

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the William J. Clinton
Presidential Library Staff.**

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Staff Secretary

Series/Staff Member: Sean Maloney

Subseries:

OA/ID Number: 14866

FolderID:

Folder Title:

Tuesday, August 3, 1999

Stack:

S

Row:

40

Section:

5

Shelf:

2

Position:

2

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

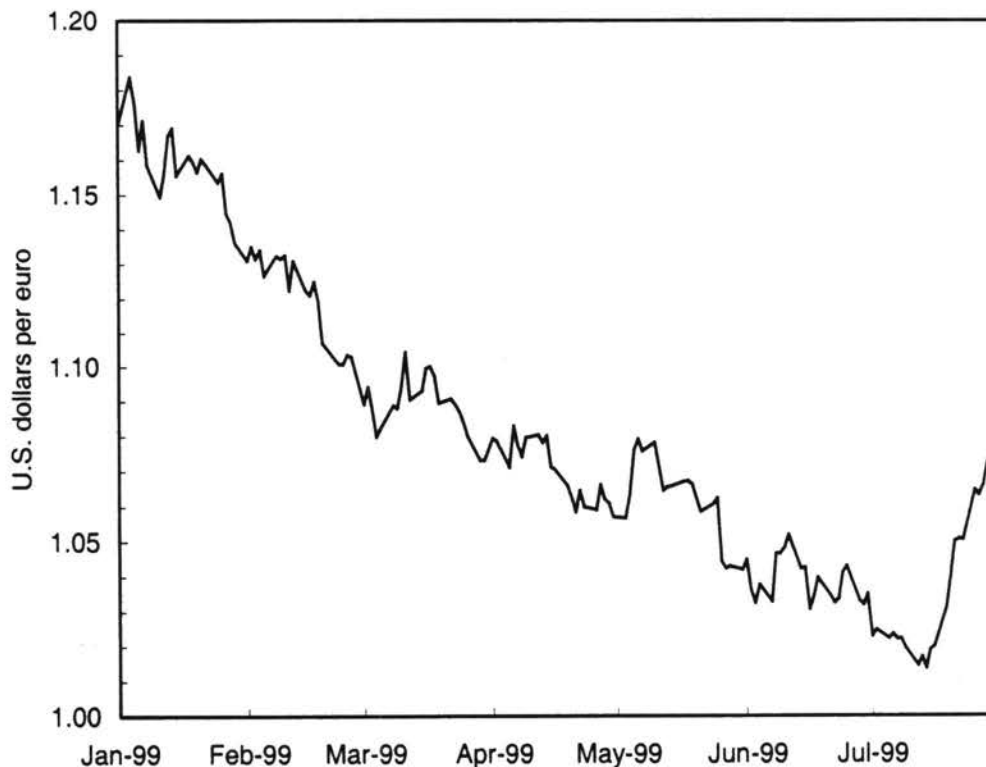
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

July 30, 1999

Copied
CEA
Podesta
Pg 3.
Read
HRC
Podesta

CHART OF THE WEEK

Euro Rebounds before Reaching \$1.00



Since the euro was introduced, its foreign exchange value has slid, coming close to \$1.00 in mid-July. In the past 2 weeks, however, the euro has rallied to rise above \$1.05. A range of reasons has been offered for the rebound, including a heightened perception of economic strength in the euro zone and the possibility that the European Central Bank would adopt a bias toward higher interest rates.

CONTENTS

CURRENT DEVELOPMENT

GDP Scorecard: Second Quarter 1999	1
--	---

SPECIAL ANALYSES

Wives' Earnings and Family Income Inequality Revisited	2
Effects of WIC on Birth Outcomes	3

DEPARTMENTS

Business, Consumer, and Regional Roundup	5
International Roundup	6
Releases	7
U.S. Economic Statistics	8
Financial and International Statistics	9



*"Eight years of unprecedented expansion, and yet the
kid sector has failed to participate."*

8-2-99

CURRENT DEVELOPMENT

GDP Scorecard: Second Quarter 1999

Real GDP is estimated to have increased at a 2.3 percent annual rate in the second quarter of 1999. Strong gains in consumption and equipment investment were partially offset by declines in stockbuilding and net exports. The price index for GDP increased at a 1.6 percent annual rate—somewhat higher than the 1.1 percent annual rate of increase over the previous four quarters.

Component	Growth [*]	Comments
Total consumer expenditures	4.0%	Although consumption has slowed from the 5½ percent pace over the previous four quarters, consumers' spending ran further ahead of their income, dropping the saving rate to -1.1 percent.
Producers' durable equipment	15.3%	As has been typical in this expansion, most of the strength was in computers or other information processing equipment.
Nonresidential structures	-1.2%	Construction of industrial buildings continues to fall. Office building construction leveled off in the second quarter after a solid gain in the first.
Residential investment	5.1%	Although housing starts fell sharply in the second quarter, residential investment was supported by commissions on existing home sales.
Inventories (change, billions of 1992 dollars)	\$19.3	The pace of stockbuilding was much lower in the second quarter than in the first. Inventories are now extraordinarily lean with respect to sales. CEA expects renewed stockbuilding to boost GDP growth in the second half.
Federal purchases	-3.2%	The drop reflects continued declines in Federal employment and budget authority.
State & local purchases	-0.1%	Road construction did not suffer the normal seasonal drop in the first quarter. Reciprocally, it failed to post the normal seasonal increase in the second.
Exports	4.5%	Coming after only a 0.5 percent gain over the previous four quarters, the gain in exports suggests a rebound in foreign GDP.
Imports	9.7%	Most of the increase was in capital goods, especially computer-related equipment.
[*] Percent real growth in the second quarter at annual rates (except inventories). This advance estimate is subject to substantial revision—especially for exports, imports, and inventories, where the estimates are based on only 2 months of data.		

X

SPECIAL ANALYSIS

Wives' Earnings and Family Income Inequality Revisited

New research on the impact of wives' earnings on family income inequality has confirmed earlier findings that over the broad sweep of three decades increases in wives' labor force participation and earnings have, on balance, moderated inequality. However, the new research finds that in more recent years wives' earnings have had a neutral effect on the distribution of income across families.

Conflicting forces. Married women's earnings have risen dramatically during the past three decades as their time devoted to paid work has risen substantially and their hourly wages have increased. As male earnings stagnated during this period, wives' earnings have been the main source of growth in family income. The impact on family income inequality has reflected two conflicting effects:

- Reduced inequality in wives' earnings. Although married women's earnings are less equally distributed than those of married men (largely because more women have zero earnings), the inequality in wives' earnings has declined over time as more have taken paid employment (and the proportion with zero earnings has declined). This effect has tended to moderate family income inequality over time.
- Increasing correlation with husbands' earnings. Wives' and husbands' earnings have been positively correlated throughout the past three decades, and the increase in labor force participation has been greatest among wives of high-earning husbands. In addition, more highly educated, higher-wage men tend to marry more highly educated, higher-wage women. As a result, the correlation between husbands' and wives' earnings increased between 1976 and 1990, increasing inequality among married couples.

How it all adds up. The new study confirms earlier research findings that the changes in wives' earnings over the entire period after 1967 made the married-couple family income distribution more equal than it would otherwise have been in 1994. This equalizing effect was smaller (but still existed) when all families, including single-parent ones, were included. However, the equalizing effect virtually disappears for married couples (and becomes slightly *disequalizing* for all families) for the period after 1979. The correlation between wives' and husbands' earnings did not begin rising until the mid-1970s. Before that time, therefore, the declining inequality of married women's earnings dominated the picture; but from 1979 until at least 1994, it was balanced by the increasing correlation between wives' earnings and those of their husbands.

Conclusion. The impact of increases in wives' earnings and labor force participation on family income inequality depends on a complex set of interactions. Recently, the rising correlation between wives' and husbands' income (and its aggravating effect on inequality) has become important enough to offset other factors, leaving little net effect.

SPECIAL ANALYSIS

Co Brew
HRC

Effects of WIC on Birth Outcomes

Relative to many other industrialized countries, the United States has surprisingly high rates of low-weight births, pre-term births, and infant mortality, particularly among blacks. Research on the impact of the Special Supplemental Food and Nutrition Program for Women, Infants, and Children (WIC) finds that WIC participation leads to significantly better outcomes in important measures such as birth weight for black infants—though not for whites.

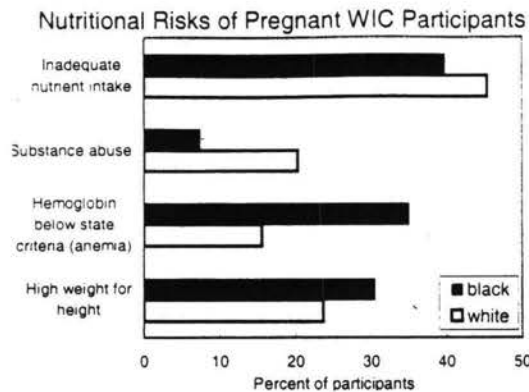
The WIC program. WIC is specifically designed to combat the negative birth outcomes that are often associated with the socioeconomic status of the mother and conditions during pregnancy (such as smoking, drug use, and inadequate prenatal care and nutrition). It is a national clinic-based program that provides a variety of nutritional and health-related goods and services to pregnant and postpartum women, infants, and children under the age of 6. The program had 7.4 million participants in 1998 and an appropriation of \$3.9 billion in FY 1999. To be eligible, participants must have a low family income (at or below 185 percent of the poverty level) and a demonstrated “nutritional risk” factor (such as anemia, low weight, or drug-use). One estimate is that roughly 50 percent of income-eligible women were covered by WIC in the early 1990s.

Copied
Reed
HRC
Podesta

Research findings. Evaluating WIC’s effectiveness is complicated by selection issues. On the one hand, women most in need of services may be the ones who choose to participate, making the program appear more effective than it might be for others. On the other hand, women who pay particular attention to their health may be the ones who seek additional assistance, in which case the program may appear to be less effective than it might be for others. However, a new study that pays particular attention to these selection issues provides some of the strongest evidence to date on the effectiveness of the program.

Its results suggest that prenatal WIC participation increases birth weights for black infants by 5 to 13 percent. The study also finds a statistically significant increase in gestational length of 1.4 percent, a reduction in the likelihood of a pre-term birth of 5 percent, and significant reductions in the likelihood of a neonatal and infant death. However, the new study for the most part found no significant effect of WIC on birth outcomes for whites. This last finding is consistent with previous research, which has found smaller or no effects for whites.

Accounting for racial differences. The study suggests possible explanations for why WIC appears to have a stronger effect for blacks. First, it may be the case that prior to any WIC intervention, white mothers are, in ways unobservable to the researcher, healthier at the time of their pregnancy, so that the marginal impact of WIC may be smaller for them. Second, some evidence suggests that black and white women differ in the risk factors that make them eligible for the



program (see chart), suggesting the possibility that the program may be more effective at combating the ill effects of some risk factors than of others.

Implications. The new study provides strong evidence that WIC is effective at improving birth outcomes, at least for a needy subgroup of the population. As welfare caseloads decline and fewer expectant mothers receive assistance through the traditional welfare system, the importance of WIC could increase.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

*Min2
#s by category
Fr. 7.2 to 9.7*

Child Support Enforcement is Working Better Than We Think. Although the share of single mothers receiving child support has remained roughly the same (about 30 percent) over the past 20 years, child-support enforcement has actually improved, according to an Urban Institute study. The study finds that a shift in the composition of single mothers away from divorced or separated mothers toward never-married mothers has masked improvements in the receipt rate for both groups. Between 1976 and 1997, the receipt rate of never-married mothers increased from 4 to 18 percent while that of previously married mothers rose from 36 to 42 percent. However, the proportion of never-marrieds (with their lower receipt rates) increased from 17 percent in 1976 to 46 percent in 1997. The study estimates that over half of the rise in child support rates for never-married mothers and a third of the rise in child support receipt rates for previously married mothers can be attributed to greater enforcement efforts and the expansion of funding for child support enforcement.

Study Examines the Gender Gap in Retirement Income. On average, single women have less wealth and income in retirement than single men. In addition, women aged 65 and older are about twice as likely to live in poverty as are similarly-aged men. A number of studies have examined widowhood as an important determinant of these differentials, but a new study looks at differences in work histories, since women earn less on average than men, are concentrated in female-dominated fields, and work fewer years during their prime. The study finds that the first two of these factors significantly lower a single woman's retirement wealth and that the three combined can explain 85 percent of the retirement wealth gap. The authors conclude that if women's earnings continue to climb as they have over the past decade or so, future cohorts of women approaching retirement will enjoy higher well-being, both absolutely and relative to men. Continuation of the slow but steady observed fall in occupational segregation should contribute further to that improvement.

Recent Studies Show Sharp Differences in Well-Being in the DC Region. The District of Columbia ranks last in a recent ranking of the best states for raising children, well below its neighbors Maryland (7) and Virginia (23). This finding is complemented by a new Brookings Institution study finding that metropolitan Washington is prosperous but deeply divided. Signs of overall prosperity include a remarkably low regional unemployment rate and a growing number of jobs, partly due to the exploding technology industry; rising capital investment; and housing, retail, and office markets that are among the hottest in the country. However, the western areas (including parts of Northwest DC) typically enjoy wealth and prosperity while the eastern parts suffer from high rates of poverty. DC and Prince George's County are home to a disproportionately high percentage of the region's poor citizens, single mothers, and struggling schools. The area is also racially segregated, with 70 percent of the area's African American population living in DC or Prince George's County. Most of the region's job growth took place in the western parts and outside of the Capital Beltway.

INTERNATIONAL ROUNDUP

OECD Warns Against Complacency in South Korean Restructuring. In its recent survey of the South Korean economy, the Organization for Economic Cooperation and Development noted that the country has been remarkably successful in overcoming the financial crisis at the end of 1997. The OECD concludes that supportive macroeconomic policies and progress in structural reform have laid the foundation for positive growth in 1999. However, the survey warns that the success to date should not lead to complacency about the necessity of fully implementing the new framework put in place after the crisis and in making additional improvements. A priority emphasized by the OECD is further progress in establishing a healthy, market-based financial system. The OECD also argues that much needs to be done to restructure the corporate sector, using the new governance framework that has been put in place. Events this week surrounding the restructuring of Daewoo, Korea's second largest chaebol (business conglomerate), have focused attention on the country's commitment to structural reform. After falling almost 15 percent over the previous 5 trading days, the Korean stock market rose over 6 percent on Tuesday, in part apparently on news that the government has strengthened its commitment to push corporate reform and that the restructuring of Daewoo would proceed apace. Meanwhile, the latest production data show that South Korea's industrial output rose 29.5 percent from a year earlier in June, the largest such increase since August 1988.

European Central Bank Keeps Interest Rates Unchanged. The Governing Council of the European Central Bank (ECB) decided at its July 29 meeting to keep interest rates unchanged, despite speculation earlier this week that an interest rate hike might be announced. The speculation was fueled by the recent remarks of ECB president Wim Duisenberg indicating that a reassessment of the ECB's interest rate policy might be appropriate once economic growth starts to accelerate. As discussed in the Chart of the Week, Duisenberg's comments were probably one factor contributing to the recent rise in the euro. In addition, positive market sentiment regarding the prospects for euro area output growth has been reflected in a narrowing of the gap between United States and euro area bond yields (as well as in the appreciation of the euro). The most recent ECB Monthly Bulletin discusses how new data point to a stabilization of overall output growth in the euro area in early 1999 and to an economic recovery in the second part of 1999 and into the year 2000. Press reports also indicate that the most recent German and French business confidence indexes were stronger than expected. On the monetary side, rapid credit expansion and sustained growth of the monetary aggregates at rates above the ECB's reference rate of 4.5 percent per year have raised concerns in some quarters about future price stability. For the present, however, the ECB has not decided to raise rates.

RELEASES THIS WEEK

Gross Domestic Product

According to advance estimates, real gross domestic product grew at an annual rate of 2.3 percent in the second quarter.

Employment Cost Index

The employment cost index for private industry workers rose 3.3 percent for the 12-month period ending in June.

Advance Durable Orders

Advance estimates show that new orders for durable goods rose 0.3 percent in June, following an increase of 0.8 percent in May.

Consumer Confidence

Consumer confidence, as measured by The Conference Board, fell 3.4 index points in July, to 135.6 (1985=100).

MAJOR RELEASES NEXT WEEK

NAPM Report on Business (Monday)
Leading Indicators (Tuesday)
Productivity (Thursday)
Employment (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1998	1998:4	1999:1	1999:2
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	4.3	6.0	4.3	2.3
GDP chain-type price index	5.4	0.9	0.8	1.6	1.6
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.5	2.7	4.3	3.5	N.A.
Real compensation per hour:					
Using CPI	0.6	2.6	2.2	2.6	N.A.
Using NFB deflator	1.3	3.8	3.8	2.6	N.A.
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	11.0	11.0	11.0	11.2
Residential investment	4.5	4.3	4.5	4.6	4.6
Exports	8.2	11.3	11.3	10.9	10.9
Imports	9.2	13.0	13.1	13.2	13.5
Personal saving	5.2	0.3	-0.0	-0.5	-0.8
Federal surplus	-2.7	0.9	0.8	1.4	N.A.

	1970- 1993	1998	April 1999	May 1999	June 1999
Unemployment Rate (percent)					
	6.7**	4.5**	4.3	4.2	4.3
Payroll employment (thousands)					
increase per month			321	-5	268
increase since Jan. 1993					18895
Inflation (percent per period)					
CPI	5.8	1.6	0.7	0.0	0.0
PPI-Finished goods	5.0	0.0	0.5	0.2	-0.1

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

New or revised data in **boldface**.

FINANCIAL STATISTICS

	1997	1998	May 1999	June 1999	July 29, 1999
Dow-Jones Industrial Average	7441	8626	10854	10704	10791
Interest Rates (percent per annum)					
3-month T-bill	5.06	4.78	4.50	4.57	4.59
10-year T-bond	6.35	5.26	5.54	5.90	5.88
Mortgage rate, 30-year fixed	7.60	6.94	7.15	7.55	7.70
Prime rate	8.44	8.35	7.75	7.75	8.00

INTERNATIONAL STATISTICS

Exchange Rates	Current level July 29, 1999	Percent Change from	
		Week ago	Year ago
Euro (in U.S. dollars)	1.072	2.0	N.A.
Yen (per U.S. dollar)	115.2	-1.8	-19.1
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	95.06	-1.2	-4.5

International Comparisons ^v	Real GDP growth	Unemployment rate	CPI inflation
	(percent change last 4 quarters)	(percent)	(percent change in index last 12 months)
United States	4.1 (Q2)	4.3 (Jun)	2.0 (Jun)
Canada	3.2 (Q1)	8.1 (May)	1.6 (May)
Japan	0.1 (Q1)	4.7 (May)	-0.4 (May)
France	2.3 (Q1)	11.4 (Apr)	0.5 (Apr)
Germany	0.8 (Q1)	7.2 (May) ^{2/}	0.4 (May)
Italy	0.9 (Q1)	12.1 (Apr)	1.6 (May)
United Kingdom	1.2 (Q1)	6.2 (Mar)	1.3 (May)

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

2/ Rate for former West Germany. Using OECD standardized unemployment data, the unemployment rate for unified Germany for May was 9.1 percent.

SPECIAL ANALYSIS

Effects of WIC on Birth Outcomes

Relative to many other industrialized countries, the United States has surprisingly high rates of low-weight births, pre-term births, and infant mortality, particularly among blacks. Research on the impact of the Special Supplemental Food and Nutrition Program for Women, Infants, and Children (WIC) finds that WIC participation leads to significantly better outcomes in important measures such as birth weight for black infants—though not for whites.

The WIC program. WIC is specifically designed to combat the negative birth outcomes that are often associated with the socioeconomic status of the mother and conditions during pregnancy (such as smoking, drug use, and inadequate prenatal care and nutrition). It is a national clinic-based program that provides a variety of nutritional and health-related goods and services to pregnant and postpartum women, infants, and children under the age of 6. The program had 7.4 million participants in 1998 and an appropriation of \$3.9 billion in FY 1999. To be eligible, participants must have a low family income (at or below 185 percent of the poverty level) and a demonstrated “nutritional risk” factor (such as anemia, low weight, or drug-use). One estimate is that roughly 50 percent of income-eligible women were covered by WIC in the early 1990s.

Research findings. Evaluating WIC’s effectiveness is complicated by selection issues. On the one hand, women most in need of services may be the ones who choose to participate, making the program appear more effective than it might be for others. On the other hand, women who pay particular attention to their health may be the ones who seek additional assistance, in which case the program may appear to be less effective than it might be for others. However, a new study that pays particular attention to these selection issues provides some of the strongest evidence to date on the effectiveness of the program.

Its results suggest that prenatal WIC participation increases birth weights for black infants by 5 to 13 percent. The study also finds a statistically significant increase in gestational length of 1.4 percent, a reduction in the likelihood of a pre-term birth of 5 percent, and significant reductions in the likelihood of a neonatal and infant death. However, the new study for the most part found no significant effect of WIC on birth outcomes for whites. This last finding is consistent with previous research, which has found smaller or no effects for whites.

Accounting for racial differences. The study suggests possible explanations for why WIC appears to have a stronger effect for blacks. First, it may be the case that prior to any WIC intervention, white mothers are, in ways unobservable to the researcher, healthier at the time of their pregnancy, so that the marginal impact of WIC may be smaller for them. Second, some evidence suggests that black and white women differ in the risk factors that make them eligible for the

C. A. BREW
HRC

Copied
Reed
HRC
Podesta



THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON

1999 JUL 30 11:51 AM

8-2-99

Copied
Podesta

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Stuart E. Eizenstat

SUBJECT: Update on Global Markets
The Week Ending July 30, 1999

Global markets were again this week dominated by the impact of potential increases in U.S. interest rates, moves in major currencies, ongoing uncertainties in several Latin economies, and continued concerns about a possible Chinese devaluation.

- Market expectations of higher U.S. interest rates increased following Chairman Greenspan's Humphrey-Hawkins testimony and higher-than-expected U.S. Q2 employment costs. The resulting decline in U.S. stock and bond markets fed through to markets overseas, but currency and dollar spreads were relatively stable in emerging markets.
- The *euro* and *yen* appreciated moderately further this week, rising to their highest levels versus the dollar since mid-May and mid-February respectively. There appears to be a growing perception among market analysts that the dollar could face significant downside risks. The *euro* continues to receive support from growing evidence of European recovery. Japanese economic prospects remain more tentative.
- Russian equity markets fell sharply this week, despite the IMF Board's approval of a \$4.5 billion standby loan. Markets had already priced in approval of the IMF loan but were concerned by critical statements from IMF management regarding Russia's past reserve management practices and by the fact that the Central Bank has recently been forced to intervene in the currency market to keep the ruble steady. Russian reserves fell \$500M last week to \$11B, their lowest level since March 1st.

Gold prices remained near recent lows despite fading prospects that Congress would approve the sale of IMF gold and despite rising U.S. inflation concerns and signs of stronger global growth that could increase demand for gold. We are currently exploring alternatives to IMF gold sales that would not negatively impact the gold market. We are close to a solution, which we plan to combine with a broader announcement, after the Congressional recess, of Administration support for an increased budgetary contribution for debt relief.

Weekly Market Indicators for the Week Ending:
July 30, 1999

11:04 AM

Major International Markets
Changes are Friday to Friday

Exchange Rates			Equities			Ten-Year Government Bond Yields	
	Level	% change	Index	Level	% change	%	BP change
Japan	Y 114.75/\$	-1.4%	<i>Nikkei</i>	17861.86	1.9%	1.79	9
Euro	\$1.0706/EUR	-1.9%					
Euro-yen	\$123.0400/EUR	0.5%					
Germany			<i>Xetra-Dax</i>	5101.87	-3.9%	4.81	14
U.K.			<i>FT-SE 100</i>	6196.5	-0.2%	5.35	12
France			<i>CAC-40</i>	4367.92	-1.6%	4.97	17
Italy			<i>MIB 30</i>	32523	-3.0%	5.09	17

^ U.S. dollar depreciation/appreciation

Emerging Markets

Exchange Rates			Equities			Emerging Market Sov. Bond Spread*	
	Level per USD	% change (local ccy)	Index	Level	% change	BP	BP change
Korea	1204	0.4%	<i>Kospi</i>	970	7.2%	221	-10
Indonesia	6830	1.6%	<i>JSE</i>	598	-4.5%	598	0
Thailand	37.175	0.6%	<i>SET</i>	457	-4.0%	214	10
Hong Kong	7.76125	0.0%	<i>Hang Seng</i>	13187	0.7%	170	-5
Brazil	1.7870	1.6%	<i>Bovespa</i>	10515	-4.6%	820	-32
Argentina	1.0000	0.0%	<i>Merval</i>	475	0.2%	704	29
Mexico	9.3935	-0.1%	<i>Bolsa</i>	5294	-7.1%	410	-1
Russia	24.215	0.2%	<i>RTS</i>	116	-8.5%	1903	-30
India	43.33	-0.1%	<i>Bombay SE</i>	4542	-2.8%	n/a	n/a
Turkey	429,465	0.0%	<i>ISE 100</i>	5805	0.4%	551	-9
South Africa	6.152	-0.7%	<i>JSE</i>	6391	0.1%	292	-20

Commodity Markets

	Level	% change
Gold	\$256.05	0.49%
Oil	\$19.96	3.47%

* spread on U.S. dollar-denominated sovereign debt to 10-year U.S. Treasuries

Source: Bloomberg

8-2-99

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

99 JUL 30 PM 6:13

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

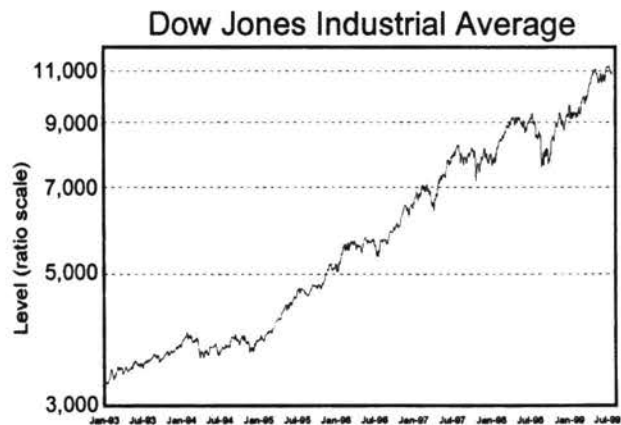
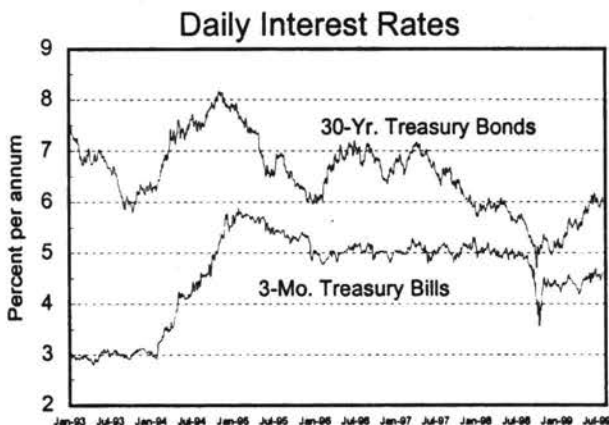
FROM: ROBERT Z. LAWRENCE *RH*

SUBJECT: Interest Rates and Stock Prices in the Week Ending Friday, July 30, 1999

Interest rates rose this week, as an unexpectedly large increase in the Employment Cost Index in the second quarter intensified concerns about inflation and further rate increases by the Fed. The announcement of weaker-than-expected GDP growth in the second quarter had less impact.

Treasury securities	Close 7/23/99	Close 7/30/99	Change
3-month bills	4.52	4.62	+0.10
10-year notes	5.84	5.92	+0.08
30-year bonds	6.02	6.11	+0.09

Stock prices fell this week, as the negative impact of inflation fears (especially on the interest rate-sensitive auto and financial services industries) outweighed the positive impact of better-than-expected earnings reported by computer-related firms. Since last Friday, the Dow has fallen 2.3 percent, the S&P 500 is down 2.1 percent, and the NASDAQ has dropped 2.0 percent.



THE PRESIDENT HAS SEEN

8-2-99

99 JUL 31 AM 11:54

July 31, 1999

Copied
Tramontano
Podesta

MEMORANDUM TO THE PRESIDENT

FROM KAREN A. TRAMONTANO

SUBJECT WEEKLY REPORT

NEWPORT NEWS STRIKE SETTLED: Last week the Steelworkers and Newport News Shipbuilding Inc. settled the 16-½ week strike. Yesterday the steelworkers approved the contract by a vote of 2724 to 1696. The contract provides a raise of \$3.10 an hour over the 58-month contract. These workers, largely African-American, were the lowest paid in the industry. We worked very closely with Secretary Herman and Deputy Secretary Hamre to assist both industry and labor to reach a resolution.

AVONDALE SHIPYARD: This week Avondale Shipyard shareholders voted to accept the purchase offer from Litton Industries. Litton in separate discussions has agreed with the AFL-CIO and the Metal Trades to conduct an election without interference from the employer to determine majority support for the union. It appears this nearly 3-year battle will be resolved in the near future.

SCHOOL CONSTRUCTION: Early reports are that Representative Rangle will be announcing a discharge petition for his bill this Wednesday. A coalition of labor, teacher and community groups have been working to gather the requisite number of signatures for the petition. The AFL-CIO will plan its national Labor Day events to highlight your school construction proposal. We are working on site recommendations for you for a Labor Day message event.

POST-NAFT WORKING GROUP: Rep Kaptur along with about 30 member of Congress asked that we convene an inter-agency working group to assist members whose districts have suffered job loss as a result of corporate relocation to Mexico. I have put together a working group and we met with members this week to begin the process. We will be analyzing both geographic and sectoral effects. Some of these communities may be prime locations for inclusion in your New Markets Initiative and/or the Southwest Border Initiative.

MANUFACTURING INITIATIVE: The Vice-President met with leaders from the Industrial Unions this week to discuss the decline in manufacturing jobs. As you know, there has been a loss of approximately 500,000 mfg. jobs in the past year. Many factors contribute to the job loss: increased productivity, improved technology, the Asian market crisis, the decline in exports, corporate relocation and surges in unfair trade. Following the Vice President's meeting, NEC

Should be
stronger
than
any other
member

agreed to conduct a principals level inter-agency process to analyze the causes and to make policy recommendations that may help reverse this trend line.

CENSUS TABULATION: Concluding many months of discussion, we have reached an agreement with the Census Bureau and the Department of Justice that will result in the tabulation of 63 multirace categories while meeting the requirements of the Justice Department to enforce of the Civil Rights Act. The Civil Rights groups will be pleased with this result.

WTO MINISTERIAL: We have begun an inter-agency process to coordinate the Seattle Ministerial—we are making progress. More importantly, we are nearing agreement with our labor allies regarding the core labor standards principles we will be tabling at the Ministerial. As you know, we have little support among the nation states for a working group in this area but we are committed to increasing that support for the Ministerial.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

8-2-99

copied

Reed

Liu

Podesta

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

What does
this mean?

1. **Crime – Juvenile Crime/Gun Legislation:** This week, the Senate and House appointed conferees to the juvenile crime bill. We issued a statement from you urging the Congress to have a strong bill ready when school resumes in September. On Friday, by a vote of 305-84, the House passed a Democratic motion to instruct conferees to include provisions on background checks at gun shows and not weaken current law on background checks. We have heard that the conferees may meet once before the August recess, but timing for the completion of the conference remains uncertain.

2. **Crime – Housing Authority Gun Lawsuit:** We have been working with Secretary Cuomo on a potential lawsuit by a broad coalition of housing authorities against the gun industry. The suit would be based on the premise that because of its distribution practices, the gun industry should bear some of the costs housing projects incur from gun violence (e.g., security guards and alarms). This approach is similar to lawsuits filed by Chicago and Los Angeles. We will be working with HUD and federal law enforcement agencies to determine what remedies should be pursued in such a suit. The Wall Street Journal reported Wednesday that HUD was considering this action, but the Administration has not publicly confirmed it. Already, House Republicans have scheduled a hearing for next Wednesday to interrogate HUD about its plans. If the housing authorities decide to go forward with a suit, you could announce it the first week of the August recess.

3. **Drugs – Anti-Drug Media Campaign:** On Monday, you will unveil new advertisements as part of ONDCP's anti-drug media campaign. You will also release an ONDCP analysis showing that the campaign is reaching over 90% of its target audience an average of 4-7 times a week. One of the new ads stars national skateboard champion Andy McDonald, who will introduce you at Monday's event.

4. **Health Care – Patients Bill of Rights Update:** On Thursday, the Kaiser Family Foundation released a report demonstrating widespread discontent among health care providers about the quality of care provided by managed care plans. Seventy-two percent said that

managed care had decreased the quality of health care for people who are sick, 77 percent said it had decreased the ability of patients to get the tests and treatments they needed, and 86 percent said it had decreased the ability of patients to see medical specialists. Meanwhile, a number of House Republicans have been working with Congressman Norwood on a possible compromise with Congressman Dingell. Divisions within Republican ranks are forcing Speaker Hastert to renege on his commitment to bring a managed care reform bill to the floor next week and delay action until later this fall.

And to keep things

✓ **5. Health Care – New CHIP Enrollment Data:** On Friday, Kaiser released a new study which reported that states have now enrolled an estimated 1.3 million children in CHIP – 300,000 more than HHS estimated in January. We also are seeing signs that CHIP outreach is paying an added dividend by increasing the number of children states enroll in traditional Medicaid.

6. Welfare – Faith-Based Organizations: You asked for an assessment of Governor Bush's recent proposals to promote charitable giving and faith-based organizations. His centerpiece proposal – to let non-itemizers claim a federal charitable deduction – is an idea we considered in 1996 but rejected because it costs \$8 billion a year. He also proposed allowing charitable contributions from individual retirement accounts (IRAs) without penalty. Treasury is concerned that this idea could invite tax shelters and abuse. Bush's third tax proposal – to let states use TANF funds to finance tax credits for charitable contributions – could be an interesting way to help make sure states use their TANF surpluses, but it would divert money from welfare-to-work efforts unless the credits were highly targeted. Like the Vice President, Bush proposed expanding charitable choice to other social programs (TANF, the Community Services Block Grant, and the Welfare-to-Work grant program already allow federal funding for faith-based groups).

7. AIDS – Vaccine Research Update: The Wall Street Journal reported on Friday that Merck is planning to begin human trials of an AIDS vaccine. Merck says it will test gene-based vaccines to elicit an immune response capable of either preventing HIV infection or keeping it from overwhelming the immune system. We should be pleased that a major pharmaceutical company is launching this effort, but NIH scientists warn that even under the best of circumstances such a product will not be available for widespread use for at least five years.

to Americans
What else can we
unite to do now?
2



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

199 JUL 30 14:53

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

THE PRESIDENT HAS SEEN
8-2-99

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. *for*
Acting Chair

*copied
Frampton
Podesta*

SUBJECT: CEQ WEEKLY REPORT

RESOURCE STEWARDSHIP

Antiquities Act

It is possible, although unlikely, that a bill amending the Antiquities Act under which you created the Grand Staircase-Escalante National Monument will go to the House floor next week. The bill would weaken Presidential authority by requiring consultation with Congress, the Governor, and the public before a National Monument is designated. The bill is an improvement over the Senate bill on which your senior advisors have recommended veto, and some Democrats were involved in negotiating this compromise version. However, we believe a veto of the House bill is warranted to protect a Presidential authority that has existed for almost 100 years. We are working with other White House offices to develop a Statement of Administration Policy.

PROTECTING COMMUNITIES FROM TOXICS

Food Quality Protection Act (FQPA)

On Monday, the third anniversary of the FQPA, EPA will announce the first two major decisions restricting the use of pesticides under the strengthened public health standards of the Act. These decisions will affect two organophosphate pesticides: Methyl Parathion and Azinphos Methyl, which are among the most widely used pesticides in agriculture. (See attached *USA Today* article)

These decisions will likely be met by criticisms from the environmental community that EPA has been too laggard in restricting pesticide use under FQPA standards designed to protect children. Some of these groups will file a lawsuit on Monday to enforce statutory deadlines that have not been met under their (but not our) interpretation of the law. Farmers and ranchers, by contrast, are likely to criticize the science and process underlining EPA's decisions. Under a directive from the Vice President, USDA has worked closely with EPA to ensure that the decisions minimize impacts on agricultural producers and that no grower is left without an effective substitute for the pesticides being restricted.

Handwritten notes:
Frampton to know
Executive branch
would work
two white
"coordination" team
present section
JSC

8-2-99

Yucca Mountain

DOE plans to release its draft EIS on the Yucca Mountain nuclear waste repository late next week. The draft EIA does not presume the outcome of the science on whether Yucca Mountain is a suitable site, but rather it assesses the environmental impact of the placement of waste at the site assuming it is found suitable. At the same time, we are working to clear an EPA draft rule establishing radiation standards for the facility. Next week or early the following week, the draft rule will likely be published. We will ensure that the Delegation and interested parties are briefed on the documents. Both documents are complicated and will get a mixed reaction.

Methyl Tertiary-Butyl Ether (MTBE) Phase-out

EPA's Blue Ribbon Panel on the health effects of the gasoline additive MTBE issued its findings on Tuesday. The Panel recommends a substantial reduction in the use of MTBE and an elimination of the oxygenate requirement – a requirement under the Clean Air Act that 2 percent of reformulated gas, by weight, consist of oxygen.

The Panel found that, while MTBE use improves air quality, the additive poses a threat to water supplies when gasoline leaks and spills occur. The Panel also urged EPA to ensure that there is no loss of current air quality benefits by phasing out MTBE. This issue is difficult because of the need to balance clean air and clean water issues, as well as the interests of the agricultural and energy communities in continued markets for renewable fuels including ethanol. EPA and Senator Daschle are working on legislation to address these concerns.

Animal Rights Controversy

On Tuesday, People for the Ethical Treatment of Animals (PETA) unveiled a television advertisement (to be run in New Hampshire and Iowa) in a continuing campaign attacking the Vice President for the High-Production Volume (HPV) Chemical Initiative. The HPV initiative, which was announced by the Vice President in April 1999 and October 1998, reflects an agreement among the Environmental Defense Fund, the Chemical Manufacturers Association, and EPA to provide the public with basic health screening data on 2800 chemicals in high-production use. Some animal testing will be necessary to generate the relevant health screening data, and so PETA and other animal welfare groups have had a continuing campaign to stop the initiative. A number of changes have been made to the program to minimize animal testing.

BUDGETWetlands Riders

Despite a Senior Advisor veto threat focused on objectionable wetlands riders on the Energy and Water Appropriations bill, the House approved the bill on Tuesday. The House voted to defeat an amendment by Representative Viscloskey (D-IN) to strike the riders, by a veto-proof margin (183-245). We will continue to oppose the wetlands riders in conference.

Attachment

USA Today

July 30, 1999

Restrictions coming on 2 widely used pesticides

By Peter Eisler
USA TODAY

WASHINGTON — The Environmental Protection Agency, citing public health risks, is to issue sharp restrictions Monday on the use of two pesticides widely applied to apples and other produce.

EPA Administrator Carol Browner is scheduled to announce the crackdown on methyl parathion and azinphos-methyl at a news conference, according to agency officials and parties to discussions on the matter.

The decision stems from concerns that overexposure to the compounds might cause nervous system damage and other disorders, especially in infants and small children.

Some details on the restrictions remain unsettled, but many popular uses of methyl parathion will be banned entirely, including its application on apples, pears, peaches and cherries, officials say.

On azinphos-methyl, the EPA is more likely to limit its action to sharp cuts in the concentrations allowed on various fruits, including apples, peaches and pears.

The rules, which are to take effect next year, will affect thousands of growers nationwide, especially apple farmers:

- Azinphos-methyl is used on 82% of the U.S. apple crop.

- Methyl parathion is used on 30% of the apple crop.

"There is no affordable, available replacement" for some uses of the pesticides, says Adam Sharp of the American Farm Bureau Federation, which represents more than 4 million members.

"For some (growers), this could mean a complete loss."

The restrictions are based on "what might and could be" instead of sound science, Sharp says.

But environmental groups and food safety advocates welcome the change, saying there's strong evidence of health problems tied to the pesticides. They point out that methyl parathion already has been banned in countries such as Argentina, Indonesia and the Philippines.

"This is long overdue," says the Environmental Working Group's Todd Hettenbach. "These chemicals should have been pulled out of use a long, long time ago."

Hettenbach says alternative pesticides already are on the market, but growers don't want to abandon compounds they're accustomed to using.

EPA officials declined to comment on the restrictions before Browner's statement Monday. She will assure consumers that 1999 crops are safe, officials said.

The rules are being issued under the Food Quality Protection Act, which was passed by Congress in 1996.

The law requires that the EPA reassess the nearly 10,000 allowed uses of hundreds of pesticides. Browner will announce Monday that the agency has met its first deadline, completing a third of those reassessments by Aug. 3, 1999.

The actions on methyl parathion and azinphos-methyl are considered by many as among the most significant to date, affecting two of the more controversial and commonly used pesticides.



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

99 JUL 30 PM6:22

July 30, 1999

THE PRESIDENT HAS SEEN
8-2-99

MEMORANDUM FOR THE PRESIDENT

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

*Copied
Lane
Podesta*

NASA: Good News/Bad News

An active week for NASA was topped off with the picture-perfect night landing by Eilene Collins at the Cape on Tuesday evening. Her extraordinary accomplishment of being the first woman to command a shuttle mission and the public interest it sparked stood in marked contrast to the House Appropriations funding level for NASA: a \$1 billion cut below your request. Vice President Gore used the landing as an opportunity to underscore the Administration's solid support for NASA and our commitment to fight for restoration of your requested level.



Although the shuttle mission did encounter engine problems at lift-off, NASA engineers probing the potentially hazardous hydrogen gas leak now reportedly believe they know what caused the problem, and we will provide you with information on NASA's findings.

Information Technology Initiative Funding in Peril

To date, the House Appropriations Committee has provided only \$95 million out of your \$366 million request (a reduction of 75%) for your Information Technology for the 21st Century Initiative (IT²). IT² responds to your Information Technology Advisory Committee's finding that the Nation is under-investing in fundamental research in information technology. The Initiative will advance the field of information science, contribute to the strength and health of the private-sector information economy, and provide essential tools for spurring research and improvements in all areas of S&T. OSTP will work hard with OMB to ensure these cuts do not stand.

PCAST Forms Nanotechnology Panel

Chuck Vest, President of MIT and a member of your Committee of Advisors on Science and Technology (PCAST), has agreed to chair a PCAST Nanotechnology Panel. The panel will review and provide guidance on the strategic planning and coordination of Federal

nanotechnology research and development programs, which Jack Lew and I have identified as a possible initiative for the 2001 budget. The long-term impact of nanotechnology on the health, wealth and lives of people will be at least the equivalent of the combined influences of microelectronics, medical imaging, computer-aided engineering and man-made polymers developed in this century. For example, remote, non-invasive sensing systems will allow us to detect the earliest stages of emerging disease, whether caused by infection or tissue malfunction, and prevent overt disease development. Nanotechnology deals with extremely small materials and systems whose structures and components exhibit novel and significantly improved physical, chemical and biological properties. For comparison, the typical dimension of 10 nanometers is 1000 times smaller than the diameter of a human hair.

Scientists Support Nuclear Test Ban Treaty

Today each Senate office received a letter signed by many prominent scientists and engineers urging CTBT ratification. The campaign, organized by the Union of Concerned Scientists, points out that ratification is the best way to prevent China from capitalizing on any nuclear weapons design information it may have obtained through espionage. By banning nuclear weapons tests, the CTBT would prevent China from gaining confidence in new nuclear weapons designs. Rep. John Spratt, a senior Democrat of the House Armed Services Committee and member of the Cox Committee, had sought to include this point in the Cox Committee's report, but the Committee refused to include it.

Stem Cells Show Promise for Treating Neurological Disorders

Scientists from the University of Bonn, in collaboration with colleagues from NIH and the University of Wisconsin, report in today's *Science* that they have been successful at using mouse embryonic stem cells to repair nerve damage in rats. The authors were able to coax stem cells through a number of developmental stages, finally resulting in the formation of cells that produce a protein called myelin, which coats and protects nerve cells in the brain and spinal cord. When these cells were transplanted into the spinal cords of rats with a genetic defect in their ability to make myelin, they began producing the needed protein.

There are a number of human neurological disorders that result from inadequate myelin coverage, including multiple sclerosis. While much more research needs to be done in animal models before human studies can be initiated, these results are very promising.

Can we do more
to support it?

99 JUL 30 4:134

THE WHITE HOUSE

WASHINGTON

July 30, 1999

THE PRESIDENT HAS SEEN

8-2-99

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra

Mickey

SUBJECT: Office of Intergovernmental Affairs Weekly Report – July 26 - 30, 1999

*copied
Ibarra
Podesta
Berger*

GOVERNORS

- National Governors' Association: On July 23, NGA Chair, Governor Carper (D-DE) and NGA Vice-Chair Governor Leavitt (R-UT), sent a letter to the House and Senate Appropriations Committee leadership to reiterate their bipartisan opposition to proposed cuts in discretionary spending. The governors wrote, "The current state budget balances and rainy day funds are not a reason for Congress to abandon its commitment to state and local grant programs." The governors have asked, at a minimum, that discretionary spending be held at 1999 spending levels. Specifically, the governors have reiterated their strong opposition to cuts in medicaid, child support, SSBG, TANF, CHIP, LIHEAP, and special education. The governors also wrote in opposition to cuts in administrative funds for medicaid, TANF, and food stamps.

COPIED
MAYORS/CITIES

- Mayors and Guns: USCM President Mayor Wellington Webb (D-Denver, CO) has proposed a post Labor Day White House event with mayors and their police chiefs to call upon Congress for action on gun legislation to reduce youth violence. IGA is working with Legislative Affairs and DPC to explore possibilities.
- Chicago Heat: Governor George Ryan (R-IL) and Mayor Richard Daley (D-Chicago, IL) have requested that emergency Low-Income Home Energy Assistance Program (LIHEAP) funds be made available to Chicago. The Department of Health and Human Services is ready to provide the necessary assistance to the city of Chicago upon approval from OMB on Monday.
- DC COPS Grants: Washington, D.C. Police Chief, Charles Ramsey, and the United States Attorney attended the radio address at the White House last Friday for the COPS Grants announcement. The Chief and Mayor Williams are delighted that the District of Columbia will receive 200 additional police officers and 40 new prosecutors with the new round of COPS grant awards.

8-2-99

- Memphis: Mayor Willie Herrenton (D - Memphis), participated in a "Memphis Federal Government Day" in Washington on July 26-28. The Mayor and his staff met with IGA, Commerce, HUD and SBA. He indicated the meetings were very productive and thanked the administration for working with his city.
- Houston: On July 28, I met with Mayor Lee Brown in Houston and participated in a Roundtable of Elected Officials. I presented your domestic policy agenda and responded to concerns they raised regarding census, clean air, transportation, bilingual education, Better American Bonds, and The African Trade Bill.

STATE LEGISLATORS

- National Conference of State Legislatures: IGA Staff attended the National Conference of State Legislatures annual meeting in Indianapolis this week. Both Secretary Riley, who discussed the budget and our education agenda, and Secretary Shalala, who discussed medicare, the budget, and CHIP, were well received by the legislators.

LATINO OUTREACH

- Texas Bridge Ceremony: On Tuesday, July 27, IGA and Legislative Affairs hosted over 50 elected officials and community leaders from the Rio Grande Valley for a White House briefing and a ceremony to present a presidential bridge permit for the Anzalduas International Crossing. IGA, Legislative Affairs, Political Affairs and Department of Education briefed the participants on our domestic policy agenda. The group was delighted with your participation.
- NCLR: On Wednesday, July 28, I traveled to Houston for the National Council of La Raza annual meeting. Secretary Bill Richardson and I participated in the program with the Vice President. The Vice President was well received by the 2,000 member audience.

INSULAR AREAS

- Vieques Bombing: At a hearing with senior military officers this week, the Defense Department's Special Panel on Military Operations in Vieques, Puerto Rico, found the Navy's report on the issue to be skewed and inadequate. The panel also visited the island. Senator Daniel Patrick Moynihan (D-NY) sent you a personal note on the issue, calling Puerto Rico the "last remnant of 19th Century imperialism" and suggesting the Vieques bombing could result in instability. He recalled being a gunnery officer there years ago and wondering how the bombing could be permitted. He suggested it should now be stopped.

✓
to show
to the
President!

THE WHITE HOUSE
WASHINGTON

1999 JUL 30 14:15

July 30, 1999

THE PRESIDENT HAS SEEN
8-2-99

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Summary of Cabinet Weekly Reports
July 24 - 30, 1999

copied
Marshall
Balderston
Podesta

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **Federal Response to Heat Wave and Drought:** Cabinet Affairs convened a conference call with representatives from DOI, USDA, DOC, HHS, DOE, EPA, SBA, and FEMA to coordinate the federal response. Secretary Richardson announced efforts to improve air conditioner and energy efficiency standards and the redoubling of efforts to fix power outages. On August 2, Secretary Glickman will examine drought damage to farms in WV and MD along with Governor Glendening and Senators Rockefeller and Byrd. Secretary Glickman will announce low interest loans for farmers. A crop disaster declaration by the Secretary of Agriculture would trigger SBA's Economic Injury Disaster Loan (EIDL) program for agri-dependent small businesses. To date, HHS has awarded \$120 million in LIHEAP money for 17 states that experienced in excess of 30 percent above-normal temperatures over a two week period; \$200 million remains available for emergency contingency funding through September. In addition, a crop disaster declaration by the Secretary of Agriculture would trigger the EIDL program for agri-dependent small businesses.
- **White House Convening on Hispanic Children and Youth:** The First Lady will host the White House Convening on Hispanic Children and Youth on August 2. DOEd, HHS, DOJ, USDA, DOL, HUD, DOE, and SBA have all worked with the First Lady's Office in identifying programs that can be announced during the event. Administrator Alvarez, other agency officials, and members of the Congressional Hispanic Caucus will attend. Through assistance from regional offices, the event will also be available via satellite nationwide.

DEPARTMENT OF TREASURY

- **Tax Legislation:** On July 27, Treasury transmitted tables to Senate Finance Committee Chairman Roth and Ranking Member Moynihan showing the distributional effects of Chairman Roth's tax legislation. The tables indicate that: when fully phased in, 67 percent of the tax benefits accrue to the wealthiest 20 percent of Americans; the costs of Chairman Roth's legislation increase substantially in the second ten years, from \$743 billion in the first ten years to \$1.8 billion in the second ten years; and Chairman Roth's legislation does not have the same explosive level of second-decade growth, or as skewed a distribution, as Chairman Archer's tax legislation. On July 28, the Senate began formal debate on the Roth bill.
- **Russia:** On July 27, Secretary Summers participated in your and Vice President Gore's meetings with PM Stepashin and met separately with First Deputy PM Zadornov. The meeting with First Deputy PM Zadornov centered on Russia's providing loans to Serbia and the problem this would pose for U.S. support of Russia's international financial institution programs. On July 28, the IMF board approved a \$4.5 billion program for Russia covering the remainder of 1999 and all of 2000. Assuming program conditions are met, funding will be dispersed in quarterly tranches of roughly \$630 million.
- **Natural Disasters:** On July 30, Deputy Secretary Eizenstat testified before the House Banking Committee regarding the Homeowners' Insurance Availability Act of 1999, which requires Treasury to offer Federal reinsurance contracts for residential losses due to natural disasters. The testimony reiterates certain reservations with the legislation, especially the cap on annual payout from the insurance program.
- **Debt Management:** On July 29, Treasury issued proposed regulations setting out the terms and conditions by which the Department could redeem or buy-back outstanding marketable Treasury securities. Treasury proposes only to accept offers which are competitive and which are from entities approved by the Federal Reserve Bank of New York to transact open market operations.

DEPARTMENT OF JUSTICE

- **Hate Crimes:** Senator Hatch introduced his four-point hate crimes measure on July 21. DOJ has been advised that the House Judiciary Committee will hold a hate crimes hearing on August 4 and has received a request for Deputy Attorney General Holder to testify.
- **Asylum:** The Second Circuit reversed a Bureau of Immigration Appeals decision denying asylum to an alien who claimed that she would face female genital mutilation by her tribe if she returned to Ghana. The court held that Abankwah's testimony was

plausible, detailed, and internally consistent; the evidence showed the pervasiveness of the practice throughout Ghana; and because Abankwah's fear was thus both subjectively real and genuinely reasonable, she had established a well-founded fear of harm.

- **Weed and Seed Conference:** From August 2-4, in Houston, TX, DOJ will sponsor its third national conference, "Communities for the New Millennium." Approximately 1,400 federal, state, and local officials, including U.S. Attorneys and their staffs, and representatives from law enforcement, community-based organizations, businesses, nonprofits, and religious organizations are expected to attend workshops on drug enforcement strategies, neighborhood housing, home ownership, and other related topics.
- **National Youth Gang Symposium:** From July 27-30, the OJJDP is sponsoring the Second National Youth Gang Symposium in Las Vegas, NV, entitled "Youth Gangs and Violence: A Balanced Approach for the Future." Session topics will include school gang problems, gang victims, gangs in Indian country, rural gangs, community policing, guns, and gangs in correctional facilities.
- **Criminal Records Improvement Grants:** By the end of July, DOJ is scheduled to announce grants totaling about \$38 million to 50 states and territories under the National Criminal History Improvement Program (NCHIP). The grants fund the modernization and automation of criminal history records used in the FBI NIC Background Check System, National Sex Offender Registry, and registries of domestic violence orders. The grants also fund technology such as automated fingerprint identification systems and computerized mug shots and booking systems.

DEPARTMENT OF INTERIOR

- **CA Water:** By midnight, August 2, DOI will conclude final negotiations among the primary CA Colorado River contractors in an effort to reach a mutually-agreeable approach for quantifying Colorado River water rights. If an agreement is reached, it will be historic and will pave the way for a major ag-to-urban water transfer that will help secure the water future for Southern CA.
- **Offshore CA Leasing:** On July 27, the CA Coastal Commission formally requested Secretary Babbitt to make a legal finding that the Secretary not extend the suspension of 40 off-shore CA leases. A continued suspension would allow the operators to proceed toward the development of exploration plans for such leases as the current suspension will expire on August 15. The Coastal Commission request raises an important legal and policy question for interested agencies, including DOI, CEQ, NOAA, and EPA.

- **Report on CA Fire:** On July 26, BLM anticipates release of the agency's report on the Lowden Ranch prescribed fire at a public meeting in Lewiston, CA. Local residents met on July 20 to discuss the fire and held the meeting open until July 26, requesting that BLM make the report available at that time. The report finds that BLM did not follow accepted standards in conducting the prescribed burn, which became a wildfire and burned 23 houses. DOJ is handling liability claims.
- **Aleutian Canada Goose:** On July 30, FWS expects to propose removing the Aleutian Canada goose from the list of endangered and threatened species. An event is being planned for Secretary Babbitt to make the announcement.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Drought Damage and Emergency Loan Funds:** On August 3, Secretary Glickman, joined by Senators Byrd and Rockefeller, will tour farm damage in WV from the drought affecting the Mid-Atlantic region, and will announce that USDA is making farmers in the entire state eligible for low interest emergency assistance. The tour will continue through VA and MD, for which USDA expects to offer similar assistance. In a related development, USDA has exhausted its FY99 emergency loan funds, consequently, absent supplemental funding for the program, USDA will not be able to fund the applications until the beginning of the next fiscal year. The Department will likely begin FY00 with \$200 million in approved but unfunded requests.
- **Food Stamps:** On August 5, USDA officials will testify before the House Agriculture Subcommittee on Government Operations, Nutrition, and Forestry on the operations of the food stamp program, with specific emphasis on the initiatives you announced July 14 eliminating some administrative complexities and reducing certain barriers to participation.
- **Commodity Markets:** Support from corn and soybeans helped boost wheat prices last week, along with good export news. Hot, dry weather in the Midwest and Eastern Corn Belt drove soybean and corn prices up sharply, especially for new-crop futures. The rally in other grains also helped raise rice futures, but cash prices were unaffected. Cotton prices moved up on a round of speculator shortcovering and trade rumors suggesting future enactment of Step 2 payments. A shortage of Choice grade animals is helping support cattle prices. Hot weather and reduced marketings underpinned a slight improvement in hog prices. Broiler prices dropped under the pressure of large supplies. Firm demand led to higher cheese prices. Increased inventories pressured butter prices down.

- **Food Security Assessment:** On August 9, USDA will release an assessment on food security that evaluates availability and distribution of food, and analyzes trends through 2008 by projecting food gaps to maintain per capita consumption, meet nutritional needs, and fulfill requirements stemming from unequal food distribution.

DEPARTMENT OF COMMERCE

- **Gore-Stepashin Commission:** On July 27, Secretary Daley led the trade and investment discussions of the Executive Session between Vice President Gore and Russian PM Stepashin. Secretary Daley also met with Russian Trade Minister Fradkov on July 26 to discuss Russia's non-market economy status, trade in commercial aircraft, Ex-Im Bank financing, and commercial energy issues.
- **FY2000 Budget:** On July 22, the House subcommittee marked up the State, Justice, Commerce Appropriations Bill, which provides \$8 billion for Commerce compared to \$7.1 billion provided by the Senate. The bill includes \$4.47 billion in emergency funding for Census 2000 (\$3.4 billion more than FY99 and \$11 million below the your request). Funding for NOAA was proposed at a significantly reduced level. The House bill provides no funds for NIST's Advanced Technology Program. House Appropriations is scheduled to consider the bill on July 30.
- **CA Oil and Gas Request:** NOAA is working with DOI's Minerals Management Service (MMS) to address an anticipated request by the CA Coastal Commission to review "suspensions," which provides an extension of a leaseholders' permit to operate. The suspension was requested by the lease operators under the Federal consistency provisions of the Coastal Zone Management Act to extend the term of expired oil and gas leases. MMS believes that the lease suspensions do not adversely effect the CA coastal zone.
- **Red Snapper Fishery:** Recreational fishing interests are challenging an emergency rule setting the red snapper allowable catch at a minimum 18 inches and designating an August 29 closure for the recreational fishery in the Gulf of Mexico. They allege that DOC's National Marine Fisheries Service did not take regional differences within the fishery into account and that the size limit has a net negative effect on the stock because of release mortality of smaller fish.
- **Japan Railway Elevator Contract:** A U.S. firm has won contracts totaling approximately \$1.5 million for the installation of elevators in several Japan Railway stations in Kyushu. DAS for Asia and the Pacific Marjory Searing has been active in lobbying the Japanese Government to utilize U.S. products in these projects.

THE PRESIDENT HAS SEEN

8-2-99

Any good news?
unmarked
Summ

DEPARTMENT OF LABOR

- **Workforce Investment Act (WIA):** August 7 is the first anniversary of the WIA.
- **Collective Bargaining Update (Auto Industry):** The big three U.S. automakers, the Canadian Auto Workers and other stakeholders met for pre-bargaining sessions last week with all parties expressing optimism of avoiding work stoppages when their agreement expires on September 21. Unionization of parts suppliers is expected to be a key issue and Ford is expected to be the pattern target in the U.S. by the UAW as well. Both the UAW and CAW have had more friendly relations according to industry experts than GM and Daimler-Chrysler in recent years.
- **Northern ME Logging:** U.S. loggers have raised the possibility that they may again blockade the border between the U.S. and Canada in the Fall. Loggers in ME are pressing for the H2 Logging Program to end and want employers to increase current prevailing wages. DOL is working closely with the ME State Department of Labor.
- **Uptons' Department Store Closures:** On July 19, Uptons' parent company, NY-based American Retail Group, Inc., announced that it will close all 75 Uptons Stores, including 13 in metro Atlanta and Athens, GA. The closings will leave 4,000 workers, including 1,200 in metro Atlanta without jobs. The closings have been blamed on Uptons inability to compete with other area major retailers. With a 2.8 percent unemployment rate in Atlanta, it is expected that the dislocated workers who choose to stay in retail will be hired by other retailers.
- **Chicago Travel:** August 4, Secretary Herman will make remarks at the Welfare-to-Work Partnerships Conference luncheon and August 5, will officiate at a Job Corps Center opening and attend the Rainbow PUSH Conference in Chicago, IL.
- **Women Apprenticeship Grants:** By the end of the month, DOL plans to announce eight grants totaling \$748,080 that are being awarded by the Bureau of Apprenticeship and Training for the Women in Apprenticeship Projects. The grants will identify and eliminate barriers to recruitment, training, placement and retention of female apprentices in non-traditional occupations.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Blood Safety:** During the week of August 3, HHS expects to publish two proposals related to blood donor testing. These proposals are part of the Department's Blood Action Plan. One proposal will revise the biological product standards by updating the hepatitis B virus and HIV testing requirements and by adding testing requirements for hepatitis C virus, human T-lymphotropic virus, as well as for additional, more specific

testing when a donation is found to be repeatedly reactive for any of the required screening tests for communicable disease agents. The other proposal will require blood and plasma establishments to notify a donor deferred because of test results for communicable disease that he or she has been deferred, the reason for deferral, and provide information on appropriate medical follow-up and counseling. The public will have 90 days to comment on these proposals.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Training Workshops on Housing and Economic Development on Tribal Lands:** As a direct result of the success gained at the Pine Ridge Building Summit II, the Office of Native American Programs is conducting a series of three training workshops entitled "Seeking Solutions Through Economic Development and Housing Opportunities." The first session took place this week in Oklahoma City and subsequent sessions scheduled to take place in Phoenix, AZ and Raleigh, NC. DOI, VA, and USDA are also working on this initiative which is targeted for individuals, tribes and tribal entities.

DEPARTMENT OF TRANSPORTATION

- **Incentive Grants:** On July 26, the Vice President announced incentive grants totaling \$57.4 million for 17 states and D.C. for legally lowering the threshold for drunk driving to .08 blood alcohol concentration (BAC). The grants are being awarded under provisions of TEA-21, which authorizes more than \$500 million in federal grants to states over six years as incentives to enact and enforce laws that make it a drunk driving offense to operate a motor vehicle with a BAC of .08 or greater.
- **Seat Belt Use Among African Americans:** On July 20, Secretary Slater praised Meharry Medical College of Nashville, TN, and GM for engaging in a public-private partnership and for conducting a study which confirmed that seat belt use among African Americans is lower than the national average and that African Americans are more likely than whites to be killed in motor vehicle crashes. The study recommends that public awareness be raised and primary seat belt laws be encouraged and enforced.
- **Grade Crossing Programs:** On July 23, Secretary Slater announced financial assistance grants totaling \$6.95 million to eight federally-designated high-speed rail corridors to eliminate hazards at public and private highway-rail grade crossings. The federal share of costs for improvements funded under the hazard elimination program may be up to 100 percent of the total engineering and construction costs.
- **Cuban Migrant Interdictions:** The USCG has met with the Mayors of Miami and Metro-Dade and leaders in the Cuban-American community. In the coming weeks, the USCG will meet with the Miami area civic and business leaders from the Greater Miami

Chamber of Commerce, schedule a media ride along on a USCG patrol boat, and schedule a meeting with Cuban-American community leaders to provide a personal brief on the results of the USCG's investigation and subsequent actions taken regarding this incident.

- **EU Hushkit Rule:** The EU has adopted a rule that discriminates against U.S. engine manufacturers and airlines, but its effectiveness is delayed until May 2000, on the understanding that the U.S. and the EU would work together to accelerate adoption of an international standard to further reduce aircraft noise. Informal discussions were held with Commission staff in Washington on July 21 to explore a common position regarding the process and EU action to withdraw the rule.
- **US Route 40/Interstate 64 Peaceful Protest Averted in MO:** Meetings are continuing to resolve the minority employment and Disadvantaged Business Enterprises (DBE) utilization concerns on highway construction in the St. Louis area. The Governor's Office, MODOT, and the Minority Contractors Coalition have reached a tentative agreement which averted a threatened protest on US 40/I-64. The state has proposed to hire additional personnel to develop community outreach and to suspend letting any contracts in the City of St. Louis until completion of an availability study that will be conducted at the direction of DOT.
- **John F. Kennedy, Jr. Plane Crash:** DOT and the FAA have received numerous FOIA requests from *CNN*, *ABC News*, and local MA television stations regarding tapes, maintenance records, and other records relating to the Kennedy plane crash.
- **Navajo Nation Grade Crossing Safety:** On August 3, the FRA will participate in grant award ceremony for the Navajo Nation which will be awarded \$47,300 to address highway-rail grade crossing safety and trespass prevention. The funds will be awarded to the Navajo Nation by the Federal Railroad Administration, the Burlington Northern Santa Fe Railroad, Amtrak, Operation Lifesaver and from donations by the Navajo Nation. The program is the first of its kind in the nation where Native Americans worked with FRA and Operation Lifesaver to promote grade crossing safety and trespass prevention.

DEPARTMENT OF ENERGY

- **U.S.-China Oil and Gas Industry Forum:** From July 20-22, the Second U.S.-China Oil and Gas Industry Forum was held at Rice University in Houston, TX. DOE, Commerce, and China's State Development and Planning Commission sponsored the forum. U.S. and Chinese oil and gas industry representatives and government officials continued discussions begun in Beijing on ways that China and the United States can work together to develop reliable and economical sources of oil and natural gas. The discussions focused on mutual access and natural gas and oil policy.

- **Y2K Web Site:** On July 16, DOE's Y2K Project Team launched its newly expanded Y2K web site. In addition to information on the status of Y2K preparations within the Department and its facilities, the site has been expanded to serve as a clearinghouse for energy sector information on the four areas of DOE's lead structure: Electric Power, Nuclear Power, Oil and Gas, and International Energy.

DEPARTMENT OF EDUCATION

- **CA Test Scores Rise:** On July 22, after several delays caused by scoring errors, CA released school-by-school results of the statewide Stanford 9 tests. Scores rose for students in most grade levels, regardless of English proficiency, with the largest gains coming in the early grades. According to the San Diego Union Tribune, the across-the-board improvement makes it unclear whether the limited-English speakers' gains are attributable to Proposition 227, the voter approved restriction on bilingual education; a series of concurrent reforms, including class-size reduction and an emphasis on reading in the early grades; or simply increased familiarity with the test.
- **Gun-Free Schools Report:** On August 10, Secretary Riley will hold a press conference to announce the release of the "Report on the Implementation of the Gun-Free Schools Act -- School Year 1997-98." The report will show a decline in the number of children expelled from school for carrying weapons. Senators Feinstein and Dorgan are expected to join the Secretary.
- **Baby Boom Echo Report:** On August 19, Secretary Riley will hold a press conference to announce the release of the fourth annual Baby Boom Echo Report. The report on baby boom echo students, whose numbers have stretched the capacities of high schools and colleges, will include student enrollment statistics and projections.
- **New York City School Discrimination Case:** DOEd and DOJ are considering whether the Federal government should file an *amicus* brief in a case involving possible racial discrimination in NY schools. The plaintiffs allege that NY's provision of financial aid to New York City is inequitable and has the effect of racial discrimination. In a July 22 meeting, attorneys for the plaintiffs requested an *amicus curiae* brief that would support this position. The charges in this case are similar to those made by Manhattan Borough President Fields in a recent complaint to DOED.
- **Safe and Drug-Free Schools:** On August 12, Secretary Riley will host a Satellite Town Meeting, "Safe Schools, Safe Students: What Parents Can Do." The teleconference will feature practical advice from local educators, community leaders, law enforcement officials, and medical and mental health professionals on what can be done at home and at school to keep students safe.

8-2-99

- **Learning Anytime Anywhere Partnerships Grants:** By late July or early August, DOEd expects to announce the Learning Anytime Anywhere Partnerships (LAAP) grants. LAAP grants will support distance learning and allow working adults to take advantage of lifetime learning. DOEd expects to award 25-30 grants ranging from \$100,000 to \$500,000 per year, with a few grants totaling more than \$1 million over several years.
- **GEAR UP Grants:** Between July 30 and August 13, the first grants from the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) will be announced. These grants will go to locally designed partnerships between colleges and low-income middle schools, plus at least two other partners -- such as community organizations, businesses, religious groups, state education agencies, parent groups, or nonprofits -- to increase college-going rates among low-income youth. GEAR UP State Grants will help states provide early college awareness activities, improved academic support, information on paying for college, and scholarships. The proposed programs must treat low-income students as a priority and should be coordinated with the efforts of schools, local community organizations, and colleges and universities.
- **Reading Excellence Grants:** By early August, DOEd expects to announce \$241 million in FY99 Reading Excellence Program grants, which support research-based reading instruction, professional development for teachers, family literacy, and extended learning activities. The program is designed to help children learn to read well and independently by the end of the third grade.

DEPARTMENT OF VETERANS AFFAIRS

- **FY2000 Budget:** On July 26, Secretary West accompanied Vice President Gore to Nashville, TN, for the Vice President's announcement of the Administration request to Congress for an additional \$1 billion in spending for veterans' health programs in FY2000. The \$1 billion addition to VA's budget includes \$800 million to hire more medical workers and take other steps necessary to reduce waiting time and ensure quality care; \$100 million for home- and community-based long-term care services; and \$100 million to help upgrade outdated facilities.
- **Quality of Treatment for Patients with Heart Attacks:** Treatment for heart attack patients provided at VA primary and tertiary care facilities is comparable or superior in quality to treatment provided in the private sector, according to early findings from the VA Quality Enhancement Research Initiative (QUERI) Ischemic Heart Disease study.
- **Birth Defects Benefits Legislation:** VA is proposing legislation that would benefit children with birth defects which may be related to their mothers' service in Vietnam. The proposal is part of Secretary West's response to a VA-commissioned report on

Vietnam veterans and exposure to Agent Orange prepared by the National Academy of Sciences (NAS). While the NAS report concluded that there is inadequate/insufficient evidence that children of Vietnam veterans faced an elevated risk of birth defects, an internal VA study completed after the NAS review provided compelling evidence associating women's Vietnam service with birth defects. Secretary West also called on NAS to complete, within six months, a review of the evidence regarding a possible association between diabetes and herbicide exposure.

- **America Goes Back to School:** On July 29, in support of your America Goes Back to School Initiative, Secretary West visited Seaton Elementary School in DC and participated in the DC Reads This Summer tutoring program.

ENVIRONMENTAL PROTECTION AGENCY

- **Drinking Water and Wastewater Facilities Y2K Readiness:** From July 25-August 4, EPA is coordinating Y2K testing and contingency plan exercises at drinking water and wastewater facilities across the nation. These Y2K preparatory demonstration events are being publicized by local and trade press organizations to highlight the Y2K preparedness of water treatment facilities and to ensure public confidence.
- **First Federal Building Entirely Powered by Renewable Energy:** On July 23, EPA announced that its Richmond, CA laboratory will be the first federal government building entirely powered by renewable energy. Through an agreement between EPA and Sacramento Municipal Utility District, power for the laboratory will come entirely from a new landfill methane plant – methane emitted from the landfill will be burned for electricity, which is expected to result in a 2.3 million pound annual reduction in carbon dioxide emissions, the equivalent of reducing vehicle miles driven by two million annually.

UNITED NATIONS

- **Cuban Human Rights:** At the Economic and Social (ECOSOC) session in Geneva, Cuba representatives introduced a resolution to have ECOSOC instruct the Commission on Human Rights to drop their consideration of the human rights situation in Cuba. An intensive week-long lobbying effort involving all levels of the Department of State as well as the U.S. Missions in Geneva and New York, successfully turned off the Cuban initiative. Once Cuba realized they did not have the requisite votes in Geneva, they withdrew their resolution.

8-2-99

UNITED STATES TRADE REPRESENTATIVE

• **U.S.-Vietnam Trade Agreement:** On July 24, Ambassador Barshefsky announced that U.S. and Vietnam negotiators have arrived at an agreement in principle on the terms of a bilateral trade agreement. American negotiators have been working toward such an agreement for over three years. In the accord, Vietnam pledged to address import quotas, import bans, and high tariffs as well restrictions on financial services, telecommunications, distribution, and other matters relevant to access to the Vietnamese markets of U.S. goods, services, agriculture, and intellectual property rights. Vietnam also agreed to a series of measures to ensure transparency in rules and regulations effecting trade. Once an agreement is finalized, it will be submitted formally to Congress. Congress would have to approve the agreement by Joint Resolution, after which you would then be able to make effective Normal Trade Relations with Vietnam. This would be subject to annual renewal under the Jackson-Vanik Amendment. Coupled with approval of Normal Trade Relations for Laos, this would mark full U.S. economic re-engagement with Indochina.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **National Baptist Convention:** On August 3, Director McCaffrey will address the 38th annual session of the Progressive National Baptist Convention in Washington, DC.
- **National Youth Anti-Drug Media Campaign:** On August 2, Director McCaffrey will join you to report on progress in the National Youth Anti-Drug Media Campaign. In addition to previewing new PSAs for youth and parents, accomplishments to date will be outlined along with an overview of full implementation of the advertising and non-advertising components.

SMALL BUSINESS ADMINISTRATION

- **BusinessLINC:** On August 10, the White House is planning to announce the BusinessLINC initiative. You and the Vice President have been invited to participate along with Administrator Alvarez, Secretary Summers, the CEO of Texaco Corporation, and the Chief CEO of the Business Roundtable. BusinessLINC CEOs and small businesses in New York, Chicago, Dallas, Boston, and the Delta will also participate.
- **New Markets:** SBA is planning a partnership agreement signing ceremony with the National Council of Negro Women (NCNW) and other "Letter of Intent Signers" from the February, 1998 Metropolitan Access event. At last year's event, the Vice President announced the SBA Outreach Initiative to increase lending to the African-American small business community. The signing is scheduled to take place at the NCNW Headquarters in Washington, D.C. on August 19. In addition, the Rainbow/PUSH

Coalition has invited the Administrator to attend their Annual Convention in Chicago on August 6. The Administrator will serve on a panel to discuss New Markets.

OFFICE OF PERSONNEL MANAGEMENT

- **DC Federal Summer Job Initiative Hiring Goal Reached:** OPM reports that Federal agencies have surpassed 100 percent of the hiring commitment for the DC Federal Summer Jobs Initiative (753 hires out of 746 commitments).
- **Background Investigations:** On July 23, in a letter to Defense Authorization Act conferees Director Lachance expressed concerns about a provision in the Senate-passed version of the Defense Authorization Bill that would transfer responsibility for personnel security investigations from OPM to the FBI. The letter also contained OPM's objection to provisions in the House-passed version that would raise the mandatory retirement fund contribution required for buyouts within DOD and DOE.

UNITED STATES INFORMATION AGENCY

- 
- **Islam in the U.S.:** The Pakistani newspaper *Khabrain* published a special edition on "Islam in the U.S." on July 21 using material provided to the paper by USIS Lahore. The feature praised you and the First Lady for your leadership in ending discrimination against Muslims. The paper pointed out that you have repeatedly stated that the U.S. is not anti-Islam and that the entire Muslim world cannot be blamed for isolated acts of terrorism. The story also commended the First Lady for hosting receptions in the White House to mark the 'Eid holiday at the end of the month of Ramadan.

GENERAL SERVICES ADMINISTRATION

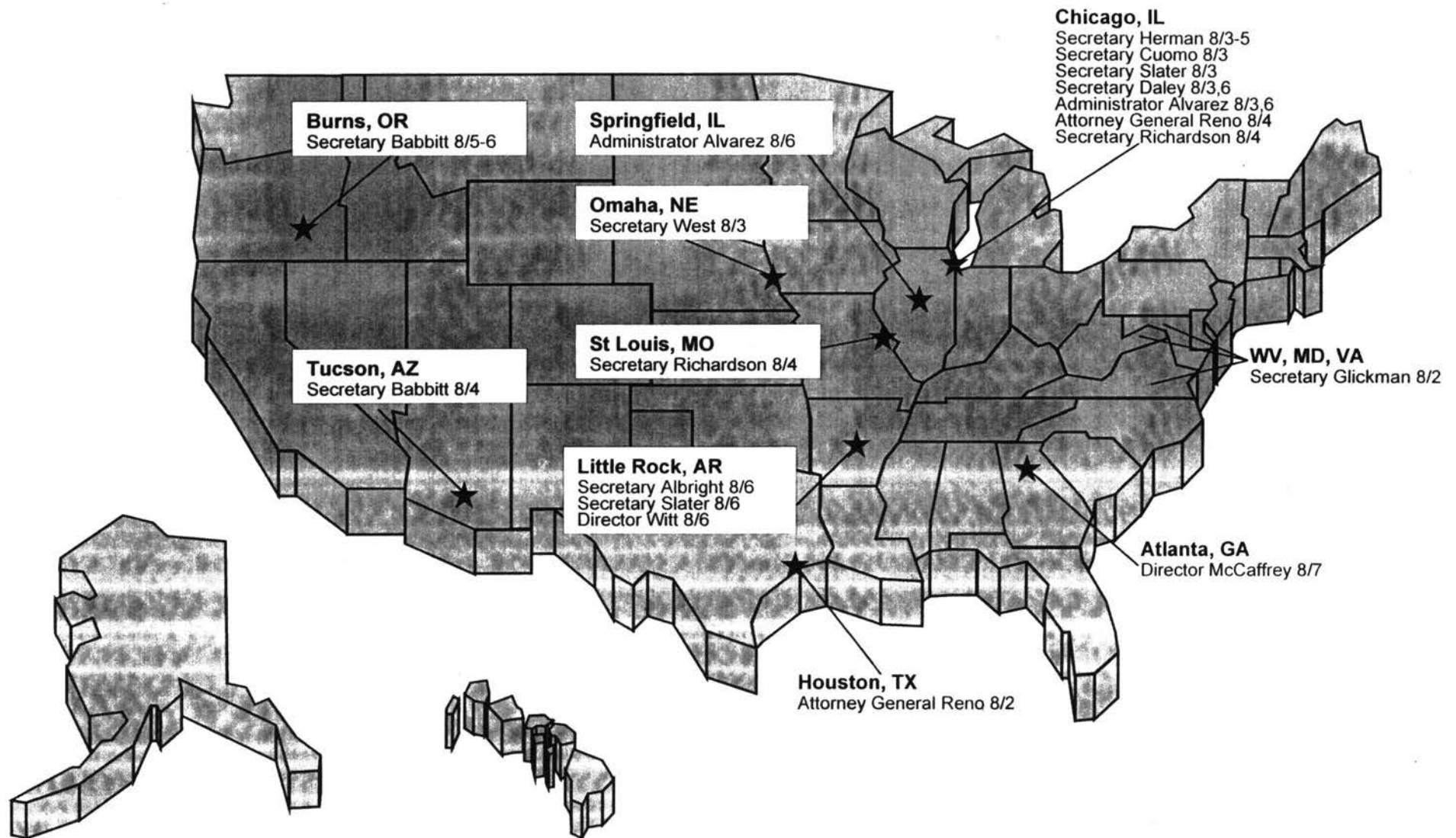
- **Buyout Authority:** GSA has begun discussions with Senate Government Affairs and House Government Reform Committees seeking agency-wide buyout authority for the up to 2,000 employees that will be eliminated by the phased shutdown of GSA warehouse and depot operations.

NATIONAL SCIENCE FOUNDATION

- **Five New Science and Technology Centers:** On July 29, the National Science Board approved five new NSF Science and Technology Centers agreeing to commit almost \$94 million over five years in a range of important scientific and technological areas to include the following new centers: water sustainability (University of Arizona), nanobiotechnology (Cornell University), adaptive optics (University of California at Santa Cruz), behavioral neuroscience (Emory University) and environmentally responsible solvents and processes (University of North Carolina).

Cabinet Travel

Monday, August 2 - Sunday, August 8, 1999



cc:

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

THE WHITE HOUSE
WASHINGTON

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER *lyn*

CC: MARIA ECHAVESTE

SUBJECT: INDIAN COUNTRY

Very important

99 JUL 30 PM4:21

*copied
Cutler
Echaveste
Podesta*

Continuing Follow Up Work

- There were two meetings this week involving follow up efforts to both your Pine Ridge visit and the meeting that was held in the Roosevelt Room on May 12, 1999. I am glad to tell you that almost every agency is focused on the issues surrounding Indian Country and are looking for initiatives for now and for the 2001 budget.
- I thought that you might like the idea that Secretary Richardson is implementing: an "Indian 101" course for all of his senior staff, assistant secretaries, and SES personnel. LaDonna Harris will teach the course. It will take a few hours and will help people to understand Indian Country. It would be good to do this across the government—you always say it is a matter of education.
- I continue to work with Ron Dozoretz on his projects. We actually may be able to do the housing for Geraldine Blue Bird with a new doublewide trailer. I am sorry to report that the Medicaid coverage in South Dakota for mental health services is pathetic. It is also shocking to have learned that there are only eighteen children on Pine Ridge who have been enrolled in CHIP. We need to do something about this lack of enrollment because the other reservations must have the same problem.
- The quarterly meeting of the White House Interagency Working Group on American Indians and Alaskan Natives met on Tuesday, July 27, 1999. Secretary Babbitt suggested that we put together a whole strategy for you for the 2001 budget that will make a real difference in Indian Country. There is a growing feeling that a major government-wide initiative for Indian Country could be put together as part of your defining legacy.

MEMORANDUM FOR THE PRESIDENT
PAGE TWO

- The work on telecommunications needs continues. The Federal Communications Commission is promulgating regulations to push phone companies to do more outreach to rural America.

Cherokee Election Outcome

- Members of the Cherokee Nation, the second largest Indian tribe, voted out Chief Joe Byrd on Saturday, July 24, 1999. Chief Byrd's tenure was marred by months of turmoil within the tribal government. Challenger Chad Smith, whom Wilma Mankiller supported, received fifty-six percent of the vote to the incumbent Byrd's forty-four percent. Byrd's tenure saw coffers of the 200,000-member Cherokee Nation slide from a \$3.4 million surplus to a projected \$18 million deficit.

THE WHITE HOUSE

WASHINGTON

99 JUL 30 PM 2:32

THE PRESIDENT HAS SEEN

8-2-99

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

copied
Ballentine
Podesta

Climate Change

Press and Industry.

CNN ran stories this week on the current heat wave and whether or not it was evidence of global warming. The report noted that this is the 23rd consecutive year that global temperatures are above the long-term average for the century. This programming may or may not be evidence of Ted Turner's growing interest in climate change. His foundation will be funding a significant media campaign starting this fall drawing attention to the issue of climate change.

Legislative.

We had mixed success in the House appropriations process this week. We anticipate a VA-HUD bill that will include around \$40M of your \$200M request for the Clean Air Partnership Fund and \$100M of your \$216M request for EPA's portion of the Climate Change Technology Initiative. We have done reasonably well on your renewable energy portfolio in both the House and Senate: the House is currently at \$309M and the Senate is at \$306M. Our request was \$399M.

Representative Knollenberg (R-MI) continues to add his rider prohibiting "back door" implementation of the Kyoto Protocol to numerous appropriations bills. While we have lived with this language after narrowing it last year, we have two new potential problems. First, the language he added at subcommittee to the VA-HUD bill is significantly broader and purports to prevent any EPA activity that "contemplates" or "prepares" for Kyoto. The breadth of this language could stymie a host of popular EPA programs as well as EPA participation in international efforts to secure developing country participation in the Kyoto framework.

Second, Rep. Knollenberg also added the original limiting language to the Commerce, Justice State and Foreign Operations bills. Not only may application of this limitation to the State Department and USAID be an unconstitutional limitation on your purview to conduct foreign affairs, it also would severely limit our ability to work with other nations, particularly developing countries, in seeking a global solution to climate change.

Our wind/biomass renewable energy tax credit remains in the Senate tax package. In addition, Senators Daschle, Kerrey, Baucus, Bingaman and Byrd filed an amendment containing our tax credits for hybrid vehicles and energy efficient homes. The Senators do not plan to push their amendment to a vote but want to work on getting components of it included in whatever tax package is ultimately enacted.

Lands Legacy

In the face of strong Republican opposition on his Committee, Energy Committee Chairman Murkowski postponed a mark up S. 25, the OCS revenue sharing/Land and Water Conservation Fund bill that is the vehicle by which we hope to enact your Lands Legacy Initiative. In the House, Resources Committee Chairman Young (R-AK) and Ranking Member Miller (D-CA) appear close to agreeing on a compromise OCS/LWCF bill. While it is unlikely they will be able to move such a bill to the House floor, having a committee-passed bill could help us in an end-game scenario.

cc: The Vice President
John Podesta
Maria Echaveste
Steve Ricchetti
George Frampton
Ron Klain
Neal Lane
Joe Lockhart
Gene Sperling
Larry Stein
Jim Steinberg
Janet Yellen

THE DATA REPORT - AS SEEN
8-2-99

July 30, 1999

copied
Moore
Podesta

MEMORANDUM TO THE PRESIDENT AND VICE PRESIDENT

From: Minyon Moore

Subject: Weekly Political Report

ARIZONA

Next Wednesday, Interior Secretary Bruce Babbitt will join former Babbitt aide and Tucson mayoral candidate Betsy Bolding (D) for an event. Tucson Mayor George Miller (D), who is not seeking re-election, supports Bolding, a moderate businesswoman. Other Democratic candidates include former Cincinnati Reds baseball player and real estate broker Pat Darcy, City Council Member Janet Marcus, and actress and former city councilwoman Molly McKasson, who is considered the most liberal mayoral candidate. Real estate agent Robert Walkup (R), who is considered moderate, is the only announced Republican candidate. Some Democrats are concerned that unless a moderate Democrat wins the primary, they will have a hard time retaining this traditionally Democratic seat. The mayoral primary is September 7, and the general election is November 2.

ARKANSAS

On Thursday, I met with Bruce Harris (D), who is the former Chief of Staff to Rep. Marion Berry (D), to discuss his campaign against Rep. Jay Dickey for the 4th House District seat in Arkansas. Harris plans to focus his campaign on expanding Medicare coverage for prescription drugs and on the President's New Markets initiative. He expects that he will need to raise about \$250,000 - \$350,000 for the primary race, which may include as many as four other Democratic challengers. He believes his strongest competitor will be state Senator Mike Ross (D), who reported raising over \$140,000 as of June 30. He also said that he hoped the White House would not take sides in the primary.

CALIFORNIA

On Tuesday, Governor Gray Davis (D) ended California's efforts to deny pregnancy care for tens of thousands of illegal immigrants by signing a budget bill with a provision authorizing a state funded prenatal care program for undocumented women. The move effectively preserves the 11-year-old aid program that was targeted by former Governor Pete Wilson (R) for extinction.

On Wednesday, Governor Davis vetoed legislation that would have declared outreach programs for minorities and women permissible despite Proposition 209, a 1996 voter-approved ban on preferential treatment by government based on race or gender. In his veto message, Davis, who strongly opposed 209, said the legislation violated provisions of Proposition 209. The Governor also announced his intent to appoint a Task Force on Diversity and Outreach. Davis believes that outreach programs can be fashioned that are constitutionally permissible and will request a report from the Task Force providing ways state government can provide outreach by December 1.

On Wednesday, former San Francisco Supervisor Angela Alioto (D) filed papers to challenge Mayor Willie Brown (D) in San Francisco's November 2 mayoral election. Also in the race is

police Captain Richard Cairns (D). San Francisco Supervisor Tom Ammiano (D), and former San Francisco Mayor Frank Jordan (R) are expected to announce their candidacies by the August 6 filing deadline. If no candidate receives 50% on November 2, the top two vote-getters will face off in December.

On Thursday, Governor Davis ended litigation surrounding Proposition 187, effectively ending official efforts to preserve the 1994 ballot referendum that sought to deny illegal immigrants certain state-sponsored programs and aid. In an agreement with civil rights lawyers, Davis agreed not to appeal an earlier federal court ruling that held much of Proposition 187 to be unconstitutional. The U.S. 9th Circuit Court of Appeals ratified the agreement and directed further challenges to be considered by September 30.

CONNECTICUT

On Wednesday, Governor John Rowland (R) endorsed former state Senator Mark Nielson's (R) bid to unseat Rep. Jim Maloney (D). Nielson lost to Maloney 50%-48% in one of last year's most hard-fought contests. Governor Rowland endorsed Nielson early to discourage potential Republican challengers.

GEORGIA

On Tuesday, Fox News reported that Governor Roy Barnes (D) is being touted as "the unassuming rising star in the Democratic Party" and as a future presidential candidate. In just six months, the first-term governor has pushed every one of his 27 legislative proposals through the legislative process.

ILLINOIS

On Monday, Rep. Bobby Rush (D) and a delegation of clergy, lawyers, and a representative from the Afro-American Patrolmen's League met with Attorney General Janet Reno and acting Assistant Attorney General for Civil Rights Bill Lann Lee. The purpose of the meeting was to discuss police brutality in Chicago and to seek a federal court order to supervise the Chicago Police Department. The delegation included former Appellate Justice R. Eugene Pincham and Harvey Grossman, a lawyer who recently persuaded the U.S. Supreme Court to invalidate Chicago's anti-gang loitering ordinance. They met to review examples of some of the publicized cases from the past nine years. The request comes amidst continuing controversy regarding the police shootings of two unarmed African Americans last month.

On Tuesday, '98 Democratic nominee for state attorney general and former Chicago City Treasurer Miriam Santos (D) was sentenced to three years and four months in federal prison. Santos was found guilty of attempting to extort \$10,000 in political contributions from a securities broker and forcing her staff to campaign for her on city time. She was also ordered to pay \$53,391 in restitution and to serve three years of supervised release. Santos would have received a lighter sentence, but U.S. District Judge Charles Norgle found that she had lied to the jury by denying the charges against her. Moreover, Judge Norgle said Santos deliberately misrepresented her net worth by claiming that she owed \$225,000 to her campaign fund, which had paid for some of her legal expenses. Politically, Santos had carved out a positive public image for being fiercely independent and unafraid to knock heads with City Hall. Santos was the first Hispanic elected to a citywide

8-2-99

office. Before she was sentenced, Santos said, "I have dedicated myself to the public good and I never dreamed that my career would end in this manner."

What's the deal?

IOWA

On Thursday, Senator Tom Harkin (D) said he was "upset," "baffled," and "sadly disappointed" over the lack of support from the President to develop a farm-relief plan. "I've thrown up my hands," said Harkin. He added that the President should have taken the leadership and come out by now and recognized the depth of the crisis facing agriculture. Senator Charles Grassley (R), in a rare political twist, defended the President, saying he believes the President "doesn't want to come out on the farm issue until September, not because he isn't sympathetic to farmers, but he needs the leverage that support for farmers gives him."

LOUISIANA

Last Friday, New Orleans Mayor Marc Morial (D) and TV newswoman Michelle Miller confirmed that they will hold their wedding on September 11 at St. Louis Cathedral in New Orleans.

On Monday, Louisiana gubernatorial candidates filed their second quarter financial reports. Governor Mike Foster (R) raised \$565,803 during the April 17-July 15 reporting period and has \$2,541,286 cash on hand. Rep. Bill Jefferson (D) raised \$502,535 and \$702,567 cash on hand. Baton Rouge attorney Phil Preis (D) reported no fund-raising or spending during the second quarter. On August 18, Texas Governor George Bush (R) will attend a fundraiser for Governor Foster in Baton Rouge. The President is scheduled to attend a fundraiser for Rep. Jefferson's campaign on September 27. The election will be held October 23.

MICHIGAN

In next Tuesday's Flint mayoral primary, Mayor Woodrow Stanley (D) will be challenged by City Council President Scott Kincaid (D) and state Rep. Vera B. Rison (D). Mayor Stanley is expected to win the primary, but has had some difficulty due to the GM plant strike, recent factory closings and the city's lagging economy. Council President Kincaid is rumored to have the support of area UAW members upset that Mayor Stanley did not support last year's strike. Rep. Rison does not live in the city of Flint, but is said to have the support of some community leaders who have been pressing Stanley to do more in Flint's depressed neighborhoods. Some political insiders feel that if the turnout in Tuesday's primary is low, and Stanley and Rison split the city's African American vote, it is possible that Kincaid could carry many of the city's White wards and win the primary. The top two vote getters in Tuesday's primary will face each other in November's general election. Stanley has been a vocal supporter of the Administration and values our support.

MISSISSIPPI

Next Tuesday, August 3, the Mississippi gubernatorial primary will be held. In the Democratic primary, Lt. Governor Ronnie Musgrove is expected to defeat former Supreme Court Justice James Roberts (D). In the GOP primary, Rep. Mike Parker (R) is expected to defeat former Lt. Governor Eddie Briggs (R) and State Representative Charlie Williams (R). A Mason-Dixon poll conducted July 26-27 surveyed 624 voters and found Lt. Governor Ronnie Musgrove (D) leading both Parker and Briggs in general election match-ups.

General Election Match-Ups

	<u>All</u>	<u>Men</u>	<u>Women</u>	<u>White</u>	<u>Black</u>
Ronnie Musgrove (D)	49%	46%	52%	36%	81%
Mike Parker (R)	35%	38%	32%	46%	8%
Undecided	16%	16%	16%	18%	11%
Ronnie Musgrove (D)	54%	51%	57%	42%	83%
Eddie Briggs (R)	31%	32%	30%	42%	4%
Undecided	15%	17%	13%	16%	13%

MONTANA

On Wednesday, state Superintendent of Public Instruction Nancy Keenan (D) announced that she nearly matched Rep. Rick Hill (R) in fundraising through the June 30 reporting deadline, and that her campaign has more cash-on-hand. Keenan, who announced her candidacy just three months ago, has raised a total of \$150,290, with \$139,528 on hand. Hill has collected \$150,469 and has \$114,421 on hand.

On Thursday, campaign reports showed Senator Conrad Burns (R) raised \$731,000 through June 30 and has \$1.6 million on hand. Rancher Brian Schweitzer (D) brought in \$122,000 and has \$113,000 on hand. I met with Schweitzer last Thursday to discuss his campaign. He believes he will need \$2.8 million to run a successful campaign. Burns, who has been raising money since 1994, expects raise to \$5 million. Schweitzer is running a spirited campaign and has surprised the Montana political scene. He is considered a threat to Burns, but faces an uphill battle against a two-term incumbent with a sizeable campaign war chest.

NEW JERSEY

In the Senate race, a Quinnipiac College poll conducted July 13-20 surveying 1,082 registered voters showed Governor Christie Whitman (R) with a substantial lead over either of her potential Democratic opponents, former Governor Jim Florio (D) and former Goldman-Sachs CEO Jon Corzine (D). The presence of Independent talk show host Bob Grant does little to help Florio.

General Election Matchups

Christie Whitman	52%	Christie Whitman	46%	Christie Whitman	56%
Jim Florio	35%	Jim Florio	32%	Jon Corzine	22%
		Bob Grant	11%		

Democratic Primary Election Matchup

Jim Florio	55%
Jon Corzine	19%

On Monday, former Rep. Herb Klein (D) withdrew his name as a possible Senate contender and endorsed former Governor Florio. FEC figures show that Florio leads the money chase with \$651,000 raised so far. By comparison, Corzine did not raise any funds in the first six months but loaned his campaign \$546,000. His campaign said that he expects to raise a significant amount of money. Former Democratic Chairman Tom Byrne (D), who is considering a run, reported raising \$545,000, which includes a personal loan "in the low six-figure range."

NEW YORK

Two polls were released this week showing that the Senate race between the First Lady and New York City Mayor Rudy Giuliani (R) remains unchanged from one month ago.

A Quinnipiac College poll of 1,241 registered New York State voters conducted July 20-27 showed the First Lady and Mayor Giuliani each with 45% of the vote, while the First Lady held substantial leads over potential GOP candidates Rep. Rick Lazio (50%-32%) and Rep. Peter King (50%-30%).

	<u>Total</u>	<u>Men</u>	<u>Women</u>	<u>NYC</u>	<u>Suburb</u>	<u>Upstate</u>	<u>6/99</u>
Hillary Clinton	45%	36%	52%	62%	35%	38%	46%
Rudolph Giuliani	45%	53%	33%	33%	55%	48%	44%

A Zogby poll of 709 likely New York voters conducted July 17-19 showed Mayor Giuliani leading the First Lady 49%-39%, a margin identical to their June poll.

	<u>Total</u>	<u>Men</u>	<u>Women</u>	<u>NYC</u>	<u>Suburb</u>	<u>Upstate</u>	<u>6/99</u>
Hillary Clinton	49%	31%	44%	60%	28%	34%	40%
Rudolph Giuliani	39%	55%	42%	30%	61%	54%	50%

The Zogby poll also showed Mayor Giuliani comfortably leading his two possible rivals for the Senate nomination, Rep. Rick Lazio (64%-16%) and Rep. Peter King (68%-10%).

On Wednesday, Mayor Giuliani traveled to Arkansas to raise money for his Senate campaign and poke fun at the First Lady. Unfortunately for him, his trip erupted into a controversy about the Arkansas flag. Upon seeing the New York City flag being flown at the State Capitol, Mayor Giuliani called back to New York City and ordered the Arkansas flag put up over City Hall. Democrats, including City Council Speaker Peter Vallone (D), attacked the Mayor for using City property for clearly political purposes. City Council Member Bill Perkins (D) and Manhattan Borough President C. Virginia Fields (D) also attacked Giuliani for hoisting the flag, complaining that it contains a star commemorating the state's membership in the Confederacy.

On Thursday and Friday, the First Lady continued her listening tour of New York with stops in Elmira and Ithaca.

Last Saturday, Rep. Lazio began calling New York GOP leaders to inform them that he intends to officially announce his candidacy on August 17.

OHIO

On Wednesday, Columbus City Councilwoman Maryellen O'Shaughnessy (D) announced that she will seek the House seat of retiring Rep. John Kasich (R). O'Shaughnessy was encouraged to run by Rep. Sherrod Brown (D) and is expected to face tough competition in this Republican leaning congressional seat. On Friday, state Senator Gene Watts (R) announced his candidacy to run for the open seat. Watts, a state Senator for the last 15 years and associate professor of history at Ohio State University, is term-limited in his state Senate seat next year. State Rep. Pat Tiberi (R) is expected to announce his candidacy next Tuesday. Other potential Republican candidates include attorney Phil Harmon and Ramona Whisler, a public-health nurse who ran against Kasich in the last

three primaries. Other potential Democratic candidates include Adam Clay Miller, the Deputy Director of Legal Services for the Ohio School Board Association, and Edward Brown, the Democratic nominee who lost to Kasich last year.

PENNSYLVANIA

A Keystone Poll of 651 Pennsylvania adults conducted June 14-July 12 showed that Senator Rick Santorum (R) is extremely vulnerable.

Santorum Job Performance		Santorum Re-Elect	
Excellent	8%	Deserves Re-election	34%
Good	36%	Time for a change	38%
Fair	27%	Don't Know	28%
Poor	12%		
DK/NA	18%		

On Wednesday, Bob Rovner (D), a personal injury attorney, officially announced that he will challenge Senator Santorum. Rovner, a former Republican state Senator, has promised to put \$1 million of personal funds into the race. Other candidates include former Pennsylvania Secretary of Labor Tom Foley (D), former Rep. Marjorie Margolies-Mezvinsky (D), Rep. Ron Klink (D), state Senator Allyson Schwartz (D), physician Richard Cusick (D), and attorney Murray Levin (D).

The Keystone Poll also tested Governor Tom Ridge (R), and the two Democrats most likely to run for governor in 2002, Auditor General Bob Casey (D) and Philadelphia Mayor Ed Rendell (D).

Rendell Favorability		Casey Favorability		Ridge Favorability	
Favorable	30%	Favorable	29%	Favorable	65%
Unfavorable	8%	Unfavorable	11%	Unfavorable	18%
Undecided	9%	Undecided	17%	Undecided	13%
Don't Know	54%	Don't Know	44%	Don't Know	5%

TEXAS

In the 5th House district race, former White House IGA Director and Student Loan Marketing Association Board member Regina Montoya Coggins has raised \$128,000, while attorney Gary Harrison's (D) FEC report has not been made public yet. Rep. Pete Sessions (R) has \$250,000 cash-on-hand. Last year, Sessions garnered only 55% of the vote against former schoolteacher and '96 Senate nominee Victor Morales (D). The Democratic performance of this district is 53%, and Hispanics represent 14% of the district's population.

VIRGINIA

On Wednesday, *The Richmond Times-Dispatch* reported that a political action committee set up by New York Governor George Pataki (R) has sent \$31,600 in campaign contributions to nine GOP candidates for the Virginia General Assembly. Democrats charge that Pataki is trading "cash for trash." They feel that Pataki is trying to buy himself legislators in Virginia in the hopes that New York will continue to be able to export its trash to that state in the near future.

8-2-99

WHITE HOUSE 2000

Last Sunday, the Florida Republican Party announced that it will break a long-standing tradition by cancelling its presidential straw poll at the state party convention in October. Party leaders say that by dropping the poll, they will avoid divisiveness within the party and high campaign costs for the candidates. Critics charge that the state party, led by Governor Jeb Bush (R), is trying to accommodate his brother, Governor George W. Bush (R), who does not want to participate in the straw poll. George Bush may also avoid attending a debate at the state convention since he reportedly is confident that he can win Florida.

On Wednesday, the *Dallas Morning News* reported that attorneys for former Texas lottery director Lawrence Littwin want to question Bush under oath about his admission to the National Guard during the Vietnam War. They are trying to determine whether former Lt. Governor Ben Barnes (D), a former lobbyist for the state's lottery operator, helped Bush get into the Texas Air National Guard in 1968, when Barnes was speaker of the Texas House. The attorneys also are questioning whether Bush, in return, helped the lottery operator, Gtech Corporation, fend off efforts by Mr. Littwin that may have upset its state lottery contract. Littwin has filed suit in federal district court alleging that Gtech was responsible for his firing in 1997 as lottery executive director because of his investigation of possible contract violations by Gtech and his attempts to encourage competition for the state contract. Gtech officials and Bush deny all accusations, while Barnes says he does not recall whether his office helped Bush get into the Guard.

Last Sunday, citing the financial strength of Texas Governor George W. Bush (R), Senator John McCain (R) announced that he will not participate in the Iowa Republican straw poll.

On Monday, Steve Forbes launched a \$10 million radio and television ad campaign designed to introduce himself as a family man to voters in Iowa and New Hampshire. The television ads feature Forbes with his five daughters talking about the importance of parents' daily activities with their children. A radio ad features his daughters talking about their father.

On Tuesday, Iowa Christian Coalition Chair Bobbie Gobel told reporters that a Forbes campaign representative approached her in February to express interest in paying people a day's wage to cast a vote for Forbes at the August 14th straw poll in Ames, Iowa. The Forbes campaign denied the accusation. The Christian Coalition of America released a statement later on Tuesday quoting Gobel as backing off her statements, but Gobel continues to stand by her accusations. Despite Forbes' denials, the accusation may pose a problem for Forbes among voters at the straw poll, which is just two weeks away.

On Thursday, Lamar Alexander (R) began airing television ads in Iowa attacking Bush's "fund-raising machine." The ad features an auctioneer conducting the sale of the Republican nomination on the White House lawn. Alexander was quickly criticized by party insiders upset that he was resorting to negative attack ads.

On Wednesday, the Vice President traveled to Houston to address the annual convention of the National Council of La Raza, the nation's largest Hispanic civil rights organization. The event marked the Vice President's fifth event this month targeting Latino voters. Senator John McCain (R) was the only Republican candidate to attend the convention. Organizers considered it a "major

snub" that Governor Bush did not accept their invitation, particularly since the event was in his home state. Bush has declined to speak at three major Hispanic conventions this summer. Earlier this month, Bush declined to attend the League of United Latin American Citizens' (LULAC) conference in Corpus Christi and the National Association of Latino Elected Officials conference in Philadelphia. Bush has been criticized for taking the Latino vote for granted and avoiding Latino leaders who want to talk substantively with him. Bush campaign aides responded that the La Raza and LULAC events "have not met the campaign's criteria for attendance, access to GOP primary voters or to campaign cash, preferably both."

Reports from Hispanic organizing groups indicate that the Republican Party plans to spend \$10-12 million on a Hispanic media and field outreach campaign. Last year in Texas, Governor Bush spent \$1 million on a Hispanic field and media outreach program and received 39% of the Hispanic vote. Comparatively, the '96 Clinton/Gore campaign made a first-time investment of \$1 million on a Hispanic media outreach program and received 72% of the Hispanic vote, up from 66% of the Hispanic vote in 1992.

People for the Ethical Treatment of Animals launched a television and newspaper ad campaign criticizing the Vice President for supporting a government chemical-testing program using animals. The television ad features actress Bea Arthur stating that she no longer supports the Vice President because he "has ordered thousands of chemicals to be tested on animals." The group also has hired a mascot, the "Gorey Rabbit," to follow him on the campaign trail.

On Tuesday, Bill Bradley attended a fundraising event dubbed "Hoopla" at the Chicago Historical Society hosted by several former New York Knicks teammates, including Phil Jackson and Willis Reed. Organizers expected to raise at least \$350,000 at the 500-person event. The former basketball stars shot a few hoops with some of the contributors.

A Quinnipiac College poll of 1,082 New Jersey registered voters was conducted July 13-20 and found Bradley leading both the Vice President and George Bush in his home state.

General Election Match-ups

Bradley	53%	Bush	51%
Bush	38%	Gore	40%

Republican Primary

Bush	57%
Dole	10%
Alexander	7%
Forbes	5%
McCain	4%
Quayle	4%
Buchanan	3%
Hatch	2%

Democratic Primary

Bradley	54%
Gore	35%

Favorable/Unfavorable

Gore	29%/29%
Bush	45%/22%
Dole	37%/24%
Alexander	6%/23%
Bauer	5%/13%
Buchanan	15%/49%
Forbes	23%/27%
Hatch	12%/27%
McCain	22%/10%
Quayle	14%/57%
Smith	6%/15%

A *Salt Lake Tribune* poll of 511 adults in Utah conducted July 12-15 shows Bush leading Senator Orrin Hatch (R) 30%-20% in a primary match-up in Hatch's home state. The Vice President leads Bradley 38%-6% in the poll.

A Keystone poll conducted June 14-July 12 surveyed 651 Pennsylvania adults and found Bush leading the Vice President in a general election match-up 50%-30%, with 20% undecided.

A *Dallas Morning News* poll conducted July 12-14 surveyed 502 registered voters nationwide and 501 registered Texas voters. In the Texas portion of the poll, the Vice President had a favorable/unfavorable rating of 36%/41% and Governor George W. Bush (R) had a rating of 71%/13%. The results of a general election matchup in the nationwide poll showed the following:

General Election Match-Ups

Bush	47%	Bush	46%
Gore	32%	Bradley	30%

The poll also showed that while Bush is appealing nationwide to voters, there is a gap between respondents' attitudes on guns, hate crimes and school vouchers, and Bush's position on these issues. Only 17% of those surveyed nationally believed they knew the governor's position on most issues, while 75% said they did not know. Even in Texas, only half the respondents claimed familiarity on the governor's view regarding gun control, hate crimes and education. The results that follow are from the national portion of the poll.

Issues	YES	NO
Should people be able to get permits to carry concealed weapons? <u>NOTE:</u> Bush signed a state concealed-carry bill into law.	46%	45%
Should there be stronger penalties for people convicted of hate crimes? <u>NOTE:</u> Bush said he opposed including sexual orientation in a bill to clarify Texas hate crimes law.	65%	20%
Should taxpayer funds be used to send kids to private schools? <u>NOTE:</u> Bush favors taxpayer financed school vouchers.	35%	56%
Should minors get a parent's consent before having an abortion <u>NOTE:</u> Bush favors parental consent for abortions.	70%	21%

Who would do a better job handling ...

	<u>Gore</u>	<u>Bush</u>
Foreign affairs	35%	46%
Economy	33%	48%
National Defense	31%	51%
Education	39%	36%

Bush's political views

Very conservative	8%
Somewhat conservative	41%
Moderate	25%
Liberal	7%

REFORM PARTY

At their national convention in Detroit on Sunday, the Reform Party elected Jack Gargan as the party's new national chairman. The election marks a shift in party leadership as Gargan, who was supported by Minnesota Governor Jesse Ventura, defeated Patricia Benjamin, an ally of party founder Ross Perot. Gargan will replace Perot's hand-picked chairman Russell Verney, who stepped down on July 7. Ventura had threatened to leave the party if Gargan was not elected. Ventura is now urging Perot not to seek the party's presidential nomination next year, saying instead that he should play a supportive role "on the sidelines." Perot vows to remain involved and has not yet indicated whether he will run again next year.

THE WEEK AHEAD

On Sunday, the Vice President and Mrs. Gore will attend a Gore 2000 fundraiser in the Hamptons hosted by Alma Brown.

On Monday, the President, Vice President, First Lady and Mrs. Gore will attend a memorial service for prominent Democratic fundraiser and DNC member Dan Dutko. Dan passed away on Tuesday. Dutko, who was attending the DNC retreat in Aspen last weekend, suffered massive cerebral damage after falling off his mountain bike and striking the pavement with his head.

Also on Monday, the President will attend a DNC fundraiser at the Washington, D.C., home of Senator John Kerry.

The First Lady continues her listening tour of New York Wednesday-Friday with stops in Buffalo, Niagara, and Rochester. She concludes the tour on Friday with a Rochester fundraiser for Rep. Louise Slaughter (D).

On Wednesday, Mrs. Gore travels to Oklahoma City for a Gore 2000 lunch and a mental health forum at Project Hope.

On Friday, Saturday and Sunday, the President will be in Little Rock, Arkansas. On Saturday, he will be joined by the Vice President for Gore 2000 events.

~~Reed / See / Affirm~~
Fg - B

8-3-99

capred
Reed
Blumenthal
From
Podesta

A Ragged Rip in Schröder's Party Is Becoming All Too Public Leader of One Rebel Group Signs Congo Cease-Fire Accord

By ROGER COHEN

BERLIN, Aug. 1 — "Miners or male models?" asked the headline over photographs of an elegant, smiling Chancellor Gerhard Schröder and a weary, coal-smudged worker. "The party must decide."

The summary of the battle for the soul of Germany's Social Democratic Party in the newspaper *Die Welt* was scarcely subtle, but it caught the mood of the increasingly harsh struggle that has erupted between Mr. Schröder, in his tailored Brioni suits, and workers who feel their party has abandoned them.

The outcome, it seems, will determine not only the character of the Social Democratic party, with its roots in the struggle of factory workers for social justice, but also the future course of Mr. Schröder's coalition Government with the environmentalist Greens.

Mr. Schröder, after some hesitation, has decided to take the Social Democrats sharply toward the right, but over the past few days it has become clear that he has not brought all the party with him. Rather, resistance is mounting.

Leading the dissent is Reinhard Klimmt, the state Premier of the small Saar region bordering France, who last week described Mr. Schröder's latest ideas — including abandoning the proposal for a tax on large fortunes — as nothing less than

a betrayal of Social Democracy.

"What is missing?" Mr. Klimmt asked in an open letter that denounced the policies of both Mr. Schröder and Tony Blair, the British Prime Minister. "That tangible concern for creating and maintaining fairness in society — the soul of Social Democracy."

Six weeks ago, Mr. Schröder and Mr. Blair published a joint paper in

The Socialists, turning centrist, infuriate their left.

which they attempted to map out the essence of the Third Way — a Clintonian updating of Social Democratic values that attempts to place political movements formerly regarded as of the left firmly in the center of the political spectrum of modern societies.

In their paper, Mr. Schröder and Mr. Blair said: "The promotion of social justice was sometimes confused with the imposition of equality of outcome. The result was a neglect of the importance of rewarding effort and responsibility." They added, "The weaknesses of markets have

been overstated and their strengths underestimated."

The two leaders, clearly attacking the past values of the left, went on to suggest that high state spending was responsible for unemployment — a highly contentious assertion in Germany. "Achieving social justice," they wrote, "became identified with ever higher levels of public spending regardless of what they achieved or the impact on taxes required to fund it on competitiveness and employment."

While such ideas are scarcely regarded as heresy by the left in Britain, where the ground for Mr. Blair was prepared by the long rule of Margaret Thatcher, they have had a far more explosive impact in Germany.

When Mr. Schröder followed up on the ideas last month by announcing austerity measures cutting about \$16 billion in state spending and freezing pensions, the rift in his party burst into the open.

Mr. Klimmt, who took over in Saar from the former Finance Minister, Oskar Lafontaine, and has now taken on Mr. Lafontaine's mantle as the leader of the left within the Social Democratic Party, faces a state election on Sept. 5. If he wins, his movement will clearly gain strength.

Already, several union leaders have expressed support for Mr. Klimmt's position, saying that Mr. Schröder's insistence on "modern-

ization" as the solution for Germany's unemployment rate of over 10 percent cannot come at the expense of social justice. The Chancellor's abandonment of a promised wealth tax has become the symbol of what is called his betrayal of the party base.

In the eastern part of the country, where the successor party to the former Communists, the Party of Democratic Socialism, is challenging the Social Democrats from the left with increasing success, Mr. Schröder's new course has also aroused mistrust and alarm.

Reinhard Hoppner, the Social Democratic Premier of Saxony-Anhalt, expressed support for Mr. Klimmt, noting: "East Germans see it as the Government's obligation to think in terms of social measures. No discussion of modernization should allow this fact to be forgotten."

But strongly supported by business leaders, and determined to demonstrate that only greater flexibility and a smaller state can bring down unemployment, Mr. Schröder shows no sign of changing course. In an interview published today in *Der Spiegel*, the news weekly, he said the benefits of his action would be clear by 2002, when the next federal elections are to be held.

THE FRESH AIR FUND: 1877-1999

LUSAKA, Zambia, Aug. 1 (AP) — The leader of a Congolese rebel group signed a fragile cease-fire accord here today, inching forward the final settlement of Congo's year-old civil war.

Jean-Pierre Bemba, the leader of the Movement for the Liberation of Congo, signed the pact at a ceremony witnessed by President Frederick Chiluba of Zambia and President Benjamin Mkapa of Tanzania.

President Laurent Kabila of Congo and the representatives of five nations involved in the conflict signed the accord on July 10, but the two main rebel groups did not sign because of a leadership dispute in the second rebel group, the Congolese Rally for Democracy.

Mr. Bemba, who took some diplomats by surprise with his arrival in Lusaka, pledged "to fight for the establishment of real democracy" in Congo. He said he had decided to sign the accord to put his country on a course toward peace, and said he would try to persuade the other rebel group to sign as well.

The dispute within the Congolese Rally for Democracy centers on Ernest Wamba dia Wamba, an ousted leader who had insisted that he be the one to sign the document on July 10. The current leadership, headed by Émile Ilunga, refused to sign if Mr. Wamba signed.

The rebels have been backed by Uganda and Rwanda, both of which border on Congo. Rwanda has charged that Mr. Kabila failed to prevent cross-border raids by Hutu militia who had been involved in the 1994 genocide in Rwanda.

The militia helped slaughter

500,000 Rwandan Tutsi and moderate Hutu in the genocide, Rwanda has said.

Mr. Kabila, who got backing from Namibia, Zimbabwe and Angola, charged that Uganda and Rwanda were trying to enhance their access to mineral deposits in Congo.

Mr. Bemba said he hoped that a 90-day national political dialogue foreseen by the peace accord would give Mr. Kabila "a chance to move and leave his presidential seat peacefully."

India Train Blast Kills 70

NEW DELHI, Monday, Aug. 2 (Agence France-Presse) — At least 70 people were killed today in an explosion that tore through two passenger trains at a railway station in eastern India, the news agency Press Trust of India said.

About 135 people were injured in the explosion, the news agency quoted railway officials as saying. The cause of the blast was not immediately known.

Five coaches of the Abodh-Assam Express and six coaches of the Brahmaputra Mail were blown apart in the explosion, which took place as the trains passed at Gaisan railway station, in West Bengal 550 miles east of New Delhi.

The Abodh-Assam Express, traveling from the Assamese state capital, Gauhati, to New Delhi was at the platform when the blast occurred while the other train passed through the station.

The New York Times

MONDAY, AUGUST 2, 1999

Dear Mrs. Currie:

99 AUG 3 4 48 PM '99

I submit the name, Arun Gandhi, for
the position of United Nations Ambassador.
His ARTICLE is enclosed, as well as one of
mine on Nutrition. Thank you

8-3-99

Stephen D.

Send to Nash?

Yes ☒
No ☐

Carolyn?



FEATURE

Nonviolence in the 21st Century Challenges and Choices

By Arun Gandhi

Photos on pages 2, 4, 5 and 6 from
King Ashoka, Mahatma Gandhi and
Healing Touch



"If we know how much passive violence we perpetrate against one another, we will understand why there is so much physical violence plaguing societies and the world." M. K. Gandhi



Arun Gandhi, director of the M. K. Gandhi Institute for Nonviolence, at the "Season for Nonviolence" kickoff at the UN (New York, 1998)

The greatest challenge in promoting nonviolence is the English language and its limitations. The next is our perception, rooted for centuries, that violence is the only way we can resolve our problems.

When my grandfather Mohandas Karamchand Gandhi developed his philosophy of nonviolence in South Africa and wanted an appropriate word to describe it, he could not find one. "Passive resistance" and "civil disobedience" did not appeal because he said there was nothing passive or disobedient about the movement. He even offered a reward to anyone who could come up with a positive English word to describe what he had in mind, but no one could.

Gandhi then decided a Sanskrit word might be more appropriate since he was planning to move back to India and lead the Indian struggle for freedom. He found *satyagraha* described his philosophy the best. A combination of two Sanskrit words, *satya* meaning truth, and *agraha* meaning pursuit of, *satyagraha* means "the pursuit of truth." Significantly, this is the opposite of the Western concept of "possessing the truth."

Nonviolence, therefore, can be described as an honest and diligent pursuit of truth. It can also mean the search for the meaning of life or the purpose of

life, questions that have tormented mankind for centuries. I believe that we have not yet searched with any degree of honesty. The search has to be both external and internal. We seek to ignore this crucial search because the sacrifices it demands are revolutionary. It means moving away from greed, selfishness, possessiveness and dominance toward love, compassion, understanding and respect.

It means that to be true to our faith and religion it is not enough that we pray 10 times a day. What is more important is that we make our scriptures the basis of our existence.

Because of our materialistic and greedy life-styles we have become very possessive. We seek to possess not only material goods but also our spiritual beliefs and even peace, if we find it, saying, "I am at peace with myself." And gurus urge their devotees to "find their peace and hold on to it." Can anyone find peace or spiritual awakening and greedily hold on to it for themselves?

Seeking Peace

A favorite story my grandfather liked to tell was the story of an ancient Indian king who was obsessed with the desire to find the meaning of peace. He wanted to know what peace was, how he could find it and what to do with it. He even offered a handsome reward to whoever could answer his ques-

tions. At last someone advised the king to consult a certain sage, and so he did. Without a word the sage went into the kitchen and brought a grain of wheat to the king. "In this you will find the answer to your question," the sage said as he placed the grain of wheat in the king's outstretched palm.

Puzzled, but unwilling to admit his ignorance, the king clutched the grain of wheat and returned to his palace. He locked the precious grain in a tiny gold box and placed the box in his safe. Each morning, the king would open the box and look at the grain to seek an answer but could find nothing.

Weeks later another sage answered his dilemma, saying, "It is quite simple, Your Honor. Just as this grain represents nourishment for the body, peace represents nourishment for the soul. Now, if you keep this grain locked up in a gold box, it will eventually perish without providing nourishment or multiplying. However, if it is allowed to interact with the elements—light, water, air, soil—it will flourish and multiply, and soon you would have a whole field of wheat which will nourish not only you but so many others. This is the meaning of peace. It must nourish your soul and the souls of others, and it must multiply by interacting with the elements."



Arun Gandhi as a young boy with his grandfather

FEATURE



Gandhi's spectacles

This is the essence of Gandhi's philosophy of "nonviolence" or the pursuit of truth. In the lifelong pursuit of truth we must always be guided by love, compassion, understanding and respect, allowing everything we have to "interact positively with the elements" in order to create a society of peace and harmony.

The four essential principles of Gandhi's philosophy are quite simple to understand and implement. At the public level the four principles are: truth, *ahimsa*, trusteeship and constructive action, and at the personal level they are respect, understanding, acceptance and appreciation. Success in attaining enlightenment or finding the truth depends on how honest we are and whether we can liberate ourselves from the attachments that tie us down. Gandhi said being liberated politically or socially is not enough. Freeing yourself of attachments means you must be willing to stand up for truth and justice and not be afraid of the consequences, such as losing your possessions, your job or even your life.

It is only when we reach that level of spiritual power that nonviolence becomes truly relevant. When white racists humiliated my grandfather in South Africa because they did not want a "black" man traveling in the first-class compartment of a train, he tried to enlist the support of the non-whites in South Africa, asking them to stand up for their rights. Instead, he found that fear dominated their response. "What will happen to my family? My job? My home and possessions?" The middle class was content to submit to the white man's injus-

tices rather than stand up to him and risk losing everything. That was when my grandfather discovered the corrupting influence of materialism.

This attitude persists everywhere. We still accept injustice because we are afraid of suffering and losing our possessions or our security. True liberation comes when we can liberate ourselves from the fear that controls our lives. In the final analysis that is the key. In reality, what nonviolence demands is not something impossible. When we are forced by law to sacrifice our lives to protect our country in war, we don't ask who is going to take care of the family or what will happen to our possessions. We just go with the knowledge that we may not come back again. And this is a sacrifice that is forced upon an individual by a government. So why is it so difficult for the same individual to make the same sacrifice by standing up for justice, ethics and values? "I am prepared to die, but there is no cause for which I am prepared to kill," Gandhi said.



Gandhi's letter to Adolf Hitler, dated July 23, 1939, pleading for peace, just before the outbreak of World War II. This is the draft copy of the letter on which Gandhi made corrections in his own hand. The letter never reached Hitler as the British authorities did not forward it.

Nonviolence Defined

It may be helpful to define the principles of nonviolence. TRUTH: We must remember that truth has many sides and it is ever changing. What appears true today may not be true tomorrow. Or what appears to be the truth to us does not necessarily appear to be the truth to others. I cannot therefore say that we possess the truth and that our understanding of truth is the right one. We must develop the ability to look at everything from different perspectives and have the humility to understand that we could be wrong.

AHIMSA: The Sanskrit word for total nonviolence, that is, nonviolence in thought, word and deed. Living a totally nonviolent way may not be possible for anyone. Yet it should be the objective of every individual in the same way as getting an "A plus" grade is the objective of every student who goes to school. If any student goes to school with the mind-set that he/she will not get an "A plus" grade, then that student has already given up on himself.

TRUSTEESHIP: A unique concept through which Gandhi taught that we don't own our individual talents, but we are appointed "trustees" by God and so must use those talents to help others, less fortunate or talented than ourselves. This giving or sharing or helping does not cripple the receiver.

A very thin line divides "pity" from compassion, and we often mistake one for the other. Pity is degrading and oppressive, while compassion is uplifting for both the giver and receiver. Pity is when we give a hundred person money to buy food or when we feed people through soup kitchens. By feeding the hungry we make them dependent on handouts.

Real compassion requires that we get involved in finding ways in which these people can be helped to become self-sufficient citizens. The help we receive should be such as to

rebuild the self-confidence and self-respect which have been crushed by poverty and oppression.

CONSTRUCTIVE ACTION: Getting involved in finding constructive solutions to problems. We are usually so preoccupied with the self that we don't have time for anyone or anything. We want to hang social responsibility on someone's shoulders—usually those of the government. But bureaucrats or paid social workers don't always have the compassion needed for this kind of work.

In 1970 six young people in Mumbai city (Bombay) in India, each working for a livelihood and committed to raising their children, decided to find a solution to the overwhelming growth of homelessness in the city.

Using Gandhi's philosophy of trusteeship and constructive action, this group, led by Mahipat Rao Mohite, assembled more than 500 homeless people and challenged them to become a part of the solution by saving a coin every day in order to build the necessary capital to launch an economic project. Mohite could have sought donations or applied for grants, but that would have given the homeless people the feeling they could ask for what they needed and receive it on a platter.

Mohite said the homeless would have to save a coin every day. Most people would have considered it impossible or even heartless, asking someone who did not know where their next meal was going to come from to save a coin every day. However, the homeless people accepted the challenge and with Mohite's encouragement saved the equivalent of \$11,000 in about 19 months.

In 1971, this money was used to start a small textile factory with secondhand power looms in a tin shed in Vita village near Sangli, 200 miles south of Mumbai. Some 70 of the homeless people were sent to the village to work in the jointly owned factory under the guidance of Mohite and his friends until they were trained to run the business for themselves. Today all those who contributed to the capital are living on the

earnings of their four textile factories, enjoying a much better life-style and able to send their children to school and higher education.

The homeless people continued saving money, and in 1978 they opened the Sangli Jilla Kranti Cooperative Bank in Mumbai city. Today the bank has seven branch offices and total assets worth \$2 million. This is an example of what Gandhi meant by trusteeship and constructive action. Mohite and his friends did not make major sacrifices other than their leisure and vacation time.

Starting from the Individual

The four principles of nonviolence to be practiced by individuals begin with RESPECT. We must respect ourselves, respect others and respect our relationship to all of creation. A myth persists, especially in the West, that we are independent individuals with no responsibilities toward others. But a cohesive society cannot be built with each individual pulling in a different direction. To achieve harmony and cohesiveness we must accept the fact that we are interdependent, interrelated and interwoven, working together to build a human society.

It is not enough to respect individual human beings. We must also respect different cultures, different ways of life and different belief systems. The danger lies in our becoming competitive, in believing that ours is the only way and the best way and attempting to impose our way on others. To assume that our way is the best is to say that we "possess" the truth. When we accept that others could also be right, then we join others in an honest search for truth.

Religion, my grandfather explained, is the beginning of a spiritual journey. When we come to understand religion properly, we reach an understanding of spirituality, that is, an acceptance of



On his way to a prayer meeting at Birla House, Gandhi fell to an assassin's bullet minutes later. (New Delhi, January 30, 1948)

and respect for different ways of worship. Salvation is when we reach the mountain top—when we become one with creation and creation becomes one with us.

UNDERSTANDING is reached when we learn who we are and what our role is in all of creation. In our arrogance we believe that humans are not a part of nature. In our attempt to conquer nature, we are destroying our habitat and cannot expect to survive for very long.

ACCEPTANCE is reached when we accept the differences—physical and philosophical—between human beings. When these differences begin to melt away, then we accept each other as human beings and can dispense with the labels that keep people apart.

APPRECIATION of our humanity is achieved at this stage.

The best way, however, to understand Gandhi's philosophy of nonviolence is to first understand the extent of the violence that we practice, consciously or unconsciously, every day of our lives. My grandfather made me aware of the violence in society, including the violence within myself, by asking me to work on a family tree of violence on the same principles as a genealogical tree.

He said: "Violence has two children—Physical and Passive. Now, every

FEATURE



"Freeing yourself of attachments means you must be willing to stand up for truth and justice and not be afraid of the consequences, such as losing your possessions, your job or even your life."

Gandhi's footprint marking his final steps toward the prayer meeting

day before you go to bed, I would like you to write under those headings all the incidents of physical and passive violence that you experienced during the day and the relationship of these two types of violence with each other."

I had to be honest and write about my own acts of violence during the day. This meant that every night I had to analyze my actions, and if I found them to be violent, then the act had to be put down in its appropriate place. It was an excellent way of introspection and acknowledgment of one's own violence.

Denial

We generally deny our own violence because we are ignorant about it or because we are conditioned to look at violence only in its physical manifestation—the wars, fighting, killing, beating, rapes, etc., where we use physical force. However, we don't realize that oppression in all its forms, name-calling, teasing, insulting and disrespectful behavior are all passive forms of violence.

The relationship between passive vio-

lence and physical violence is the same as the relationship between gasoline and fire. Acts of passive violence generate anger in the victim, and since the victim has not learned how to use anger positively, he or she abuses anger and generates physical violence. Thus, it is passive violence that fuels the fire of physical violence. So, if we wish to put out the fire of physical violence, we have to cut off the fuel supply.

The challenge before humanity, to quote Gandhi's words, is quite simple: "We have to be the change we wish to see." Unless we change individually, no one is going to change collectively. For generations we have been waiting for the other person to change first. A change of heart cannot be legislated; it must come out of personal conviction.

Is nonviolence relevant for the 21st century? The question we need to ask is not whether nonviolence is relevant, but whether we are willing to move away from greed, selfishness and all the negative attributes that govern our lives toward the more positive attributes of love, compassion, understanding and respect. The choice is ours to make. □

Arun Gandhi, the fifth grandson of Mohandas K. "Mahatma" Gandhi, grew up in South Africa, suffering discrimination and violence at the hands of both black and white. His parents sent him to India to learn nonviolence from his grandfather at the age of 12. He stayed for months before returning to South Africa. At 23, he went back to India and married his wife Sunanda. While Arun worked for 30 years as a journalist for the *Times of India*, the couple developed projects in over 300 villages. Visiting the U.S.A. to investigate racial discrimination there, Arun and Sunanda were inspired in 1991 to establish the M. K. Gandhi Institute for Nonviolence to undertake research and teaching related to nonviolence.

The M. K. Gandhi Institute for Nonviolence is at Christian Brothers University, 650 East Parkway South, Memphis TN 38104, U.S.A.

Tel: 1 901 452 2824 Fax: 1 901 452 2775 e-mail: gandhi@cbu.edu
Web site: www.cbu.edu/Gandhi

The M. K. Gandhi Institute for Nonviolence

The mission of the M. K. Gandhi Institute for Nonviolence is to teach and apply the principles of nonviolence as a positive force to prevent violence and resolve personal and public conflict. The institute, based in Memphis, Tennessee, U.S.A., is active in its community to support these ideals through a variety of programs aimed at a diverse group of people.

One of the institute's programs for youth is *Peacemakers*, a component of an after-school program at a local church. The students, first through fifth graders, receive help with their homework from the church and participate weekly in the institute's program. The main goal of the *Peacemakers* program is conflict and violence prevention.

The program encourages students to look at and recognize their feelings and emotions. They are then taught positive and effective ways to express themselves. They discuss building healthy relationships toward the end of the 12-week program, based on what Gandhi referred to as the four principles of healthy relationships—respect, understanding, acceptance and appreciation.

Another program designed for youth, *Kindness Is Contagious*, has been successful in teaching students the importance words and actions play in dealing with others. Students are encouraged to notice the "kind" role models around them and also helped to be such role models themselves. This program of the Stop Violence Coalition in Kansas has been administered by the institute in three Memphis city schools.

Strengthening Relationships was originally to be a onetime workshop for social services agencies. Many agencies in Memphis are working for the same goal, uplifting the community, though much of the time each agency is its own entity. By bringing these agencies together, by building relationships, it was hoped that the Memphis community could be served better and the goals of the agencies better reached. Participants in the conference were so positive that this has now become a quarterly workshop.



Children from the *Peacemakers* after-school program visiting the institute

As a collaboration with other organizations working for peace and justice and other concerned individuals, the institute has helped initiate a FAVAN (Families Against Violence Advocacy Network) program in two Memphis city schools. The school component charges the entire school to make a pledge of nonviolence, and each class takes steps to further learn about how and why the pledge is relevant. The pledge is based on the principles of respecting self and others, communicating better, forgiveness, playing creatively and being courageous.

Monthly, the institute hosts a meeting for the Memphis community to discuss a variety of diverse topics related to the philosophy of nonviolence. These *Circle of Friends* meetings are open to all.

Arun and Sunanda Gandhi recognized that 1998 marked the 50th anniversary of M. K. Gandhi's assassination, and the 30th anniversary of Martin Luther King, Jr.'s assassination. The idea of celebrating the days between their assassination dates, January 30 and April 4,

as the first "Season for Nonviolence" was born. This 64-day period drew great attention, until over 35 states, many service organizations, churches, the Dalai Lama and UNESCO recognized and/or participated in helping keep the dreams of these two revolutionaries alive.

The 1999 Season for Nonviolence is now under way, with many events from prayer services to service projects. In Memphis the institute has again hosted a prisoners essay contest. Prisoners' from across the United States have submitted essays focusing on their personal experiences with violence as well as their views on how to reduce the amount of violence in our world.

The staff of the institute, at the request of the local community, perform workshops and lectures on the philosophy of nonviolence and M. K. Gandhi. They are constantly looking to apply and teach the proactive aspects of nonviolence and conflict and violence prevention, aiming to touch the hearts of all those they encounter. □

TOWARDS A NEW USA SECRETARY OF NUTRITION
217 W. WATER, SANTA FE, NEW MEXICO 87501



The Honorable Betty Currie
1600 Pennsylvania Ave. The White House
Washington D.C. 20500





JUL 30 1999

The Leon & Sylvia Panetta Institute for Public Policy

cc: Sean Maloney

July 19, 1999

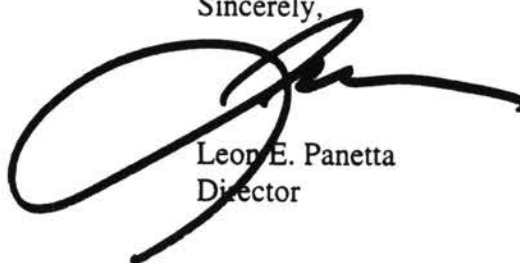
Mr. John Podesta
Chief of Staff
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear John:

At the request of Bernard Eisenberg, I am forwarding his correspondence regarding his efforts to obtain the Presidential Medal of Freedom for Benny Goodman. I have enclosed this material for your review and consideration.

Thank you for your help in this matter.

Sincerely,



Leon E. Panetta
Director

LEP:mkb

Enclosures

8/3/99

Send to Burkhardt

Yes ☒

No ☐

FOR ME



cc: Sean Maloney

The Leon & Sylvia Panetta Institute for Public Policy

July 19, 1999

Mr. Bernard Eisenberg
Post Office Box 640431
San Francisco, CA 94164-0431

Dear Mr. Eisenberg:

Thank you very much for your recent letter regarding your continuing efforts to obtain the Presidential Medal of Honor for Benny Goodman. I appreciate hearing from you.

In answer to your question, you may of course write to Daniel Burkhardt at the White House, and you should feel free to send him any material you wish. I will also, by copy of this letter along with the correspondence and materials you sent, forward your concerns to the present Chief of Staff, John Podesta.

Again, thank you for writing.

Sincerely,

Leon E. Panetta
Director

LEP:mkb

cc: John Podesta
Chief of Staff
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

THE WHITE HOUSE
WASHINGTON

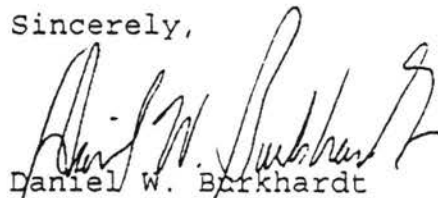
September 9, 1998

The Honorable Leon Panetta
Post Office Box 42
Carmel Valley, California 93924

Dear Mr. Panetta:

Phil Caplan has referred your letter to me for a response. On behalf of President Clinton, thank you very much for writing regarding the nomination of the late Benny Goodman for the Presidential Medal of Freedom. Mr. Eisenberg's recommendation of Mr. Goodman remains under consideration, and you may be assured that your special endorsement will be given careful attention. We appreciate your interest, and the President sends his best wishes.

Sincerely,



Daniel W. Burkhardt
Special Assistant to the President
Director of Correspondence and
Presidential Messages

EISENBERG & COMPANY
REAL ESTATE • BUSINESS INVESTMENTS
(415) 982-6447
800-945-9027

June 28, 1999

The Honorable Leon Panetta
Post Office Box 42
Carmel Valley
California 93924

Re: Presidential Medal of Freedom for Benny Goodman

Dear Mr. Panetta:

Now that the Balkan hostilities are over, The Benny Goodman Committee will resume its effort to secure the Presidential Medal of Freedom award for Benny Goodman.

In reading Tom Brokaw's new book, "The Greatest Generation", it is apparent that the Americans about whom Tom Brokaw writes is declining rapidly. They grew up in the 1930's and they are the generation of Benny Goodman. Too, the fan base of Benny Goodman is also declining. Benny Goodman and his music represent that era in our history in a positive and cultural way. One could make the argument that a tribute to Benny Goodman is a tribute to the men and women who listened and danced to and enjoyed his music. They lived through and survived the "great depression", fought and won World War II. Further, as Tom Brokaw states, they built the United States into the economic, political and industrial power it is today.

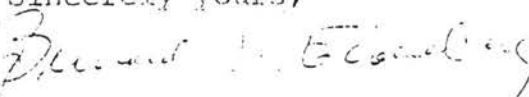
To honor Benny Goodman with the Presidential Medal of Freedom is to honor, in a significant way, that generation of Americans.

We fear that if the goal of The Benny Goodman Committee is not accomplished, prior to the end of President Clinton's term, it may never be accomplished. There are musicians and vocalists still living who performed with Benny Goodman; e.g. Lionel Hampton and Peggy Lee are two. They and others who performed with Benny Goodman should be recognized as well.

The Benny Goodman Committee would like to write to Mr. Daniel W. Burkhardt regarding this award for Benny Goodman. We ask your permission to reference Mr. Burkhardt's letter to you of September 9, 1998. A copy which you were kind enough to send me is enclosed.

Your response, and hopefully your approval, will be appreciated.

Sincerely yours,


Bernard I. Eisenberg
For The Benny Goodman Committee

Encl: Mr. Daniel W. Burkhardt's letter to Mr. Leon Panetta