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The Coca-Cola Company
800 Connecticut Avenue, NW Suite 711
Washington, D.C. 20006
Tel: (202) 973-2650
Fax: (202) 296-0047

44
Joh

facsimile transmittal

99 JUL 28 PM 4:09

To: Ms. Nancy Hernreich
Deputy Assistant to the President and
Director of Oval Office Operations
Fax: (202) 456-6703

From: Janet Howard
Date: July 28, 1999

Re: Stability Pact Summit in Sarajevo on July 30th **Pages:** 3 pages, including cover

Nancy,

It was good to speak with you last week.

In advance of the President's trip to Sarajevo on July 30th, we wanted to make you aware of a \$26 million investment recently announced by The Coca-Cola Company. The investment will rebuild and re-equip an existing bottling facility located near Sarajevo. This is a major investment that will create 200 jobs when the plant is fully operational.

The Coca-Cola Company is supporting the rebuilding effort to move the Bosnian economy from public aid to private sector investment. Perhaps, the President might consider noting our Company's investment as one of the significant private sector efforts during his remarks on July 30th.

With warmest regards,



Are you on the trip?!

7-28-99
Send to NSC?
Yes ☒
No ☐

NATIONAL SECURITY COUNCIL

FAX COVER SHEET

**NATIONAL
SECURITY
COUNCIL**17th & Penn, N.W.
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20504Did you get a complete,
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(202) 456-9152

From: TONY BLINKEN**To: JANET HOWARD****Fax Number: 202-296-0047****Date/Time: 7/22 11:30 AM****No. of pages to follow: 0****Message: Dear Janet – I passed along your letter on
Coca Cola's activities in Bosnia to Tom Malinowski,
my successor as head speechwriter. FYI, I moved
over in January to become Senior Director for
Europe, replacing Don Bandler.****Best,****Tony**

Draft Press Release – NOT FOR DISTRIBUTION – VERSION #2

Coca-Cola announces single largest foreign investment in Bosnia and Herzegovina

Sarajevo – July 15, 1999. Coca-Cola Beverages B-H unveiled details today of a DEM 49 million (US\$ 26 million) investment plan to further increase its local production and distribution capability on the Bosnia and Herzegovina market. The plan is the single largest foreign investment to date in the country and is the result of the very first privatisation process to be completed in Bosnia and Herzegovina.

This investment includes the recent acquisition by Coca-Cola Beverages B-H of a local bottling facility, belonging to IBP Hadzici, through privatisation.

The major part of the DEM 49 million (US\$ 26 million) investment will be used to completely rebuild and re-equip the existing bottling facility - located on the outskirts of Sarajevo - enabling it to produce brands of The Coca-Cola Company to the highest international quality standards.

Prior to the outbreak of hostilities in the region in 1992 the independently owned Hadzici facility had served as a production and distribution centre for products of The Coca-Cola Company, but it was subsequently stripped of all its equipment during the intervening conflicts, rendering it inoperable.

The renovated plant will be equipped with state-of-the-art production lines including a returnable glass bottle filling line, a PET (plastic) bottle filling line and PET bottle manufacturing equipment. The plant will also have its own dedicated wastewater treatment facility – the first of its kind for an industrial facility in Bosnia and Herzegovina.

Patrick Smyth, managing director CCB Central Europe said, "our investment today is not only a measure of our long-term commitment to this market but also another symbolic step toward the economic reconstruction of Bosnia and Herzegovina. As a business we are proud to be an early player and supporter of that process. We are more determined than ever to support our local partners, suppliers and retailers in growing successful businesses of their own which further contribute to the local economy of Bosnia and Herzegovina."

Reconstruction work will start within the next few weeks and the plant is expected to be fully operational by the end of the year. The new office buildings will also serve as administrative headquarters for Coca-Cola Beverages in Bosnia and Herzegovina. The facility when fully operational will employ an estimated 200 staff and produce leading brands of The Coca-Cola Company for the Bosnia and Herzegovina market including: Coca-Cola, Coca-Cola light, Fanta, Sprite and Kinley Tonic.

###

WILLIAM J. JEFFERSON
SECOND DISTRICT, LOUISIANA

WASHINGTON OFFICE
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WASHINGTON, DC 20515-1802
(202) 225-6636

LIONEL R. COLLINS, JR.
CHIEF OF STAFF

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501 MAGAZINE STREET
NEW ORLEANS, LA 70130
(504) 589-2274

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-1802

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POLICY COMMITTEE
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199 JUL 28 PM 11:11

7/28/99

July 29, 1999 *Send a Legislative*
Affairs -
Yes ☒
No ☐

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

Dear Mr. President:

President Bedie of Cote d'Ivoire has asked that I assist him in arranging a meeting with you. Therefore, I am writing to request that you meet with President Bedie sometime in either September or October, if at all possible.

President Bedie visited the United States in May, 1998 but was unable to meet with you in Washington due to time unavailability on the White House schedule. As you may recall, you graciously called him at the Waldorf Astoria in New York as he was on his way back to his country. President Bedie expressed deep appreciation for this call, which sentiments I conveyed to you.

I understand that President Bedie plans to be in Washington either between September 8, 1999 and September 13, 1999 or from October 11, 1999 through October 29, 1999. I have had the opportunity to speak with Mr. Sandy Berger concerning the existence of any substantive issues that may preclude a meeting with you. It is my understanding that there are none. It is purely a matter of scheduling.

Cote d'Ivoire has had a long history of warm and close relations with the United States since 1960. President Bedie has been a strong ally of the United States since he became President. We value Cote d'Ivoire as a champion of free enterprise in West Africa as well as a leader in promoting regional development through regional economic integration, and it may be properly credited as critical to the economic renaissance that Africa is presently starting to enjoy. The government has responded to our belief that an effective, transparent, legal environment for business is necessary to nurture free enterprise by constructing the legal environment necessary for a growing commercial partnership. We want to continue to both promote the future growth of Cote d'Ivoire and to grow our economic and political relationship with it.

Given this historic record of friendship between our two countries and our desire to continue to sustain this friendship whenever practicable, I believe that it is important for you to meet directly with President Bedie. Your due consideration of this request and your affirmative response will be highly appreciated.

Respectfully,


William J. Jefferson
Member of Congress

WASHINGTON, DC 20515-1082

PUBLIC DOCUMENT

OFFICIAL BUSINESS

Ann. J. Rogers IV

THE PRESIDENT
THE WHITE HOUSE
1600 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C.

NW GATE — Call Mrs. Betty Currie from Gate



THE PRESIDENT WAS SEEN

7-28-99

Reed
What's the
best we can
do here?
The

replied
Reed
Podesta



Massacre at Gracko

7-28-99

GRACKO TAKES its grim place in the long line of scenes of Yugoslav tragedy. Men widely presumed to be ethnic Albanian Kosovars killed 14 Serbian farmers taking in hay in this Kosovo village south of Pristina. It was the worst atrocity committed in Kosovo since NATO peacekeepers arrived six weeks ago. The murders underscored the fragility of the international effort to settle down Kosovo and the difficulties of creating conditions to retain the panicked Serbian minority.

The 34,000 NATO peacekeepers (not counting 1,500 Russians) currently on the ground in Kosovo yearn to abandon a mission for which they are neither trained nor culturally prepared. But their intended civilian replacements—an international police force of 3,100 people and a new Kosovo police service of 3,000 to 4,000—will necessarily be months in the forming and training. This gap breeds the friction between international and alliance elements on the neuralgic policing issues.

Armed British peacekeepers were within earshot of the guns of Gracko and could not halt the massacre or nab its perpetrators. From the serenity of several thousand miles'

distance, it is easy to say that everyone should do his job quicker and better. The fact is that soldiers are not cops: They do not have the same necessarily close relationship to the local community. That makes Frenchman Bernard Kouchner a key international figure in Kosovo on a plane with Gen. Wesley Clark, the American military commander. He has a U.N. mandate in effect to reinvent Kosovo from the ground up as a well-ordered democratic society. But as Bosnia's painfully slow and irregular evolution shows, this will take time.

In the interim, impatient soldiers and the coming police must accept as their duty to keep Kosovar Albanians from taking random revenge against Kosovar Serbians, whose already greatly reduced prewar number of 200,000 is now down to about 50,000, and shrinking. If others do not come through, the remaining Serbians have a fair claim to ask protection from Russians serving with the NATO peacekeepers. For NATO countries to do less than they might to give priority to frightened and vulnerable Serbs is to become an accessory to "ethnic cleansing" and continuing scourge of the war.

Education Battle

THE MAIN forms of federal aid to elementary and secondary education are due to be reauthorized in this Congress. Republicans are trying to use the occasion to shift more control of the programs from the federal to the state and local levels. The familiar debate has less to do with education than with federal government. Critics emphasize, and exaggerate, the burdens and dangers of federal regulation of the schools, while defenders overstate the likely gains. The schools become a backdrop for the fight over the federal role in national life in general.

There is one respect, however, in which this mostly stale debate does have serious educational ramifications. Most federal aid to education is supposed to be concentrated on the poor, and under current law, state and local officials are supposed to be held accountable for the use of the money to improve the academic performance of disadvantaged students from lower-income homes. Any easing of federal regulation, whatever other effects it may have, bears the burden of proof that it will not result in a shift of resources away from lower-income children. The current Republican proposal fails to meet that test. The main proposal creates too great a risk for no good reason, and the president is right to threaten a veto if it is sent to him in its present form.

The federal government pays only about 7 percent of the cost of elementary and secondary education, and the regulations governing the use of the federal aid already are looser than much of the surrounding rhetoric would suggest. The whole debate is thereby overblown. It is fanciful to suggest, as the one side sometimes does, that the feds are threatening to take over the schools. It is equally wishful to imply, as the other side tends to do, that the feds have leverage enough to influence state and local educational policy except on the margin. Elementary and secondary education is, like crime, essentially a state and local issue

on which the national politicians are fated mainly to posture.

Example: The House two weeks ago passed a bill having to do with teachers, the first installment of the broader legislation the Republicans hope to enact. There has long been a federal teacher training program. A couple of years ago, the president added a program to help recruit more teachers to reduce class size, particularly in the lower grades. The Republicans proposed to combine the two and let localities decide how to split the money between retraining older teachers and hiring new ones. The president threatens to veto the result, because his hiring program would be blurred, though it would not quite disappear. Here's a fight, partly over the political ownership of a program, partly over a modest loss of focus in return for a gain in flexibility. It is less momentous than either side suggests.

The important fight will come later in the year over a proposal to let states merge all the programs, including the main one for the poor, if they wish. They could spend the money largely as they liked for five years, in return for a promise to improve performance. For at least the five years, some of the money now saved for the poor could be spent elsewhere. The accountability provisions in current law—the pressure on school districts, principals and teachers to produce gains in achievement—would likewise be weakened in some respects, though strengthened in others.

Here it seems to us the risk of loss of focus is greater than any likely gain, particularly given the history of state and local officials in trying to dilute aid to the poor by converting it to general aid. It's possible to increase state and local discretion without easing the federal insistence that the money be used on behalf of the poor. That's what the legislation ought to shoot for.

The Washington Post

TUESDAY, JULY 27, 1999

FAX TRANSMISSION

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FAX: 202-501-2329

Jeff Sec
Johns
Sec

To: The President Date: July 26, 1999
Fax #: 456-6703 Pages: 5, including this cover sheet.
From: Paul A. London *PAL*
Subject: A Vision for Health Care Modernization

COMMENTS:

This memo proposes two modest steps to focus attention on the potential of the Computerized Patient Record (CPR) to improve health care and reduce its cost. (I have included two extra pages of background to give you a little more feel for what I am talking about.) I see these ideas as part of a larger "vision" of the future in health care that could be useful in the future.

I have sent a copy of this memo to the First Lady separately because I have been talking to her staff since February about the subject.

7-27-99

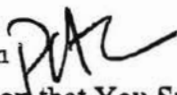
To Burkhardt for reply?

Yes ☒ *No*

coordinated
Reed Jennings for
evaluation?

Yes ☒ *No* ☐
B.

MEMO

To: The President
From: Paul A. London 
Subject: Recommendation that You Support a Joint Commerce, HHS, VA Study of the Benefits of the Computerized Patient Record.
Date: July 23, 1999

Background:

You may remember that I talked to the First Lady in January and February about the potential for improving health care quality and reducing costs by promoting faster adoption of Computerized Patient Records (the CPR). She was enthusiastic about looking into this further if privacy concerns could be resolved.

Since then, I have been trying to get the WH health care people and the VP's office to support a joint Commerce, HHS, VA study of the cost-saving potential of the CPR, and working with the HIPAA privacy task force at HHS. This memo recommends that you ask for a joint study.

A few points concerning the potential of the CPR:

- * The VA reduced post-surgical complications by 40 percent in 10 surgical procedures because information from its CPR system allowed it to establish the risk profiles of patients before surgery. This makes it possible to compare outcomes, rate surgical units fairly, and adopt "best practices." Empirical outcomes comparisons are what the whole health care system needs.
- * A McKensie study in 1995 estimated that IT in health care could save \$235-280 billion annually. Hambrecht and Quist uses a \$250 billion figure. Don Lindberg at the Library of Medicine uses \$30 to 100 billion. However, no study pulls together the dozens of "anecdotal" micro-studies of savings from the CPR. Such a study could be useful next summer.
- * The Institute of Medicine has called for stronger government efforts to promote the CPR since 1991. It continues to be critical of the government's almost exclusive focus on research, nomenclature, and standards.
- * The First Lady's office has called the WH health care people about idea of a joint study, but they are busy with Medicare, the Patients Bill of Rights, and privacy issues. Nothing is likely to happen unless you and/or the VP ask for such a study.

Recommendation:

That you and the Vice President initiate two modest efforts:

First, ask Commerce, HHS, and VA (perhaps with private sector collaborators) to do a 6-8

The President

Page 2

July 23, 1999

month study of the economic potential of the CPR. I have talked to Sec. Daley and key people at the White House, HHS, VA and the private sector and I believe they would support a study if privacy concerns are taken fully into account. The goal would be to release a study next year, backed up with recommendations to encourage medical computerization based on the CPR.

Second, ask the VA to set up an "extension program" on the CPR at 10 or 12 VA sites. The program would organize events at the sites to show off the VA's computerized records system, explain how it has improved veterans' care, demonstrate its potential for modernizing medicine and reducing costs, and point out that it operates under the strictures of the Federal Privacy Act. (I took 35 people from the HIPAA TF on Privacy to see the VA system on July 8, and it blew their socks off.)

I believe you and the VP should take these two steps because the CPR is the foundation for a modern "vision" for health care that Medicare Reform and the Patients' Bill of Rights do not convey. Backing from you and the VP for the CPR (in the balanced context I am recommending here) could have great appeal to veterans, active duty military (who along with the Indian Health Service are linking up with VA system), IT and software developers, businesses that pay for health insurance, medical organizations, and groups not happy with health care quality or being priced out of the health care market. The vision is absolutely consistent with strong privacy safeguards that IHHS is developing pursuant to the HIPAA.

I hope you will 1) ask the three agencies to do this study, 2) push the "extension" idea at VA, and 3) arrange to exchange ideas with me about strategy in this area, which I have thought about a lot.

The President
Page 3
July 23, 1999

More Background on the CPR:

- The Computerized Patient Record puts the patient's information in front of the doctor on his computer screen. The doctor keys in his coded signature and then can see the patient's current problems and recent admissions. He sees medications being taken with warnings of interactions and allergies, test results, notes from all medical encounters, etc. Records don't get lost. Newer versions incorporate screen images of MRIs, EKGs, and a dozen other medical imaging devices. Medicines and procedures are ordered through the computer, avoiding mistakes and allowing verification and follow-up. Updated protocols ("best practices") and alerts are incorporated, e.g. flu shots are due, eye exam recommended, new drugs, treatments. The CPR is the data source for "evidence-based medicine."

- Money saving from the CPR come from improved communications between doctors, fewer mistakes, eliminating redundant tests and procedures, and much cheaper research. Other even bigger savings may come because better information will change the way we pay for health care from payments for procedures to payment for outcomes. The health care market doesn't work well now because it is hard for payers and patients to compare hospitals, HMO's, individual doctors, and treatment regimens. The CPR eventually will make such comparisons possible.

- The VA has the biggest and one of the best systems covering over 100 hospitals and several hundred clinics. There also are good private CPRs at Columbia Presbyterian (NYC), Northwestern Memorial (IL), Regenstrief Institute (Ind), Beth Israel/Brigham/Women's (MA), Intermountain Health Care (UT), Kaiser-Permanente NW, and other places. Software is being improved rapidly.

- The Institute of Medicine called the CPR "an essential technology for health care" in 1991, and in 1997 lamented the failure of the government to play a strong role in promoting it. Four or 5 business groups have been formed to try to measure quality in health care and to lower costs, but the government has given them little support or encouragement, limiting its involvement to regulation and research. As a result, IT spending in health care is low --- 2 percent of revenues vs. 6 percent in other industries --- and little of it is in clinical IT where experts agree the big savings are.

- The UK under PM Blair is spending L 6 billion to computerize all NHS patient records. Dutch doctors are all "networked." France, Germany, Italy and Spain are moving to smart cards, which are identifiers that can be linked to a CPR on another card, a server, or more likely both. Despite our problems, much of the software is U.S.

The President

Page 4

July 23, 1999

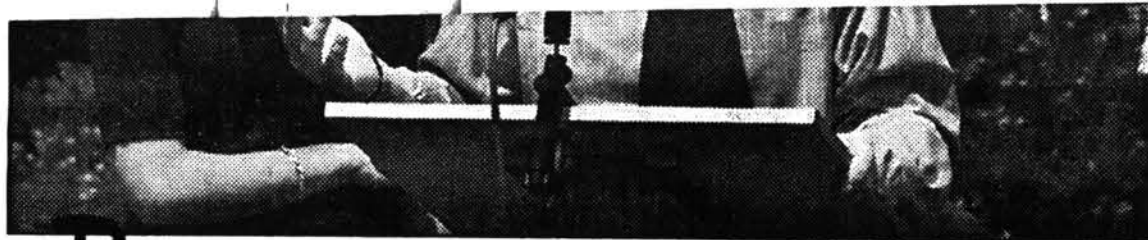
- Privacy can be assured. The recent GAO study that looks principally at electronic billing records sent to Medicare not clinical records, reportedly shows only 7 actual privacy complaints over four years and approximately 3.6 billion claims filed. And this privacy record can be improved.

- Present paper health care records are difficult to use, easily lost or stolen, copied prolifically, and misused but their unwieldiness gives them an apparent advantage. The CPR, many believe, would be easier to control and keep private. The VA operates under the Federal Privacy Act. Access to VA health records is limited to authorized medical personnel and all access is recorded. Internal fire walls to protect especially sensitive information and limit access to "need to know" are being put in place. The private CPR systems also have excellent privacy records and the example of other industries where privacy is a concern are good and improving.

- In summary, the CPR is the empirical cornerstone of a long-term plan to improve health care quality and lower its cost. A study of its potential and a modest effort to "demonstrate" it at VA facilities are certainly warranted.

would have made the evening news. But he chose to become a Democrat on the same day John Kennedy Jr.'s plane went down. The competition for coverage irritated Forbes. "This is really going to hurt my press," he told his executive assistant, Jeff LaCourse.

In his statement, Forbes complained, "There's no room in



Rep. Michael Forbes announcing his switch from the Republican to the Democratic Party on July 17. AP

WILL OF IT.

Tony Bullock has worked for Forbes, but the same pattern. "It's aperate act of self-immolation," Bullock says. "He's a short of a Happy Meal."

Tucker Carlson is writer at The Weekly Standard. This article is adapted from magazine's new issue.

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Podesta

THE PRESIDENT HAS SEEN

7-28-99

AS J. Dennis Hastert labored last week to save the Republican leadership's tax bill and perhaps his speakership, Rep. Lindsey Graham of South Carolina surprised lobbyists gathered at the Capitol Hill Club to raise campaign funds for him. A certified bomb-thrower from the rambunctious Republican Class of '94, Graham sounded like he was proposing a smaller tax cut than Hastert wanted.

Graham, right-wing scourge of Newt Gingrich and Bill Clinton, had not succumbed to Potomac Fever. Rather, he was arguing that the American people would be better off if a tax reduction actually were signed by President Clinton rather than vetoed by him — and so would the Republican Party. Graham has been working quietly behind the scenes for a bipartisan plan.

On the surface, Graham seems to be pushing a miniaturized version (\$345 billion over 10 years) of the Republican bill (\$792 billion) passed by the House last Thursday. But that judgment would assess a tax bill's value by adding up the estimated revenue loss of its component parts. In truth, the House bill is flawed and provides a weaker boost to the economy than the bipartisan measure backed by Graham. The bill that might conceivably be approved by Clinton in many ways is preferable to the measure he surely would veto.

Does the GOP Congress Really Want a Tax Cut?

Despite what he sometimes confides to campaign donors, the president always has been adamantly against serious tax reduction and clearly prefers to use the surplus for additional spending. He is confident that the White House spin machine can deploy the rhetoric of class warfare to castigate the Republican Congress for helping the rich.

Clinton can easily demagogue the House bill, but the bipartisan measure promoted by Graham is another matter. It proposes tax-free capital gains up to \$5,000 and tax-free interest up to \$10,000, while nearly 35 million middle-income Americans would be moved into a lower tax bracket.

This proposal originated in the Senate where Sen. Robert Torricelli (D-N.J.), the intensely partisan chairman of the Democratic Senatorial Campaign Committee, co-sponsored it with Sen. Paul Coverdell (R-Ga.), an influential mem-

ber of the Senate GOP leadership. Torricelli for weeks has been talking about lining up 15 Democratic senators. In the House, Graham's Democratic co-sponsors are Reps. Robert Wexler, a Florida liberal, and Rep. William Jefferson, who seeks to become Louisiana's first African-American governor. Such bipartisan backing might still Clinton's veto pen.

To supply-sider Jude Wanniski, the Coverdell-Torricelli proposal is not only cheaper than the House bill but also better for encourag-

ing growth. One trouble with both the Senate and House GOP measures is the end of the marriage penalty demanded by social conservatives. It provides only 12 cents of extra growth per dollar of static revenue loss, according to an analysis last week by Gary and Aldona Robbins. The study shows a comparable growth figure of \$16.87 for capital gains tax cuts.



ROBERT D. NOVAK

But to end up with a bipartisan result, the House first had to pass the Republican bill crafted by Ways and Means Committee Chairman Bill Archer — a feat nearly prevented single-handedly by fourth-term Rep. Michael Castle. A former governor of Delaware, Castle has exerted inordinate influence in the closely divided House by leading moderate Republicans. He had gathered enough votes last week to torpedo the Archer bill.

At that point, Archer agreed to make the tax cut conditional on progress in reducing the national debt (a dubious stunt that may be ruled out of order in the Senate). Speaker Hastert then put himself on the line. He turned around two anti-tax fellow Illinoisans — John Edward Porter and Ray LaHood — as well as Sherwood Boehlert of New York, one of the most liberal GOP congressmen, and Fred Upton of Michigan. When Hastert finished, Castle had only three other Republicans voting no.

But the debate roars on behind locked Republican doors. Should Congress hand the president a bill, that however unsatisfying to purists, still guarantees a Clinton veto? Or, should it follow Lindsey Graham's course to make it as hard as possible for the president to say no to a modest, effective tax cut? In short, do the Republicans really want to cut taxes this year?

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Yes

7-28-99

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Podesta



COPS program goal won't be met by 2000

Only 72,000 officers to be hired in time, audit predicts

By Kevin Johnson
USA TODAY

WASHINGTON — Taking aim at the Clinton administration's signature anti-crime program, the Justice Department's inspector general said the promise to put 100,000 additional police officers on the nation's streets by 2000 will be impossible to keep.

Inspector General Michael Bromwich also questioned Monday whether "several thousand" officers already funded under the Community Oriented Policing Services (COPS) program "will ever materialize."

Based on government projections, about 72,000 additional officers — not 100,000 — will be deployed by 2000, a COPS program audit estimated.

"COPS officials informed us that their goal is to fund 100,000 new officers by the end of 2000," Bromwich said in the audit of the \$8 billion program. "This is significantly different from having 100,000 new offi-

cers hired and actually deployed to the streets by the end of 2000, a goal that has been stated publicly by COPS and administration officials."

COPS authorities acknowledged Monday that there has been some "confusion" with the program's goal over the years. But spokesman Dan Pfeiffer said legislation passed in 1994 dictated only that the program would be funded by 2000.

Pfeiffer said the full complement of officers would be on the streets by 2002.

"This report does not portray an accurate picture of the tremendous impact the COPS program is having in communities across the nation," said Mary Lou Leary, the program's acting director.

"The COPS program works. Crime is down; more agencies than ever before are doing

community policing, and we are well on our way to meeting the president's goal of adding 100,000 officers to the beat."

Leary said the inspector general had drawn broad conclusions based on previous audits of 149 communities that received grants, virtually all of which had been identified by COPS as problem areas.



By Susan Walsh, AP

Bromwich: Goal of 100,000 impossible

"The 149 audits, some of which were conducted two years ago, represent less than 1.2% of the total universe of COPS grantees," Leary said.

COPS officials are challenging many of the findings in the previous audits, which were published in April.

Bromwich said the new audit is not "a verdict" on the concept of community policing or its contribution to reducing crime.

"Rather, this report assesses the management and administration of the COPS program, and the stewardship of billions of taxpayer dollars by the Department of Justice," Bromwich said.

Assad pushed to hold peace talks

By Barry Schweid
The Associated Press

WASHINGTON — President Clinton is urging Syrian President Hafez Assad to "seize the moment of opportunity" for negotiations with Israel.

In a letter sent over the weekend, Clinton told Assad he had confidence Israeli Prime Minister Ehud Barak was willing to hold peace talks.

Clinton also invited Assad to open communications with Clinton over attempts to end a three-year stalemate in negotiations between Syria and Israel.

A U.S. official said Clinton also told the Syrian leader about the four days of talks he held here with Barak. The official said Clinton offered no incentives to Assad to hold peace talks.

Clinton had hoped to see Assad last weekend at King Hassan's funeral in Morocco, but Assad did not attend. Clinton is sending Secretary of State Madeleine Albright to the Mideast in mid-August.

Syria is listed as a sponsor of terrorism, and by law cannot receive most kinds of U.S. assistance. Two other Arab countries, Egypt and Jordan, have been rewarded with U.S. aid for making peace with Israel.

Assad is reported to have described Barak as "strong and honest" while Barak has told the Arab newspaper *Al Hayat* he saw Syria as a cornerstone of peace in the Middle East.

7-28-99

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Podesta

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out of [unclear] [unclear]
[unclear]

7-28-99 145 SEE

Law Requiring Banks to Aid Poor Communities Faces Uncertain Future as Gramm Mounts Attack

By JACOB M. SCHLESINGER
And MICHAEL SCHROEDER

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—As President Clinton hopped across the country on his poverty tour this month, he doled out federal funds: \$1.5 million for economic development in Hazard, Ky.; \$1.6 million for South Dakota's Oglala Sioux Tribe; and \$3 million for an empowerment zone in East St. Louis, Ill.

But the public handouts were a pittance compared with a single pledge made by a member of Mr. Clinton's big-business entourage. In East St. Louis, a senior Bank of America Corp. official announced plans for a nationwide, \$500 million inner-city investment fund.

That isn't just generosity on the bank's part. It is the result of a law called the Community Reinvestment Act, or CRA, which requires banks to channel capital to hard-hit communities. In all, Bank of America has agreed to target \$350 billion in capital to poor communities over the next decade as part of its agreement made to win the approval of regulators before merging with NationsBank last year.

No policy better illustrates Mr. Clinton's "third way"—the public channeling of market forces to alleviate poverty—than CRA. During his first six years in office, about \$1 trillion in private loan and investment commitments were made to lower-income homeowners and small businesses under the once little-used law. That ranks CRA as perhaps the country's biggest urban-development program ever.

Future Uncertain

Now, however, the act's future is uncertain. Influential Senate Banking Committee Chairman Phil Gramm is seeking to use a wide-ranging financial-services-deregulation bill to weaken CRA's clout. The Texas Republican sees little distinction between CRA and the old-fashioned welfare state, saying the law "collectivizes... the American financial market" and is becoming "a way to reallocate wealth."

Critics also say the regulatory process gives activists too much power. Sometimes, the same community groups that protest banks' lending policies end up signing deals with the banks to handle their CRA investments. CRA "has become a vehicle for cash payments" to community groups, contends Sen. Gramm, referring to the practice as "extortion."

The financial-modernization bill recently passed by the Senate would water down the community-lending law. The House bill wouldn't. The differences will be reconciled as soon as next month.

Congress passed the Community Reinvestment Act in 1977 to reverse widespread bank redlining: the refusal of lenders to extend credit to lower-income or minority neighborhoods. But regulators for years paid little attention to it. In the act's first 16 years, through 1992, a total of \$42 billion in lending and investment pledges was made under the law—or about 4% the amount pledged in the six years since 1993, when regulators began stepping up enforcement.

Notable Effect

CRA's impact has been striking. The law has "literally helped millions of people access credit and capital to acquire a home or establish a business," says John Taylor, president of the National Community Reinvestment Coalition, a Washington-based CRA-advocacy group.

Banks also make loans directly to start-up businesses in cities nationwide. Chicago's Greater North Branch Development Corp., an advocacy group, helped Marvel Spain arrange a Bank One Corp. loan of \$75,000 to renovate a building for new West Side day-care center, "Tots for Town for Tots," accommodating as many as 27 children.

Skeptics say much of the credit for such efforts goes to the booming economy and to dramatic changes in the financial-services industry. Karen Thomas, legal counsel for the Independent Community Bankers of America, based in Washington, looks dubiously at Bank of America's huge pledge, which is lacking in specifics. "How much of that lending would the bank make anyway?" she asks.

"That completely misses the mark of what this is about," retorts Cathy Bessant, president of Bank of America's community-development banking group. She says the \$350 billion goal goes far beyond traditional lending and includes such things as financing child-care facilities and 50,000 new homes, as well as funding economic-development projects in Native American territories.

Banks' Direction Forced

The law's backers—as well as critics such as Mr. Gramm—say the regulations have forced banks to steer credit down certain paths. The law's muscle comes when banks want to merge, open new branches or go public. Those moves need regulatory approval, and the regulators can take a bank's CRA record—determined during biannual reviews—into account.

Community activists have learned to use the law's public-comment period to press merging banks to step up their CRA pledges. "It's the window for the public and consumers to speak," says Matthew Lee, head of the Bronx-based Inner City Press/Community on the Move, one of the country's more aggressive CRA protesters.

When New York's Independence Community Bank Corp. sought to go public early last year, Mr. Lee protested, asserting the thrift had "virtually no multifamily lending in Harlem and the South Bronx." To get Mr. Lee to agree, John Schnock, Independence Community's senior vice president, says the bank committed to lend \$62 million in the Bronx, Brooklyn and Manhattan. "We had to get it resolved if we wanted to move forward without a significant delay," Mr. Schnock says.

Such deals irk Sen. Gramm. In a memo circulated by the senator, he attacks Mr. Lee for getting legal fees in protests he has waged and the Woodstock Institute, a Chicago community group, for striking a deal for cash payments as a condition for

dropping an objection to Bank One's merger with First Chicago.

Malcolm Bush, head of the Woodstock Institute, says the Gramm memo implies erroneously that Woodstock would get cash payments. In fact, the deal involves bank contributions to other qualified community groups, he says. Mr. Lee says the allegation against him "is filled with inaccuracies" which could easily have been avoided if the senator or his staff had taken the time to review the public record.

Sen. Gramm's proposals would remove some of the leverage CRA gives community activists. One provision would make it difficult for community groups to challenge a bank merger if the institution has had three consecutive years of satisfactory CRA ratings. That would put most mergers beyond reach, since about 98% of banks get at least satisfactory report cards. Another proposal would exempt banks with assets

of \$100 million or less from complying with CRA. President Clinton has threatened to veto any financial modernization bill with those provisions.

Most banking lobbyists are betting that Mr. Gramm ultimately will back down on CRA. But even if he fails with his specific proposals, many activists fear that a financial-modernization law will accomplish the senator's broader goal of undermining CRA. A handful of liberal legislators think CRA needs to be extended to the nonbanking companies that are making an ever-greater portion of loans and taking in more and more deposits. But Mr. Clinton has remained silent on the question, and without his active support that won't happen.

"More and more of the activities that CRA is about are being done outside of what CRA covers," says Mr. Lee. "By not expanding CRA to those industries, you're weakening it."

THE WALL STREET JOURNAL

TUESDAY, JULY 27, 1999

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'Emergency' Funds Bypass Budget Cap

By ERIC PLANIN and JULIET EILPERIN
Washington Post Staff Writers

The GOP-controlled Congress is steadily circumventing budget limits that were supposed to restrict the growth of federal spending as it struggles to reconcile its appetite for a major tax cut with pressure to allocate more money for key domestic programs.

Just yesterday, House lawmakers declared \$3 billion in proposed funding for veterans health care next year to be "emergency" funding. By labeling such spending as an emergency—even though most of the money is for routine annual expenses—Congress does not have to count the money against spending limits restricting most federal programs to minimal growth.

While derided by fiscal experts, these kinds of tactics are crucial both to passing contentious spending bills and to delivering on a major tax cut promised by the GOP. Many Republicans have said giant projected budget surpluses over the next decade mean that Congress can afford a tax cut of nearly \$800 billion, with enough money left over to safeguard the finances of the Social Security program.

Yet such large surpluses will materialize, analysts say, only if Congress lives within the budget limits approved two years ago as part of a successful effort to bring the federal budget into balance. These limits affect everything from defense and health programs to education, labor and foreign aid.

In reality, however, the Republican-controlled Congress has been steadily breaking those limits by declaring spending emergencies and adopting other budget tactics aimed at masking the true size of its spending bills. In effect, Congress is dou-

ble-counting some of the surplus money and putting it on spending programs while also using it for a tax cut.

The House Appropriations VA-HUD subcommittee yesterday declared \$3 billion of veterans medical expenses and \$2.5 billion of future disaster relief spending "emergencies" as part of a \$70.5 billion fiscal 2000 spending bill. Last week, appropriators declared \$4.5 billion in funding for next year's census as emergency spending.

All told, Congress has declared \$35 billion worth of emergency spending in the past year alone and is likely to declare tens of billions of dollars more this summer as it attempts to pass the politically contentious appropriations bills for the fiscal year that begins Oct. 1. Fiscal experts said some of the emergency spending, like money for the Kosovo war, seems justified—but much does not.

"Continuing to spend through the emergency loophole just increases public cynicism," said Robert L.

Bixby, policy director for the Concord Coalition, a budget policy group. "Everyone knows they're playing games."

White House budget director Jacob "Jack" Lew told reporters yesterday, "I understand the difficult time they're having in the appropriations process. . . . I think the ques-

tion—what is a real emergency and what isn't—is being stretched a little."

But House and Senate GOP leaders insist their approach is fiscally responsible because they are resisting pressure from some lawmakers to throw open the gates to the use of the surplus for even larger spending increases down the road.

House Speaker J. Dennis Hastert (R-Ill.) said late last week the House was justified in declaring the \$4.5 billion of 2000 census funding an "emergency" because the Supreme Court ruled this year the government could supplement traditional methods of counting the population with a statistical sample.

"All of a sudden we have two censuses. That is a one-in-10-years expenditure," Hastert said. "That's a legitimate emergency."

But Rep. Carolyn B. Maloney (N.Y.), the ranking Democrat on the Government Reform and Oversight subcommittee on the census, questioned why Republicans would describe a regular population count as an emergency. "It's kind of goofy to call it an emergency. It's in the Constitution. You know you have to

do it every 10 years," Maloney said.

The controversy over the budget tactics comes as Congress attempts to put together a \$792 billion tax bill and 13 spending bills that will pass muster with a majority of lawmakers while gaining the president's signature. The House passed a tax cut bill last week, and the Senate will take one up on Wednesday.

The Congress and the administration are on a collision course: The White House has indicated the president will veto any tax bill much larger than \$250 billion, while Congress has been steadily slashing Clinton spending initiatives. The VA, HUD and independent agencies subcommittee yesterday cut the NASA budget by 10 percent and trimmed some housing and climate programs below the administration's request.

But the GOP is also being pulled from different directions within its own ranks. Conservatives want surplus funds reserved for tax cuts and Social Security, while moderates want more for Medicare and other high priority spending programs. Because all sides are committed to a

boost in defense spending, cuts in domestic spending programs must be even larger under the existing budget limits.

Appropriations Committee leaders on both sides of Capitol Hill have warned leaders that in order to stay within the caps they would have to slash domestic spending by 12 percent to 20 percent across the board. That would mean deep cuts in programs that Republicans had made high priorities, including education and medical research.

During a pivotal meeting before the July 4 recess, House Appropriations Committee members outlined their concerns to GOP leaders. Some who thought the leadership finally had come around to their thinking were disappointed when Hastert and others renewed their commitment to the spending caps.

But the leadership gave the appropriators and budget leaders instructions to scour all the appropriations bills and entitlement programs, including Medicare and Medicaid, for possible savings. And the leadership signed off on a liberal definition of the emergency-spending designa-

tion—a backdoor method of dipping into the surplus without formally raising the spending caps.

Appropriators are examining other spending programs that could be shifted outside the spending caps—including the administrative costs and salaries of operating the Social Security administration and relief programs for economically distressed farmers.

Republicans also have used other technical maneuvers to free up money for the spending bills. For example, they used the administration's rosier projections about how much will be needed to fund defense programs next year to save \$10.5 billion for domestic programs. The appropriators also picked up an additional \$2.6 billion to spend by assuming the government would auction off Spectrum radio frequencies sooner than previously thought.

Such tactics not only have invited criticism from Democrats, but have also raised questions about whether House conservatives will go along with maneuvers that, in effect, breach the spending limits.

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Timing Tax Cuts for When We Need Them

By Nicholas S. Perna

The Federal Government is virtually certain to cut taxes this year, whether it is the smaller reduction the White House supports or the larger one passed this week by the House. Yet, many economists believe that this is not a good time for a Federal tax cut — at least not one that isn't paid for by spending cuts.

They're right. Instead, it might be time to enact a tax cut that would take effect when the economy needs it most — at the onset of the next recession. Alan Greenspan, the Federal Reserve chairman, told the House Banking Committee this week that an anti-recession tax cut might be appropriate if it had a triggering mechanism that would activate in the future.

The economy is so strong that a major tax cut now could easily backfire. A tax cut would stimulate the economy and would almost certainly lead to higher interest rates — and the housing market, auto sales and even

the stock market might suffer.

But there's a strong case for enacting a tax cut now that would help combat the next recession. Nobody knows when the next economic downturn will come, but there's surely one out there. During the last recession, which started in July 1990 and ended the following March, Congress felt it couldn't use tax cuts to help restart the economy because of the large budget deficit. Therefore, the Government could do little except lower interest rates, and the result was a sluggish early recovery.

But what if Congress were to pass a tax cut now that would become effective only if and when the unemployment rate rose above some threshold? That trigger could be a jobless rate of, say, 6 percent (compared with today's 4.3 percent) — a level that would be all but certain to indicate that a recession was under way.

The size of the cut is open to debate, as is the shape. It could be an across-the-board reduction or one that alleviates the marriage penalty or capital gains taxes. To make sure that the tax cut was appropriate, Congress could have a second vote before the cut

previously put on the books would take effect. Of course, the President would still have to sign or veto it.

What I'm really proposing is a sort of "shelf registration" for tax cuts. For years, corporations have been able to get advance regulatory approval from the Securities and Exchange Commission to issue bonds. They can then keep those bonds "on the shelf" and issue them only when

An economic jump start, at the ready.

they feel the timing is right.

Timing is critical in fighting recessions. The typical contraction lasts only about a year, and it usually takes a few months for a consensus to develop that a downturn has indeed begun. Tax-cut legislation generally takes quite a while to reach a vote and even longer to take effect. Having a trigger mechanism for tax cuts would

dramatically lessen these delays and could help make economic downturns shorter and shallower.

And if the tax cut were given to people as a lump-sum payment, it could make the economic recovery even faster. Suppose that the tax cut worked out to \$500 per family. The first year, the Government could send out the amount to each household in a single check. The quicker consumers got the money, the faster they'd spend it. The next year, the tax cuts could follow the usual process: the withholding tables would be adjusted to lower taxes by a little less than \$10 per week for this hypothetical family.

Politically, this approach would create lots of winners: today's politicians, who would enact the legislation and would be seen as giving money back to the taxpayer; tomorrow's elected officials, who would approve enacting the cut and get patted on the back for averting a recession, and finally the taxpayers, who would be able to enjoy the reductions and maybe even a more stable economy.

Nicholas S. Perna is chief economist at Fleet Financial Group.

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Kosovo's Incomplete Peace

The ambush murder of 14 Serbian farmers in the Kosovo village of Gracko last week is a grim sign that six and a half weeks after the first NATO soldiers began entering the province, basic security has not yet been established. With the international peacekeeping force now nearing full strength, NATO's first order of business must be creating a climate of civil peace.

That will not be easy. Serbia's stranglehold has ended, leaving the province without police or civil administration. The temporary United Nations trusteeship that will replace Serbian rule, including more than 3,000 armed international police, is just gearing up. For now that leaves NATO's 35,000 troops in charge of everything from controlling road traffic to protecting civilians.

Fear is most intense among Kosovo's Serbs. Close to half of the 200,000 Serbs present at the end of the war have now fled to Serbia. But armed thugs have been attacking Kosovo's Albanians and Gypsies as well. Some of the violence may be coming from rogue elements of the Kosovo Liberation Army. Top K.L.A. leaders, who have pledged to cooperate with NATO, now have a responsibility to try to curb any members carrying out such attacks.

Nearly 200 murders have been reported in Kosovo during the last six weeks, and the number of

ethnic Albanian victims nearly equals the number of Serbian ones. Scores of Gypsies have also been killed and hundreds burned out of their homes in apparent retaliation for Gypsy collaboration in the mass expulsion of ethnic Albanians last spring.

The international community cannot tolerate such violence. While murder, arson and looting have been declining since early July, all are still unacceptably high. NATO forces must move more aggressively to protect Serbs and Gypsies as well as ethnic Albanians.

The man in charge of the U.N. effort, Bernard Kouchner, arrived in Kosovo less than two weeks ago. He must now quickly build up the new international police force, establish emergency courts and help returning refugees rebuild before the onset of another winter, just three months away. More than 700,000 Kosovar Albanians have come back since June, many to find their homes reduced to ruins.

In the long run, the U.N.'s role will be crucial. Its job is not just to provide temporary civil administration but also to help the people of Kosovo build the impartial and accountable governmental and law enforcement institutions they were denied under Serbian rule. But this job of civic reconstruction cannot really begin until NATO establishes a more satisfactory peace.

When Stock Markets Go Public

The financial world is changing rapidly, with advances in technology making it much easier for competitors to challenge established stock markets such as the New York Stock Exchange and Nasdaq. It is in part because those markets need money to invest in new technology to meet that competition that both of them are now planning to sell shares to the public.

Before those plans are allowed to proceed, however, it is important that the Securities and Exchange Commission sort out how the changes in the way stock markets operate and compete with each other are starting to affect their self-regulatory roles.

Traditionally, the principal markets dominated trading in the stocks that were listed on them — and they were responsible for policing that trading and the conduct of the brokerage firms that placed the trades. The fees the stock markets got for executing trades subsidized their regulatory work.

But as more and more competition arrives from electronic markets for executing trades, there are two threats. One is that there will be a multi-

plicity of self-regulatory organizations — one for each competing stock market. Some of them will be underfunded and weak, and there will be unnecessary duplication.

The other threat is that the new stock markets will find ways to avoid much or all of the cost of such regulation, giving them a competitive advantage over the existing markets, which will be tempted to cut costs by cutting regulatory corners.

The S.E.C. must deal with those threats before it approves plans for either Nasdaq or the New York Stock Exchange to sell shares to investors. One idea it should consider is a separation of functions, with self-regulatory organizations no longer part of stock markets. Such a separation is part of the Nasdaq plan, but not of the stock exchange's.

In the end it would probably be best to separate the self-regulatory operations and then combine those of Nasdaq and the Big Board, both to promote efficiency and to assure adequate funding. In any case, it is up to the S.E.C. to assure that competition for stock trades does not endanger the continued protection of investors.

A Special American Takes Paris

The cycling world venerates the Tour de France, a race that generally covers about 2,500 miles, including a climb through mountains that makes this one of the most challenging events in all of sport. Most cyclists live to win even a single segment, or "stage," of the tour. But this year an American wearing the colors of the United States Postal Service led for 14 of the 20 stages and cruised into Paris more than seven minutes ahead of his rivals.

Lance Armstrong is only the second American to win the race. His performance would have been remarkable in any case, but seems miraculous given that he was diagnosed just three years ago with an aggressive form of testicular cancer that had reached his abdomen, lungs and brain. He sat out 1997 after surgery and chemotherapy. But the

cycling world treated him like a pariah when he returned to competition. No team seemed to want him — until the Postal Service picked him up.

The French press expected him to be a non-factor and reacted with suspicion when the former cancer patient surged to the front of the pack, suggesting that he was using performance-enhancing drugs. In actuality he was using an ordinary cortisone cream to treat saddle sores, which produced legal trace amounts of the drug in his urine.

When pressed again and again about how he could perform at such a high level so soon after so grave an illness, the 27-year-old Texan said: "You have to believe in yourself. You have to fight. You have to hold the line." Few champions have applied those words more vividly in sports, and in their lives.

The New York Times

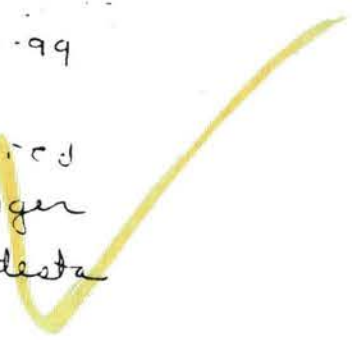
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At the news conference here, South Korea's envoy said Pyongyang "will enjoy many benefits" if it accepts the U.S. proposal. But if North Korea fires the missile, he said, the South Korean government will cut billions of dollars worth of investments, tourist ventures and development aid that have blossomed under a "sunshine policy" designed to engage the North. "They will have to pay the price for this provocation," Hong warned.

Japan's envoy said Tokyo also may cut "flows of goods, people and money" to the North. But in the only sign that the three allies are not acting in concert, Komura warned that "given the sentiment of the Japanese people, it will be extremely difficult" for Japan to meet its pledge to contribute \$1 billion toward an international consortium building two nuclear reactors in North Korea.

Pyongyang agreed in 1994 to suspend its nuclear program in exchange for the two light-water reactors and supplies of fuel oil until they are operational. Washington and Seoul have agreed to keep the program intact regardless, insisting that the \$5 billion effort is the best way to keep Pyongyang's nuclear weapons program in check.

Concern over North Korea's intentions was a major topic of discussion here Monday among the 22 nations attending the Association of Southeast Asian Nations, or ASEAN, regional forum, Asia's foremost security grouping.

Foreign ministers from Asia, the Pacific and European Union warned in a joint statement that North Korea's ballistic missile program could "heighten tensions and have serious consequences for stability in the Korean peninsula and the region."

North Korea is the only country in Asia that has refused to join ASEAN's security forum and take part in regional efforts to reduce tensions. On Monday, Albright extended another olive branch and urged Pyongyang to join the forum and engage in a regional defense dialogue.

"We believe that when North Korea is ready to do so, it should reapply for admission on the same terms as any other qualifying country," Albright said.

NATO Pays a Price for Ignoring Russia

By Helga Graham

Special to the Los Angeles Times

It would be a mistake to forget about the near "high noon" shoot-out, fringed with farce, between NATO forces and Russian troops at the Pristina airport in Kosovo and the subsequent military tensions.

Relations between Russia and the West have dissipated dangerously since the end of the Cold War. Kosovo is largely symptom, not cause.

This matters. A democratic, reasonably cooperative Russia is Europe's single most important security issue. Yet Russia with its Weimar Republic socioeconomic collapse, its powerful Mafia and its deteriorating nuclear and nuclear-alert systems remains singularly suspended from the new European security structure, embodied by an expanding NATO.

This semi-detached, inferior status is likely to make Russia act bearishly, say Moscow watchers.

The dangers are obvious. Like the Versailles Treaty after World War I, the post-Cold War NATO expansion, anathematized by Russians of all classes, could all too easily become a scapegoat for Russia's ills and a catalyst for the resurgence of a neo-fascism-communism.

Besides, as recent events show, it was always an absurdly complacent misreading that, despite much huffing and puffing, Russia would simply have to accept the inevitable of an expanding NATO alliance.

Sadly, much of the bad blood between NATO and Russia stems from the heyday of the new detente in 1990-91.

When Soviet forces withdrew from East Germany, the Treaty of Reunification stipulated that its territory be free of armed forces and nuclear weapons. The jolly name EATO the European American Treaty Organization and other groupings including Russia were envisaged. The notion that NATO might leap-frog Germany, bag former Warsaw Pact countries in the east and sideline Russia was not in the cards.

Indeed, evidence strongly suggests that the Russians were reassured by the United States, Germany and Britain that no NATO expansion would follow their troop withdrawal.

According to Mikhail S. Gorbachev's testimony to this author: "In 1990, I was assured by, among others, Chancellor (Helmut) Kohl (of Germany) and then-U.S. Secretary of State James Baker that there were no plans for the expansion of NATO eastwards

"James Baker, in particular, said to me on Feb. 9, 'We understand that not only for the Soviet Union but for other European countries, it is important to have guarantees that, if the U.S., in the framework of NATO, maintains its presence in Germany, this will not lead to the extension of the jurisdiction of the military presence of NATO by one inch eastwards.'"

A senior British diplomat has confirmed such promises were definitely delivered by then Prime Minister John Major and Foreign Minister Douglas Hurd.

Another cause of smoldering Russian resentment is the NATO-Russian Founding Act signed, unhappily, by President Boris N. Yeltsin in 1997. This is a vague mishmash and source of endless disputes over jurisdiction.

The screws were tightened on Moscow in 1998. To gain the approval of Senate Foreign Relations Committee Chairman Jesse Helms, R-N.C., the unregenerate cold warrior who was crucial to the U.S. ratification of NATO enlargement, Secretary of State Madeleine K. Albright toughened up the terms of the 1997 act. Russia would now be "informed" of NATO's previous decisions. So much for NATO's "constructive, cooperative relations of mutual respect" with Russia.

None of this, essentially sugar-coated "containment," is satisfactory to NATO, which needs clarity and cooperation, or to Russia, which desires dignity.

Because potential threats from Russia stem from weakness rather than strength, it makes sense to reverse Cold War postures and increase Russian influence and confidence. Such support would also help Russia deal with internal problems.

Europe has made a start. Gratified by Russia's "decisive" contribution to the halting of the Kosovo bombing campaign, the European Community has made a warm statement proposing across-the-board cooperation. "Enough to drive you to the aspirin bottle," said a senior European statesman.

More concrete ideas have come from leading supporters of NATO, although not of its expansion, largely because it antagonized Russia without enhancing European security. In Britain, a group of top military leaders, including two chiefs of general staff and a raft of admirals and generals, last year wrote a letter to Prime Minister Tony Blair protesting NATO expansion. In America, roughly 50 ranking members of the U.S. foreign-policy establishment, including former Defense Secretary Robert S. McNamara, Paul H. Nitze, former Sen. Sam Nunn and others, sent similar objections to President Clinton.

Their suggestions for alternatives vary: freezing NATO expansion, developing Partnership for Peace military cooperation, creating subregional mutual-assistance pacts and European Union opening to Central and Eastern Europe.

Further along this path is the old idea of a European Security Council. This would be a regional executive linked to the United Nations, including the United States and Russia, and consisting of permanent and rotating members. In 1990, the proposal had won widespread support from Poles and Czechs, German Foreign Minister Hans-Dietrich Genscher, Gorbachev and others.

Russia officially backs the Organization for Security and Cooperation in Europe including Russia, the United States, Canada and all European countries as the main frame for European security. "But with Duma and presidential elections pending, nothing will happen," said a senior Russian diplomat.

Time is running out, as the relatively accommodating Yeltsin stumbles slowly into the sunset.

The Western problem is not simply to mollify a cross bear, but to find sensible ways of dealing with Russia's problems. As its conventional forces deteriorate, Russia relies increasingly on nuclear arms and warning sensors, which are in bad shape. Because NATO will not modify a strategy permitting first use of nuclear weapons, Russia has abandoned its former "no first use" policy.

As Nunn warns, Russia has "a launch on warning" policy, and Russian commanders increasingly risk receiving false attack signals of incoming warheads, due to arrive, say, in 15 or 30 minutes. These have already happened.

Blair, to his credit, recently de-alerted British nuclear forces to several days notice. It is clearly urgent that NATO and Russia should follow this example, but it is hard to see how this can happen if current tensions continue or worsen.

First Signs of a Policy Nightmare

By Michael Shifter

Special to the Los Angeles Times

Colombia is quickly becoming a "front burner" issue for U.S. foreign policy. The reasons escalating violence and rising drug

production are not hard to discern. But what the United States expects to accomplish in dealing with the hemisphere's most troubled country remains a mystery.

Washington's impulse to "do something" and "get tough" is understandable, even legitimate. But that impulse must

flow from a hard-headed assessment of what goals are realistic and feasible, a clear understanding of how far the United States is prepared to go and a rigorous analysis of possible consequences and ramifications.

The United States' creeping involvement in Latin America's third-largest country is undeniable. Colombia ranks third, after Israel and Egypt, in receiving U.S. security assistance. This year, the United States is providing some \$289 million to Colombia in counternarcotics assistance, three times the amount it gave in 1998, which was double each of the preceding two years. The bulk of the money goes to Colombia's national police; the country's military receives about \$40 million. In addition, the United States is sharing intelligence information with the military.

Few people doubt that more perhaps substantially more is yet to come. Recently, after meeting in Washington with Colombia's defense minister and armed forces chief, Gen. Barry R. McCaffrey, U.S. drug czar, proposed increasing the amount of support to drug-producing countries by \$1 billion, nearly \$600 million of which would go to Colombia (more than the Colombians themselves requested). McCaffrey defended his proposal by citing the "explosion" in cocaine production and spreading insecurity. Fighting drugs, in fact, remains the only rationale for U.S. Colombia policy that is politically popular and palatable with the American people.

But over the past several months, the loss of government authority and frightening advances by insurgents, toward the capital city of Bogota as well as across the borders of neighboring countries, have deepened Washington's concerns. Insurgent and paramilitary activities, a pervasive drug economy, political and institutional decay and an unprecedented recession (unemployment is at a record 20 percent) produce conditions that seem to deteriorate by the day. Colombians who are able to leave are doing so in droves.

President Andres Pastrana, taking a big risk in dealing with decades-long, seemingly intractable violence, has identified peace as his highest priority. Yet, with almost a year in office, he has little to show for the effort. His administration has suffered repeated setbacks and occasional humiliations, both military and political, in its pursuit of peace. To be fair to Pastrana, making progress with the country's most formidable insurgent force is anything but easy. The Revolutionary Armed Forces of Colombia, or FARC, which dates to the 1960s, is militarily and financially stronger than ever. Its roughly 15,000 combatants operate with a network whose members are estimated at two to three times that number. Aside from power in some form, it is not clear what they want.

After an auspicious meeting last July between then-president-elect Pastrana and the FARC's undisputed leader, Manuel "Sureshot" Marulanda, the country's chief guerrilla force has been obstinate in its behavior and unreasonable in its demands. There is a growing perception that the FARC is fundamentally uninterested in negotiations and that the insurgency is simply distracting the government while bolstering its position. From the outset, Pastrana's idea has been to deal with the FARC before turning to Colombia's other major violent forces, the leftist National Liberation Army, or ELN, and the rightist militia groups, each with approximately 5,000 combatants. But the FARC's recalcitrance, coupled with the militias' and ELN's ruthlessness and peevishness the ELN's kidnappings of airplane passengers and churchgoers shocked an already numbed nation have made it difficult for the Colombian president to succeed. Although a government negotiating team and FARC leaders announced a common agenda May 2, the areas for discussion remain exceedingly vague and cover the gamut, from reforming the justice system to redistributing land.

All this disheartening news has raised serious questions, both in Washington and in Colombia, about the clarity and coherence of Pastrana's peace strategy and even about the desirability of trying to negotiate with the insurgents. It is thus not surprising that U.S. policy-makers find themselves edging toward greater support for Colombia's security forces, whose principal goal is, after all, defeating the guerrillas.

Yet, is it the purpose of U.S. Colombia policy to defeat the guerrillas? Is it to reduce drug production? Or, taking a page from the U.S. role in El Salvador in the 1980s, to "level the playing field," which would enhance the Colombian government's leverage to negotiate peace with the insurgents?

For many U.S. officials, the answer is: all the above. They regard the guerrillas and those involved in the drug trade, producers and

traffickers, as virtually indistinguishable. They are interconnected in complex ways. But they are distinct and ought to be understood as such.

Important consequences flow from such a misunderstanding. For one, trade-offs among different policy aims tend to be ignored and belittled. There needs to be greater appreciation that not all objectives have equal weight and not all policies, however valuable and well-intentioned, can be pursued at the same time.

The evolving U.S. policy toward Colombia also raises some human-rights questions. The country's human-rights situation is dire by any measure, with about 1 million Colombians displaced from their homes. The vast majority of all political killings are committed by the country's expanding militia groups, whose links with the armed forces are varied and complicated, often depending on the region. Confrontations between the armed forces and the paramilitary groups have been rare. Although U.S. law requires any military unit that receives U.S. assistance to be thoroughly vetted, in practice this is hard to monitor and is bound to be highly contentious.

Human-rights questions aside, however, what's crucial is to face squarely what military aid to Colombia actually means. Should the United States make defeating the guerrillas its main goal? If so, how much would that cost and how long would it take? Once undertaken, how far is Washington prepared to go? The Colombian situation has all the elements of "mission creep." But military assistance is, at best, only part of what must be a comprehensive approach to help Colombia deal with its underlying problems.

Despite Setback, Irish Peace Still Has a Good Chance

By Kelly Candaele

Special to the Los Angeles Times

In early July, 15 months of peace negotiations between nationalists and unionists in Northern Ireland collapsed. In response, a young man on the Falls Road in West Belfast said to anyone close enough to hear him, "We should all prepare to duck."

His sentiments are understandable. The inability to build on success encourages the avatars of violence waiting in the wings. In the three decades of the modern "troubles" in Northern Ireland, other attempts to find a political solution to the strife have crumbled, only to be followed by renewed terror. Although there are lessons to be gleaned from this bitter history, there are elements in place this time that offer a modicum of hope. The politics have broken down, but a will to make peace continues to limp forward. The next eight weeks will be crucial.

The day before the Northern Irish Assembly was to nominate members to an inclusive executive cabinet, a critical component of the Good Friday Agreement, British Prime Minister Tony Blair sternly warned that the only alternative to the agreement was "the abyss." His message was clear: Take this agreement or face the potential of relegating another generation of Northern Irish citizens to the trauma and sorrow of war.

The next day, when David Trimble, leader of the Ulster Unionist Party and first minister of the Northern Irish Assembly, announced his party would not accept Sinn Fein's participation in government, the blame game started immediately. Trimble blamed Blair for pushing too fast and too hard for a final deadline for agreement. Gerry Adams, president of Sinn Fein, blamed Trimble and Blair, the former for a failure of leadership and trying to "rewrite" the Good Friday Agreement, the latter for trying to "placate" the unionists with futile last-minute amendments on arms decommissioning.

What didn't happen is as significant as the recriminations: None of the pro-agreement parties has given up the search for an agreement. Blair said he felt "the hand of history" on his shoulder, possibly meaning he was looking to history to provide insight into how dramatically Northern Ireland had changed since the mid-1970s.

A previous attempt at a power-sharing government for Northern Ireland was made in 1973-74. Assembly elections were held in 1973, and an executive Cabinet was established, with both unionists and nationalists participating. In addition, the "Sunningdale" agreement, named after the town in Britain where negotiations were held and signed late in 1973, created a Council of Ireland that gave the Dublin government a mostly symbolic role in deliberations on Northern Ireland.

But even these modest changes were too much for a majority of unionists to stomach. Brian Faulkner, the leader of the largest unionist party at the time, was forced to resign as party leader because of his support for Sunningdale. In a snap British general election, called in February 1974 by then-Prime Minister Edward

McCaffrey calls for increased aid to anti-drug forces in Colombia

By Jared Kotler
The Associated Press

BOGOTA, Colombia — Washington's top anti-drug official pushed for increased military aid Monday to fight rebels in Colombia, where rescuers tried to reach what might be the wreckage of a U.S. spy plane lost on an anti-narcotics mission.

Visiting the world's No. 1 cocaine-producing country, Barry McCaffrey said peace talks to end the nation's 35-year conflict would only work if Colombia's security forces were strengthened against the threat of "narco-guerrillas."

"The United States has paid inadequate attention to a serious and growing emergency," he told reporters after meeting with President Andres Pastrana.

He said America should provide more battle helicopters and training for Colombian military and police units.

The missing de Havilland RC-7 plane, packed with sophisticated radar and eavesdropping equipment, apparently slammed into an uncharted mountain in bad weather, likely killing the five American soldiers and two Colombian air force officers on board, McCaffrey said. It was reported missing Friday.

The names of the three American officers and two enlisted men based at Fort Bliss in El Paso have not been released.

Low cloud cover and rugged terrain have prevented searchers from reaching the site in southern Putumayo province.

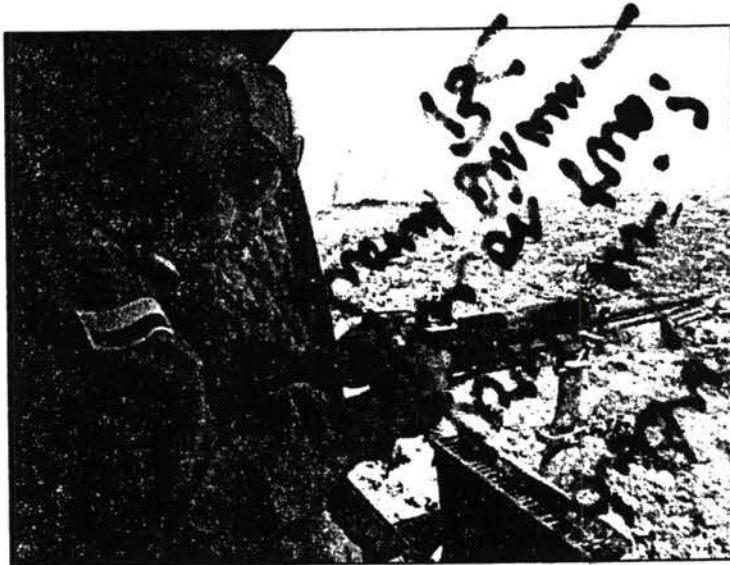
"It's extreme terrain," said Steve Lucas, a spokesman for the Southern Command in Miami.

Lucas said specially trained searchers could jump from aircraft, be lowered by ropes or hike up to the wreckage lodged high on a mountainside.

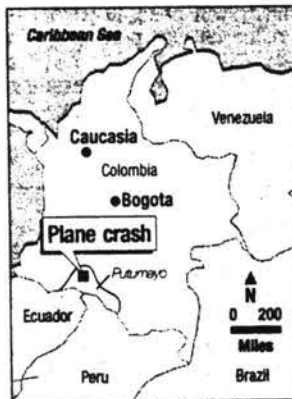
The plane dropped off radar screens as it circled over Putumayo, a major drug-cultivation area dominated by the rebel Revolutionary Armed Forces of Colombia, or FARC.

It was gathering intelligence on a "routine" counternarcotics mission, the Army said.

The United States uses satellites, radar installations and overflights to collect data on illegal coca and opi-



Drug war: Members of a Colombian anti-drug force fly over the jungle as a cocaine lab burns in the background Saturday near Caucasia.



Colombian talks: Colombian President Andres Pastrana, foreground, directs Barry McCaffrey to his seat.

um plots and traffickers' movements — part of an aid program valued at nearly \$300 million this year. Much of the aid has provided crop-dusting planes and the armed helicopters that escort them on fumigation missions.

Despite record spraying, those crops have doubled since 1996, with the most explosive growth coming in areas where the FARC presence has limited operations. The 15,000-member rebel group partly finances itself by taxing drug production and protecting traffickers' laboratories and airstrips.

Last week in Washington, McCaffrey proposed major additional U.S. counternarcotics aid to Colombia and its Andean neighbors. More than a third of the nearly \$1 billion pack-

age would go to beef up the Colombian army and police, so they can conduct anti-narcotics operations in FARC-dominated areas.

His plan also includes aid to the judiciary, and \$60 million for programs to wean small farmers off drug crops.

Though American officials insist U.S. aid is for fighting drugs, not rebels, the dividing line is blurring as rebel groups become more involved in drug trafficking.

Peace negotiations begun in January are going slowly, amid doubts about the FARC's sincerity. Hoping to increase pressure on the rebels to negotiate, Pastrana sent a representative to Washington recently to lobby for an additional \$500 million in military aid.

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7-28-99

Jiang Zemin Shows His True Colors

By Wang Dan
and Wang Juntao

We had many questions when we heard that the Chinese Government had outlawed Falun Gong, the faith-healing sect led by Chinese guru living in New York, and detained thousands of its members last week. These events made us wonder: Jiang Zemin, what are you doing? What is happening in China?

Is this the same President of China who recited the opening words of the Gettysburg Address when he visited the United States in October 1997? Or the Jiang Zemin who openly debated the issue of human rights with Presi-

Wang Dan, a student at Harvard, was the student leader of the Tiananmen Square protests in 1989. Wang Juntao, a student at Columbia, ran an institute in Beijing that urged political reform. Both were imprisoned, and now live in exile in the United States.

dent Clinton in the Great Hall of the People in June 1998? Is this the same Jiang Zemin who agreed to sign the two United Nations human rights covenants last year, declaring that China would henceforth improve its human rights record?

None of that has come to pass. At the end of 1998, Xu Wenli, Wang Youcai and Qin Yongmin, founding members of the China Democracy Party, were each sentenced to more than 10 years for trying to establish an opposition party. And this year, more than 200 members of the China Democracy Party have been arrested and prosecuted by the regime.

Mr. Jiang has long been an enigmatic figure in the West. In political circles and business circles, in the media and in academics, many people have regarded Mr. Jiang, to quote President Clinton himself, as a "man of extraordinary intellect, very high energy, a lot of vigor."

But now, we can see that Mr. Jiang is not the kind of leader we had hoped for. The policy of engagement with the Chinese regime, from beginning to end, has not been successful.

The United States and the Chinese Government have continued to de-

clare that a dialogue is the best way to improve human rights. And the United States has not reacted forcefully to China's repeated violations of human rights. Instead the United States has sent a special envoy to Beijing to shake hands and toast the

Arrest upon arrest, and still the West does nothing.

Jiang regime. And now it has just been announced that President Clinton will meet with President Jiang in September.

At this meeting, President Clinton should forcefully remind Mr. Jiang that the United States will not sit by passively as his regime continues to deprive the Chinese people of their basic human rights. Mr. Clinton should insist on the release of Xu Wenli, the other members of the China Democracy Party and the fol-

lowers of Falun Gong.

Mr. Clinton should let Mr. Jiang know that if he does not comply, the United States will take appropriate measures. Without a strong reaction from the United States, the Chinese Government will make no progress on human rights.

The West is now engaged with China only for political and commercial interests. The result is that the Jiang regime, which sees the weakness of this strategy, feels free to defy the rights of its more than 1.2 billion people.

The actions of the American Government do affect more than state relations. For instance, nationalism wasn't the only reason Chinese college students violently protested NATO's accidental bombing of the Chinese Embassy in Serbia. Chinese students and intellectuals also rightly see through the policy of engagement — they see the West wavering between human rights and commercial interests.

The United States should push for a free and democratic China. We call on the American Government to stand up and speak out, "Stop, Jiang Zemin."

TUESDAY, JULY 27, 1999

The New York Times

THE PRESIDENT #41

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7-28-99

Thomas J. Donohue

Market Foothold In Cuba

I have just spent three days in Havana, where I had the opportunity to discuss Cuba's future with a wide range of people: street vendors, small shopkeepers, political opponents of the regime, religious leaders, university students and President Fidel Castro himself.

I had three goals:

- To learn about Cuba's economic conditions and to discover whether a fledgling private sector exists.
- To determine what role, if any, the U.S. Chamber of Commerce can play to spur the growth of enterprise in Cuba.
- To assess the role U.S. firms might someday play in the economic development of Cuba.

I am more convinced than ever that it's time to open a new chapter in relations between the United States and of Cuba.

Though Cuba is impoverished, beneath the surface an entrepreneurial spark has been ignited that the Cuban government has not yet snuffed out. Therein lies a small but hopeful opening for a nongovernmental organization such as the chamber to aid the creation and growth of a true Cuban private sector.

We do so mindful and respectful of those in our country, particularly in the Cuban exile community, who believe that contacts between us should be minimized until a complete change in government occurs. I disagree. Increasing contact now will speed this positive development, not slow it down.

Like most Americans, the U.S. Chamber disapproves of the political, economic and human rights policies of the Cuban government. We have said so in the United States; I said so repeatedly in an unprecedented speech at the University of Havana in Cuba, and I said it to Castro himself.

While the Cuban president made clear to me that he has not reformed his views or softened his ideology, in recognition of its crumbling economy the regime is now permitting certain activities and associations that were previously banned. Slowly, the process of change in Cuba has begun, and we ought to support it where we can.

It is a tragedy that, during one of the most exciting and dynamic periods of global economic expansion and technological innovation, the Cuban people have been left out. Castro, of course, blames the United States and its embargo. The embargo has no doubt been a hardship, and, in fact, well before my trip, the U.S. Chamber had gone on record calling for the lifting of the embargo against Cuba.

But more than any other factor, the lack of independent, private enterprise has held Cuba back. We now have an opportunity to help Cuba move to the right side of history, even if Castro won't.

As a nongovernmental, voluntary, private-sector organization, the U.S. Chamber—with a well-established track record of operating American chambers around the world in all kinds of political, economic and diplomatic environments—is an appropriate institution to undertake this delicate effort in the face of the continued estrangement of our governments.

And so during this visit, we agreed to build our relationship along two avenues. First, we will deal directly with the small new private sector in Cuba by forming a working group of independent Cuban entrepreneurs, through which the chamber can provide training and development programs. And second, we will work with the Cuban Chamber of Commerce and its state-managed member corporations.

Those of us who are concerned about the economic well-being and human rights of the Cuban people face an important choice. We can let them continue to suffer in isolation, with no guarantees that Castro's successor will be an improvement. Or we can nurture, through nongovernmental approaches, an emerging private sector in Cuba—with the realistic hope that it will one day grow into the dynamic and positive force for change and freedom that it has been elsewhere in the world. It is time to try that new approach.

The writer is president and CEO of the U.S. Chamber of Commerce.

The Washington Post

MONDAY, JULY 26, 1999

7-28-99

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Essay

WILLIAM SAFIRE

Point That Finger

WASHINGTON

We have stumbled into the era of no-fault government. Blamelessness is next to godliness; nobody in authority is held responsible for blunders, no matter how costly.

Take last week's case of the cell biologist at a Berkeley, Calif., lab who was found to have faked his research findings — supposedly linking electric power to cancer — to win his lab \$3.3 million from three Federal agencies.

A whistle-blower alerted the Office of Research Integrity, which found him "falsifying and fabricating data." The swinging scientist, Robert Liburdy, avoids prosecution by not contesting these findings, though he admits nothing.

Is the lab being forced to return the money to taxpayers? No. Its lawyer tells William Broad of *The Times* that the unused portion is "being used for other science."

What of those at the Departments of Defense and Energy and the N.I.H. who ladled out the money and now make no effort to recover it? No letter of reprimand for nonfeasance is being placed in anybody's personnel file.

That's typical of no-fault government. I'm not talking about prosecution for criminal wrongdoing — only the absence of penalty for failure to do one's job.

Another case: The *Times*'s Tim Weiner reported that House Appropriations discovered the Air Force illegally diverting untold millions to a secret "black program." Congress has secure procedures for financing secret operations, but here a Pentagon clique apparently resisted. With unwitting irony, the Pentagon spokesman brushed it off as "an oversight."

Did successive A.F. Chiefs of Staff know of this misuse of funds? Did Senate Armed Services ask the Acting Secretary, Whitten Peters, about this during confirmation? If those in command were in the dark, shouldn't they be publicly reprimanded, if only as an example to other easily duped administrators?

That would be "finger-pointing," now a bureaucratic no-no. Only institutions may be chastised in this blame-free society — not those individuals wrapped in anonymity who make the costly mistakes.

Remember that cruise missile President Clinton launched to take out a suspected terrorist target in Khartoum in Sudan? The pharmaceu-

tical plant, Al Shifa, was destroyed with great precision.

But it turns out somebody goofed. The plant really was making medicines and we are now quietly paying the Sudanese compensation. We can presume no evil intent — not even a Presidential attempt to change the subject — only a disastrous misjudgment.

How should you assign blame when identification of those responsible might endanger their lives? In that case, Richard Clarke, who is Samuel Berger's counterterrorism chief at the National Security Council, should come forward to say:

"An outside task force has examined mistakes made both in collection and evaluation of evidence. Its top-secret report has been made to the intelligence committees of the House and Senate, which can make their own judgments. We have also spelled out the procedures newly designed to avoid any repeat of this failure."

That would make certain that those responsible know exactly what they did wrong, and know that a repeat of the mistake will result in transfer to a less dangerous line of work. Such corrective is necessary training; its avoidance promotes incompetence.

The same approach should apply to the sequence of breakdowns in collection of intelligence and command decision-making that led to the mistaken bombing of the Chinese embassy in Belgrade.

As of now, some sort of explanation has been provided to Beijing as part of our groveling process. But Chinese intelligence, which lost three of its best operatives (under journalistic cover) in the bombing, guiltily suspects we wanted to close down its secret operation that may have been aiding the Serbs. That fitted neatly into Beijing's need to whip up nationalist fervor against the West to divert its people's minds from deflation and the spiritual pull of Falun Gong.

For the sake of improvement of our own military intelligence — and not to prolong the kowtowing — the N.S.C. should lay the facts before Congressional overseers. Bumbling is forgivable only if it leads to specific acknowledgment of error, even if in secret.

Enough of this evasion of accountability as "the blame game" and airy dismissal of responsibility as "who-shot-John." Finding fault now averts greater fault later. □

Who called
off the
blame game?

THE PRESIDENT - AS SEEN
7-28-99

Sunday
G. H. Meier
What should
be working for?
Are we right?

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THE PRESIDENT HAS SEEN

7-28-99

discovery
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Why One Vote Won't Kill the F-22

By Lawrence J. Korb

Defense projects have a curious way of evading the will of Congress and the President.

For instance, a report released last week contends that when Congress does not appropriate money for troubled programs, the Pentagon, in defiance of the law, has sometimes kept the programs intact by diverting money from other programs or by simply spending money that has not been appropriated. The Pentagon said that it never intended to deceive; it had simply made honest mistakes.

But the Pentagon isn't the only one to blame for defense programs that

Lawrence J. Korb, the director of studies at the Council on Foreign Relations, was an Assistant Secretary of Defense in the Reagan Administration.

continue ad infinitum. Take the F-22 fighter jet. From the news in recent days, it sounds as if this \$70 billion program could be canceled. The full House followed the lead of the Appropriations Committee and denied the Air Force's request for \$1.8 billion to build its first six F-22's.

Defense Secretary William Cohen has strenuously objected, and President Clinton has threatened to veto the appropriations bill if the Senate follows the lead of the House.

But even if the appropriations bill becomes law, the F-22 program won't really be over, because the House measure doesn't really cut off all financing. It merely denies money for production next year. The committee left \$1.2 billion dollars in the program to continue research, development, testing and evaluation. And, as the history of defense procurement shows, even when Presidents, let alone the Congress, cancel programs, they do not die.

On June 30, 1977, President Jimmy Carter decided he would not allow the B-1 bomber to move into

production because it was an unnecessary, expensive weapons system. In Mr. Carter's mind that decision was the end of the story. But he allowed the Pentagon to continue research and development in case the more cost-effective alternative systems, the B-2 bomber and the cruise missile, ran into difficulty.

The Air Force, Congressional hawks and the Rockwell International Corporation used that "hedge" money to keep the program alive until Mr. Carter left office, and in 1981 President Ronald Reagan allowed the Pentagon to build 100 of these manned bombers.

Similarly, a decade ago, the Bush Administration and Congress agreed to build only 20 B-2 bombers, instead of the planned 132. But the B-2 was allowed to continue to receive some financing for research and development. In the 1996 Presidential campaign, Bob Dole pledged to build more than 20; President Clinton agreed to build one more. In the 1999 defense budget, there was still \$400 million in the B-2 program. And now

many argue that because of the \$2 billion bomber's apparent success in Kosovo, the Pentagon should renew production.

In 1991, President George Bush refused to produce the V-22 Tilt Rotor Osprey aircraft or to authorize the building of more than one

**Weapons projects
have many lives.
Ask Jimmy Carter.**

Seawolf nuclear submarine. But Congress kept the programs alive by continuing to finance development, and President Clinton eventually approved the production of 500 Ospreys and two additional Seawolves.

Of course, defense projects can be permanently canceled. In 1991, Defense Secretary Dick Cheney

stopped production of the Navy's A-12 Stealth aircraft. He not only took all the money from the program, but he also asked the contractors to refund the money that the Pentagon had advanced them. This dispute is still in court.

If the House really believes, as it said, that the F-22 is an unnecessary extravagance, it should cut all financing for the program. If there is any money at all, the F-22 is likely to be built — just like the B-1 and B-2 bombers and the V-22 aircraft.

After all, the House Appropriations Committee already tried ending the F-22 program in 1990, calling it a financial disaster waiting to happen.

That disaster has happened: the projected price of the F-22 has more than doubled, and over the past decade the Pentagon has put \$20 billion into the program. Congress might even consider following Dick Cheney's example and try to get a refund because of all the cost overrun to date.

~~Sandy~~
~~1/17 letter~~ ~~RE~~

7-28-99
THE WHITE HOUSE

7/28

~~Mr. President -~~

a personal matter. If it is possible, I hope you will be able to attend the service for Dan on Monday. He was devoted to you; it will mean a lot to Deb and would have meant everything to Dan.

Sandy

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ROBERT G. HEISERMAN, P.C.

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TELEPHONE 970.925.2702

Staff Secretary
Please, respond -

July 26, 1999

7-28-99

Send to Burkhardt?

Yes ☒

No ☐

Mr. Kris Engskov
Presidential Aide
The White House
Washington, D.C. 20502

Dear Mr. Engskov:

Enclosed please find a proposal for a High School essay contest to be administered and funded by the American Inns of Court Foundation. This proposal is entirely my idea and has not even been submitted to the Foundation for consideration.

During his trip to Aspen, President Clinton expressed interest in my concept, even at this early stage. When I told him I did not have anything in writing on Saturday, he asked a Secret Service Agent to give me the card of someone named Kris. For that reason, I am forwarding this draft of my proposal as requested by President Clinton. He was kind enough to agree to receive this draft in response to my request for comment and encouragement.

It is my intention to submit this proposal to the Foundation in the near future as a national project. I would be flattered if anyone could take a moment and acknowledge receipt of this letter. If there is time to comment, I would be extremely grateful. I may be in Washington in the first week of August, 1999. If there is interest, my office can locate me.

Thank you very much for your attention.

Sincerely,


Robert G. Heiserman

RGH/drn

ROBERT G. HEISERMAN, P.C.

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A PROPOSAL FOR A HIGH SCHOOL ESSAY CONTEST

**CIVILITY IN OUR COMMUNITY
AND
A COLLEGE OF ESSAYISTS**

TO BE ADMINISTERED AND FUNDED BY THE INNS OF COURT

This proposal is solely the concept of Robert G. Heiserman, attorney. This idea has not yet been shared with the Inns of Court nationally. Mr. Heiserman is Treasurer of The Rhone-Brackett Inn in Denver, Colorado. He has been authorized by that chapter to explore the concept for that Inn.

Civility, or its absence, can characterize any community. Civility is the real power of community growth and salvation. The mere symbols of strength, which grace the shield of a defender or the sword of the righteous aggressor, pale in comparison. The soul, vitality and renewal of a community rest in the celebration of individual human kindness, dignity and respect. Civility is inherent in the search for an answer to the question we hear far too often lately: why does it take a tragedy of this magnitude to bring us together?

The judges, lawyers and law students of the Inns of Court are uniquely qualified to encourage and reward the contribution civility makes to our lives. In each Inn a committee of three judges, one senior and one younger lawyer and a law student could review the essays submitted by high school students. The committee would be presided over by one of the judges in matters of fair administration and resolution of tie votes. Each Inn should confirm the membership of this award committee on an annual basis. Each Inn would be responsible for receiving, reviewing and funding the prize money for the winning entry. The essay best describing the ways civility improves our community would be selected for a cash prize of \$500 with the Inn inviting the winner, parents or guardians and a teacher to a presentation dinner.

If the Internet supported the process for submission and grading, then better use of the committee's time would be possible. Submissions could be electronically distributed and graded by e-mail. A web site could be accessed by password to make the process simpler to manage.

A second Internet implication is the creation of a college of civility essayists drawn from the winners over time. The winner each year would receive an invitation for life, renewed on an annual basis by the Inn, to be included in the reviewing and grading function. E-mail could keep the committee and its invited graders connected. This aspect of recognition for a winning essay is intended to confirm and empower high school students. It implies that those who have accepted responsible roles in community life recognize that their significance changes over time, that the high school student today is the hope for a civil community tomorrow. The prize and award are really an initiation into community life; not a dinner, a check and a plaque. Young people need acceptance and appreciation of and for their views, courage of expression and support.

A third implication would be a national **civility in our community** essay contest administered by the national organization. A grading and award committee would accept submissions every four years only from those who had been selected as winners by an individual Inn. Perhaps this contest could be timed to anticipate the Presidential campaigns. The essays might contribute to the quality of campaign issues.

A fourth implication from the Internet support would be the collection of not only winning essays from the individual Inns, but honorable mentions, as well as the winner of the presidential campaign year from the **College of Essayists**. An electronic compilation of these writings, the names of the writers and those they mention as parents, guardians and teachers, along with award ceremony photographs at the Inn or national level could be placed in a web site. Over time this archive would encourage other high school students to submit their views, provide guidance to the various review and grading committees and develop a super-yearbook.

By recognizing the value of their expressions and confirming their importance in community life, the concept of civility enhances respect for people and law. The invitation to participate in community life, for life, is intended to reward their insight and courage to speak in a special way. In another sense, this is an acknowledgement that time will move us all along anyway. Greater emphasis on civility in this sense will guide the development of community values in a positive way.

Marketing of the contest might be accomplished through relationships with the newspapers connected on-line with high school journalism programs and web sites for home schooling associations. Bookstores might provide a place to present the winners and contribute donated texts with acknowledgements of the winner. Telephone book "community pages" might annually carry a line or two from the most recent winner with a reference to the Inns of Court contest. An active area of marketing for telephone book companies has become the sale and support of Internet and electronic commerce relationships drawn from telephone listings, especially from practicing lawyers. Over time the essays might be accumulated on a CD-ROM for sale by the national organization to educators. Arrangements with regard to intellectual property interests should be resolved through ordinary legal measures protecting the interests of the authors. Decisions would have to be made by both the local and national organizations involved about permitting private contributors to add to either prize money or contributed resources to support the administration of the contest. If particular interests sought participation in the contest, then the national and local organizations might consider encouraging their own contests. If requested to do so, experience with the administration, funding and Internet support processes should be shared with other groups to enhance the positive effects of the Inns of Court **Civility in our Community** contest. Electronic media might cover the contest and award with radio interviews adding more opportunity for the views of the student winners as well as writings of the **College of Essayists**. With a minimum of effort, certificates can be developed commemorating the winning student as well as honorable mentions. Perhaps the greatest impact of all might be the recognition of community leaders who take time from pressing demands to listen to, appreciate and encourage the young people who, quicker than we know, will be looking after us. What kind of community can reinvent itself fruitfully if its future leaders take heartfelt concerns about violence in school to national political leaders only to be seated on the steps of the capitol, told they are wrong and then assured their voices mattered? Will they imitate that behavior when their children come to them with dreams of the community they want to build? A life-long commitment to belief in the value of **civility in our community** is one way to encourage growth and renewal, vitality to deal with the stresses time places on values and the vision to reinvent our society.

A final thought about the topic itself is necessary. Since the term civility has recently been borrowed as a partisan political tool, some education will be required to emphasize its greater value. This can be accomplished in the notice announcing the contest. Differences of opinion, the intensity of argument and the simple truth that democracy creates and protects diversity will provide the sizzle.

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7-28-99

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For Zoë Baird, a New Opportunity for Public Service

By AMY HARMON

The invitation was "the kind of thing that makes your eyes glaze over," as one attendee put it — a meeting to discuss the dispensation of Internet addresses.

But perhaps because they scented resources or perhaps because the summons came from Zoë Baird, representatives of several nonprofit groups gathered in Washington on Thursday to hear why they should care that the Internet's first governing body was being formed without their input.

The gathering marked the beginning of a new crusade for Ms. Baird, President Clinton's onetime nominee for Attorney General, who has served as the president of the Markle Foundation the last year and a half. Though she has long advocated public representation in decisions about technology, Ms. Baird is now starting to act — and to spend a lot of money in the process.

Today, the New York-based Markle Foundation will announce plans to give away \$100 million — more than half of its \$187 million endowment — over the next three to five years to carve out a place for the public good amid the frenzied commercialization of the Internet. The idea is to make a difference in areas from governmental policy to health care to children's media before it is too late.

"We've concluded that this is a critical time to build things that benefit the public into the development of communications media," Ms. Baird said. "The forces that are driving the growth of all this won't do that. We have to consciously attend to making it happen."

The move is significant both because of the scope of the spending and the singularity of the goal. Markle plans to give away

its assets at least twice as fast as the 5 percent required by law. The average for the nation's foundations is only slightly more than the minimum.

"They're eroding their assets, and they're doing it on purpose," said Sara Engelhardt, president of the Foundation Center, a New York-based group that tracks foundation giving. "Their interest in technology has obviously led them to believe that this is a pivotal moment and spending now is as important as investing and having more money in the future."

Heading a foundation that strives for a public role in the Internet.

In another departure from conventional grant-giving, the donations will not be limited to nonprofit groups. Markle's first major commitment is to a joint venture with Oxygen Media, an Internet start-up working to develop women's programming across different media platforms. Markle and Oxygen will spend a combined \$8.5 million the next three years to conduct research on the information needs of women. Markle has pledged an additional \$1 million to finance programming based on the study's findings.

Markle's new mission also reflects a turning point for Ms. Baird, who has kept a relatively low profile since 1993, when the Clinton Administration withdrew her nomination to serve as the nation's first

female Attorney General. Ms. Baird faced a storm of criticism over having hired illegal immigrants to take care of her children and her failure to make Social Security payments for them.

But she has not been resting. After returning to her job as corporate counsel for Aetna Inc., Ms. Baird spent a year at Yale Law School as a visiting scholar before joining Markle in January 1998. She has served for six years on the President's Foreign Intelligence Advisory Board, and sits on the boards of several nonprofit organizations.

Despite all this involvement by Ms. Baird, some associates say they sensed that she was casting about for a more meaningful challenge. Jimmy Carter, who brought Ms. Baird into the White House as his associate counsel and whose Carter Center is now receiving a Markle grant, says he remembers seeing Ms. Baird at the Clinton inaugural gala shortly after her nomination was withdrawn.

"She was sober and very disappointed but was determined to find another place to utilize her talents," Mr. Carter said. "I don't think she was ever quite satisfied with being a lawyer that would research land titles and things like that. I think she saw herself doing great things."

Perhaps still bearing the scars of that intense public scrutiny, Ms. Baird, 47, was guarded and careful to be accompanied by Markle's public relations specialist in several interviews last week. On a hot afternoon, she wore a black suit and stockings, softened by a pink scarf loosely tied around her neck. She declined to say where she lives in Connecticut or much about her personal life.

But once she started to speak about the urgency of the task at hand, it was hard to mistake the light in Ms. Baird's eyes for anything but passion for her cause.



Andrea Mohr/The New York Times

As president of the Markle Foundation, Zoë Baird has shifted its focus.

The foundation, which was established in 1927 by John Markle and Mary R. Markle, whose families made their fortunes in coal mining and finance, has a broad goal of promoting "the advancement and diffusion of knowledge" and the "general good of mankind." Over the years, its focus has ranged from medical research to the role of mass communications in a democratic society.

The decision to dedicate Markle's resources to information technology — the foundation is perhaps best known for seeding "Sesame Street" in its early days, and has tended to focus on more traditional media grants — emerged from many months of consultation and research.

At a time the Internet industry is almost entirely preoccupied with its own growth and the Clinton Administration has for the most part seen fit to leave well enough alone, "I was really struck by how little public discussion there is in the field," Ms. Baird said. "I think people need to see a way for themselves to be influential and to speak for the public interest, and I hope we can help them find paths to do that."

To Stephen M. Case, chief executive of America Online, which is working with Markle for a second year on an effort to provide in-depth election information over the Internet, Ms. Baird's willingness to work with the for-profit sector will be key to determining Markle's effectiveness.

"The notion of a private-public partnership is very critical," said Mr. Case, who invited Ms. Baird to speak at his home recently on the subject. "It's clear that Markle got it; they've recognized that the Internet is a social force, and they're figuring out where nonprofits, governments and companies can work together in new ways."

Although Ms. Baird's business experience is rooted in bigger, more traditional companies, staff members say she is already beginning to run Markle more like an Internet company, distributing authority in a decentralized fashion among the 20-person staff.

Still, it seems some of the attributes that qualified her to be nominated for Attorney General apply to her role as foundation president, too:

"Being with her is part cross-examination, part enthusiasm and willingness to think outside the box," said Kim Spencer, executive director of Internews, a Markle grantee. He credits Ms. Baird with pushing his organization to come up with new ways of generating revenue. "But you can always see the lawyer in her."

THE WHITE HOUSE
WASHINGTON

7-27-99

July 27, 1999

MR. PRESIDENT:

The attached memo from Maria is in response to your request for a possible additional candidate to receive the Medal of Freedom in this year's ceremony.

Sister Isolina Ferré is an 85-year-old Puerto Rican nun who has spent most of her life working with the poor in the Navy Yard section of Brooklyn and in her native Puerto Rico. She has received numerous awards for her work, including at least 10 honorary degrees, the Rockefeller Foundation Public Service Award, and the National Puerto Rican Coalition's Life Achievement Award. I have attached some additional information on her. Melanne Vermeer has cleared on it.

Approve ☒

Disapprove ☐

Discuss ☐

Sean Maloney *FM*

copied

Vermeer

Echarate

Burkhardt

Saunders

MEMORANDUM

TO: SEAN MALONEY
FROM: MARIA ECHAVESTE
DATE: JULY 22, 1999
RE: MEDAL OF FREEDOM RECOMMENDATION

Sister Isolina Ferré is the founder and custodian of four community service centers in Puerto Rico named Centro Sor Isolina Ferré. Their mission – and the focus of this octagenarian nun's life's work – is to help disadvantaged people take control of their own lives.

Although Sister Isolina was raised in one of Puerto Rico's most affluent families, she chose a life of service. In 1935, at the age of 21, she entered the religious order of the Missionary Servants of the Blessed Trinity, and subsequently worked in a number of urban and rural communities. Her efforts with youth gangs in Brooklyn, New York brought her international attention. Among the honors bestowed to her was the "Key to the City" from the Mayor of New York City.

In New York, Sister Isolina learned that young people join gangs because they sought a social bonding that was missing in their lives. Over time she developed a holistic approach, focusing on increasing self-reliance in young people. Twenty-eight years ago, when most people her age would have thoughts of retirement, Sister Isolina returned to Puerto Rico to open her mission in a waterfront neighborhood called Playa del Ponce, near the docks – streets teeming with high unemployment and crime.

In the 1980's, the program expanded to San Juan thanks in part to a grant from the U.S. Department of Justice, totaling \$165,000. In the first two years of expansion, the crime-ridden neighborhood saw its crime rate drop 23%. When federal funds were cut to \$37,000 the following year, the crime rate in the neighborhood dropped just 3%. Today, Sister Isolina's centers operates clinics, feeding programs, pre-schools, special education programs, vocational classes, adult education programs, and community workshops.

The centers produce a line of local handicrafts, prints, souvenirs, and greeting cards sold in gift shops all over the island under the brand name Arte Senias t'Bieba. The four centers operate on an annual budget of about \$1.3 million.

In 1987 Sister Isolina met with President Reagan and Vice President Bush at The White House when she received the National Puerto Rican Coalition's (NPRC) Life Achievement Award. The memoirs of Sister Isolina, "In a Quest of Vision" was published by Paulist Press in 1997.

Tapping Hidden Strengths

by M. Isolina Ferré

Sister M. Isolina Ferré is the founder of the Centros Sor Isolina Ferré in Ponce Playa, Puerto Rico. A member of the Missionary Servants of the Most Blessed Trinity, she has had an active career working among the poor in the US and Puerto Rico. She has a MA in sociology from Fordham University, has received 10 honorary degrees, and the Rockefeller Foundation Public Service Award for community revitalization.

The Ponce Playa Project has succeeded in limiting crime and violence through the revitalization of the Ponce Playa community. The project is based on the principle that a community made aware of - and empowered to tap - its own resources will come alive.

The residents have created an environment conducive to achievement rather than delinquency or violence. Crime rates have fallen from 19 to 10 percent since 1969. And juvenile delinquency has decreased by 47 percent in the areas where centers are established. The centers currently operate 40 programs aimed at providing education, counseling and services for children, adolescents, young adults, families, single mothers, runaways, school drop outs and the unemployed. In 1993, direct services were provided to 12,000 participants, and indirect services helped 40,000.

In this reading, Sister Isolina introduces two of the center's programs. For more information, write: P.O. Box 213, Ponce, Puerto Rico, 00734-3213.

In 1968, I returned to Ponce Playa, the port section of the beach of Ponce - the second largest city in Puerto Rico - from the turbulent streets of the Navy Yard section of Brooklyn. Ponce Playa was an isolated area where 16,000 people lived, neglected by government and private agencies and with delinquency rates more than twice that of the city of Ponce. Here, with a handful of fellow religious, a few university professors, and a number of dedicated citizens, we faced the task of helping the people of Ponce Playa help themselves to achieve a new life.

We wanted to bring the community to an awareness of its hidden strengths, to give expression to those strengths, to develop among the people of the community the competency to protect themselves and their children.

We began with the concept that community could advocate for itself. We selected young people to act as advocates for youths who had come to the attention of the police or the courts.

The first reaction of the police to the Ponce Playa Project was suspicion and distrust. They saw us diverting youths from the juvenile justice system after they had arrested them.

Slowly, however, they came to know our advocates - young people from Ponce Playa who knew the streets and served as big brothers or sisters to juveniles sent to us from court - and the advocates came to know the police. Now a very good relationship prevails. The police, when they apprehend a youth from Ponce Playa, will often call the advocate first rather than bring the youth to court.

The photography program is another example of this realization of community strength. Some friends at Kodak had sent us some simple cameras and other friends volunteered to teach photography to the children. This became very popular among the youths and developed into one of our best-known programs, the Young Photographers of Ponce Playa. The works of the Young Photographers have been exhibited in many prominent places in Puerto Rico and in an exhibition at the New York Metropolitan Museum of Art in 1976.

The main point of this program, however, was not just to teach young people how to take pictures. Our objective was to help them develop an awareness of themselves, their friends and neighbors, their entire environment. We wanted their photographs to be an instrument to help them gain a new perception of their lives. It resulted in a deeper sensitivity (*conscientización*) about who they were and what their community was. Everything we did was directed toward this kind of community consciousness.

The project shows that public policy must give the people in poor communities a sense of their own dignity and importance, assist them as they take advantage of their own resources to create a meaningful life for themselves and their children, and give them access to satisfying employment that enables them to support their families and communities with a sense of pride and dignity. In that environment there is no room for violence to take root; rather, peace and self-fulfillment thrive.



CENTROS
S O R
ISOLINA
FERRE
A COMMUNITY
FULLY ALIVE

FOUNDED IN 1969



Sister M. Isolina Ferré, M.S.B.T.
Chief Executive Officer

SERVICE IS OUR WAY OF COMMUNICATION

COMMITMENT

OUR CENTER (PONCE)

Centro Sor Isolina Ferré is a multiple services project founded in 1969 by Sister Isolina Ferré, the Missionary Servants of the Most Blessed Trinity and a group of Community Leaders from La Playa in Ponce.

Its main goals are the prevention of juvenile delinquency, the strengthening of the family and fostering the revitalization of the community through the solution of its own problems.

The community of La Playa is located in the water front sector of the city of Ponce, in the southern cost of the Island.

OUR MISSION

The commitment to the community we serve is to promote the development of the human being by carrying out the revitalization and restoration of the community, making it an active participant in its auto-development process. This is our mission.

Our Center is an ecumenical and community action entity, fomenting a culture of commitment towards ourselves and our fellowmen, facilitating an authentic living together.

It is an awakening of faith and good will, imperative factors in making justice and peace work.

It is a set of programs and projects designed to create a community in unity and peace, which works free of social or religious discrimination, in looking for a spiritual situation based on reciprocal confidence among brothers and sisters.

It is a dynamic and evolutionary organism which changes according to the experiences of its reality, but always keeping unchanged its goal: **The full development of every human being.**

COMMUNITY

MISSION

EDUCATION

"Education is the extension of mankind into the whole world. It is a process involving all human and environmental factors, having as its goal the development of individual's physical, intellectual and perceptive capacities to deal with the different aspects of his or her world."

The Center has established educational programs for youth and adults so that these may obtain their intermediate school certifications, helping them to continue post secondary studies, get jobs and to improve their self esteem.



ALTERNATIVES TO THE FORMAL EDUCATION

The alternatives have been created to help the participants to acquire those skills that will develop in them a sense of self-dignity and self-respect as children of God. These are:

Photography	Calligraphy	Theater	Dance
Modelling	Pottery	Lamination	
Post Cards	Cosmetology	Ballet	

Vocational and Technical Courses:

Health Aid	Electronics
Industrial Sewing	Upholstery



YOUTH

The Helping

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SOLIDARITY

SPECIAL EDUCATION

The Helping Hands Project (Manos que Ayudan)

This Project has been created to serve those children with limitations where the participants and their immediate families receive therapy, developing in them a sense of hope and dignity.



ECONOMIC DEVELOPMENT

Our aim is to use those learned skills acquired by the participants in our various programs to reduce unemployment and market those articles produced in our pottery, silkscreening, postcards, posters and T-shirts workshops.



DEVELOPMENT

JUSTICE

ADVOCATES AND RELATED SERVICES

The advocates are community leaders, skilled in providing help and serving as a bridge between the troubled youth and the institutions. These are assisted by a team of social workers and counselors who serve as a liaison between the family and the community.

The educational clubs, recreational groups, sports events, workshops and seminars serve as a tool for advocacy work and motivation with the youth. The result is the creation of juvenile peer counseling groups to help in the strategies to deal with juvenile delinquency and other social problems.

Other prevention and rehabilitation services include: "Cariño" (Tender Care) project, which provides direct services to pregnant teenagers and their partners; "Casa Abierta" (The Open House) project, provides services to runaways and their families; "Buen Camino" (The Good Path), project providing services to the children of convicted parents.



INTERVENTION IN THE COMMUNITY

The educational process of our Center starts with its goal: To achieve the revitalization of the community. In order to achieve this goal we have a community development program which includes the training of leaders in the organization of the community. This community development program model can be replicated in any community lacking essential services. It also provides for interagency liaison for a more effective team action within the communities.

LEADERSHIP

PROGRAMS

Message



The mission of the Missionary Servants of the Most Blessed Trinity and the mission of the Centros Sor Isolina Ferré, Inc. have the same common goal: The full development of every human being.

On one hand, the Missionary Servants have the mission of working in the development of leaders and to service abandoned causes; on the other hand, the Centers look for the full development of each person - making every man a better man and every woman a better woman. This is possible through a series of programs and services, alternatives and opportunities created for our community, our youth, and our families. "A community grows when it revitalizes, re-educates and rediscovers itself" (Sister Isolina Ferré, MSBT).

We have a great responsibility with our brothers and sisters. Following the exhortation from Pope Paul VI, we must fight misery, injustice, and promote the spiritual and human progress to all men, thus the common well being of the community.

We cannot persist on our indifference towards the ones who are still suffering from misery, ignorance; who are victims of uncertainty. Only by having confidence and faith in oneself can an individual create and make grow a commitment to self achievement.

(Continue)

SERVICES

ACTION

In essence, the Sor Isolina Ferré Centers and the Missionary Servants of the Most Blessed Trinity wish to promote the full development of every man and every woman.

"The Glory of God is man and woman fully alive".
(St. Irineers)

May God bless you.

Sister Rosita M. Bauzá, MSBT
Executive Director
Playa, Ponce

INNOVATIVE PROGRAM

The Summer Mini University

Through this summer program our participants have the opportunity to learn how to think - thinking and to question - questioning. Through education, recreation and "a minute with God" they brush with nature; the environment, our history and our culture. Every summer a different theme of interest and actuality is developed. Ex: This year's theme "Ponce's 300 Years of History" (1992) was of great impact for the 350 participating children from the Ponce Area.



A community regains life when it re-educates, revitalizes and rediscovers itself.

INTERVENTION

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Tel:

EDUCATION

WHERE TO

Today we can say that we are developing youth with artistic talents who have turn an alternative into a profession, a workshop into an occupation and a course into a business.

Today we prepare ourselves for year 2000 – with technology – thus a new dream becomes reality, "Trinity College". Now our youth have a chance in a specialized field, they can acquire a certificate in Business Administration, Typist and related skills, and a variety of computer skills.

These courses will provide the participants with a post secondary, non-university degree that will help them improve their job market possibilities.



The Sister Isolina Ferré Centers offer programs and services to Ponce and adjacent towns at the following extensions.

- Playa de Ponce – Sector Tabaiba, Urb. San Thomas, Residencial Lirios del Sur, Ave. Padre Noel y Ave. Hostos.
- Bo. El Tuque de Ponce – Sector Brisas del Caribe y Sector Calizas (Vista Mar).
- Río Piedras (Area Metropolitana) – Bo. Caimito, Sector Los Romero.
- Guayama – Sector Puerto de Jobos.

CENTROS SOR ISOLINA FERRE, INC.
Parcelas Amalia Marín – Calle C Final
Apartado 213 Playa Station
Ponce, Puerto Rico 00734-3213
Tels. (809) 843-1910 Fax. (809) 844-7665
Tel. Caimito (809) 731-5700
Tel. Guayama: (809) 866-2823

FAMILY

TOM RYAN

THE PRESIDENT HAS SEEN
7-27-99

Bleed
What about this
if says one man suggested
can it be made better?
Has some approval to me - RLG

Thomas Jefferson's Proposal
for a
National Advisory Referendum

copied
Reed
Podesta

TOM W. RYAN
144 Willowleaf Dr.
Littleton, CO 80127
303-973-5077 (Fax) 303-932-6010
ryan.denver@msn.com

Copy of letter
Fed Ex'd to Pres.
Tuesday - sent to
Bruce Lindsey &
John Podesta &

July 19, 1999

President William Jefferson Clinton
The White House
Washington, D.C. 20500

I will see you this
Saturday 7-24-99
in Aspen at Sen.
Diane Feinstein's
home. I'll be wearing
my Bronco's T-shirt!

Mike
Waldman

Dear Mr. President:

I would like to meet with you for 30 minutes at the White House to discuss with you an idea first proposed by Thomas Jefferson to forge a public consensus for public policy by creating a mechanism for a national advisory referendum. Jefferson's plan for direct democracy was first proposed in 1816 in a letter to Sam Kercheval, but has been lost in history for over 180 years.

You can make history by building a bridge from Jefferson to the 21st century. You can become a man for the next millenium by being the bridge builder who has the vision to merge Jefferson's ideas of democratic participation in policy formation with the technology of today.

To meet your goals of unifying this country, the President needs a new power—the power to go directly to the people for an advisory vote either to build support for legislation prior to its introduction or to spur a reluctant Congress entangled by special interests to take action in the public interest (See enclosed draft of legislation).

I found Jefferson's idea to reform the democracy he helped create by reading a book of Jefferson's letters. Moreover, you and I have discussed Jefferson's ideas 5 times in 1996 at Democratic fundraisers in St. Louis for Congressman Richard Gephardt, in Denver for Tom Strickland for Senate, and at public rallies at Red Rocks, the Courthouse in Pueblo, Colorado, and the Denver Coliseum.

However, the advent of the Internet makes the need for a 30 minute meeting even more compelling today than in 1996.

- 1) You can make history by being the first President to hold a National Advisory Referendum--with or without Congressional support. You can box the Republicans into an corner—if they support giving people a direct voice, you and Al Gore win by creating the first National Advisory Referendum for the year 2000. If they oppose your plan, you can show the electorate that the Republicans blocked your move to give people a direct say in shaping public policy. You can then hold the first-ever National Advisory Referendum on the Internet for the 2000 elections where over 100 million Americans now have access to the Internet.**

For those without computers, publicly funded libraries and schools can be called upon to open their doors for the taxpaying voters to participate in our nation coming together in the first National Advisory Referendum.

Moreover, you can propose placing “voting kiosks” in federal buildings all across America where citizens access public services, such as Social Security offices. My brother, Kevin Ryan, has designed a prototype “voting kiosk” which could be placed throughout the United States. A person would be able to vote electronically on national referenda by using their Social Security number as their federal “voter ID” just as people have e-mail addresses.

You can move forward to implement Jefferson’s ideas for expanding public participation in policy formation with or without Congress passing a National Advisory Referendum bill.

You can create the model today.

How do you think people voting in the first National Advisory Referendum will react to the Republican Party if they block the Clinton/Gore plan in Congress to implement Jefferson's ideas to give people a direct say on the issues through an advisory vote?

The Republicans will find themselves in a democratic catch-22.

You can't lose. It's a win-win strategy.

- 2) You can turn the Republican derision of Gore's Internet remarks upside down by making Gore the co-architect of the Jefferson-Clinton plan for a National Advisory Referendum. If Congress fails to act, you and Gore will champion a National Advisory Referendum on the Internet. Vice President Gore can then take credit for merging technology with democracy to give people a greater voice in government.

It's a win-win strategy for Al Gore.

- 3) This idea can help Hillary win a Senate seat in New York. There is no better way to listen to the people than to take Jefferson's idea to give people a direct say on the issues and make a structural change in our democracy to give people an advisory vote as he envisioned in 1816.

Hillary wins by giving people a greater voice!

When you visited Monticello January 17, 1993, you talked about Jefferson's vision saying Jefferson believed "people should be able to participate by voting every day or in small groups."

Early in 1996 Senator Bill Bradley forwarded you a letter I wrote outlining Jefferson's proposal for a National Advisory Referendum. You responded saying you would try to have your scheduling office set up a meeting. However, your schedulers didn't see the

importance and told me "no" for a private meeting at the White House.

Since then, you and I have met 5 times at Democratic campaign fundraisers, private receptions, and public rallies. When we met at a Tom Strickland for Senate fundraiser in at the Inverness Country Club in Denver, you remembered me from our previous meetings. We briefly talked about Jefferson's proposal for direct democracy. At one point I said, "Mr. President, just think of the National Advisory Referendum as an extension of your concept of community." You paused in reflection and then said, "I agree."

Now that the events of the past two years are behind us, the time to move forward on Jefferson's idea has come. The need to meet is even more compelling today than in 1996.

The advent of the Internet gives you the power to implement a National Advisory Referendum for the year 2000 elections without waiting on Congress to act. While passing legislation giving you the power to put three advisory issues on the ballot in every state would be ideal, Congress can't defeat you. Either the Congress passes the "Jefferson-Clinton Plan for Direct Democracy," or you can hold the National Advisory Referendum on the Internet as President.

According to Nielsen/NetRatings, over 101 million people have Internet access. Sometime early in the next century technology and democracy will merge to create a National Town Meeting where people will participate directly in shaping public policy on a regular basis.

But today you have the opportunity to share the vision for the future where everyone can participate in shaping public policy much like when President John Kennedy promised to send a man to the moon. His vision is burned in our minds as the architect of our greatest technology quest as a nation.

You can become the visionary to vault our democracy into the next millenium. You can dust off Jefferson's plans. You can build the bridge. You can lead the way.

You can send the enclosed legislative proposal to the Congress to give the President the power to hold a National Advisory Referendum on 3 selected issues every general election starting with the 2000 general election, but if the Republican controlled Congress fails to act, you can hold the referendum on the Internet for 101 million Americans. Moreover, USA Today reported that half of all registered voters 18 or older say they have accessed the Internet using schools or libraries. For voters without home computers, public libraries and schools can be their portals to participate in a National Advisory Referendum. In addition, AT&T has "tele-voting" technology that can allow people to vote over the telephone.

Let's look at three issues you can propose for a National Advisory Referendum for the 2000 elections:

- 1) Any one of your gun control measures submitted to Congress in the aftermath of the Columbine High School shootings which Congress fails to pass;**
- 2) Any one of your Medicare or other health care reforms Congress fails to pass; and**
- 3) Any one of your most important endeavors since you became President which Congress failed to pass;**

The idea to create a mechanism for direct participation by the people on shaping public by casting advisory votes at each general election was proposed by Thomas Jefferson in a letter to Samuel Kercheval and has been lost in history for over 180 years.

The time has come to dust off the plans of democracy's greatest architect—Thomas Jefferson—and fulfill your promise as President to build a bridge to the 21st century.

You should call it—

“The Jefferson-Clinton Plan for Direct Democracy.”

This powerful idea—developed by Jefferson himself--can crown your presidential legacy with the most important advance in democracy since Jefferson penned the Declaration of Independence. In addition, giving new life to Jefferson’s idea can help elect Vice President Al Gore as your successor to carry on your important work and help elect Hillary to become the next Senator from New York. What better way to listen to the people than to hold a National Advisory Referendum whereby “the voice of the whole people would be thus fairly, fully and peaceably expressed, discussed and decided by the common reason of society,” as Jefferson himself said about his plan for a national advisory referendum process modeled after the New England Town Meeting concept of self-government common to the early days of our democracy.

In 1996 we met 5 times at Democratic campaign functions in St. Louis, Denver(3 times), and Pueblo, Colorado where we talked briefly about Jefferson’s idea to create a national advisory referendum process to forge a public consensus for public policy so that the “voice of the whole people would be thus fairly, fully and peaceably expressed, discussed, and decided by the common reason of society.”

Prior to meeting you in St. Louis at a private reception for Congressman Richard Gephardt, Senator Bill Bradley sent you a copy of my proposal to give life to Thomas Jefferson’s ideas by establishing a National Advisory Referendum at each general election to create a new mechanism to forge a public consensus for public policy.

You sent me the enclosed letter expressing openness to the idea. I would like to meet with you for 30 minutes to show you how you can bring about the greatest structural change in our democracy to empower people since Thomas Jefferson first penned the Declaration of Independence.

You yourself recently said at a speech at Georgetown University, "Politics at its best is about values, ideas and action." This idea to open the doors of public policy to the people themselves can become one of the cornerstones of your legacy—creating the structural change that will forever bring this nation together. You have sought throughout your presidency to unify this nation. A structural change in our democracy is necessary to accomplish your long-sought goals. Few presidents have grasped the need for structural change as instinctively as Jefferson.

Since receiving your letter, you and I have met 5 times and talked briefly about Jefferson's long lost idea on 3 of those occasions. Here is a summary of where we have met to jog your memory:

- 1) In April 1996 at a private fundraiser for Congressman Richard Gephardt prior to a Democratic rally at the TWA Dome in St. Louis where we talked briefly about Jefferson's idea;
- 2) On the ropes at a 1996 campaign rally in Pueblo, Colorado in front of the County Courthouse where we talked briefly about Jefferson's idea;
- 3) On the ropes at Red Rocks for a 1996 campaign rally with my son on my shoulders;
- 4) At a private fundraiser for Democratic Senate candidate Tom Strickland at Inverness Country Club where we talked briefly about Jefferson's idea;
- 5) On the ropes at a campaign rally at the Denver Coliseum (stock show arena) with my daughter.

You still have time to build your most important democratic bridge for the 21st century—a bridge that will span the time of Jefferson into the next Millenium.

You are Jefferson's namesake and share his democratic vision.

You have a unique opportunity in history to take Jefferson's democratic idea for direct participation in decision-making and vault it into the next millenium

You have the opportunity to become one of the greatest "democratic" visionary presidents in our nation's history by giving life to one of Jefferson's long lost ideas buried for nearly two centuries.

Today people are already voting on the Internet to choose which shows classic sports shows are going to be broadcast on ESPN and which biographies are going to be shown on A&E's "Biography" program. News web sites like MSNBC are opening the public polling process to everyone who surfs the net with real time polls on the topics of the day.

Today's technology has opened the window for the future where people will participate directly in shaping more and more decisions which affect their lives.

The time has come for you as President to open the democratic door to our future by building on the solid foundation of Jefferson's ideas for a national referendum "where the voice of the whole people would be thus fairly, fully and peaceably expressed, discussed and decided by the common reason of society."

While you still have your strong hand on the door handle to the White House, you have the opportunity to turn that handle and cross the threshold into a new tomorrow for all Americans where democracy and technology will merge to create a stronger bond between citizen and government. Over 180 years ago Thomas Jefferson envisioned a new democratic era of direct public participation in shaping public policy where "the whole is cemented by giving every citizen, personally, a part of the administration of the public affairs."

In setting forth a new democratic vision for America, you can set forth a new democratic vision for all the world. Once we establish a National Advisory Referendum, we will be just a digital vision away from holding a World Vote to bring together our global village on issues relating to the environment, health, trade and ultimately, war

and peace. Television and internet technology will create for the world a new mechanism for peace and prosperity.

You are a visionary.

You have the power to lead this nation across the threshold to an era of democratic decision-making that one day will become the democratic model for all the world.

All I ask is for 30 minutes to make my case for a man who can no longer speak his words—Thomas Jefferson. We have met 5 times in crowded rooms and crowded campaign lines.

I ask for one private meeting to share with you an idea which is so powerful that if we succeed it will forever empower people throughout the world,

History awaits your decision.

Important decisions in law are not made by the courts without time for oral argument. You are the Supreme Court of democratic reform. You have seen the brief for the “Jefferson-Clinton Plan for Direct Democracy.”

I respectfully request a 30 minute meeting to discuss with you these important ideas and make the case for Thomas Jefferson’s last important writings on reforming our democracy to include people directly in public policy decision-making. I will meet with you anywhere, anytime, at the White House or on the road.

Jefferson’s ideas deserve your attention. You share his name. You now have the chance to share the same ideas and be forever linked in history as the architect and the builder of the democratic bridge to the 21st century.

This is a decision you alone can make.

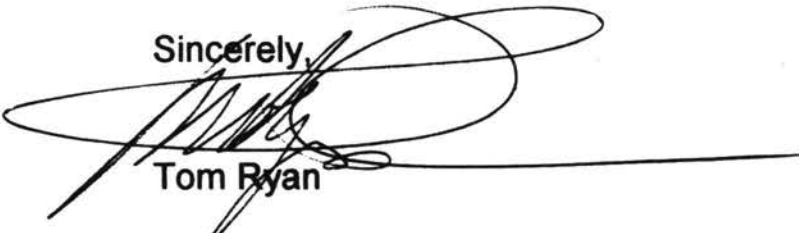
Mr. President, with this idea for a National Advisory Referendum to forge a public consensus for public policy, you can share Jefferson's legacy for all of history.

All I ask, after 3 years and several meetings at campaign and fundraising events, can we meet for 30 minutes at the White House to discuss this important idea.

We are both standing on the threshold of history. Just give me a "yes" or a "no" whether I can come in to represent one of Thomas Jefferson's greatest ideas to improve our democracy.

I look forward to seeing you in Aspen at the home of Senator Diane Feinstein this Saturday July 24.

Sincerely,



Tom Ryan

P.S. Just last month John F. Kennedy, Jr. set forth a new vision of our future to expand participation by merging Jefferson's democratic ideas for public decision-making with today's emerging technology by proposing voting on the Internet, calling it "convenient, appealing, and relevant." Kennedy went on to say, "It's hard to kiss rituals goodbye, but if the result is greater participation, it's a worthwhile sacrifice. We need to develop dramatic steps to revitalize our democracy." (Denver Post, 6-10-99)

**Proposed Legislation
to Give the President of the United States the
Power to Refer to the People up to Three
Issues for a National Advisory Referendum to
Give People a Greater Voice in Government
and to Forge a Common Consensus on
Matters of Public Policy.**

Section 1. The President of the United States may at his sole discretion submit to the voters of the United States one, two or three issues for a non-binding advisory vote of the people to be held at any general election for the Congress of the United States.

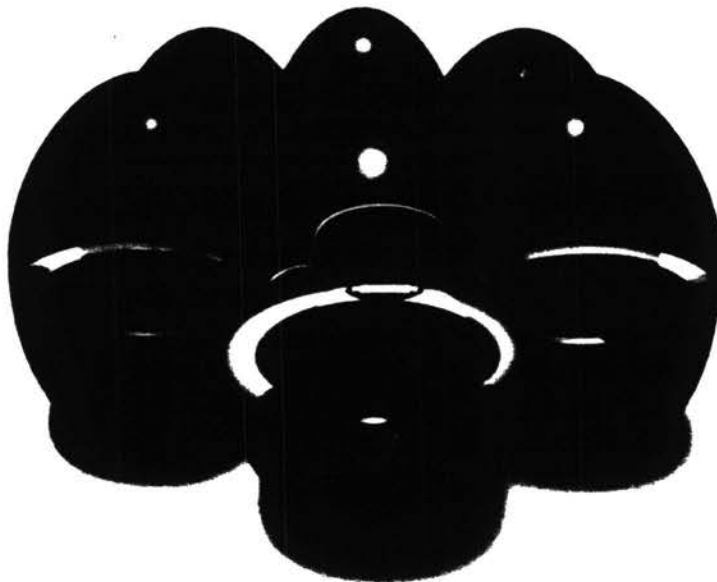
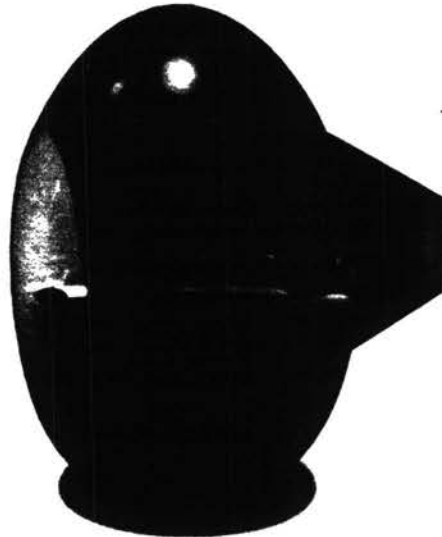
Section 2. The purpose of the advisory referendum is to give people a greater voice in shaping national policy by directly participating in a vote on issues referred to the people by the President of the United States. Issues submitted by the President may include proposed federal legislation, regulations or executive branch policies. Any issue referred to the voters of the United States shall be written in such a way that a "yes" or "no" vote may be taken.

Section 3. The President shall submit to the election authorities of the several states the issues for the advisory vote of the people no later than 120 days prior to the general election. The issues submitted by the President shall appear on the ballot in close proximity to the election of the Senators and Representatives to the Congress of the United States.

Section 4. Any state receiving federal funds shall participate in any referendum referred to the several states by the President of the United States as a condition for the continued receipt of federal moneys.

Section 5. Enforcement of this act shall be by a writ of mandamus in federal district court.

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THE WHITE HOUSE
WASHINGTON

March 8, 1996

Mr. Tom W. Ryan
144 Willowleaf Drive
Littleton, Colorado 80127

Dear Tom:

Senator Bradley recently sent me your letter explaining your proposal to create a National Advisory Referendum. I appreciate your long-standing interest in this issue, and I'm glad to know of your deep commitment to strengthening our democracy. I have shared your letter with my Office of Scheduling to determine whether the meeting you requested will be possible.

I'm glad you took the time to write.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton", with a long horizontal flourish extending to the right.

U. S. SENATOR...



JOHN F. KENNEDY
FOR PRESIDENT

★ ★ ★ ★

HEADQUARTERS • 1106 CONNECTICUT AVE., N.W. • WASHINGTON, D. C. • DISTRICT 7-1717

November 2, 1960

Mr. Tommy Ryan
114 North Elizabeth
Fergusson 35, Montana

Dear Tommy:

I was delighted to receive your thoughtful letter.

I am indeed pleased to know of your interest in the affairs of our country, and I am especially pleased that you are "in my corner" in this election.

I am proud to number you among my supporters.

Sincerely,

John F. Kennedy

THOMAS JEFFERSON'S PROPOSAL TO REFORM REPRESENTATIVE GOVERNMENT WITH ADVISORY VOTES OF THE PEOPLE (Proposed "WORLD VOTE 2000")

On July 12, 1816, Thomas Jefferson, in a letter to Samuel Kercheval, laid out the plans to reform representative government with regular public advisory votes patterned after the New England Town Meeting concept of democratic participation. In commenting on the New England Town Meetings, Jefferson said,

"These wards, called townships in New England, are the vital principle of their governments, and have proved themselves the wisest invention ever devised by the wit of man for the perfect exercise of self-government, and for its preservation. ...And the whole is cemented by giving to every citizen, personally, a part in the administration of the public affairs."

Jefferson put forward a plan whereby counties would be divided into wards or townships "of such size as that every citizen can attend, when called on, and act in person. . ." Today such a system would be impractical. However, through the use of advisory referendums at every general election, we can create the participatory democracy which Jefferson envisioned.

"The mayor of every ward, on a question like the present, would call his ward together, take the simple yea or nay of its members, convey these to the county court, who would hand on those of all its wards to the proper general authority; and the voice of the whole people would be thus fairly, fully and peaceably expressed, discussed, and decided by the common reason of society."

With the development of the Internet, we do not have to wait for Congress to act to implement Jefferson's ideas to expand public participation in policy formulation. We can create for the 1998 elections a model National Advisory Referendum on the Internet so that the "voice of the whole people" can be heard on the issues as Jefferson envisioned over 180 years ago. This can become a model for a "World Vote 2000."

INTERNATIONAL PROFIT ASSOCIATES

Management Consultants



Inc.
500

1250 Barclay Boulevard
Buffalo Grove, Illinois 60089
847-808-5590
Fax# 847-808-5599

July 19, 1999

President William Jefferson Clinton
1600 Pennsylvania Ave. NW
The White House
Washington, D.C. 20500

Dear Mr. President:

International Profit Associates is the fastest growing management consulting company in North America. Last year President Gerald Ford spoke at our annual meeting in Las Vegas and in December of this year President George Bush will speak at our meeting in Chicago.

I would like to invite you to speak at a future annual meeting for IPA. I recognize that with your responsibilities as President you may not be able to accept this invitation until after you return to your private life.

However, I want to be the first in line to thank you for all that you have done for America. The last 6 years have been the best this country has ever experienced. The American people and the press do not give you enough credit for what you have done. You have shown that we can have a vibrant economy without giving up on our cherished values of civil rights, health care, environmental quality and consumer protection.

It is because of you, Mr. President, and your strong leadership on the economy, that IPA has been given the opportunity to become the fastest growing management consulting company in the history of American business and the 8th and 9th fastest growing privately-held company overall, according to INC. magazine. In 1991, we started out doing \$100,000 a month in revenue and next year we will pass the \$100 million annual mark in total revenues.

But more importantly, you have shown everyone the character of what it takes to **be a winner**. The character of a man is not judged by whether he ever **gets** knocked down, but whether he has the determination to **get back** up to keep fighting for what he believes.

You have been a **personal** inspiration to me. You have an open invitation to speak **at our** company meeting. It would be an honor for me to pay whatever **fee** is appropriate for your attendance.

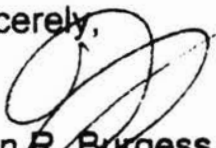
Tom Ryan, who is **the** Director of Marketing Development and built the West for IPA, **and whom** you have met at Congressman Richard Gephardt's fundraiser in St. Louis in April of 1996 and at Tom Strickland's fundraiser **at the** Inverness Country Club in Littleton, Colorado later that **year**, will be representing IPA at the DNC fundraiser you will **be attending** at the Aspen home of Senator Diane Feinstein this **Saturday** July 24.

I salute all that you **have** done for America.

You are truly a great **President**.

I look forward to **meeting** you.

Sincerely,



John R. Burgess
Managing Director

P.S. I would like to **help** in any way I can to get Hillary elected to the U.S. Senate. **Please feel** free to call on me.

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GOP Uses Two Sets Of Books

Double-Counting Surplus Keeps Alive the Notion Of Being Within Budget

By DAVID ROGERS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Anxious to move their agenda forward, Republicans are double-counting a big part of next year's budget surplus, papering over the fact that their proposed tax cuts and spending bills already have exhausted available funds.

The double counting arises from the GOP's practice of keeping what amounts to two sets of ledgers: one based on numbers from the White House Office of Management and Budget, the other from estimates by the Congressional Budget Office.

By taking the best of both worlds, the GOP leadership has kept alive the notion that Congress is operating within its budget. But when the books are squared, the numbers show lawmakers are poised again to raid the very same Social Security funds they have promised to lock away.

Underestimating Spending Bills

The CBO projects an on-budget, non-Social Security surplus of \$14 billion for the fiscal year beginning Oct. 1. But the budget office also says Congress has underestimated next year's spending bills by at least \$14 billion thus far, wiping out the entire sum already. The OMB forecasts a smaller, non-Social Security surplus of \$5 billion—almost all of which would be eaten up just by the House-passed tax cut, costing \$4.5 billion next year.

Ignoring the CBO's warnings, the GOP leadership continues to count the full \$14 billion projected surplus as if it were still on the table and available to pay for tax cuts and additional spending. In truth, none of these monies are available by the CBO's reckoning unless lawmakers go back and cut defense spending, for example, substantially below what the Senate and House have approved to date.

No one has shown much inclination to do this. In fact, to save the Air Force's F-22 fighter, which the House voted to cut funding for last week, there is pressure to go higher.

"It's inevitable that the on-budget surplus will be turned into a deficit," says former CBO director Robert Reischauer. "The lock box will have been picked. ... It's in everyone's interest to wink."

"We are doing everything we can not to make that happen," said an aide to House Speaker Dennis Hastert of Illinois. And until the final tax and spending bills are sent to President Clinton, Republicans say they will strive to make adjustments.

The administration has been a silent partner of sorts for the GOP. Going into the 2000 elections, the White House has its own Medicare agenda to promote with voters. Like the GOP, the president has a vested interest then in playing down annual government costs so he has room to bring his program forward more quickly.

Beyond 2002, the administration has been very aggressive in raising the need for more money for government operations. But in the short term, the White House, like the GOP, has sought to perpetuate the belief that departments can manage within strict spending caps set in the 1997 balanced budget agreement.

Certainly for next year, this isn't true. The administration's budget rests on billions of dollars in extra spending to be paid for from "offsets," including new user fees for government services. At this stage, many of these proposals are no more politically viable than the deep budget cuts promoted by some GOP conservatives.

Resorting to Gimmicks

Caught in the middle, the appropriations committees increasingly are resorting to gimmicks to keep spending bills moving. Last week, one House panel declared the need for \$4.5 billion to pay for next year's census to be an unforeseen emergency outside the spending caps. Late yesterday, a second House panel voted to treat \$3 billion for veterans' medical care as an emergency as well.

By following this route, the panel was able to increase veterans funding by \$1 billion—a politically popular initiative that the administration quickly sought to match. Traveling in Nashville and wearing a hat from the local Vietnam Veterans of America chapter he belongs to, Vice President Gore announced the White House would ask for an equal sum.

Agriculture programs could see a similar bidding war. Farm State Republicans in the Senate are proposing to add as much as \$6 billion in emergency funding to a coming agriculture appropriations bill. Senate Democrats are pressing for a still larger relief package of almost \$10 billion.

The budget crunch could yet force all sides to negotiate additional savings or offsets to make room under the caps. But thus far, this exercise has been a frustrating one for Republicans and only provoked divisions with their onetime allies among GOP governors.

A case in point is the massive annual appropriations bill to fund the departments of Labor, Education and Health and Human Services. Four years ago, the same measure was described as the "epicenter" of former GOP House Speaker Newt Gingrich's "Republican Revolution." The House proposed deep cuts as part of a conservative upheaval that led to passage of welfare overhaul in 1996.

House Republicans now want the same governors to share some of their savings. But the same bill shows how the Republicans themselves have changed in the past four years. In 1995, Mr. Gingrich wept emotionally after helping to push through landmark cuts. Today, his fellow Republicans want to spend about \$24 billion more than then on the same set of education and health programs.