.

When checks aren't cashed, the corporation keeps the money for two to seven years, depending on your state. Then it goes to the state's unclaimed-property office. Missing owners who turn up get the payment but not the interest the money earned.

Last Dec. 7, the SEC adopted a rule pushed through by former commissioner Steven Wallman to help track lost accounts worth $25 or more.

Under the rule, transfer agents must conduct two searches of a national database for the name or Social Security number of a lost security holder. The searches must be roughly a year apart. With this simple step, the SEC estimates, about 60 percent of the checks can be delivered.

Corporations that handle their own shareholder accounts have to follow the new rule. One result will be to reveal many more account holders as "lost," said Thomas Montrone, president of the Registrar and Transfer Co. in Cranford, N.J.

But there's a big hole in this rule: It doesn't affect the brokerage firms. Stockbrokers hold the vast majority of shares for customers. Some of these customers are lost, but brokers aren't required to search for them.

An SEC official said brokers weren't included because the original proposal focused only on transfer agents and there wasn't much comment about brokers.

Montrone said brokers claimed to "know their clients," but he added that the claim wasn't "factually supported."

There's a second hole in the rule. The transfer agents don't have to check all 3 million accounts that are currently lost; they have to search only for shareholders lost since last Dec. 7. They also don't have to search for heirs.

Shareholders can't be charged for the two database searches. But if you stay lost, your name can be turned over to a firm that searches for the owners of unclaimed property.

If such a firm finds you, it typically asks for 25 percent to 50 percent of the asset before delivering it to you.

The rule's chief cheerleader is lawyer Robert Shamansky of Benesch, Friedlander, Coplan & Aronoff in Columbus, Ohio. He was "lost" twice because of a wrong address.

Infuriated, he dogged the lost-shareholder issue at the SEC. "If I owed the money, how long do you think it would take for the corporation to find me?" he asked.

Shamansky is pushing for a law that would also cover stockbrokers and mutual funds. And why not ask banks, insurance companies, utilities and government entities to check databases, too, when a check is returned as undeliverable?

The SEC considered, and rejected, creating an Internet database of lost securities holders that would allow people (including heirs) to check for lost payments themselves. The SEC cites fraud and privacy problems.

But those aren't insurmountable issues. For example, a company called the CapitaLink Group in New York City has recently started just such a database (*www.ifast.com*).

CapitaLink covers only the lost security holders of its client companies. You enter your name, address and the first four digits of your Social Security number. If there's a match, you'll be given, at no charge, the toll-free number of the corporation holding your funds.

In addition, 25 states have Web sites that let you search by name for unclaimed property they hold; links to those sites can be found at *www.unclaimed.org*. So it could be done, if the SEC gave it a push.

3

The record of the SEC is one of passivity, reluctance, and the most constricted or restricted remedial steps for the protection of the individual investor for whose benefit the SEC was created.

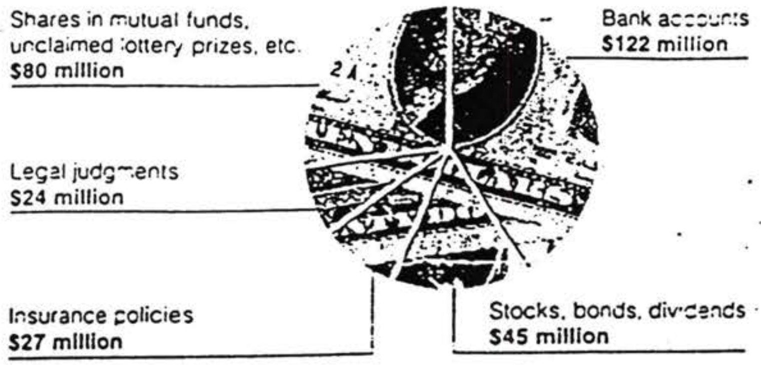
In Search of Lost Shareholders

Is a Windfall Waiting for You?

By MARCIA VICKERS

Come and Get It

The breakdown of the \$298 million in unclaimed property that was turned over to New York State in the 12 months ended March 31.



Source: New York State Comptroller's Office

The New York Times

IT was as if Brant Cover had won the lottery. Practically overnight, he became \$44,000 richer, thanks to a friend who, while reading a local newspaper, happened to spot the name of Mr. Cover's deceased mother and notified him. The name was in fine print on a list of lost shareholders whose funds had been turned over to the state of New Jersey.

"I had no idea the shares even existed," said Mr. Cover, who lives in Fredericksburg, Va.

Mr. Cover's story is not unusual. According to the Securities and Exchange Commission, an estimated 250,000 shareholder accounts become lost each year because of deaths, changes of name or address or other reasons. The S.E.C. defines a lost account as one that has had two pieces of mail, sent at least three months apart, returned as undeliverable to the owner.

In addition to stocks, billions of dollars in other property are also lost each year. Much of it eventually reverts to the government. In New York alone, \$298 million in lost funds was turned over to the state in the 12 months ended March 31.

The National Association of Unclaimed Property Administrators, an organization of state officials, says bank accounts are about 40 percent of lost property, while stocks, bonds and dividends make up about 20 percent.

The size of these numbers has led both the S.E.C. and the administrators' group to propose ways to make lost money easier to find.

The S.E.C. proposals, which if approved would probably take effect early in 1997, would require transfer agents to work harder to find lost owners of securities. The agents — banks and other institutions whom companies pay to send out dividend checks and handle other securities-related tasks — would have to engage in at least two searches for these investors within an 18-month period, at no cost to the shareholder.

Transfer agents would also be required to keep records of lost securities holders for at least three years. They and brokerage firms would [illegible]

accounts with the S.E.C., which might use it to create a national, publicly available data base.

"Often transfer agents rely on the mail to find lost shareholders," said Robert Colby, the agency's deputy director of market regulations. "When they don't find the person after one or two tries, they sit and wait and hope the lost shareholder will contact them."

But that often does not happen, he said. Under state statutes, known as escheat laws, unclaimed funds must be turned over to the government at varying times, depending on the type of property. In New York, stocks and bank accounts must be dormant for five years before they revert to the state.

Some transfer agents disagree with some of the S.E.C.'s thinking.

"We work on behalf of issuers, and often issuers feel that the shareholder has a responsibility to notify the appropriate parties when they move or change their names," said Charles Rossi, president of the Securities Transfer Association, a trade group for transfer agents.

Moreover, while he said he favored a uniform code for transfer agents, "It's not fair for other shareholders to bear the expense of locating holders who don't keep good records," he said.

But Robert N. Shamansky, a former Congressman from Ohio who has long championed these proposals, said: "The irony is that transfer agents are generally owned by major banks who use their state-of-the-art technology to track you to the ends of the earth instantaneously if you owe them five cents. But when they have your money, somehow the same technology isn't applied."

Like the S.E.C., the state administrators' group proposes a data base to make finding lost items easier, but its list would include all lost-property holders, not just those who own stocks and bonds. Also, the state group would list only items that have already reverted to the state, while the S.E.C. would include information before that point.

Either way, experts say there may be security problems with such data bases. "We would need to combat people fraudulently coming in under a name or Social Security number, trying to cherry-pick large accounts," Mr. Colby said.

Both the S.E.C. and the state group hope their efforts will also curb activities of some dubious "asset finder" companies. While many of these enterprises offer reasonably priced services, others, some with "900" numbers, charge fees that are too high relative to the assets lost, said Cynthia Munk, spokeswoman for the New York Comptroller's Office.

Even without the adoption of the new proposals, there are sometimes easier ways to find property, at least if it has already reverted to the state.

"What people don't know is that if they notify New York State they can get the information for free," Ms. Munk said.

As for Mr. Cover, it turns out his mother's stock was in Axia Inc., which went private in 1984. In 1974, Mr. Cover's father purchased 1,632 shares of stock in the company, which makes equipment for the construction industry. When the father died, Mr. Cover's mother, apparently without realizing it, inherited the stock. ☐

at Prudential Securities Inc. "I think people are looking at their business and saying it is subtlely different this time—but this is a business that is transaction

banking departments are busier than ever.

"The fact that we're only now reaching '87 levels is more of an indication of the level of activity that securities firms are

were among the first to ... crash now are beefing ... the first quarter, Merr...

Please Turn to Page

EXHIBIT

4

YOUR MONEY MATTERS: WEEKEND REPORT

Lost and Found: How You Can Recover Your Family's Long-Forgotten Nest Egg

By LYNN ASINOF
Staff Reporter of THE WALL STREET JOURNAL

Everyone has things that slip through the cracks. Sometimes those things add up to big bucks.

Just ask Carol Truman of Thousand Oaks, Calif., who got a check for $127,497 from the state of California in April. Her mother, who died in 1991, had somehow lost track of four shares of Berkshire Hathaway stock that ended up in the state unclaimed-property office. "I don't know how she lost it," says Mrs. Truman, who took care of her mother in her later years. "This money would have been a godsend to her."

Billions and billions of dollars are sitting in federal and state coffers, waiting to be claimed by the rightful owners. Add to that all the unclaimed pension and insurance benefits, the uncashed dividend checks and other misplaced assets that have yet to get to these government offices, and the total value of American's missing assets is staggering.

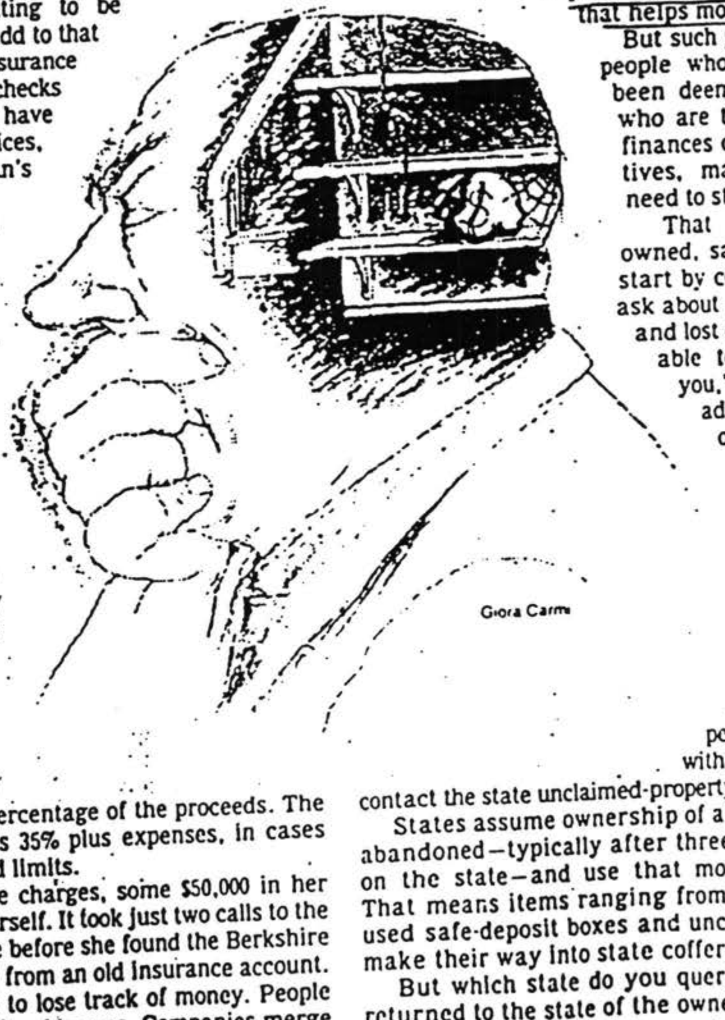
"There is a trillion dollars in unclaimed property in the U.S.," estimates David W. Folsom, the author of "Assets Unknown," a consumer guide to tracking down misplaced assets.

Those holding the property often make only minimal efforts to find the owners, perhaps sending a letter to the owner's last known address or publishing a list of names in the newspaper. That means it's typically up to the individual to figure out that property is missing and then track it down.

Some people, like Mrs. Truman, first learn that they have unclaimed assets when they are contacted by a professional "finder" seeking a percentage of the proceeds. The fees can be steep, as much as 35% plus expenses, in cases where the state hasn't imposed limits.

Mrs. Truman avoided those charges, some $50,000 in her case, by tracking the money herself. It took just two calls to the state unclaimed-property office before she found the Berkshire Hathaway stock, as well as $37 from an old insurance account.

Silly as it sounds, it's easy to lose track of money. People move and forget to change their addresses. Companies merge or get spun off. Clerical errors occur. Papers get destroyed in a flood or fire. People forget to update beneficiary addresses or leave money in pension plans thinking they aren't fully vested.



Giora Carmi

No age group is immune. The problem is common in custodial accounts opened for minors, with people who move around a lot and with those inheriting property.

Still, it's probably the elderly who are most affected. "Disproportionately, the people who are lost are older people," says Robert N. Shamansky, a Columbus, Ohio, attorney and former congressman who has adopted the cause of the "lost" owners.

The arrival of cheaper computer technology, combined with the public attention generated in part by Mr. Shamansky's efforts, are leading transfer agents and companies to try harder to find owners, says Robert G. Irvine, president of Unclaimed Property Recovery & Reporting Inc., a new Chicago company that helps mount these searches.

But such programs do little to help people whose assets have already been deemed "unclaimed." Those who are trying to unscramble the finances of deceased or older relatives, many with memory loss, need to start at the beginning.

That means if Aunt Tillie owned, say, AT&T stock, you can start by contacting the company to ask about uncashed dividend checks and lost certificates. "They will be able to check the records for you," says Karen Anderson, administrative coordinator of the National Association of Unclaimed Property Administrators, whose members are the state officials.

If you're not sure what Aunt Tillie owned, you may get some leads by checking old tax returns, talking to relatives and going through old papers. If you don't come up with any names, you can still contact the state unclaimed-property office.

States assume ownership of all property that is deemed abandoned—typically after three to five years, depending on the state—and use that money until it's reclaimed. That means items ranging from old bank accounts to unused safe-deposit boxes and unclaimed utility deposits all make their way into state coffers.

But which state do you query? Unclaimed property is returned to the state of the owner's last known address. It makes sense to look in every state where Aunt Tillie ever lived. If there is no known last address, the search ex-

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[illegible]	-	[illegible]	6.21	PR Hwy & Trans Auth	5.500	07 01 26	[illegible]	6.23
[illegible]			6.22	Pt Auth of NY & NJ	5.750	06-15-30	[illegible]	6.19
[illegible]			6.23	Puerto Rico pub imp go	5.400	07-01-25	[illegible]	6.23
[illegible]		...	6.18	Regional TA III	5.600	06-01-25	91 – [illegible]	6.27
[illegible]		...	6.22	San Antonio Tex	5.700	08-15-26	93 – [illegible]	6.21
[illegible]		...	6.21	Sikeston Mo El Sys	5.000	06-01-22	[illegible]	6.11
[illegible]		...	6.19	TX Tpke Dal No Tollwy	5.250	01-01-23	[illegible] ...	6.19
[illegible]	–	[illegible]	6.16	Wisc Ctr Dist Ir ded tx	5.750	12-15-27	[illegible] ...	6.28

:CURITIES

~non Brothers Inc.

CASH FLOW YIELD*	WTD-AVG LIFE (years)	SPRD TO AVG LIFE (Bps)	OAS (Bps)	OAS CHANGE (Bps)
8.07%	8.9	98	+ 67	– 17
8.03	8.3	97	+ 75	– 15
8.02	8.3	96	+ 74	– 15
8.07	8.4	101	+ 61	– 13
8.09	8.4	103	+ 66	– 13
8.07	8.4	101	+ 63	– 13
8.10	6.6	114	+ 63	– 11
8.12	5.7	121	+ 70	– 3
5.95	5.8	114	+ 64	– 8
7.45%	4.9	62	+ 44	– 9
7.61	4.9	75	+ 59	– 9
7.57	5.0	71	+ [illegible]	– [illegible]

prepayment model, assuming interest levels

COLLATERALIZED MORTGAGE OBLIGATIONS

Spread of CMO yields above U.S. Treasury securities of comparable maturity, in basis points (100 basis points = 1 percentage point of interest)

MAT	SPREAD	CHG FROM PREV DAY
SEQUENTIALS		
2-year	75	unch
5-year	95	unch
10-year	125	unch
20-year	110	unch
PACS		
2-year	42	unch
5-year	58	unch
10-year	68	unch
20-year	70	unch

ENT CONTRACTS

? YEARS		3 YEARS		4 YEARS		5 YEARS	
E	CHG	RATE	CHG	RATE	CHG	RATE	CHG
[illegible]	–0.02	6.98%	unch	7.16%	+0.02	7.32%	unch
	unch	6.63	+0.01	6.79	+0.01	6.97	+0.17
	–0.00	6.85	+0.01	7.02	+0.03	7.18	+0.04
[illegible]	- 6.68%	6.98%	- 6.95%	7.16%	- 7.10%	7.32%	- 7.28%
+0.20		+0.29		+0.28		+0.38	

:rn) net of all expenses, no broker commissions. Rates represent best quote for a t with annual interest payments. Yield spreads based on U.S. Treasury yields, as ite unadjusted for semi vs. annual interest payments. CHG reflects change in rate all rates quoted. Universe is investment grade.

:NMENT BONDS

y Salomon Brothers Inc.

CHANGE	YIELD*	COUPON	MATURITY (Mo./yr.)	PRICE	CHANGE	YIELD*
		GERMANY (5 p.m. London)				
unch	0.98%	6.13%	7/97	102.518	– 0.108	3.71%
– 0.094	2.24	6.63	1/98	103.955	– 0.202	3.97
– 0.092	2.89	5.75	8/00	101.696	– 0.436	5.21
– 0.176	3.24	7.38	1/05	105.629	– 0.444	6.39
– 0.111	3.76	6.25	1/24	87.013	– 0.739	7.23
[illegible]		**CANADA (3 p.m. EDT)**				
unch	6.43%	8.00%	11/98	103.240	– 0.100	6.49%
– 0.063	7.52	7.50	9/00	101.404	– 0.137	7.10
– 0.125	7.78	8.75	12/05	106.012	– 0.193	7.84
– 0.266	8.07	8.00	6/23	97.200	– 0.500	8.26
– 0.445	8.40	9.00	6/25	107.880	– 0.544	8.28

ded yields to maturity

ıternational Bonds

rs' World Government Bond Index

— [CU]RRENCY TERMS — 1 MO	3 MOS	SINCE 12/31	INDEX VALUE-a	— U.S. DOLLAR TERMS — 1 DAY	1 MO	3 MOS	SINCE 12/31
1.17	+ 0.64	+ 0.43	494.69	+ 0.23	– 2.70	– 2.90	– 5.08
0.65	+ 2.38	+ 0.11	440.42	– 0.48	+ 1.67	+ 2.80	– 1.38
0.10	+ 1.67	+ 0.82	471.11	– 0.27	– 0.21	– 2.53	– 6.01
0.11	+ 2.44	+ 3.70	602.77	– 0.29	– 0.33	– 0.83	– 2.65
0.18	+ 1.41	– 0.07	328.28	– 0.28	+ 0.55	+ 1.34	– 0.39
0.26	+ 2.25	+ 0.87	494.20	– 0.32	– 0.54	– 1.94	– 5.93
0.61	+ 2.19	+ 2.13	473.23	– 0.12	– 0.62	– 0.54	– 2.46
0.17	+ 1.11	+ 0.20	370.55	– 0.05	– 0.65	– 0.70	– 2.80

nt bond markets NA–Not Applicable a Dec. 31, 1984–100

5.37	2-01	93:22	93:26	6.95	6.85	2-97	100:22	100:24	5.68	Rate	Mat.	Bid	Asked	Yld.	Federal Land Bank			
5.65	2-01*	94:08	94:12	7.09	7.65	3-97	101:07	101:10	5.86	10.70	10-17	130:28	131:04	7.70	Rate	Mat.	Bid	Ask
5.41	2-01	93:28	94:00	6.93	9.15	3-97	102:06	102:09	6.05	9.80	11-17	121:30	122:06	7.67	6.00	7-96	100:00	100.
5.36	2-01	93:22	93:26	6.93	6.99	4-97	100:28	100:31	5.78	9.40	2-18	117:20	117:28	7.69	7.95	10-96	100:27	100.
6.05	3-01*	95:14	95:18	7.16	6.34	6-97	100:04	100:07	6.09	9.80	4-18	120:25	121:01	7.78	7.35	1-97	100:29	100.

How to Recover Family Nest Egg

Continued From Page C1

pands, since property then goes to the state where the business holding the property is located.

States can be very helpful to searchers. Seven states — Indiana, Connecticut, Florida, Wyoming, Louisiana, Massachusetts and Rhode Island — now put names of lost owners on the Internet. Other states are following suit. Texas puts its lists on kiosks at shopping malls. Several states take their computers to state and county fairs.

But be warned, these names may only be the recent additions to the list. "What you see is only the tip of the iceberg," says Mr. Folsom, noting that you must either call or write to the state to check the full list.

To find the right office, you can check with the state, or get a listing of state offices from the National Association of Unclaimed Property Administrators. The group says to send a self-addressed stamped envelope to Naupa, 9440 Timber Valley Drive, Indianapolis, Ind. 46250. Or use the Naupa home page on the Internet's World Wide Web.

The Naupa Web cite includes information about unclaimed property and hyperlinks to several states' Web pages, some of which are searchable by name.

Once you find a misplaced asset, you will need to prove both who you are and that you are the rightful owner. That can mean providing death certificates, birth certificates and other legal papers.

Don't be put off by the fact that it may be 20 years or more since an account was active. The property still belongs to the individual or the heirs, explains Patty White, Colorado's director of unclaimed property.

"We will hold it forever in that person's name," says Ms. White. The assets, however, might not be returned in their original form. "Some states keep it forever in that form. Others sell it and then keep the cash."

Money held by the federal government can be harder to find because there is no central clearinghouse. It has an estimated $300 billion to $400 billion sitting unclaimed in programs ranging from savings bonds to tax refunds to pensions dating back to the Revolutionary War, says Mr. Folsom. Searchers must contact the appropriate office for each program.

Some federally held assets revert to Uncle Sam if they aren't claimed in a timely fashion. Folks who don't file for tax refunds, for example, lose any money owed them after three years. Those who file but never receive their refund can claim that money at any time.

Aside from federally held assets, most other property should eventually make its way to the state's unclaimed-property [of]fice. It may take a long time to get there[,] part because some companies don't lik[e to] comply. Then too, the definition of wha[t is] abandoned may vary greatly depending [on] the product.

Life-insurance companies, for ex[am]ple, may wait until the policyholder wo[uld] have reached the ripe old age of 103 be[fore] declaring the death benefits abandon[ed]. Traveler's checks typically aren't con[sid]ered abandoned for 15 years.

If you don't want to wait that lo[ng] there are other places to look. Tra[ns]fer agents may have uncashed divid[end] checks. People who were union memb[ers] may be covered by group life-insura[nce] policies. Pension programs for railr[oad] employees, teachers and public emplo[yees] are another good place to search.

Be warned that professional finders [get] advance lists of property soon to be tur[ned] over to the state, allowing them to con[tact] owners before the property is easily tr[ace]able. There is no reason to rush [into] an agreement with a finder.

Still, there are a few cases [where] using a finder is the only way, [say]s Ms. Anderson of Naupa. "If the [as]sets are extremely old and the [relation]ship is extremely far removed, they mi[ght] benefit from using a finder," she sa[ys]. "But those cases are extremely rare."

MACMILLAN BLOEDEL LTD.

MacMillan Bloedel Ltd. said it c[om]pleted the sale of its remaining stak[e in] KNP BT NV, a Dutch paper and packa[ging] company, for proceeds of about 253 mil[lion] Canadian dollars (US$185.3 million). [Mac]Millan Bloedel, a Vancouver, British [Co]lumbia, forest-products concern, sa[id it] will use the proceeds to reduce its deb[t]. [It] will record an after-tax gain of C$43 mi[llion] from the sale. MacMillan Bloedel [said] earlier this year it planned to sell its stake in KNP BT, and then sold nearly [half] of the stake to U.S. and European [inves]tors. The remaining stake, about 7.8 [mil]lion KNP BT shares, was sold to [ABN] AMRO Hoare Govett of the Netherlan[ds at] 41.50 Dutch guilders (US$24.15) a s[hare]. ABN AMRO will resell the share[s to] investors in the Netherlands.

JACKSONVILLE BANCORP

Jacksonville, Texas, said its boar[d in]creased its quarterly dividend 17% to [...] cents a share from 15 cents a share. [The] bank holding company attributed the [...] dividend to its change from a m[utual] holding company to a publicly held [com]pany and the resulting increase i[n the] number of common shares outstandi[ng on] which dividends are paid to 2.7 m[illion] shares from 1.9 million shares. The [divi]dend is payable July 10 to stock of reco[rd] June 28, the company said.

EXHIBIT 5

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

CHAIRMAN

February 22, 1993

The Honorable Ronald Wyden
Chairman
Subcommittee on Regulation, Business
Opportunities and Technology
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

Dear ~~Chairman~~ Ron Wyden:

Thank you for your letters of August 20 and October 13, 1992, regarding transfer agent practices in distributing dividends. A memorandum from the Division of Market Regulation, responding to your specific questions, is enclosed. Two points in the memorandum deserve emphasis.

First, the duty of corporations to see that their dividend payments reach their shareholders, and the duties of transfer agents and others involved in this process, are mainly matters of state law. Nothing in the federal securities laws requires a corporation to use a transfer agent to distribute dividends, and it is not clear that federalization of this area of corporate law is desirable.

Second, although the absolute value of undeliverable accounts, about $10 billion according to the Division's estimate, is substantial, this is only about one tenth of 1% of the approximate $10 trillion capitalization of the U.S. equity and debt markets. Moreover, about 85% percent of these undeliverable accounts are delivered to their owners before they escheat to a state, and some assets are returned to owners after escheat.

Please let us know if you have any further questions.

Sincerely yours,

Richard

Richard C. Breeden
Chairman

EXHIBIT 6

103d Congress

United States House of Representatives
Committee on Small Business
Subcommittee on Regulation,
Business Opportunities, and Technology
B-363 Rayburn House Office Building
Washington, DC 20515-6318

July 28, 1993

TO: Ron Wyden, Chairman, Subcommittee on Regulation, Business Opportunities and Technology

FROM: Subcommittee Staff

SUBJECT: Return to Sender

Tens of Thousands of "Undeliverable" Dividend Payments in Limbo

Individual Investors Lose Billions of Dollars of Shareholder Assets Because of Lax Transfer Rules, Indifference By Public Companies and Government Regulators

A Payday for Public Companies and States?

Mr. Chairman:

At your direction, staff last year began an inquiry into complaints that the dividend distribution practices of publicly held companies were inadequate, inept and inconsistent, and that public agency oversight in this area was woefully insufficient. Although these complaints, and subsequent criticisms identified by subcommittee staff, represent only a relative handful of all shareholders, estimates later revealed that the cumulative value of the dividends and other disbursements involved is staggering -- billions of dollars -- and the number of individual shareholders may reach well into the tens of thousands.

The problem of the "lost shareholder," in staff's view, reflects a significant gap in state and federal securities law, and a genuine and on-going risk for small investors.

OVERVIEW

Problems in this area may involve billions of dollars per year in dividends which never reach rightful owners. Owners of record die, or move their residence. Mailing lists used by transfer agents are marred by mistakes. Managers of public companies, and their agents, fail to use cost-efficient, state-of-the-art tracing systems to find rightful owners.

313755
QI002

August 5, 1999

Mr. Myron M. Cherry
Cherry & Flynn
Suite 2300
30 North LaSalle Street
Chicago, Illinois 60602

Dear Mike:

It was great to see you during my visit to Chicago. Thanks so much for all the wonderful gifts -- especially the tie from the student at the Jordan Community School. Your continued thoughtfulness and support mean a lot to me.

I know that Bob Nash has been talking with you about a posting, and I hope we can find something. Please give my best to Pat.

Sincerely,

BILL CLINTON

BC/MEU/SA/DDA/DC/DWB/bws-pfs-lynn
(Corres. #4412284)
(7.cherry.mm)

✓cc: White House Gifts
✓cc: Betty Currie, 1FL/WW

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

OK to AP

990806

THE PRESIDENT HAS SEEN
7/5 7-5-99

7/6

MYRON M. CHERRY

To Burkhardt for reply?
yes ✓ No —
SPM
7 June 99

cp

Dear Mr. President —

Pat and I send our best. Peace in Kosovo is a tough goal and often we can let our guard down as to the reason we're there. Be courageous - we're there for good reasons.

Enjoy the 4th - See you in Chicago soon —

I sent you a note on Judge Coar and the 7th Cir. He's a good man.

Mike

Ticket recd —

MYRON M. CHERRY
SUITE 2300
30 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602

Dear Sir

The President

August 5, 1999

The Honorable Jack Kemp
Empower America
Suite 900
1701 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Dear Jack:

Thank you for your very thoughtful letter regarding your concerns about dollar liquidity. I'm grateful for your careful analysis.

My advisors and I have reviewed your proposal to have the Federal Reserve fix the dollar/gold price via open market operations. While I share your concern that the Federal Reserve and other relevant authorities should be prepared to deal with any negative effects from Y2K, I do not believe that fixing the price of gold and the dollar would achieve the objective of stability in the event of Y2K problems. It is unlikely that the Federal Reserve could implement such a policy without risking substantial distortions in the U.S. money supply and the availability of credit. This conclusion is consistent with the 1982 Report of the Gold Commission, which addressed a broad range of issues related to gold and financial stability.

Although we have differing views on this issue, I hope that we can work together to prepare our nation for the year 2000. I do welcome your counsel. Please stay in touch. You have my best wishes.

Sincerely,

BILL

BC/JHC/SH/DC/DWB/emu-ddj (Corres. #4384083)
(7.kemp.j)

cc: w/copy of inc. to Priya Alagiri, Department of the Treasury
cc: DWB/SPM 94 OEOB
cc: Nèal Sharma, John Corcoran, 97 OEOB
cc: Jack Gribben, 410 OEOB
cc: Priya Alagiri, TREASURY

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

6/14

JACK KEMP

6-11-99

To Burkhardt for reply?
Yes ✓ No __
B.

June 11, 1999

The President
The White House
Washington, DC

SPM

Dear Mr. President:

In six months and 19 days, computer clocks around the globe will click over to "00" and no one knows for sure what will happen. The predictions range from nothing more than a few minor disruptions to worldwide chaos. As a board member of Oracle and several Internet companies, I am convinced that we in the United States are technically well prepared but even so, significant disruptions in the economy may result if preventative steps are not taken.

One thing we do know for sure is that the behavior of individuals, business firms and governments is being affected by Y2K considerations. People are behaving differently than they otherwise would, and that change in behavior will have an effect on the global financial system that neither the Federal Reserve Board nor any other central bank is equipped to handle.

All of these changes in behavior have a common effect: They alter the demand for liquidity. The problem is, under the Fed's current operating procedures, it does not receive adequate signals on how the demand for liquidity is changing so the central bank does not know when to increase or decrease liquidity or by how much.

In my opinion, there has been a considerable increase in the demand for dollar liquidity around the world, in part caused by Y2K considerations, that the Fed does not recognize it should be supplying. There is widespread evidence of a dollar liquidity dearth. The price of gold is down to $260, and commodity prices are weak (the CRB index is more than 20 percent below its levels a year ago). The price of oil has now receded to $18 a barrel from its spike up to $19 after the OPEC production cutback earlier this Spring.

What happens after the turn of the year? Even if Y2K effects are minimal, there may still be an economic slowdown as inventories are depleted. If the pessimists are correct, we may confront a genuine recession. In either case, the demand for liquidity likely will fall, perhaps precipitously, and excess liquidity may have to be soaked up to prevent an eruption of inflation. Under the Fed's current operating procedures it will not know what to do because it will not receive clear signals on the liquidity being demanded by the market. In fact, in the face of a weaker economy or recession, the Fed's current model will tell it to increase liquidity in order to stimulate economic growth, precisely the wrong thing to do.

Economists of every stripe understand that the modern world is held together electronically by trillions of bookkeeping entries that not too long ago were managed by pen and ink, on paper ledgers, with help from adding machines or desktop calculators. Most transactions involved the exchange of currency for goods and services. Now, high-powered computers keep track of most of the "promises" that make up local, regional and national economies. It was even simpler in the days of the Bretton Woods international monetary system, with the dollar linked to gold and all other currencies linked in one way or another to

The President
June 11, 1999
Page 2

the dollar. High-powered computers were not needed to manage the daily adjustments in electronic debits and credits. In today's world of floating currencies, computers enable the world's banks to manage chaos.

I believe that what all of this means is that the burden is on the Presidency and the Treasury Department to take action now to ensure that the dollar remains rock solid throughout the upcoming period of uncertainty and possible turmoil. Throughout the coming year, on a monthly basis I believe, we will see extraordinary swings in the demand for liquidity. It is implausible that the standard interest-rate targeting mechanism currently employed by the Fed will work during this window of vulnerability. Moreover, when the clocks click us into the new century, many computers around the world may go down for some period of time, in which case there will be no way to conduct the \$1 trillion of transactions required everyday by the current floating exchange rate regime.

With the stroke of your pen you can, temporarily at least, restore the simplicity of the Bretton Woods monetary system as an insurance policy against disruptions and guarantee a stable dollar throughout the Y2K window of vulnerability. Therefore, I want to urge you to issue an executive order immediately to stabilize the value of the dollar by instructing the Fed to conduct open market operations to add and subtract liquidity to keep the price of gold temporarily within a narrow band around the average gold price of the past 12 months. There would be no need of an international conference to discuss this. You need only fix the dollar/gold price as we did under Bretton Woods, and every country in the world could fix to the dollar.

This action would guarantee that, whatever the economic effects of Y2K, the Fed will continue to receive clear and unambiguous signals on the demand for liquidity and on what open market operations it must undertake to keep the dollar stable. We cannot know with any degree of certainty what the Y2K effects will be. However, with the value of the dollar temporarily anchored to gold, we can be sure of a rock-solid currency to see us through whatever Y2K might bring.

Is there a downside to this anchoring of the world's currencies to a single accounting unit? Perhaps it would prevent the Fed from raising or lowering the Fed funds rate to affect small changes in output and employment. But the risks of not anchoring the dollar are enormous and could invite the kind of recession or global depression that at least a few economists predict. I will be speaking about this issue in the weeks and months ahead, and I hope you will take the idea as seriously as I have in thinking it through. There are other areas of the federal government where simplicity would also help get the country through this unprecedented leap into the unknown. I'd be happy to discuss those with you as well, but because this one affects everyone on earth, I put it forward by itself.

Very sincerely yours,

Jack Kemp

Jack Kemp

Staff
Sec

'99 JUN 11 PM6:34

OFFICE OF JACK KEMP

1701 Pennsylvania Ave., NW, Suite 900
Washington, DC 20006
Phone 202-452-8200
Fax 202-833-0555

FAX TO: THE PRESIDENT

FROM: JACK KEMP

DATE: 6-11-99

FAX NUMBER: 456-6703

OFFICE NUMBER:

Number of pages including cover sheet: 3

August 4, 1999

Commander Robert A. Ramsay, USN
800 Atley Lane
Virginia Beach, Virginia 23452

Dear Bert:

I want to thank you for your outstanding service as Commanding Officer at Camp David. You served with distinction and honor throughout your tenure, and you have helped to make Camp David a truly relaxing place for Hillary, Chelsea, and me. On behalf of all those who have had the privilege of working with you, I thank you for a job well done. I'm sure you will enjoy continued success as you begin your assignment as Public Works Officer at the Norfolk Naval Shipyard.

Please accept the enclosed cuff links as a token of my gratitude. Best wishes to you, Mary, Lisa, Mike, and John.

Sincerely,

BILL CLINTON

BC/NS/DDA/DC/DWB/emu-lynn
(Corres. #4436814)
(7.ramsay.ra)

Enclosure: cuff links

cc: DWB/SPM, 94
cc: John Wertman, 97
cc: John Corcoran, 97

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

August 4, 1999

Lieutenant Commander Bradford E. Ableson, USN
6293 Levi Court
Springfield, Virginia 22150

Dear Brad:

Thank you for your dedicated service as chaplain at Camp David. Your prayers and thoughtful counsel have meant a great deal to Hillary and me, and your work has reflected an abiding commitment to the values that have made our nation strong. As you move on to exciting new challenges as Executive Assistant to the Chief of Chaplains, you should continue to be proud of your representation of the United States Navy.

Please accept the enclosed cuff links as an expression of my gratitude. Hillary and I send our best wishes to you and Julia.

Sincerely,

BILL CLINTON

BC/NS/DDA/DWB/emu-efr (Corres. #4436882)
(7.ableson.be)

Enclosure: cuff links

cc: DWB/SPM 94
cc: John Wertman, 97
cc: John Corcoran, 97

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

CDR. Robert A. (Bert) Ramsay 7/1/99
(Chaplain) LCDR Bradford E. (Brad) Ableson

SPM

CAMP DAVID

#2

6-30-99
✓ Bme

MH

Should send cufflinks to Cmdr Ramsey + Rev Brad Ableson Chaplain

who just left Camp David w/ a TY note —

BC

7/1/99
After you have seen, we will send to Burkhardt —

C. Church

THE PRESIDENT HAS SEEN
7/1/99

From: Timothy Burns
To: Ron Wright
Date: Fri, Jul 2, 1999 10:47 AM
Subject: RAMSAY/ABLESON INFO

THE WHITE HOUSE
WASHINGTON

Ron,
Per your request the following info is forwarded:

CDR Robert A. (Bert) Ramsay, CEC, USN
Commanding Officer, Camp David (May 1996 - June 1999)

New Job: Public Works Officer, Norfolk Naval Shipyard

Spouse: Mary

Children: Lisa, Mike and John

Address: 800 Atley Lane
Virginia Beach, VA 23452

Comments: Flawless 5-star quality service to the President, First Family and guests. Provided a pristine, yet friendly environment for relaxation and work.

LCDR Bradford E. (Brad) Ableson, CHC, USN
Chaplain, Camp David (June 1996 - June 1999)

New Job: Executive Assistant to the Chief of Chaplains

Spouse: Julia

Address: 6293 Levi Court
Springfield, VA 22150

Comment: Phenomal speaker. Provided spiritual and pastoral service to the President. The President has requested copies of some of LCDR Ableson's sermons.

Please call me if you need any additional information.

Very respectfully,
Tim

CC: Michael Giorgione

August 4, 1999

Mr. Carlos Rosas
223 East Congress Street
St. Paul, Minnesota 55107

Dear Carlos:

Congratulations on your graduation from St. Paul Technical College and your new job as a field technician for Springer Business Systems! I enjoyed meeting you in January and am delighted to learn of your recent achievements.

I'm pleased to know that assistance was available when you needed it most and that you had the ability, initiative, and courage to increase your skills and earning power to make a better life for Ricardo and yourself. I commend you for providing such a powerful example of determination for all Americans to follow.

Best wishes and God bless you.

Sincerely,

BILL CLINTON

BC/RMS/DDA/SH/DC/DWB/emu-efr-ws
(Corres. #4436046)
(7.rosas.c)

cc: DWB/SPM, 94
cc: Neal Sharma/John Wertman, 97
cc: Andrea Kane, 210

Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

CARLOS ROSAS

7-12-99

7-13

THE WHITE HOUSE

WASHINGTON

July 9, 1999

copied
Reed
Podesta
Burkhardt -
to do reply

'99 JUL 9 PM7:15

SPM

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed

SUBJECT: DPC Weekly Report

1. Education – Class Size: As you know, the House Education and Workforce Committee recently reported legislation which we have threatened to veto because it would significantly undermine our class size program. The House bill would include class size funding in a broader teacher quality bill and allow it as an eligible purpose. However, it would not require a dedicated stream of funding for class size nor the achievement of any class size goals or targets. In other words, under the provisions of the bill, a state could spend virtually nothing on class size and still receive funding. This bill is expected to move to the House floor within the next two weeks.

House Committee Democrats are split on the issue. Some -- led by Congressman Roemer, possibly Miller and others -- do not share the Administration's view on the need for a dedicated funding stream for class size, nor do they seem to agree with us as to the importance of the class size goal. Others – Representatives Clay, Kildee, Martinez -- strongly support us from a policy perspective but seem doubtful about our ability to hold Democrats on this issue. To broaden support for the Democratic substitute we plan to amend our proposal to give more flexibility to states and school districts that have a preexisting class size reduction plan in effect, and to districts that need to spend more on recruiting and training in order to attract qualified teachers to reduce class size.

DPC, OMB, the Department of Education, and Legislative Affairs recommend a legislative strategy to unite as many Democrats as possible on a class size Democratic amendment and to attempt to achieve a veto sustaining margin against final passage. Our conversations with staff this week suggest that it may be possible to achieve a good Democratic vote on the amendment but it will be difficult to ask members to vote against the bill. They believe that many Democrats will not want to oppose a bill which purports to promote teacher quality. However, we believe that it will also be very hard to explain away an overwhelming vote for the final bill as anything other than a defeat for class size since the Goodling bill clearly kills our program.

Democratic Leader Gephardt's staff has given a reluctant blessing to our approach but has conveyed concern about whether or not Democrats can remain united on this issue. It is our sense that the Democratic leadership's willingness to take on this issue will depend in part on our aggressive leadership and our ability to demonstrate that it has a reasonable chance of success. We will press Representative Gephardt to provide more leadership on the issue of class size,

7-12-99

which was a critical victory for all Democrats last Fall.

AFT and NEA as well as the Great City Schools are highly supportive of our approach and have indicated that they will work members at the grassroots level. The Senate Democrats (as represented by their staff) are extremely firm on this issue and have already demonstrated their willingness to take this issue to the mat by agreeing to sustain a veto of the ED Flex bill if it had eliminated class size as it did in the Senate bill.

2.Welfare – Food Stamp Announcements: Earlier this year, we promised that we would prepare a package of executive actions you could take to make the food stamp program more accessible for working families. These actions are now ready, and you may want to announce them in your DLC speech next week to highlight your record of requiring work and ensuring work pays better than welfare. Like child care, EITC, and Medicaid, food stamps are an important support for working families – a family of three with a full-time worker earning the minimum wage can get $220 a month in food stamps. While families are eligible for food stamps up to 130 percent of the poverty line -- about $8.50 an hour or $17,748 for a family of three -- participation among working families is low. Presently, only 39 percent of individuals with earnings who are eligible for food stamps benefits receive them, compared to 71 percent of all eligibles and 97 percent of those on cash assistance. The package includes: 1) new policy guidance making it easier for working families to own a car and still receive food stamps; 2) new regulations making it easier for families to report income and ensure states serving working families won't be penalized for small errors in estimating families' future earnings; and 3) a new outreach campaign to inform low-income families of their food stamp eligibility.

3. Welfare – Welfare-to-Work Update: Our $1 billion Welfare-to-Work reauthorization proposal is beginning to gain some momentum in Congress, though it will take a concerted effort from the White House to ensure that new funding is achieved this year. Our proposal -- including funds to help recipients with the greatest challenges to employment as well as fathers who need jobs to pay child support -- has been introduced by Democrats in both the House and Senate. Republican Ways and Means subcommittee chair Nancy Johnson has expressed some interest in working on a bipartisan basis on a fatherhood bill, but there are indications that she and her Republican colleagues are hesitant to move a bill with new funding. Meanwhile, Senator Bayh is developing a broad-based fatherhood proposal with Senator Domenici; we expect him to include elements of our Welfare-to-Work proposal, including an expanded focus on fathers using existing funds, but no new funding.

Since state and local grantees have up to three years to spend current funds, some resources will continue to be available even if we do not enact new funding this year. However, there is overwhelming demand for Welfare-to-Work funds: the Department of Labor received 1,400 applications for competitive grants last year totaling $5 billion and only had funds to award grants of $468 million.

On a more personal note, we thought you would be interested in news from Carlos

THE PRESIDENT HAS SEEN
7-12-99

Rosas, the young father who introduced you at the January 25th event unveiling your Welfare-to-Work budget proposal. Carlos reports that he has now graduated from the technical college he was attending as part of the responsible fatherhood program in St. Paul, and has gotten a new job as a technician servicing business machines which will enable him to pay even more child support.

Do a nice letter to him for me to sign

4. Crime – Guns: We have tentatively planned for about 80 Denver-area high school students to attend a White House event on Thursday to highlight the gun issue. The students, many of whom are from Littleton, are affiliated with S.A.F.E. (Sane Alternatives to the Firearms Epidemic) Colorado and will be in town to urge Congress to move quickly to pass gun legislation. At the event, we hope to release a brief report on the first six months of the National Instant Criminal Background Check System (NICS). The report will contain information detailing the types and number of gun sales blocked by the NICS. On a related note, on Wednesday, the D.C. district court dismissed a case filed by the NRA challenging the ability of the FBI to retain records for up to 6 months under the NICS.

5. Health Care -- Upcoming Activity on Medicare and Patients Bill of Rights: Your advisors have developed a coordinated White House strategy to highlight your priorities on both Medicare and the Patients Bill of Rights over the next few weeks. On Sunday, Larry Summers and John Podesta are appearing respectively on *This Week* and *Meet the Press* to discuss your Medicare reform package and contrast your effort to strengthen and modernize the program with the proposed Republican tax cuts. On Monday, you are meeting with the bipartisan Congressional leadership to discuss Medicare reform within the context of the current negotiations on the budget. Before departing for Florida, where you will speak to the Communication Workers of America on Medicare reform, you will give a departure statement on the floor debate on the Patients Bill of Rights. Finally, early next week, you will hold an event promoting your proposed Medicare prescription drug benefit.

Eugenie Bisulco

07/13/99 08:41:08 AM

Record Type: Record

To: Janice H. Vranich/WHO/EOP@EOP

cc:
Subject: Re: Have you ever written...

No, not a friend.

August 4, 1999

Ms. Rebecca M. Blank
1909 Lorraine Place
Ann Arbor, Michigan 48104

Dear Rebecca:

I have received your kind letter of July 9, and it is with regret that I accept your resignation as a Member of the Council of Economic Advisers.

You have served with distinction and professionalism throughout your tenure, and you can be proud that your dedicated efforts have helped to ensure that people throughout our country have benefitted from our nation's current prosperity. I have greatly valued your work on many complex issues -- including those related to women, the elderly, and the poor. You have kept me up to date on current economic trends and developments around the world, and for that I am truly grateful.

I know that your experience and talent will continue to serve you well as you return to academia. Hillary joins me in sending best wishes for every happiness and success.

Sincerely,

BILL CLINTON

BC/JHO/DDA/SH/DWB/emu-ddj-lynn
(7.blank.rm)

(Corres. #4431156)

cc: Tim Saunders, 5 OEOB
cc: Ruth Eaglin, PPO
cc: DWB/SPM, 94 OEOB
cc: Neal Sharma, 97 OEOB
cc: Jeffrey Oakman, 97 OEOB

Xeroxed copy of personally signed original to NH through Sean Maloney
CLEAR THRU SEAN MALONEY
PRESIDENT TO SIGN

Rebecca M. Blank

7-8

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

'99 JUL 8 PM1:44

MEMBER

July 9, 1999

Dear Mr. President:

I regretfully resign my position as a Member of the Council of Economic Advisers, effective July 9, 1999. I'm returning to an academic position after two years in the White House. I view my time here as an exceptional opportunity to work on good policy and to work with all of the highly capable people throughout the White House.

I have spent a substantial amount of my time working on domestic social policy issues, and I want to underscore how important I think your agenda and your leadership has been on these issues. Your efforts to promote a better and more frequent conversation about racial and ethnic issues in the U.S. will be a long-term legacy of this Administration. I have also been very pleased to work on issues related to women, to health, and to economic security of the elderly. You have achieved a solid record of accomplishment in all of these areas.

I have also truly enjoyed working for and with Janet Yellen, and with my other CEA colleagues, Jeffrey Frankel and Robert Lawrence. They have been professional, committed, and hard-working. The CEA is always fortunate in having an outstanding staff, who put in long hours and do extremely good work.

It has been a great honor to serve in your Administration. I am also particularly pleased to have been in this job while the economy heads toward the longest economic expansion in history. It has been an exciting and productive time to work for the White House.

Respectfully yours,

Rebecca M. Blank

Rebecca M. Blank

7-8-99
Send to Burkhardt
Yes ✓
No ____

The President
The White House
Washington, D.C. 20500

Send cc to Exec Clerk
Yes ✓
No ____

SPM

6/25

August 2, 1999

Mr. Lance Utterback
President and Chief Executive Officer
ASI Sign Systems, Inc.
Suite 102
3890 West Northwest Highway
Dallas, Texas 75220

Dear Lance:

Thank you for your letter regarding the Air Force's Realistic Bomber Training Initiative (RBTI) proposal and its potential impact on the Philmont Boy Scout Ranch in New Mexico. I have made members of my staff in the Military Office aware of your concerns. I want to assure you that the Air Force is committed to balancing the goal of operational readiness with public concerns and environmental stewardship.

The Air Force is currently analyzing the potential environmental effects of each of the four alternatives included in the RBTI proposal through the development of an environmental impact statement (EIS). It released a draft EIS in March and is now actively soliciting comments from private citizens, civic organizations, tribal governments, and government agencies. This effort is part of a public comment period, which concluded on June 16. However, revision and refinement of airspace proposals and flight activities is an ongoing process, and the Air Force will continue to accept and consider comments made by the public throughout the EIS process. The Air Force will not make a decision regarding the RBTI until a final EIS is filed with the Environmental Protection Agency.

I appreciate your interest in this matter, and I encourage you to contact Major Brent Adams, USAF, the RBTI Project Manager. You can write to him at the following address:

RBTI EIS Project Manager
HQ ACC/CEVP
Suite 102
129 Andrews Street
Langley AFB, Virginia 23665-2769

Thanks for your kind note about your time here last Christmas. It was great to see you, and I'm glad you enjoyed your visit so much. Hillary and I send our best.

Sincerely,
BC/WMW/SH/DWB/DWB/lynn-efr-ckb (Corres. #4420099) (7.utterback.l)
cc: DWB/SPM, 94 OEOB/Neal Sharma, 97 OEOB
Xeroxed copy of personally signed original to NH through
Sean Maloney
CLEAR THRU SEAN MALONEY
PRESIDENT TO SIGN

LANCE UTTERBACK

6-25-[illegible] 6/25

Tom - We send you fax reply & it was thru to Scheduling. You should track out reply & mention info [illegible] NH

THE WHITE HOUSE

WASHINGTON

N/A

MEMORANDUM

TO: NANCY

DATE: 6/23/99

FROM: Tim Emrich
Presidential Scheduling
184 OEOB/456-5306

 # ATTACHED:

X Please advise on how to respond

__ For your information

__ For your action

__ As you requested

__ Please call me regarding the attached

__ Please prepare response per instructions below

__ For your approval

__ For Surrogate Consideration

__ Please prepare Scheduling Proposal

COMMENTS: Should BC respond or should we forward directly to DoD? Tim

SPM

6/25/99

Send to Burkhardt?

Yes ✓

No ______

CC:

C..

ASI Sign Systems, Inc.
3890 W. Northwest Highway
Suite 102
Dallas, TX 75220

214/352-9140
214/352-9741 Fax

June 10, 1999

President Bill Clinton
The White House
Washington, D.C. 20500

Dear President Clinton:

I am writing to request your firm support in opposing the selection of Alternative D under the US Air Force's proposed Realistic Bomber Training Initiative (RBTI). The Air Force is seeking to establish a new training route for low-level B-1 and B-52 bomber flights from bases in Texas and Louisiana. One of the proposed routes, Alternative D, traverses Philmont Scout Ranch in northeastern New Mexico's Colfax County.

Philmont is a 137,000-acre mountain backpacking and high adventure facility of the Boy Scouts of America. Each year, thousands of Scouts and their adult leaders from across the nation participate in two-week wilderness backpacking trips in the mountains of Philmont. Many of them also camp and work on conversation projects in the adjacent Valle Vidal Wilderness of the Carson National Forest.

The Air Force's proposed Alternative D will establish a military training route directly over most of Philmont. More than 2600 flights each year, some as low as 300 feet above ground level, are proposed for the segment over Philmont. As a former Philmont staff member, I have serious concerns about the impact of the Air Force's proposal on the health and safety of Scouts attending Philmont and the potential effects of daily low-level flights on the ranch itself.

On any given day in the summer, as many as 5,000 Scouts and Scouters will be hiking and camping in Philmont's backcountry. Each day, several hundred of them will be engaged in activities such as rock climbing and rappelling, spar pole climbing, and mountain horseback rides. The sudden roar of jet engines has a high likelihood of distracting an inexperienced climber or causing a horse to bolt on a narrow mountain trail with resulting serious injury (or worse).

Appreciation and protection of the wilderness and our natural resources is a key part of the Philmont program. Scouts from around the world have a unique opportunity to see and experience wildlife in native habitat. Noise and emissions from bombers cannot help but have a damaging effect on that wildlife, as well as on Philmont's herds of buffalo, horses, cattle and burros. The disruptive effects of noisy bomber overflights on Philmont's famous living history programs, in which Scouts experience the lifestyles of the West's mountain men, homesteaders, lumberers and cowboys, are obvious.

Most of Philmont is mountainous with many peaks in the 10,000 to 12,000 range. Philmont has a tremendous fuel load of dead trees in its forests and is in the midst of a long-term drought. Unburned jet fuel finding its way to the ground or being dumped in an emergency over such terrain, with campers using backpacking stoves for cooking, creates the potential for a serious fire that would endanger hundreds of lives. The possibility of a crash, however remote, is simply not acceptable for the safety of these Scouts.

For these reasons, I seek your help in advocating the selection of a different RBTI route. I ask that you express your opposition to Alternative D to the Secretary of the Air Force and other defense officials who may be involved in this decision. Please act now, as the public comment period ends in June and a final decision will be made this year. You or a member of your staff may wish to contact Greg Dodd, Chief of Staff for Congressman Ed Pease of Indiana, who can provide additional information.

Philmont is the largest and most famous Scout camps in the world. It is a national resource that has positively impacted the lives of hundreds of thousands of our nation's youth for more than sixty years. It deserves and demands our protection. Thank you for helping to see that Alternative D is not selected.

Sincerely,

Lance Utterback

Lance Utterback
President & CEO

Bill!

This issue is truly worthy of your involvement and support. Every once in a while, the answer is clear and I think you will agree this is one of them.

Thanks again for the special time we enjoyed this past Christmas — White House visit, Kennedy Center, radio address, etc. But most of all for the opportunity to visit the Oval office and meet w/you.

Lance

THE WHITE HOUSE

WASHINGTON

8/2/99 5/3 8/2

Jan/Debbie:

Originals were sent to NSC

They did not believe response was necessary "The Ambassador Review" is sent to the Admin annually, and has already been circulated throughout NSC

MRN in coordination w/ NSC

Wayne

4-27-99
Send to Burkhardt:
Yes ✓
No

5/5
Debi/Shankman - AP 1H
Ck w/ Staff Sec on originals. Tx D

PMC

Council of American Ambass

April 26, 1999

The Honorable Bill Clinton
President of the United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

We are enclosing the Spring 1999 issue of The Ambassadors REVIEW, including pieces by Admiral William Crowe and Ambassadors Jean Kennedy Smith and Felix Rohatyn.

Admiral Crowe's recommendations and that of the Accountability Review Boards make sense and merit fuller backing—notwithstanding budgetary and OMB constraints. Foreign Service Officers and their families deserve every possible protection when they are potentially serving in harm's way. The Council will help on the Hill—as appropriate—to encourage this funding.

The Council passed for the second time a full funding for the UN resolution which we will encourage on the Hill along with the initiatives in this regard taken by the Department and your Administration.

With best regards.

Sincerely yours,

Ogden

Ogden Reid
President

Enclosures

PS Following a meeting with Under Secretary Pickering, the Council of American Ambassadors stands ready to be of assistance to the Department along with the Center for Strategic and International Studies and the Stimson Center to follow-up and support recommendations that the Department feels are helpful with regard to overall modernization, upgrading of information and communication capabilities and specific ideas to further US business interests in a global economy.

888 Seventeenth Street, NW • Suite 901 • Washington, DC 20006-3939 • Phone: (202) 296-3757 • Fax: (202) 296-0926
E-mail: council@his.com • Web Site: www.his.com/~council

Resolution by the Council of American Ambassadors

The Council of American Ambassadors,

Recalling that the United States of America is a founding member of the United Nations Organization, a Permanent Member of the United Nations Security Council as well as the host country of the World Organization,

Aware of the urgent need for the United States of America to provide leadership in the international community in our increasingly interdependent world,

Also aware of the situation that the United States of America, as the major contributor to the United Nations, has been in arrears in paying its assessed contribution to the regular and peace-keeping budgets at the United Nations for more than ten years, thereby seriously impairing the functioning of the United Nations,

Further aware of the fact that under Article 17 of the United Nations Charter payment of assessed contributions is a legal obligation of Member States,

Mindful of the stipulation of Article 19 of the United Nations Charter that a Member of the United Nations which is in arrears in the payment of its financial contribution to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years,

Recognizing the indispensable role of the United Nations, particularly its work in peacekeeping, economic, social and development fields, in our World today as we enter into the 21st century,

Recalling that in 1998 the international community commemorates the fiftieth anniversary of the adoption of the Universal Declaration of Human Rights by the United Nations and of the beginning of United Nations peace-keeping operations,

Resolves:

1. **To call** on its members to support, in their individual capacities, full payment of United States arrears to the United Nations;

2. **To call** on all Member States of the United Nations that are delinquent in the payment of their arrears to live up to their legal obligations;

3. **To call** on the Congress of the United States of America to vote to pay the dues of the United States to the United Nations on time, in full and without conditions.

THE SECRETARY-GENERAL

20 April 1999

Dear Mr. Ambassador,

Thank you for your note of 16 April 1999 informing me of the resolutions adopted in the Spring Conference of the Council of American Ambassadors.

I agree that the resolution adopted by this group is a significant achievement in the effort we are all making to resolve the arrears issue. I am grateful to you for your participation in this event and your continuing efforts in this important cause.

Yours sincerely,

KAnnan

Kofi A. Annan

His Excellency
Mr. Joseph Verner Reed
Under-Secretary-General of the United Nations
President, Staff Management Coordinating Committee
Council of American Ambassadors
New York

04/26/1999 14:30 2022960926 CAA

Phil
Ill send
all to you
when it
comes in

5/3/99

'99 APR 27 AM8:35

FAX

Number of pages including cover sheet 4

TO: Nancy Hernreich

Phone (202) 456-6610
Fax (202) 456-6703

FROM: Ogden Reid, President
Council of American Ambassadors
888 17th Street, NW
Suite 901
Washington, DC 20006
Phone (202) 296-3757
Fax (202) 296-0926
E-mail council@his.com

CC:

REMARKS: ☐ Urgent ☒ For your review ☐ Reply ASAP ☐ Please Comment

Dear Ms. Hernreich: — ORIGINALS HAVE NOT COME AS OF 5/3

The original letter and all enclosures will be forwarded this afternoon. We would appreciate it very much if you would bring the letter to the President's attention.

Thank you for your most kind consideration.

4-27-99
Send to Burkhardt?
Yes ✓
No ____

PMC

COUNCIL OF AMERICAN AMBASSADORS

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The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

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888 SEVENTEENTH STREET, NW • SUITE 901 • WASHINGTON, DC 20006-3939 • PHONE: (202) 296-3757 • FAX: (202) 296-0926
E-MAIL: COUNCIL@HIS.COM • WEB SITE: WWW.HIS.COM/~COUNCIL

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Yours sincerely,

Kofi A. Annan

His Excellency
Mr. Joseph Verner Reed
Under-Secretary-General of the United Nations
President, Staff Management Coordinating Committee
Council of American Ambassadors
New York

THE WHITE HOUSE

WASHINGTON

August 2, 1999

It gives me great pleasure to thank all the federal government employees who are participating in the DC Reads This Summer volunteer tutoring program.

I deeply appreciate your commitment to DC Reads and to working with young people to improve their reading skills. In today's Information Age, reading is more important than ever. Without literacy, history books and job manuals stay closed, the Internet is shut down, and the opportunities of tomorrow never come. We cannot allow this to happen to our children or to our nation.

I applaud each of you for your strong support of literacy. With patience, enthusiasm, and a generous spirit, you are helping to build a brighter future for our nation -- one child at a time.

Hillary joins me in extending best wishes for continued success in this vital endeavor.

Bill Clinton

7/19

THE WHITE HOUSE

WASHINGTON

7-12-99

July 9, 1999

'99 JUL 9 PM 8:18

MEMORANDUM FOR THE PRESIDENT

FROM: **THURGOOD MARSHALL, JR.** TM.
KRIS M. BALDERSTON

SUBJECT: **Summary of Cabinet Weekly Reports July 3 - 9, 1999**

copied
Marshall
Balderston
Podesta
Burkhardt to
do reply
pg 2
Counsel
Podesta

SPM

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **National Conference Attendance:** The following Cabinet Members will participate in the 90th Annual NAACP Convention in New York, NY from July 10-15: the Vice President, Secretaries Herman, Slater, and West, and Administrator Alvarez. Secretaries Richardson and Riley and Director Lachance will join White House Intergovernmental Affairs Director Mickey Ibarra at the 70th Annual LULAC National Convention and Exposition, which will be held from July 11-17 in Corpus Christi, TX.

- **DC Reads Participation:** Pursuant to your executive memorandum of June 17, Cabinet Affairs and the Corporation for National Service have worked together to encourage federal agencies to participate in the DC Reads This Summer volunteer tutoring program. Currently, over 1,000 federal employees from 27 agencies are helping more than 1,500 school children in the Washington, DC area to become better readers, according to Paul Glastris and others helping to coordinate the federal employee initiative. DOEd, VA, and FEMA have been particularly active in promoting and publicizing this effort among their employees.

DEPARTMENT OF TREASURY

- **Kosovo Reconstruction:** On July 13, Secretary Summers will travel to Brussels to attend the first meeting of the High Level Steering Group on Kosovo, chaired by the World Bank and the European Commission.

- **Border Coordination Initiative:** On July 1-2, Under Secretary Johnson visited ports of entry along the TX-Mexico border to observe Customs' partnership with the INS Border Patrol in the joint Treasury-DOJ Border Coordination Initiative (BCI). From October 1, 1998, the month following BCI's establishment, through April 30, narcotics seizures along the border were up 33 percent over the same period during the previous year.

7/19
Debi -
Need AP message to
DoD, VA, FEMA
re efforts on DC Roads.
Tx D

Didn't log yet 7/13
(STILL IN TICKLER)
wasn't sure what the
Pres.' writing says, so
I could figure out who,
what, etc., to log it
under - Jan

Check w/
Carol or someone
else who can
read.

Need to green
dot log

Per Carol -
Potus writing
says....
"Should do
Thank you
to say they
can post"

(make any
sense to you

7-12-99

- **Osama bin Ladin:** During the week of June 28, the Office of Foreign Assets Control led a delegation, including representatives from the NSC and CIA, to the United Arab Emirates and Saudi Arabia to initiate a cooperative effort to stop the flow of fundin Osama bin Ladin. The delegation provided the host governments with information regarding bin Ladin's contacts and intermediaries, which the host governments proı to review and investigate. A follow-up trip to identify joint courses of action is anticipated in early October.

copied Counsel Podesta

- **Financial Modernization:** On July 1, the House passed the Financial Services Ac 1999 by a 343-86 vote. The bill satisfies the Administration's concerns on the Community Reinvestment Act and the right of financial institutions to maintain op subsidiaries. Two key amendments were also debated. The House defeated an amendment by Representatives Paul, Barr, and Campbell that would have eliminated provisions of the Bank Secrecy Act mandating the reporting of suspicious activity, thus making it harder to combat money laundering and narcotics trafficking. The House also adopted an amendment to provide additional financial privacy protections, which includes some of the privacy proposals that you announced on May 4.

- **New Markets Activities:** On June 8, Secretary Summers traveled to New York City to visit Harlem USA, a commercial and residential real estate development in Harlem. Harlem USA was created by local developers with assistance from Treasury, HUD, and SBA. Secretary Summers also moderated a CEO Roundtable at which Chase Manhattan Bank and the New York Partnership announced that they will lead the first local BusinessLINC coalition. This begins to implement the business mentoring initiative, first launched by the Vice President last July, and co-chaired by Secretary Rubin and Administrator Alvarez.

DEPARTMENT OF JUSTICE

- **Pine Ridge March:** On July 3, Community Relations Service conciliators helped avert violence during a second march by Oglala Sioux Indians, including members of the American Indian Movement (AIM), from the Pine Ridge Reservation to Whiteclay, NE. The marches had been organized to demand the withdrawal of liquor licenses issued to Whiteclay businesses, more aggressive investigations by federal and state authorities into the deaths of two Indians near Whiteclay, and the return of Whiteclay within the boundaries of Pine Ridge Reservation.

BR Counsel's Office — is there anything we can do about this BC

- **Violence Against Women Act:** On June 25, DOJ petitioned the Supreme Court for *certiorari* in a case concerning the Violence Against Women Act (VAWA). The issue is whether VAWA's creation of a private right of action for gender-motivated violence is a valid exercise of Congress's power under the Commerce Clause and the Fourteenth Amendment.

7-12-99

- **Branch Davidian Cases Partially Dismissed:** (W.D. TX) The U.S. District Court has dismissed many of the claims brought against the federal government. The court determined that all of the individual federal defendants, with the exception of FBI Hostage Rescue Team Special Agent Lon Horiuchi, were entitled to qualified immunity. The court also granted the U.S.' motion to dismiss in part, holding that the discretionary function exception bars most of plaintiffs' numerous claims. The sole remaining issues for discovery and trial concern the use of excessive force and the possibility of negligence.

- **Clean Air Act Standards Rehearing Request:** In May, the Court of Appeals for the DC Circuit invalidated EPA's revised National Ambient Air Quality Standards for ozone and particulate matter. DOJ has filed a motion for rehearing *en banc*, asking the court to reconsider its decision that the Clean Air Act, as interpreted by EPA, is an unconstitutional delegation of authority. DOJ also asked the court to reconsider the decision on the merits.

- **American Heritage Rivers Initiative:** On July 2, the DC Circuit rejected a challenge to your American Heritage Rivers Initiative. The court upheld a district court decision that dismissed the case on the ground that Rep. Chenowith and the other House members who filed the case lacked standing to sue under Article III of the Constitution.

- **GSA Corruption, Eastern District of NY:** In the largest corruption prosecution in General Services Administration (GSA) history, five GSA supervisors pled guilty to widespread bribery and kickback schemes in connection with maintenance and construction projects at the U.S. Courthouse in Brooklyn and other federal buildings.

- **Mental Health Symposium:** On July 22-23, the Office of Justice Programs will co-sponsor with HHS a symposium on "People with Mental Disorders in the Justice System: Strategies for Building on What We Know." The forum will convene more than 150 criminal justice, mental health, and substance abuse practitioners, government officials, researchers, victims, corporations, foundations, and others to discuss juvenile offender mental health issues, emerging mental health court programs, effective corrections practices; and community partnerships. *New York Times* correspondent Fox Butterfield will be the luncheon speaker.

- **Crime Victimization Report:** On July 18, the Bureau of Justice Statistics (BJS) is scheduled to release ***Criminal Victimization 1998, Changes 1997-98 with Trends 1993-98***. The report presents statistics on crime rates from the 1998 National Crime Victimization Survey. The violent crime rate fell 7 percent in 1998 and was 27 percent lower than in 1993. The property crime rate fell 12 percent during 1998 and was 32 percent lower than in 1993. During the 1993-1998 period, there were significant decreases in every major type of violent and property crime the survey measures, and virtually every demographic group experienced substantial drops in violent victimization.

7-12-99

Both violent ~~crimes (rape, sexual assault,~~ robbery and assault) and property crimes were ~~at their~~ lowest levels since BJS ~~began its National~~ Crime Victimization Survey in 1973.

- **Juvenile Justice Statistics:** In July, OJJDP will publish ***Juvenile Court Statistics, 1996*** and ***Offenders in Juvenile Court, 1996***. The publications present statistics on case trends, case rates, and age, sex, and race of youth for cases handled by U.S. juvenile courts between 1987 and 1996.

DEPARTMENT OF INTERIOR

- **Trinity County Fire:** On July 2, a prescribed fire started by BLM to eliminate weeds noxious to wildlife near the town of Lewiston, CA, turned into a wildfire, buring 2,000 acres and destroying 23 homes and numerous outbuildings. An official interagency investigation is underway, and an official report is expected within two weeks.

- **NY Land Claims:** On July 6, DOI entered into a Memorandum of Agreement (MOA) with the State of NY, the Cayuga Indian Nation of NY, and the Seneca-Cayuga Tribe of OK, in which the parties agreed to the principles which will govern a final settlement agreement on NY land claims. The MOA will be submitted to the Federal District Court for the Northern District of NY on July 8. The terms of the MOA are governed by a court-imposed confidentiality order, and therefore are not subject to public disclosure. Settlement negotiations in the Oneida Land Claim continue.

DEPARTMENT OF AGRICULTURE

- **WTO Concerns:** On July 12, Secretary Glickman will be in Des Moines, IA for one of the 14 joint USDA-USTR listening sessions being conducted to solicit public comment on the upcoming round of WTO negotiations.

- **Water 2000 Initiative:** On July 12, Secretary Glickman will announce FY99 funding awards for USDA's Water 2000 initiative, whose goal is to bring safe clean drinking water to unserved and under served rural communities by 2000 -- during his trip to Des Moines, IA for an WTO listening session.

- **Vail Ski Area Expansion:** Throughout July, 50 or more protestors plan to demonstrate against the Vail Ski Area at the White River National Forest (CO). The proposal generated considerable national attention when protestors burned some of the ski facilities last winter.

- **Advancing Farm Payments:** On June 30, Chairman Combest and 19 Members introduced a bill to grant farmers early receipt of the income support payments they will receive for FY2000-02 under the 1996 farm bill; the measure is comparable to the one signed last year that advanced FY99 payments one year.

- **Commodity Markets:** High reported harvest yields and pressure from corn helped force wheat prices down last week. Corn and soybean prices moved lower on excellent growing conditions in the Corn Belt. Rice cash prices held steady, but futures fell in anticipation of a record harvest this fall. Aggressive selling by China and Australia cotton exporters helped push cotton prices down. Cattle prices fell, following lower cutout values. Hog prices plummeted following release of a very bearish USDA Hogs and Pigs report. Broilers moved higher on heavy demand by restaurants and resorts. Continued stockpiling helped support cheese prices. Butter prices dropped on still-ample stocks.

- **Biotechnology Speech:** On July 13, Secretary Glickman will deliver a major address on biotechnology at the National Press Club.

DEPARTMENT OF COMMERCE

- **NTR for China:** On June 29, Secretary Daley met with members of the Coalition for U.S. China Trade to hear about their efforts to gain support for China's annual and permanent normal trade relations (NTR) status, and China's WTO accession. Coalition members felt that a Congressional motion of disapproval on annual NTR would be defeated, and that there would also be enough votes to support permanent NTR should the U.S. and China reach an agreement. On July 1, the House Ways and Means Committee gave its support to your decision to extend NTR with China for another year. The full House is expected to take up the issue in mid-July.

- **U.S.-Israel Next Generation Internet Projects:** The U.S.-Israel Science and Technology Commission's Executive Committee endorsed the recommendations of the U.S.-Israel Science & Technology Foundation to fund three Next Generation Internet (NGI) projects. The Foundation will allocate $4 million for the following joint ventures involving U.S. and Israeli companies: NGI Access System (Ultracom Communications, Cayman Systems and Orckit); TiTan T6 Ethernet Switch (3M and BATM Advanced Communications); and Multicast Network (BroadLogic and Gilat Satellite Networks). The Foundation notified the awardees on July 1.

DEPARTMENT OF LABOR

- **Kaiser Aluminum and Chemical Co. Explosion (LA):** DOL's Mine Safety and Health Administration (MSHA) is investigating an explosion that occurred on July 6 at the Kaiser Aluminum and Chemical Company in Gramercy, LA. At least 15 workers were injured, including one in critical condition with thermal and chemical burns. The company operates a milling operation on the site, and since September 1998 about 3,000 United Steelworkers members have been locked out at this facility and others in WA and OH. The facilities have continued to operate with management and replacement workers.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **FDA Stakeholders Meeting.** On July 20 in Oakland, FDA will hold its second public meeting seeking input in the development of an overall strategy for achieving effective regulation of dietary supplements under the Dietary Supplements Health and Education Act (DSHEA). The first meeting was held on June 8 in Washington, D.C. An effort will be made to build upon themes that emerged from a June 1998 broader stakeholder meeting. These themes include the need to maintain a program that will ensure consumer confidence in FDA-regulated products, the need to maintain a solid science program staffed with highly qualified scientists, and recognition that FDA assistance to consumers and the regulated industry is important.

- **Narcotic Treatment Programs Notice of Proposed Rule Making (NPRM):** The week of July 19, SAMHSA's Center for Substance Abuse Treatment is planning to publish a Notice of Proposed Rule Making on narcotic treatment programs. The proposal will require accreditation of methadone treatment programs and shift oversight responsibility for the regulatory program from FDA to SAMHSA.

- **National Conference:** On July 14-17, Health Resources and Services Administration (HRSA), along with the Centers for Disease Control and Prevention and the National Highway Traffic Safety Administration, will co-host the National Association of County and City Health Officials' annual conference to help foster greater collaboration among Federal, State, and local health officials. Dr. Earl Fox, HRSA Administrator, will speak.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **America's Inner Cities:** This week you released a new HUD report, *New Markets: The Untapped Retail Buying Power In America's Inner Cities*. The HUD report indicates that America's inner city neighborhoods possess enormous retail purchasing power - estimated at $331 billion last year, or one-third of the $1.1 trillion total for the central cities in which those neighborhoods are located. The report suggests that businesses not yet operating in inner cities should not ignore that large domestic market. Despite their huge buying power, many of America's inner city communities are "under-retailed," with sales that fall significantly short of residents' retail purchasing power.

- **Rural Housing And Economic Development Assistance For Kentucky:** You announced $1.5 million in HUD Rural Housing and Economic Development Grants to five Eastern Kentucky organizations. The announcement was made as part of your New Markets tour.

DEPARTMENT OF TRANSPORTATION

- **Mississippi Delta:** On July 6, building upon your commitment to expand economic opportunities in the Mississippi Delta Region, Secretary Slater, Greyhound Bus Lines Executive Vice President and Chief Operating Officer Jack W. Haugsland, and Federal Express Chief Operating Officer David Bronczek announced a unique partnership to provide low-cost transportation connecting workers in Clarksdale, MS with jobs in Memphis, TN.

- **France:** On June 29-30, negotiations on intermodal codesharing were held in Washington, DC. The two sides made substantial progress towards a new agreement. However, French concerns about regulatory oversight of code-share operations and recent DOT decisions on exclusivity provisions, prevented an agreement at this round. Both sides are reviewing the open issues, with an intent to meet as soon as progress seems possible.

- **DC Reads:** DOT's Transportation Administrative Service Center (TASC) led a DOT-wide project to provide volunteer tutors in support of the "DC Reads This Summer" program. This is also a joint initiative of the White House and the Corporation for National Service to recruit federal workers in the Washington Metropolitan Area to serve as summer volunteer literacy tutors for preschool and elementary school age children. TASC conducted a call for volunteers, coordinated and participated in an orientation session for 55 tutors and arranged transportation to and from the tutoring site, Webb Elementary School, in Northeast DC.

DEPARTMENT OF ENERGY

- **Idaho National Engineering and Environmental Laboratory (INEEL) 50th Anniversary:** INEEL, established in 1949, was the birthplace of nuclear energy as a power source. Secretary Richardson will travel to ID to celebrate the festivities surrounding the 50th anniversary on July 17. Governor Kempthorne, Senator Craig, Senator Crapo, and Congressman Simpson are all scheduled to attend. Additionally, the Secretary is scheduled to visit the Shoshone Bannock Tribal Council at the Fort Hall Indian reservation. The Secretary will announce a land management transfer with the U.S. Fish and Wildlife Service, the Bureau of Land Management, and the State of ID. This involves a management agreement with the U.S. Fish and Wildlife Service to cooperatively manage a parcel of land contained within the INEEL's buffer for preservation and conservation.

- **U.S.-China Oil and Gas Industry Forum:** DOE and DOC have reached agreement with U.S. industry participants on objectives and agenda for the July 20-22 meeting of the U.S.-China Oil and Gas Industry Forum. The objectives of the meeting will be to promote: a legal, fiscal and regulatory environment in China to encourage foreign and

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domestic investment in energy infrastructure; policies that will facilitate U.S.-China business partnerships; investments in oil and natural gas projects in China; accelerated development of oil and natural gas markets in China; and development of regional gas markets in order to promote regional economic growth and enhance energy security. DOE expects around 100 U.S. industry participants and a large Chinese contingent.

- **Weatherization Grants:** DOE's Weatherization Assistance Program awarded grants this week totaling $45,441,411 to 16 States. DOE awarded $85,000,000 in weatherization grants to the other states and the Navajo Nation earlier this year. DC will receive a grant in September. Nationwide, the program's total funding this year of $130,700,000 will reduce the energy bills of approximately 67,000 low-income families, provide jobs, and improve the environment.

- **Energy in the Americas:** The Energy Information Administration has compiled a report for the Summit of the Americas in New Orleans on July 28. The report contains information on energy use, economy, and environment in the Americas, climate change, natural disasters and reconstruction in the Americas.

<u>DEPARTMENT OF EDUCATION</u>

- **Social Promotion Guide Distribution:** In response to your inquiry, Education has distributed nearly 17,000 copies of *Taking Responsibility for Ending Social Promotion: Strategies for Educators and State and Local Leaders.* Copies were sent to 15,800 public school superintendents, all chief state school officers, education associations, state boards of education, top civil rights organizations, and the National Education Goals panel. Mailings also went to the press, editorial boards, Members of Congress, and some specific civil rights and education associations.

- **Reading Excellence Grants:** DOEd has delayed the announcement of $241 million in FY1999 Reading Excellence Program grants. By early August, DOEd expects to announce the grants, which support research-based reading instruction, professional development for teachers, family literacy, and extended learning activities.

- **Class Size Reduction Program:** Last week the House Education and Workforce Committee reported a teacher quality bill which effectively scuttled your class size reduction program. While the bill contains a general requirement that school districts spend some funds to lower class size (a provision that enables Republicans to claim credit for class size reduction), it fails to provide dedicated funds to hire 100,000 teachers or to require that funds be used to reduce class size to 18 in the early grades.

7/12/99
Sean -
Do we need to do anything?

YES -
GET COPIES
FOR POTUS

Make copy for Ci[illegible]

- **Math and Science:** DOEd expects to complete all appointments to the Glenn Commission by July 9. The Commission, headed by former Senator John Glenn, will review the current state of American K-12 math and science education, focusing on the challenges of teacher recruitment, preparation, retention, and professional growth.

DEPARTMENT OF VETERANS AFFAIRS

- **Gene Therapy for Diabetes:** VA researchers have performed gene therapy that offers new hope for millions of people who suffer from diabetes. When inserted into the liver cells of diabetic rats, a gene developed by the team at the Atlanta VA Medical Center caused the cells to produce insulin.

ENVIRONMENTAL PROTECTION AGENCY

- **Urban Air Pollution:** On July 6, EPA released the Integrated Urban Air Toxics Strategy as part of its overall efforts to reduce air toxics. The strategy presents a framework for addressing air toxics from sources in urban areas. Pursuant to the Clean Air Act, the strategy identifies a list of the 33 air toxics that present the greatest threat to public health in the largest number of urban areas. It also identifies 13 new categories of smaller commercial/industrial operations for regulation because they emit significant amounts of the urban toxics.

UNITED NATIONS

- **Libya:** On July 7, Security Council members discussed the Secretary General's 90-day report on the remaining obligations of Libya following the extradition of the Pan Am 103 bombing suspects. Some Council members advocated the adoption of a new resolution to lift sanctions on Libya immediately. Most members, however, supported a U.S. draft Presidential statement that maintains the present state of sanctions suspension, but postpones Council consideration on the issue indefinitely. Members of the Council's Non-Aligned Movement Caucus will present their ideas on the issue July 8, and agreement on a Presidential statement along the lines of the U.S. draft is expected July 9.

- **Kosovo Funding:** The General Assembly will consider start-up funding for the Kosovo Mission early next week. The Secretary General's initial request is for $250,000. The U.S. share would be about 30 percent (approximately $75,000). The Secretary General's full budget request for the Mission will be submitted later this summer. The preliminary estimate is $800 million (U.S. share approximately $240 million).

SMALL BUSINESS ADMINISTRATION

- **Enterprise Development:** SBA met with representatives from the Mastercard Corporation to discuss electronic commerce initiatives, and with Utendahl Capital Partners Equity Research to discuss financing opportunities for 8(a) firms. SBA will also meet with Secretary Slater this month to finalize a reciprocity agreement between the 8(a) Business Development and the Disadvantaged Business Enterprise certification programs.

- **Women's Economic Development:** In November, Administrator Alvarez will co-chair the Women's Economic Summit of the Americas in Buenos Aires with Ana Kessler, director of SEPYME, Argentina's business agency. Delegations of women from the Western Hemisphere will meet to discuss strategies for expanding women's business and trade opportunities.

OFFICE OF PERSONNEL MANAGEMENT

- **Mental Health Parity:** On June 28, OPM officials met with staff of the Subcommittee on International Security, Proliferation and Federal Services to discuss your directive to achieve mental health and substance abuse parity in the Federal Employees Health Benefits (FEHB) Program. Congressional staff expressed some concern that FEHB premiums would rise in response to expanded mental health coverage.

- **Federal Employees Health Benefits Children's Equity Act of 1999:** Rep. Cummings, Ranking Democrat on the House Civil Service Subcommittee, will introduce OPM's legislative proposal entitled the 'Federal Employees Health Benefits Children's Equity Act of 1999', following the July 4 Recess. This proposal would empower Federal agencies to enforce court-ordered health benefits for children.

UNITED STATES INFORMATION AGENCY

- **Landmines in Kosovo:** On June 28, Ambassador Donald Steinberg, Special Representative to the President and Secretary of State for Global Humanitarian Demining, and Donald F. Patierno, Department of State, Director for Humanitarian Demining Programs, briefed the foreign press on the continuing problems of mines in Kosovo and the American response to the situation. The speakers assessed the situation on the ground in Kosovo and outlined various initiatives and programs to rid the country of mines and educate the Kosovar people on the dangers they face.

- **Kosovo Highlights U.S. Influence:** Surveys in mid-May during the NATO air strikes found that key allied publics and partner countries still held favorable views of the United States. However, this image is tempered by the widespread perception that the U.S. exerts too much influence in the region.

- **Kosovo Summary from Russia:** To promote the U.S. stance and publicize its message on the Kosovo conflict, USIS Moscow hosted more than a dozen WORLDNET programs to portray U.S. goals in a crucial part of the world. These programs, done in cooperation with Russian national networks and broadcast on nationwide television, proved an effective way to share the U.S. point of view in an often openly hostile environment.

- **Poles See Progress Toward Democracy:** As Presidential elections loom in Poland, the public's opinion of the governing coalition is becoming more negative. Despite their criticism of politicians and institutions, Poland's democratic system is supported by a wide cross-section of society and most believe the current political system is better than communism, although democracy has yet to be fully achieved. The public's perceptions of a worsening economic situation appear to also diminish support for a free market economy in Poland.

SOCIAL SECURITY ADMINISTRATION

- **Partnership Recognition Awards:** On July 12, SSA will hold its second annual Partnership Recognition Awards Ceremony at SSA Headquarters in Baltimore, MD. The ceremony will be co-hosted by Commissioner Apfel and American Federation of Government Employees (AFGE) National President Bobby Harnage. Twelve individuals and nine groups will be recognized for their outstanding contributions to the SSA/AFGE partnership effort. SSA has over 40 partnership councils located throughout the Agency.

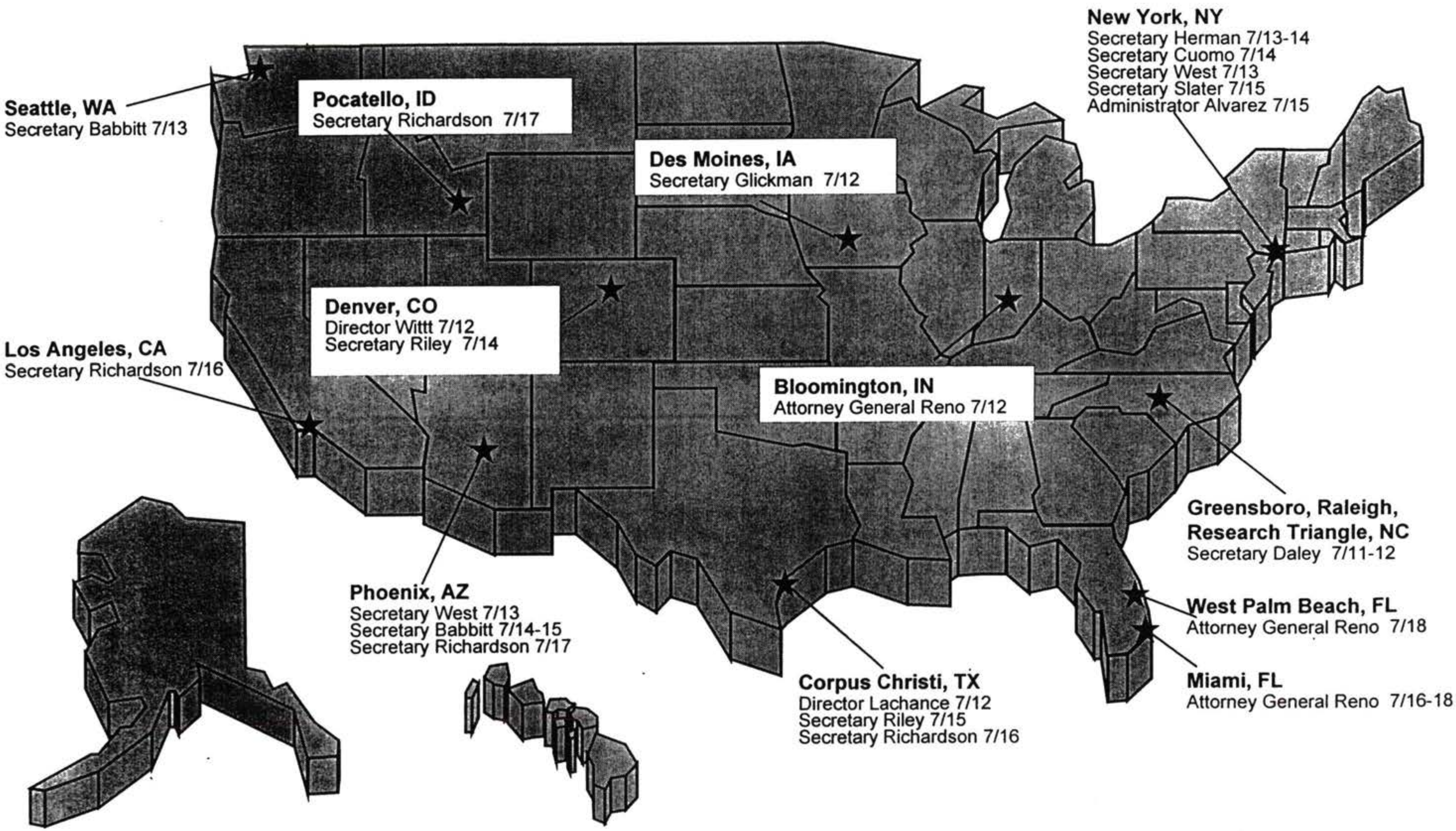
NUCLEAR REGULATORY COMMISSION

- **Incoming Commissioner:** Commissioner Greta Joy Dicus will assume her duties as Chair of the Nuclear Regulatory Commission on July 1 to replace outgoing Chair Shirley Ann Jackson.

- **Y2K:** To date, the Nuclear Regulatory Commission has received reports from all 103 operating nuclear power plants indicating that there are no Y2K-related problems which directly affect the performance of safety systems. Sixty-eight of these plants indicated that all computer systems are "Y2K ready." The remaining 35 plants reported that they have additional work to complete on non-safety computer systems or devices. Of the 35 plants, about one third have remaining work involving systems needed for power generation. None of the remaining work affects the ability of a plant to shut down safely.

Domestic Cabinet Travel

Monday, July 12 - Sunday, July 18, 1999



Hungary
Secretary Cohen 7/10-12

Albania
Secretary Cohen 7/13

Greece
Secretary Cohen 7/13

Turkey
Secretary Cohen 7/14

Belgium
Secretary Summers 7/13

Canada
Secretary Glickman 7/15-16

cc:
The Vice President
John Podesta
Sandy Berger
Sidney Blumenthal
Mary Beth Cahill
Maria Echaveste
George Frampton
Mickey Ibarra
Ben Johnson
Janis Kearney
Ron Klain
Neal Lane
Jack Lew
Ann Lewis
Joe Lockhart
Buddy MacKay
Minyon Moore
Bruce Reed
Steve Ricchetti
Doug Sosnik
Gene Sperling
Larry Stein
Loretta Ucelli
Melanne Verveer

6/29

August 2, 1999

Mr. Michael S. Dell
Chairman and CEO
Dell Computer Corporation
Suite 920
1225 Eye Street, N.W.
Washington, D.C. 20005

Dear Michael:

Thanks for your letter regarding the Year 2000 computer problem and Y2K-related litigation. I value your insight.

As you may know, I recently signed into law H.R. 775, the "Y2K Act," which is designed to protect our economy against frivolous Y2K lawsuits. My Administration sought a number of changes to make the Y2K Act balanced and fair, while also ensuring that it would protect litigants who are injured and deserve compensation. I believe that the law I signed will achieve these important goals. I refused to support Y2K legislation that provided protection to those whose actions caused physical injury or wrongful death.

As we continue to address these serious issues, I'm glad to know I can count on your help. I'm grateful you took the time to write.

Sincerely, BILL CLINTON

BC/JHC/DDA/DWB/emu-lynn (Corres. #4432531)
(7.dell.ms)

cc: DWB/SPM, 94
cc: John Corcoran, 97
cc: Neal Sharma, 97
Xeroxed copy of personally signed original to NH through Sean Maloney

CLEAR THRU SEAN MALONEY

PRESIDENT TO SIGN

Dell Computer Corporation
1225 Eye St., N.W., Ste 920
Washington, D.C. 20005
Telephone 202.408.5538
Fax 202.408.7664

6/29 through staff sec

June 24, 1999

6/29/99

'99 JUN 29 AM11:40

Michael S.

DELL

Send to Gephardt.?
Yes ✓
No

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

SPM

C.

Dear Mr. President:

I would like to congratulate you for creating the President's Council on Year 2000 Conversion in an attempt to avoid Y2K-related technical failures. I urge you to use that same leadership to prevent frivolous Y2K litigation.

Without prompt enactment of legislation that encourages remediation rather than litigation, US high technology companies could be forced to focus much of their resources on Y2K litigation. The US economy has benefited greatly from the tremendous growth of high technology companies. It would be a serious misstep to force our high technology companies to divert their resources to courtrooms from laboratories, in order to defend themselves against an avalanche of frivolous Y2K-related litigation.

Dell and its industry associations continue to support the Senate-passed bill, which strikes a reasonable balance among the interests of potential Y2K litigants. We are also eager to work with you and with the recently appointed conferees to find common ground. I urge you to work with the conferees to enact balanced Y2K legislation promptly.

Sincerely,

Michael S. Dell

Michael S. Dell
Chairman and CEO
Dell Computer Corporation

cc: John Koskinen