

FOIA MARKER

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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:

Monday, August 9, 1999

Stack:

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Row:

40

Section:

5

Shelf:

2

Position:

2

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	POTUS to William Bowen (4 pages)	08/05/1999	Personal Misfile

COLLECTION:

Clinton Presidential Records
Staff Secretary
Sean Maloney (Chron File (Aug 99))
OA/Box Number: 14866

FOLDER TITLE:

Monday, August 9, 1999

2016-0970-F

rs3001

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

CORRECT DATE AND REPLY NUMBER ARE AS BELOW

FAX Message: 07 August, 1999.....Page 1 of 2 pages total

1999 AUG 9 PM 3:15

TO: President Bill Clinton,
Presiding Member,
National Security Council,
Washington, DC - FAX: (202) 456-1210

SUBJECT: TEAMS / NSC - Your August, Sept. Oct...ect. NSC media disaster?

COPY TO: Vice President Al Gore - FAX: (202) 456-2461
(Your disaster too?)

FROM: Rand G. Ellis,
London, Canada,
Tel/Fax: (519) 681-3796

8/9/99
Send to NSC?

Yes ☒

No ☐

Dear President Clinton,

Lacking communication from your NSC staff I faxed you two messages concerning TEAMS last week. I began my present TEAMS/ White House communication with a fax copied to Sandy Berger on June 16th. My first approach to your Administration concerning TEAMS and terrorism preparedness was way back in October of last year to Janet Reno. It was ignored or lost. I then tried to reach the FBI via its' AT&T contact person which failed due to overriding commercial interests at AT&T. I am persistent but after 10 months of knocking it's clearly time for someone to open the door!

The only word from your NSC staff is that a letter is in the mail. That will take weeks to get here. I pointedly and specifically asked for telephone voice or fax communication to save vital time and avoid big mistakes. Lacking NSC willingness to simply pick up the phone and talk or fax (four requests from me ignored to date) - and probably get a lot of questions and concerns answered - I must assume the letter rejects my TEAMS proposal. In the context of my faxes to the NSC of 29 July and to yourself on August 2nd and 5th, that rejection would be an act of insanity. The TEAMS / media issues are clearly mandatory Administration policy leadership in nature. To direct that they be media or Republican led, as rejection of my TEAMS initiative would direct, is just plain crazy. It leads directly to media confrontation, circus acts in Congress and a huge waste of your political capital that can be utilized in other matters.

As you have personally pledged to honor the commercial integrity of terrorism preparedness related work, how do we deal with an intellectual property initiative in which significant national security concerns severely limit full commercial disclosure necessary to gain funding? Obviously leadership funding by the government is the only reasonable answer.

.../2

TEAMS / NSC Page 2 of 2

I have faxed you thus far on the TEAMS media issues. Assuming a temporary bout of summer drought driven insanity at the NSC let's examine just one of the numerous technology issues addressed by TEAMS. VICE PRESIDENT GORE should be real quick to catch the value of this one. This past Friday (August 6th) CNN interviewed your White House Y2K Council head who noted a number of areas of concern including 911 systems. The interviewer instantly focused on the 911 element as being of high concern. Y2K aside let's look at just one of the TEAMS focus points on 911 services.

My TEAMS proposal notes that in the face of new technology from the telecom industry some existing public safety assets in telecom networks may be experiencing degradation. Too often now we use technology without understanding its inner workings. Right now AT&T is rolling out telephone services over TV coaxial cable to compete with traditional telco twisted pair wire service, which is the primary home to 911 connection means today. Is this a change transparent to 911 service?

It's commonly accepted that electrical power is less reliable than telephone service, particularly during severe weather and other disaster events which themselves can cause incidents that demand 911 services. The existing telco network is internally powered. Your plain old phone will connect to 911 without external power. The coaxial network is not internally powered. Your new cable phone won't connect to 911 should local power be out, unless you have paid for the additional expense of having "sufficient" battery backup power for your phone. Right now the key issues are who knows this - and who cares - until that future crisis moment when a life depends on a 911 call that - SURPRISE - can't be made. The answer here is not that we all need cell phones in addition to our basic home phones. We can't all afford that luxury.

TEAMS addresses this issue as a leadership challenge for the Government and its "desire" to ensure the continuing quality of 911 service. How does this impact on terrorism preparedness? Should 911 calling become more reliant on the power grid that increases the attractiveness of that grid as a terrorist target. It's a small point in the total picture but small points add up and TEAMS addresses a whole bunch. This is the ultimate challenge for TEAMS. It is many small points addressing numerous aspects of the vast telecommunications infrastructure. It recognizes the cynical but real problem that bean counter driven corporations will place incremental profits ahead of customer safety - despite what corporate PR may claim. The example I have noted doesn't even qualify patentability wise as it is too obvious to telecom engineers.

TEAMS does go further in identifying telecom technology / network inventions, and it also focuses on vital new media / terrorism preparedness issues derived from the invention research. These all impact on public safety, emergency management and national security concerns. TEAMS needs to be Government funded both to fuel comprehensive demand leadership for its solutions and to ensure key national security issues are treated in a secure manner. The present TEAMS proposal is a good vehicle to meet critical goals. It can be funded in a New York minute via the National Security Agency with FEMA, FBI, DOE and others to appraise its findings as appropriate. It just takes a bit of decisiveness to make it happen. I ask that from you. It's important.

Best Regards..... Rand G. Ellis



*Cosgriff 11/2
8/13
8/14 updated
When can
they?*

WHITE HOUSE
WASHINGTON

*copied
Betty Currie*

August 5, 1999

Rear Admiral Kevin J. Cosgriff, USN
1400 Navy Pentagon
Washington, D.C. 20350

Dear Kevin:

Thanks for the mug and the golf ball from your staff in the Situation Room. I appreciate your thoughtfulness, and I'm grateful for all of your hard work. Thanks for being a part of our team.

Hillary joins me in sending best wishes.

Sincerely,

Bill Clinton

White House Gift Record

Presented: 07/03/99
Arrival : 07/06/99
Entered : 07/06/99

Gift ID: 432162/rjz

Donor Information

Mr. Kevin J. Cosgriff
Director
White House Situation Room
Washington, DC 20502

North Hollywood, CA 91606

Acknowledged By: Pending BC Gift Draft

Comments:

Handcarried to the Oval Office by Glen Maes. Information forwarded to the Gift Office by Betty Currie's intern.

Gift not received in the Gift Unit.

Possible Sig

Gift Information

Intended: President

Disposition: President to Retain

Description:

1) Coffee mug that reads "National Security Council, White House Situation Room." 2) Golf Ball that reads "National Security Council."

Location of Gift:

Total Gift Value: \$25

NATIONAL SECURITY COUNCIL

Warm regards
from the
Situation Room.

Feel free to
stop by for a
Refill.

Withdrawal/Redaction Sheet

Clinton Library

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*Pruey
over
Laurie
to
Tina
R*

*Shamansky by HW
Aug 8/94
cleared by Melissa Green
Cathy Meyer*

*copied
Reed
Sperling*

WHITE HOUSE
WASHINGTON

August 5, 1999

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

Dear Bob:

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

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

Sincerely,

Bill

BENESCH
FRIEDLANDER
COPLAN &
ARONOFF LLP
ATTORNEYS AT LAW

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

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

July 23, 1999

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

Dear Mr. President:

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

Respectfully yours,



Robert N. Shamansky

RNS:gxm

The Money Return Act of 1999

1. The provisions of this Act apply to transfer agents, broker/dealers, corporate issuers which do their own transfer work, mutual funds, custodians (institutional trust/personal trust), corporate trustees (bonds/debentures), and paying agents of any type.
2. The provisions of revised Rule 240.17Ad-17, effective December 8, 1997, that apply to transfer agents shall also apply to those listed in paragraph 1 above.
3. Revised Rule 240.17Ad-17, effective December 8, 1997, with respect to data base searches for a "lost" security owner, which the SEC describes as a "securityholder", applies to all securities owners "lost" prior to December 8, 1997 as well as to those which were "lost" on or after December 8, 1997.
4. All checks sent to a security owner, whose previously sent checks have not been cashed, will bear a notice that prior check(s) (i) have not been cashed, (ii) request that the check(s) be cashed immediately, and (iii) request that the payee call a toll-free telephone number or write to the sender informing the sender that such check(s) was/were not received by the payee. (Same de minimis exclusion as in revised Rule 240.17Ad-17, effective December 8, 1997.)
5. The SEC shall establish an Internet Website where all securities owners classified as "lost" will be listed. (List by owner's name, Social Security number, and name of issuer of the security, e.g., General Electric, but not with any information as to value, amount owed or held, or the number of such securities, e.g., three shares of General Electric.)
6. Any of those to which this Act applies, which also hold funds for "lost" securities owners, will hold those funds in trust accounts for the benefit of the "lost" securities owners, e.g., any money earned in the trust account by a lost security owner's funds will become a part of that security owner's funds and follow the disposition of those funds according to applicable law, e.g., state unclaimed property laws.
7. No search firm, locator, or "heir finder" will be awarded a contract to locate a "lost" security owner except on the basis of open bidding following the procedure set forth in U.S. Code _____. Bidding shall be for batches of accounts, and the successful bidder will report to the SEC the results of the search, e.g., numbers of accounts worked, percentage of accounts recovered, amount and percentage of funds recovered.
8. Class action suits permitted, if there are violations of this Act.
9. Only compensatory damages permitted, unless there has been willful or wanton neglect or misconduct, when triple damages can be recovered. (No runaway punitive damages.)
10. The United States Money Return Commission is hereby created:

- A. The President appoints the chair person.
- B. House and Senate appoint two members each, one from each party.
- C. Charge: To collect and publish in print, on the Internet, and other appropriate media, information on all money held by any part of the United States Government for others.
- D. Establish procedures using state of the art technology whereby the rightful owners can obtain their money without charge.

BENESCH
FRIEDLANDER
COPLAN &
ARONOFF LLP
ATTORNEYS AT LAW

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

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

staff sec
Swiss Comm - Shamed
Swiss Bank lost Holocaust
Accounts - money lost

June 15, 1999

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

'99 JUN 25 AM 10:04

Dear Mr. President:

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

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

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

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

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

Cleveland

Columbus

Cincinnati

President William J. Clinton
June 15, 1999
Page 2

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

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

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

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

With best wishes, I am

Respectfully yours,



Robert N. Shamansky

RNS:gxm
Encls.

cc: Bruce Reed

FIRST-CLASS

FIRST-CLASS

FIRST-CLASS

FIRST-CLASS

7-26-99

Gus S

This guy is X-Rep.
from Ohio (D) - says
he's written all about
this several times, has
never gotten a

response - says
there's billion
at issue - He's an
old friend - should
we respond or not?
I have to
know
BS

First Class
Mail

7-26-99

To Burkhardt for reply?
Yes ☒ No ☐

Coordinate with Sperling?
Yes ☒ No ☐

Red Dot
BS O.

FIRST-CLASS

FIRST-CLASS

FIRST-CLASS

FIRST-CLASS

FIRST-CLASS

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

THE PRESIDENT HAS IT

8-9-99

SECRETARY OF THE TREASURY

August 6, 1999

cc General

copied
Spertling
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: LAWRENCE H. SUMMERS *LHS*

SUBJECT: MORTGAGE RATES

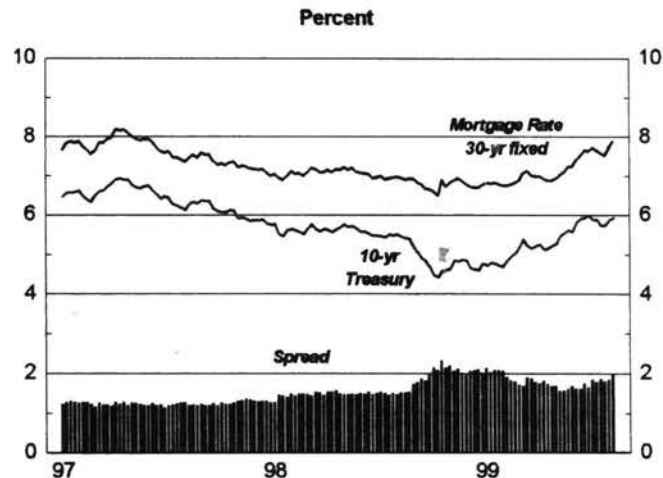
As you remarked on Wednesday, mortgage rates have been on the rise. The rate homeowners pay on new fixed-rate 30-year mortgages has increased from just over 7 percent in the first week of May to about 7.9 percent this week. In fact, virtually all interest rates have been rising.

Ten-year Treasury bond rates have risen by about 0.50 percentage point since the first week of May, accounting for more than half of the increase in mortgage rates.

Rising spreads over Treasury bond rates account for the remaining 0.40 percentage point increase in mortgage rates since early May. Similar widening in spreads has been common in financial markets recently. At least three factors are responsible.

- **Liquidity.** Treasury securities are more marketable than other securities and investors pay for this greater "liquidity" by accepting a lower yield on Treasury bonds. The liquidity premium has increased, explaining part of the increase in the spread on mortgage rates.
- **Volatility.** Greater interest rate uncertainty or volatility is associated with a widening of spreads over Treasury rates. Volatility has increased since early May. Mortgage rates are especially sensitive to changes in volatility because greater volatility raises the value of the option to prepay a mortgage and therefore raises the rate that mortgage lenders charge.
- **Strong loan demand.** Rising spreads have been accompanied by an increase in corporate borrowing, suggesting that rising loan demand has been pulling up all private sector interest rates, including mortgage rates. Some of this growth may be due to timing – some borrowers reportedly want to avoid issuing bonds near the end of this year, leading to a bunching of new corporate bond issues.

MORTGAGE RATE AND YIELD ON 10-YEAR TREASURY



This widening of interest rate spreads has been compared to last fall's. But there is an important difference. In contrast to this summer's demand-driven widening of spreads, last fall's was due to contracting credit supply and destabilized financial markets.

To Burkhardt
for Reply?
NRN?

99 AUG 9 PM5:08

Dearest President Clerk

Now it has been exhausting for
thee, so I refuel you with my Agape
love, so please excuse all, and help me
nurture you, into a sweet aroma of love,
and kind sympathy, from me, my heart
cries out for you, for forgiveness from all
its been. a battle past for now you
shall lose, for I'm given thee tremendous
love from ministry, and you shall stand
tall and won't fail, you a prime
candidate for me, I'm pleased as punch
to see the windows of heaven are
pouring out for thee, saith the word.

Hos 11:8
John 15:9
Mal 3:10-12
1 John 4:10
Eph 2:4

Gen 39:14
Ex 2:23
Mic 6:9
John 7:28,37
Eph 4:32

c/o Reverend Andrea Micci
Col 1:14
Lev 26:31
Song 4:11
Isa 40:31
Ps 103:5



To S President William J. Winans
from Reverend John T. McKee

L. J. 1

(9) **Congressional correspondence via Janet Murguia.** (1) **Rep. Ike Skelton** – thanks you for invitation to Sarajevo and for placing flowers at memorial to Captain McCarthy in Aviano; also asks you to forward to the McCarthy's the flag that was handed to you (*we have received necessary documents from NSC and will execute this on your behalf*); (2) **Sen. Daschle** – thanks you for your visit to South Dakota, noting its huge impact, and hopes “we can do something”; (3) **Rep. Condit** – thanks you for excerpt from Wallace Smith; (4) **Rep. Dingell** – thanks you for birthday greeting; (5) **Rep. Houghton** -- thanks you for birthday greeting to his Godmother; (6) **Sen. Cleland** -- praises the success of military operations in Kosovo and reports on his amendment to the FY 2000 Foreign Operations Appropriation bill, which calls for an international conference to secure peace and provide an exit strategy for American military forces (*amendment attached*); (7) **Sen. Moynihan** -- expresses concern over Naval gunnery on Vieques in Puerto Rico; (8) **Newt Gingrich** -- sends copy of *Leadership Lessons from the Civil War* by Tom Wheeler (*we have the book in our office*).

→ *NSC Armed Forces*
 → *Do Ty*

THE WHITE HOUSE

WASHINGTON

July 19, 1999

MEMORANDUM FOR THE PRESIDENT

FROM:

JANET MURGUIA *gm*

SUBJECT:

CONGRESSIONAL CORRESPONDENCE

Attached for your review is a book by Tom Wheeler, entitled *Leadership Lessons from the Civil War*, that was given to you by former Speaker of the House Newt Gingrich (R-GA).

American Enterprise Institute for Public Policy Research



July 14, 1999

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

Dear Mr. President,

I found Tom Wheeler's soon-to-be-published book *Leadership Lessons from the Civil War* to be very interesting. I thought that would you enjoy it as well.

Sincerely,

A handwritten signature in black ink, which appears to read 'Newt'. The signature is fluid and cursive, with a large 'N' and a stylized 'G'.

Newt Gingrich

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→ NSC should reply
 → Do it
 → NSC should reply

THE WHITE HOUSE

WASHINGTON

July 19, 1999

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JANET MURGUIA *Jm*

ES AUG 2 1999

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Newt Gingrich

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→ SC shared my
 → Book in
 → Book in
 → Book in

THE WHITE HOUSE
WASHINGTON

July 9, 1999

MEMORANDUM FOR THE PRESIDENT

FROM:

JANET MURGUIA *Jm*

SUBJECT:

CONGRESSIONAL CORRESPONDENCE

Attached for your review is a letter from Senator Max Cleland (D-GA) concerning the Balkan peace settlement and an amendment he offered to S. 1234, the FY 2000 Foreign Operations Appropriations bill. Senator Cleland's amendment, #1163, was passed by unanimous consent in the Senate on June 30, expressing the sense of the Senate that the United States should call for the convening of an international conference on the Balkans.

United States Senate

WASH - WASHINGTON, DC 20510-1005

July 2, 1999

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

*Sumner / Hqs
must reply*

PERSONAL AND CONFIDENTIAL

**DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 13526**

Sec. 3.2(C) Initials: JW Date: 2/12/2019

Dear Mr. President:

I am writing again on the Balkans, and in follow-up to my April 22 correspondence on the same subject.

First of all, I want to take this opportunity to thank you personally, as I have already done publicly in a recent op-ed in *The Washington Post*, for proving me wrong in my worst fears about Kosovo becoming another Vietnam, and for succeeding, via the air war alone, in putting an end to Milosevic's brutalization of Kosovar Albanians, facilitating the safe return of Kosovar Albanian refugees, demonstrating the cohesion and willpower of NATO and conducting military operations in such a way as to minimize casualties among both our own service personnel and innocent civilians. All of these are real and significant achievements for which you, our servicemen and women, and our NATO allies deserve full credit.

However, as I wrote in the *Post* piece, "the battle over the future of Kosovo and the Balkans is far from over. We may have avoided another Vietnam but we have not yet avoided another Korea or Bosnia where a cessation of military hostilities has not been followed by a resolution of the political problems. Nor have we avoided another World War I where the armistice that ended the fighting was followed by a peace settlement which only served to pave the way for the Second World War."

Because of these concerns, I offered the attached Sense of the Senate Resolution as an amendment to the recently approved FY2000 Foreign Operations Appropriations bill. I was prepared to debate and seek a vote on my proposal because of my strong feelings on this subject, but, as you probably know, the amendment was accepted by unanimous consent without debate or discussion. Nonetheless, it does stand as the official expression of the United States Senate on this matter.

As you will see, the thrust of my resolution is the desire to obtain a realistic exit strategy for American military forces in the Balkans through an international conference on the Balkans, such as the one you supported in the Rambouillet Accords as to final status for Kosovo. Where I appear to differ from your Administration is over whether territorial adjustments could be

considered in order to produce a settlement acceptable to the Parties directly involved (I think they must be), and over the question of reconstruction aid to Serbia (which I believe should be considered, channeled through non-governmental sources such as the Serbian Orthodox Church, irrespective of the status of Milosevic). My rationale for both of these positions is detailed in the resolution itself.

Mr. President, I believe it is altogether fitting, appropriate and necessary for you to finish the job of securing peace, stability and human rights in the Balkans which you have so diligently been pursuing. I honestly believe that only an international conference, empowered with a broad mandate and convened in the very near future, can secure this legacy for you. Furthermore, I believe such an outcome will allow you and our nation to focus on truly vital national interests, such as securing acceptable long-term relations with the Russians and addressing the recruiting and retention crisis in our military.

As always, I would welcome your reaction and comments.

Most Respectfully,



Max Cleland
United States Senator

Enclosure

C. S. I'm very, very proud of you!

AMENDMENT #1163 TO S. 1234, FY2000 FOREIGN OPERATIONS APPROPRIATIONS
SUPPORTING AN INTERNATIONAL CONFERENCE TO ACHIEVE A DURABLE
POLITICAL SETTLEMENT IN THE BALKANS

Adopted by Senate by unanimous consent on 6/30/98

**SEC. X. SENSE OF THE SENATE REGARDING AN INTERNATIONAL
CONFERENCE ON THE BALKANS**

(a). FINDINGS.----The Senate makes the following findings:

(1) The United States and its allies in the North Atlantic Treaty Organization (NATO) conducted large-scale military operations against the Federal Republic of Yugoslavia.

(2) At the conclusion of 78 days of these hostilities, the United States and its NATO allies suspended military operations against the Federal Republic of Yugoslavia based upon credible assurances by the latter that it would fulfill the following conditions as laid down by the so called Group of Eight (G-8):

(A) An immediate and verifiable end of violence and repression in Kosovo.

(B) Staged withdrawal of all Yugoslav military, police and paramilitary forces from Kosovo.

(C) Deployment in Kosovo of effective international and security presences, endorsed and adopted by the United Nations Security Council, and capable of guaranteeing the achievement of the agreed objectives.

(D) Establishment of an interim administration for Kosovo, to be decided by the United Nations Security Council which will seek to ensure conditions for a peaceful and normal life for all inhabitants in Kosovo.

(E) Provision for the safe and free return of all refugees and displaced persons from Kosovo and an unimpeded access to Kosovo by humanitarian aid organizations.

(3) These objectives appear to have been fulfilled, or to be in the process of being fulfilled, which has led the United States and its NATO allies to terminate military operations against the Federal Republic of Yugoslavia.

(4) The G-8 also called for a comprehensive approach to the economic development and stabilization of the crisis region, and the European Union has announced plans for \$1,500,000,000 over the next 3 years for the reconstruction of Kosovo, for the convening in July of an international donors' conference for Kosovo aid, and for subsequent provision of

(12) The trend throughout the Balkans since 1990 has been in the direction of ethnically-based particularism, as exemplified by the 1991 declarations of independence from Yugoslavia by Slovenia and Croatia, and the country in the Balkans which currently comes the closest to the goal of a democratic government which respects the human rights of its citizens is the nation of Slovenia, which was the first portion of the former Federal Republic of Yugoslavia to secede and is also the nation in the region with the greatest ethnic homogeneity, with a population which is 91 percent Slovene.

(13) The boundaries of the various national and sub-national divisions in the Balkans have been altered repeatedly throughout history, and international conferences have frequently played the decisive role in fixing such boundaries in the modern era, including the Berlin Congress of 1878, the London Conference of 1913, and the Paris Peace Conference of 1919.

(14) The development of an effective exit strategy for the withdrawal from the Balkans of foreign military forces, including the armed forces of the United States, its NATO allies, Russia, and any other nation from outside the Balkans which has such forces in the Balkans is in the best interests of all such nations.

(15) The ultimate withdrawal of foreign military forces, accompanied by the establishment of durable and peaceful relations among all of the nations and peoples of the Balkans is in the best interests of those nations and peoples;

(16) An effective exit strategy for the withdrawal from the Balkans of foreign military forces is contingent upon the achievement of a lasting political settlement for the region, and only such a settlement, acceptable to all parties involved, can ensure the fundamental goals of the United States of peace, stability and human rights in the Balkans.

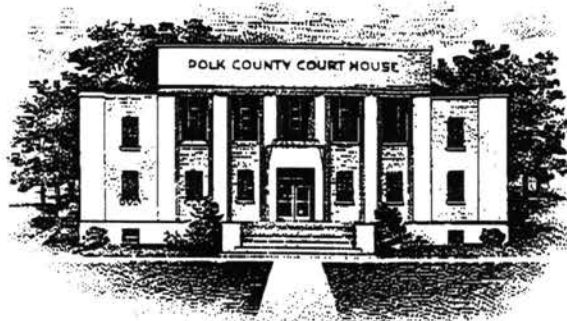
(b) SENSE OF THE SENATE. ---- It is the sense of the Senate that ---

(1) The United States should call immediately for the convening of an international conference on the Balkans, under the auspices of the United Nations, and based upon the principles of the Rambouillet Accords for a final settlement of Kosovo status, namely that such a settlement should be based on the will of the people, opinions of relevant authorities, each Party's efforts regarding the implementation of the agreement and the provisions of the Helsinki Final Act;

(2) The international conference on the Balkans should also be empowered to seek a final settlement for Bosnia-Herzegovina based on the same principles as specified for Kosovo in the Rambouillet Accords; and

(3) in order to produce a lasting political settlement in the Balkans acceptable to all parties, which can lead to the departure from the Balkans in timely fashion of all foreign military forces, including those of the United States, the international conference should have the

authority to consider any and all of the following: political boundaries; humanitarian and reconstruction assistance for all nations in the Balkans; stationing of UN peacekeeping forces along international boundaries; security arrangements and guarantees for all of the nations of the Balkans; and tangible, enforceable and verifiable human rights guarantees for the individuals and peoples of the Balkans.



RAY B. STANLEY
COUNTY JUDGE

*Stop See
Can we get
a reply to
this now?*
507 CHURCH STREET
MENA, ARK. 71953
501-394-8133

POLK COUNTY
Arkansas

July 9, 1999

President Bill Clinton
White House
Washington, DC 70510

Dear President Clinton,

At the request of Robert Carver, I am relaying to you a conversation that I had with Congressman Jay Dickey of the 4th Congressional District of Arkansas on Wednesday the 7th of July at approximately 2:20 p.m. in Janssen Park here in Mena.

Mr. Dickey and Congressman Asa Hutchison had a bus tour from Fort Smith to Texarkana on U.S. Hwy 71 to promote Interstate 49. The tour included stops in Greenwood, Mansfield, Waldron, Mena and DeQueen.

My questions to Mr. Dickey were: Is there funds available at this time to do Interstate 49 or Interstate 69 in Arkansas? If so, when will construction begin? Mr. Dickey responded that at this time there are no funds available and that the only person that could get us the funding would be the President of the United States, but his feeling was that because Mrs. Clinton is going to run for the Senate seat in New York, the president will move all funds possible in that direction.

If I can answer any questions concerning this matter, please don't hesitate to contact me at my office.

Sincerely,

Ray B. Stanley
Ray B. Stanley
County Judge

RBS:ja

David -

*Send to Burkhardt
for reply?*

yes ☒
N/A ☐

8-9-99

RAY B. STANLEY
COUNTY JUDGE



507 CHURCH STREET
MENA, ARK. 71953
501-394-8133

POLK COUNTY

Arkansas

July 9, 1999

President Bill Clinton
White House
Washington, D C 70510

Dear President Clinton,

After the 1995 Fort Smith Tornado, it became evident that there is an area in west central Arkansas and east central Oklahoma that is not covered by the Doppler radar system. This covers Polk, Scott, Howard, and Pike Counties in western Arkansas and McCurtain and Leflore in eastern Oklahoma.

NOAA did a study and found the best place for a Doppler site would be on Slatington Mountain in southwest Montgomery County, Arkansas. At this location the radar would overlap Little Rock, Shreveport, Tulsa covering all areas for an early warning system of severe storm activity. As this radar site was becoming a reality, the people in the Fort Smith area wanted the Doppler site next to them, not knowing that for the first 20 miles the Doppler radar produces ground clutter and the further your are away from it the better warning coverage you get.

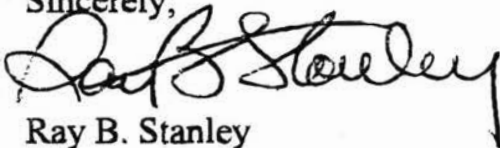
To accommodate the people of Fort Smith, the Hutchison brothers, (Tim and Asa) used their political clout to get the Doppler site placed in the Fort Smith Landfill. Before and after today, Fort Smith is still covered by Tulsa radar.

Polk, Pike, Montgomery, Hempstead, Howard, Scott and Clark Counties have had numerous tornadoes that have not been detected by the Doppler radar located in the Fort Smith Landfill, leaving these counties with inadequate early warning coverage.

I wish with all my heart for the people of western Arkansas and eastern Oklahoma that you would see that a Doppler radar site be placed on top of Slatington Mountain in western Montgomery County so that the people of this area will have early warning for severe storms and tornadoes.

Your consideration of this matter is greatly appreciated. Contact me at my office if you need more information.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ray B. Stanley". The signature is fluid and cursive, with the first name "Ray" being more prominent.

Ray B. Stanley
County Judge

RBS:ja



July 13, 1999

President Bill Clinton
 The White House
 Washington, D. C. 20500-2000

Dear Mr. President:

This past week Congressman Jay Dickey and Congressman Asa Hutchinson had a bus tour from Fort Smith to Texarkana to promote Interstate 49. I felt that this trip was more political than anything, since there are no funds to my knowledge to build this road at this time.

I asked my friend, County Judge Ray Stanley, to ask the Congressmen a couple of questions, which he did while they were in town. When he told me the answer he was given by the Congressman, I asked him to write it down and I am enclosing his comments. The weather station, which is a big topic in this area, was also mentioned and I am also sending a copy of his comments on this subject.

I appreciate the job you are doing and I am happy that you are now able to do your work without as much interruption. I look forward to seeing you soon and hope that we can visit at that time.

Thank you for taking the time to read these comments.

Yours truly,

Robert A. Carver

hjh

Thank you for all you have done.

Enclosures



*7/15/1 Fax to
 as sent for
 Sec. State
 cc: Cabinet
 Affairs
 3. President*



Carol Hampton Rasco
Director, America Reads Challenge

U.S. Department of Education
400 Maryland Avenue, SW
Room 7W107
Washington, DC 20202

(202) 401-8888 Tel
(202) 401-0596 Fax
carol_rasco@ed.gov

Start Early, Finish Strong



Stoos See

8-9-99

David -
Send to Burkhardt
for reply?

yes

no



S.C.

*How to Help Every Child
Become a Reader*

U.S. Department of Education
America Reads Challenge

Start Early, Finish Strong

*How to Help Every Child
Become a Reader*

U.S. Department of Education
America Reads Challenge

START EARLY, FINISH STRONG



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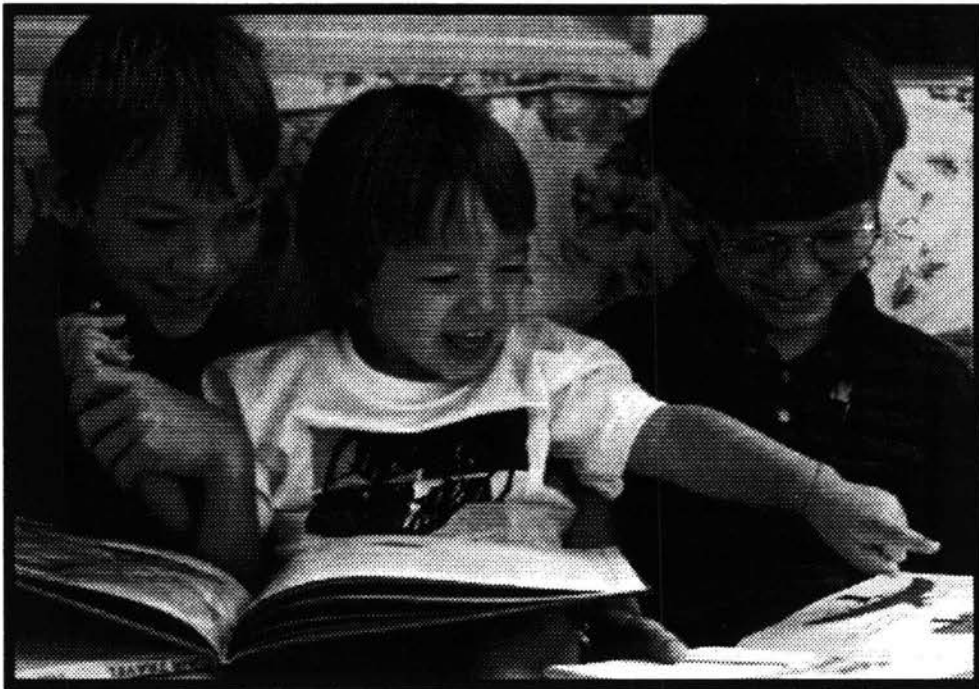
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Ideas at Work



*How to Help Every Child
Become a Reader*

U.S. Department of Education
America Reads Challenge

I D E A S A T W O R K



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President Clinton
c/o Nancy Hemreich
The White House

War in Colombia: The U.S. Role

Last week the Clinton administration's national drug coordinator, retired Gen. Barry McCaffrey, called the latest upsurge in guerrilla violence in Colombia an "emergency" and a "regional crisis." The president said events in Colombia—where 90 percent of the cocaine and nearly half the heroin that reaches the United States originate—affect U.S. "national security." And prominent members of Congress warned Colombia could become a "narco-guerrilla state."

But neither the administration nor Congress acts as if it believes those statements are true.

After Colombian President Andres Pastrana's election in July 1998, President Clinton twice welcomed him to the White House, the second time for a state visit, in a laudable effort to boost nascent peace negotiations. But since then, neither the president nor the secretary of state, who are daily and deeply involved in supporting peace negotiations in Northern Ireland and the Middle East, has paid sustained attention to Colombia, which, with 40 million citizens, is the second most populous nation in South America.

Congress tripled U.S. military assistance to Colombia this year, making it the third-largest recipient of U.S. security assistance in the world, after Israel and Egypt. At the same time, House Republicans have vilified the State Department's contacts with the largest Colombian guerrilla group, the FARC, as "soft on narco-trafficking," although those contacts were requested by President Pastrana as part of his negotiating strategy. Meanwhile, the Senate has failed to act on the administration's nomination of a new assistant secretary of state for inter-American affairs.

Unfortunately, the peace process in Colombia, which began with high hopes and broad popular support, is faltering. The guerrillas are bringing terror to Colombia's cities. Paramilitary forces, financed by drug traffickers and landowners, are escalating violence against civilian guerrilla "supporters" and Colombia's embattled human rights community. Colombia's neighbors—Peru, Venezuela and Panama—voice fears the war is spilling over their borders. And Colombia's economy, historically the best managed in Latin America, is suffering through a deep recession, its first in 40 years.

The blame rests with the guerrillas, who have taken advantage of territory ceded to them as a gesture of goodwill by Pastrana to spread

the war to the cities while stalling on negotiations. Pastrana, who has shown great courage in pursuing peace, also has failed to involve Colombian civil society in the negotiations, field an experienced negotiating team or reach out effectively to the international community. But the United States and the democratic community also have failed to give Colombia the support it needs and deserves.

Here is what the U.S. executive and Congress should do:

■ **Strengthen Colombia's economy:** President Pastrana cannot wage either peace—or, if necessary, war—effectively if investor dollars flee because of fears about the future. Colombia's economic team has taken tough reform measures, but the nation needs a vote of confidence. The administration should signal the International Monetary Fund, which is considering a \$3 billion support package for Colombia, as well as the World Bank, the Inter-American Development Bank and friendly donor nations to provide maximum support for the country. Congress should extend the Andean Trade Preference Initiative, set to expire in 2001, which provides duty-free access to Colombian products.

■ **Forge a bipartisan strategy:** Rather than fight over military aid vs. support for negotiations, the administration and Congress together should send one clear message to all the actors in Colombia: The United States will aggressively support a negotiated settlement to

the conflict and marshal resources to fund a final agreement. But if the guerrillas refuse to negotiate in good faith, the United States will support a long-term effort to modernize the Colombian armed forces, conditioned on continued progress in rooting out human rights abusers from the military and a concrete program to disband the paramilitaries.

■ **Mobilize international support:** As we learned in El Salvador, Colombia needs the active involvement and support of democratic nations in Latin America and Europe and multilateral institutions, such as the United Nations and the Organization of American States, to negotiate a peace settlement, field the peacekeeping forces needed to enforce it, and fund the government reforms and economic alternatives to drug cultivation, which will be part of any final settlement. Colombia must ask for such assistance, but such an international coalition can be assembled only with the leadership of the United States.

■ **Talk to the guerrillas:** Neither the guerrillas nor government can defeat the other decisively, so ultimately, the war, now 40 years old, with deep social and political roots, must end through negotiations. An executive and congressional bipartisan delegation should tell the guerrillas directly: If their agenda is political, as well as social reform, economic alternatives to drug trafficking and safe space to enter the democratic process, the United States will be supportive. If their agenda is to wage a war of terror on Colombian democracy, financed through drug trafficking and kidnapping, the democratic community will resist.

Contrary to conventional wisdom, the United States usually goes wrong in Latin America not when it intervenes too quickly but when it fails to pay attention until problems mushroom into crises, our politics become polarized and all the policy choices are bad. Both the American people and the Colombian people deserve better from our elected leadership.

The writer was assistant secretary of state for inter-American affairs from June 1989 to July 1993.



AGENCE FRANCE PRESSE

Robert D. Novak

Our First Casualties

At 1:30 a.m. Tuesday, the remains of 29-year-old Capt. Jennifer J. Odom, U.S. Army, arrived at Dover Air Force Base in Delaware. The television cameras, usually present at such events, were nowhere to be seen. Indeed, the news media were totally absent, and the event went unrecorded. Nor was President Clinton there to feel her family's pain.

Capt. Odom, along with her co-pilot and three other crew members, died July 23 when the DeHavilland RC7 reconnaissance plane she was piloting crashed into a mountain in southern Colombia. The Pentagon says there is "no evidence" that narco-guerrillas shot down the plane but adds that the investigation is continuing. In any event, the five-member crew constituted the first U.S. military personnel to be killed in the war against the drug-financed, leftist insurrection subverting Colombia. Jennifer Odom is an unsung heroine in an unknown war.

The non-stop propaganda machinery during 78 days of bombing Yugoslavia was mute about the death of Odom, the first American woman pilot killed in action. The Clinton administration says as little as possible about Colombia. It never wanted to get involved there, but has been dragged into a conflict it deplors, and still presses for a negotiated settlement with the Revolutionary Armed Forces of Colombia (FARC). If Kosovo was a liberal's war, Colombia certainly is not.

Thus, the nation and even most of Congress were unaware that the United States dispatches aircraft on hazardous duty over FARC-occupied Colombia. U.S. planes have

been on such missions for years, but what is new is the DeHavilland RC7s, carrying signal intelligence equipment to eavesdrop on the guerrillas' highly sophisticated communications system. "This is a very black [secret] operation," said one military source.

A Pentagon spokesman told me that the Odom plane's principal mission was "imagery" [taking pictures], but added that signal intelligence equipment was on board and may have been used. Independent military experts, however, contend that less technologically advanced aircraft—or, indeed, satellites—could handle imagery. The RC7 is configured to tap enemy communications (as it did in helping Peru's government in 1997, when terrorists seized the Japanese embassy in Lima). But the lid has been placed on Odom's outfit, the 204th Military Intelligence Battalion in Fort Bliss, Tex., to bar conversations with the press.

Similarly, military sources questioned the likelihood that Odom's death was accidental. The RC7's navigation equipment is so sophisticated that it is hard to imagine an experienced pilot crashing into a mountain without some provocation by enemy forces below.

Such questions went unasked amid the news blackout of the disaster. The wreckage was spotted July 25, but the names of the crew were not officially disclosed until Aug. 2 (long after next of kin had been notified). Pentagon sources speculated that the high command did not want a female pilot's death in Colombia to interfere with the celebration of Lt. Col. Eileen Collins's successful command of the Space Shuttle Columbia. It surely

did not. At this writing, only Newsweek, among the mass media, has published a news report on the crash.

Thus did the first casualties of Colombia's war go unmentioned in much of the country. In addition to Capt. Odom, they include her co-pilot, Capt. Jose A. Santiago, as well as Chief Warrant Officer Thomas G. Moore, Specialist T. Bruce Cluff and Specialist Ray E. Krueger. Typically, when Republican Rep. Constance Morella took the House floor Tuesday morning to praise astronaut Collins, there was no mention of her fellow Marylander whose remains had arrived at Dover only hours before.

Republican Rep. Roscoe Bartlett, whose district contains Odom's hometown of Brunswick, Md., reported her family was frustrated by inability to get calls immediately returned by the Defense Department, while the military searched for John F. Kennedy Jr. Senior military officials later telephoned Odom's mother. But President Clinton, usually adept in commiserating with tragedy, said nothing.

Although Attorney General Janet Reno led a government delegation to honor the slain pilot at Dover, nobody was there to represent the White House. The omission was hardly accidental. If Jennifer Odom's death continues to be ignored, there can be no debate about how well this war is being fought, and little attention may be paid to tomorrow's hearing on Colombia by a House investigating subcommittee headed by Rep. John Mica of Florida.

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Yugoslav Army is key to fight for power

■ The question: How will the Army and police react to August opposition rallies?

By Alex Todorovic
Special to The Christian Science Monitor

BELGRADE, YUGOSLAVIA — As Serbia's opposition prepares a massive demonstration in Belgrade on Aug. 19, and a general strike and civil disobedience campaign in September, a public battle is being waged in Serbia's media for the Army's loyalty.

The question of what the Army and police will do during a general strike is of prime importance to the country's opposition, who have learned hard lessons about military force.

The police were set loose against demonstrators in late 1996 and early 1997 during three months of demonstrations that shook Serbia to the core. The opposition movement was extinguished partly through the use of force.

Retired general and opposition leader Vuk Obradovic does not want the same thing to happen again. "This action will not be conducted as in 1996," he says.

If Yugoslav President Slobodan Milosevic de-

cides to act against demonstrators, he could call either the Army or the police, or both. The police are believed to be more loyal to Mr. Milosevic and would likely be called first.

Opposition's pleas to military

At rallies across the country, opposition leaders are almost

daily calling on the Army and police to not move against "the people."

"The Army, the police, and the people!" is a rallying cry for Vladan Batic, the coordinator of the Alliance for Change, a coalition of opposition parties that has held a dozen or so opposition rallies since the war ended.

But the Army's top commanders and ruling parties see things differently. Since mid-July, top-ranking officials from the Yu-

goslav Army have released a series of ominous statements whose main thrust is that the Army will prevent a violent overthrow of the regime.

"Our task is to preserve the stability of the country because there are many compromised souls, vassals of the West, who wish to change the government by force. But they will not have the support of the people," the Army's top commander, Gen. Dragoljub Ojdanic, said recently.

"The Army will, in accordance with its constitutional obligation, without reserve protect all national institutions and their legally elected representatives," Lt. Gen. Nebojsa Pavkovic, commander of the Third Army, said recently.

Opposition leaders have reacted with sharp defiance to such provocations.

"General Ojdanic, it seems, has not read basic military regulations. The Army should be non-ideological, and its task is only to defend the country from external aggression, not to become involved in internal political debates," said Vuk Draskovic, leader of the country's largest opposition party, the Serbian Renewal Movement,

at a press

What the Army's role is how the Yugoslav Constitution is worded, according to retired General Obradovic. "It calls for the Army to protect the 'constitutional order' of the country, in addition to protecting its independence, sovereignty, and territorial integrity. That objectively creates an opportunity to misuse the Army," says Obradovic.

Purge of top military leaders

Milosevic purged the Army last fall of leaders who showed a measure of independence and replaced them with die-hard loyalists.

The most important name on the list of purged Army leaders was Gen. Momcilo Perisic, who was replaced as the Army's top commander in November 1998, two weeks after issuing a pre-scient warning.

General Perisic said the country would suffer disastrous consequences if it went to war alone against the rest of the world. The speech was delivered when NATO first threatened to bomb Yugoslavia.

"Friends, we don't have allies in the world, and Serbia never went to war without allies," he said in a speech.

Perisic remained silent after his dismissal until just two weeks ago, when he gave an explosive in-

See ARMY page 8



DISMAYED: Yugoslav Army reservists, sheltering themselves from the rain, go on a hunger strike in Nis, a city in southern Yugoslavia. They are demanding back pay for their service in Kosovo during NATO airstrikes.

Army is key to Serbia's power fight

ARMY from page 6

interview to the Yugoslav weekly NIN. Perisic announced he might join opposition politics, and he severely criticized the country's leadership and Army commanders.

Perisic is scheduled to speak at the massive opposition rally scheduled in Belgrade for Aug. 19.

Reaction to the Perisic interview has been swift. "It only goes to show that he was removed with good reason. When he spits on Army leadership, he is spitting on himself," Ivica Dacic, spokesman for Milosevic's Socialist Party, said recently.

Less than a week after the Perisic interview, another high-ranking official turned his back on the Army. Lt. Dragan Vuksic published an open letter in an opposition paper asking for early retirement to protest the government's misuse of the Army.

The open criticism, along with continuing protests and hunger strikes by Army reservists, has buoyed the opposition's hopes that lower-

'Anyone who tells you they know how this will play out is deceived. Nobody knows.'

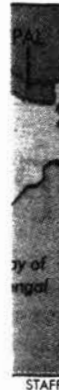
— Belgrade analyst

ranking troops will not carry out orders to crush demonstrations, should they be issued.

"Anyone who tells you they know how this will play out is deceived. Nobody knows," says a Belgrade analyst who wished to be anonymous.

Obradovic, the retired general, says he is sure that the Army's rank and file will not turn against the people. "Small special units might be misused, but the Army as an institution will not turn against the people."

Obradovic notes that many demonstrators are hopeful that discontented Army officers will topple Milosevic. "The Army should not topple Milosevic. The democratic forces in Serbia will make that happen."



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By JUDITH MILLER

They also cite attacks from senior lawmakers like Senator Jesse Helms, Republican of South Carolina, the chairman of the Senate Foreign Relations Committee. He has spearheaded efforts to cut the United States share of financing for the

The fault, he said, lies not with the

United Nations diplomats and other advocates also say the Clinton Administration failed to fight hard enough for timely confirmation of Richard C. Holbrooke as the United States delegate, which was delayed

"The United Nations did not even know what those soldiers were doing, much less authorize it," a senior United Nations official said. But senior Administration officials thought they could protect themselves against conservative attacks by "undermining an institution they should

The White House and State Department tried to distance the Administration from Mr. Cphen's remarks, taking pains to publicly praise the United Nations and Mr.

"Most Americans see the United Nations as an instrument of foreign policy," he said, "but neither as the dominant nor indispensable one. As long as Kofi Annan wants his organization to be the sole authorizer of force in the world — which is what he has said — there will always be disappointment with any White House."

No issue has caused more resentment than Washington's failure to pay its dues. "We need money," said Joseph Connor, the American former

Stacy
We should
try to be nice
to each other
It's a rule —

The New York Times

THURSDAY, AUGUST 5, 1999

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Deep Recession Envelops Latin America

By ANTHONY FAIOLA
Washington Post Foreign Service

A1

BUENOS AIRES, Aug. 4—Everyone here has their own economic barometer. For the Argentine government, it is the battered stock market and high interest rates. For local companies, it is falling revenues and profits. But for Laura Ceballos, 28, an Argentine single mother of three, it is strawberry ice cream.

"It's been weeks since I've been able to afford any for myself or the children," said

Ceballos, an unemployed secretary who was pushing a sparsely loaded shopping cart in a Buenos Aires supermarket. "When you don't know where your next paycheck is coming from, you learn to live without a lot of things."

Food shopping and overall retail purchases in Buenos Aires dropped last month because of a recession that has fueled soaring unemployment and cut deeply into personal income. But the recession in Argentina, Latin America's third-largest economy, is only part of a

region-wide downturn, the depth of which is only now being understood.

Latin America is undergoing its worst economic slump since the debt crisis in the early 1980s, analysts say. Nations across the region are burdened with low commodity prices, soaring public debt, high unemployment, currency destabilization and a lack of foreign capital.

The slowdown has inspired doubts about whether to continue free market

reforms championed by the U.S. government over the past decade. In nations such as Argentina that have wholeheartedly embraced the free market, popular sentiment blames that economic policy for creating high unemployment, largely from government downsizing, and for an inability to substantially redistribute wealth from a small elite to the majority of the population.

The recession marks a disappointing cap on a decade in which Latin America roared to life economically, with high growth rates fueled mostly by nations adopting free-market practices. Until last year—when economists feared Brazil would follow East Asia and Russia into a financial crisis—the region had become a magnet for money from mutual funds and U.S. companies, which became some of the biggest investors in newly privatized Latin American industries. But today, with the notable exception of Mexico, which is buoyed by the strong U.S. economy, almost every nation in Latin America is facing a measure of economic trouble.

"It's as if every time I feel like I'm getting ahead in life, we hit another bad spot and it wipes out everything I've worked for," said Antonio Cassagne, 43, an unemployed industrial engineer lined up with about 50 other people in downtown Buenos Aires for a single job opening for an office delivery man. "You've got to eat, so you get back into the lines and look for a job. But there are no jobs. The people can only take so much more of this."

Brazil, the country that had the whole world worried, is actually getting off lightly. Pleased with the pace of fiscal restructuring in the capital Brasilia, financial analysts are predicting a contraction of only 1 percent this year—compared with earlier estimates of more than 5 percent. Peru, which suffered last year as a result of damage from the El Nino weather pattern, is the only significant Latin economy (besides Mexico) expected to grow this year. Its fishing industry, a vital component of its economy, has recovered significantly and mining activity has surged.

Other major Latin nations—such as Argentina, Venezuela and Chile—are doing worse than analysts had anticipated only a few months ago, and Colombia and Ecuador are facing their worst recessions in 50 years. This has caused leading analysts to forecast a 0.5 percent economic contraction for Latin America as a whole for 1999. Compare that with 1995, the year most affected by the Mexican peso crisis, when the slowdown in the region still yielded growth of 1.7 percent.

"We've seen the crisis deepen in recent months—to critical levels in several South American nations," said Frederico Kaune, Latin American economist for Goldman Sachs in New York.

But despite the gloomy picture, some analysts say the downturn may be hitting its lowest point and likely will not result in the collapses such as those in East Asia or Russia. In fact, many analysts are predicting a mildly positive rebound for much of Latin America in 2000.

But the situation is code red in some small nations such as Ecuador, where banking is in chaos and a foreign debt default threatens. But in far larger countries, including Brazil, Argentina and Chile, the economic fundamentals are healthier.

Although the economic situation is clearly worse in nations that have yet to adopt free market reforms, even the economies that have embraced that philosophy are suffering major setbacks. Although they may be temporary, they are generating a backlash as voters and political candidates in some nations turn against such reforms. Anti-government protests—often opposing the free market—are becoming more widespread and violent.

Argentina has been rocked by several weeks of violent demonstrations by angry state workers that have left several dozen people wounded. One leading presidential hopeful shocked world stock markets two weeks ago by suggesting he may declare a temporary moratorium on foreign debt payments if he wins the October election.

In Uruguay, a left-wing politician is leading in polls for next October's presidential election. In Chile, a more moderate, European-model socialist, Ricardo Lagos, has emerged as the presidential front-runner. He could become the first socialist to govern Chile since Salvador Allende was ousted in a bloody coup by Augusto Pinochet in 1973.

In some nations, the backlash is causing serious instability. In Ecuador, where the government is desperate to strike a \$400 million deal with the International Monetary Fund to stave off a debt default, massive protests against proposed privatizations of state industries and congressional opposition to fiscal reforms are hampering talks with the IMF and threatening the durability of President Jamil Mahuad.

And in recession-plagued Venezuela, supporters of President Hugo Chavez, a left-wing firebrand who is promising a "democratic revolution" to redistribute wealth, last month won 96 percent of the seats on a powerful new assembly that will re-draft the constitution and likely dissolve the legislature and Supreme Court.

"We're seeing a trend of instability created by serious economic and political problems in the region," said George Vickers, executive director of the Washington Office on Latin America. "In a number of countries, you're seeing a loss in faith in the free market, and in others, you're seeing a stronger desire to prevent [liberal economic] changes from being put in place."

Although the reasons for economic downturns vary by nation, most countries are facing serious problems from the decline of important commodity prices, such as those of oil and copper.

Besides that, currency jitters that began with the Brazilian real's devaluation last January have continued. Colombia, Ecuador, Venezuela and Chile have experienced steep declines in their currency values in the past six months. This has reduced interest in the region by foreign lenders and investors at a time of high debt levels and low government revenues.

But in countries that have implemented free-market reforms, such as Argentina, substantial economic and social problems have arisen from high unemployment rates—now officially 14.5 percent here. Those rates have been caused by massive firings in recently-privatized state companies and the inability of private businesses to grow fast enough to absorb former state workers, analysts say.

The Washington Post
THURSDAY, AUGUST 5, 1999

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It's Time We Got Smart About Drought

By John Cronin

When President Clinton declared 88 mid-Atlantic counties in six states disaster areas on Monday, he was responding to the Drought of 1999 in the only way the Federal Government knows how, by opening its checkbook.

Actually, Drought of 1999 is a bit of a misnomer. The National Oceanic and Atmospheric Administration and other drought experts have been tracking it for three years. In the world of natural disasters, this makes the President's pledge of financial aid akin to helping hurricane victims only after the damage is done rather than advising them in advance of the storm.

In a typical year, 10 percent to 15 percent of the country suffers severe drought and 8 percent to 10 percent experiences moderate drought conditions. Currently, severe conditions exist from Maine to the Carolinas, with the impact extending beyond farm country to municipal water supplies. It is a prosecutable offense, for example, to water your lawn in Rockland County, New York.

Nonetheless, droughts are relegated to second-class status among the natural disasters the Government plans for. The Federal Emergency Management Agency has almost nothing to do with droughts. It is hard to imagine being so cavalier about hurricanes, earthquakes, floods or tornadoes.

We have managed to learn almost nothing from our experiences with droughts. Each one is treated as a new, surprising event. Once the rains return we resume normal consumption as if we will never again face a dry season. It would be comic were it

John Cronin is chief advocate of Riverkeeper Inc., a nonprofit conservation group.

not so painful.

Only a year and a half ago at a workshop conducted by the National Drought Mitigation Center, a non-profit research group based in Lincoln, Neb., representatives of neighboring mid-Atlantic states discovered, after centuries of droughts, that each uses different standards and data to anticipate and respond to droughts. They pledged to cooperate in the future. But the pressure of an actual drought was not yet upon them and the plan landed on the back burner.

Droughts are a fact of life in the United States, and it is remarkable that we aren't used to them by now. They result from natural dry cycles in the weather, unwise water use, poor management of resources or some combination of all three. But we can avoid much of the pain they cause if we are prepared. Northeast cities are notorious for waiting until the last moment to mandate water-saving measures.

In July 1998, President Clinton signed the National Drought Policy Act, creating a 16-member commission led by Agriculture Secretary Dan Glickman. The official White House description said the commission will "provide advice and recommendations on the creation of an integrated, coordinated Federal policy designed to prepare and respond to serious drought emergencies."

If that is all the commission does it will be an opportunity lost. Testifying at the panel's first meeting last month, Dr. Donald Wilhite, director of the National Drought Mitigation Center, called for a sweeping reform of the nation's drought programs that would put an emphasis on planning and prevention rather than emergency relief.

Easing the pain, before disaster hits.

Such an approach would require large-scale changes at the Federal, state and local levels. "With the proper data we can learn where and under what circumstances droughts occur," Dr. Wilhite said. "Then we could determine whether the right crops are being planted, if municipalities are wasting their water

through poor planning, even which states could share their water resources to lessen the impact of drought."

A shift away from billion-dollar relief programs would require tough love on the part of the Government. Potential recipients of drought relief should meet strict requirements established in advance. Profligate water users, whether agricultural or municipal, should be last in line.

Secretary Glickman has compared drought to a slow-moving infection. He should move swiftly, not only to implement relief for the current victims, but also to put in place preventive measures to fend off the next outbreak.

The New York Times

THURSDAY, AUGUST 5, 1999

**CURRENTS IN
CONTEMPORARY
THOUGHT.**

soundings

By Jim Bencivenga

Our unique self

The Internet can make us feel as isolated as Robinson Crusoe on a cyber-island, or totally connected with endless communication a finger tap away.

Two books reviewed in today's paper (pages 20, 21) offer insights, but not answers, on the way individuals in an online era might define themselves on the eve of the 21st century.

One presents individualism as an Ayn Rand-like effort, a fierce, life-long struggle for self-expression. The other despairs that individuality can survive the manipulated constructs of invasive commercial images.

To Carol Browner -

Attention please - PC

THE PRESIDENT HAS SEEN
8-9-99

Thursday, August 5, 1999

15

Raising money for films

Independent producer Bill Mosher's fund raising tactics for 'good news' documentaries challenge industry standards for objectivity.

Page 18

Newfoundland as never before

A sweeping novel about self-discovery in Canada's forgotten province.

Page 21



Clearing our view of smog



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Browner
Podesta

The Colony of Unrequited Dreams" (Doubleday) is a novel about Newfoundland's first premier. Set in the hard-scrabble soil of Canada's easternmost province, a region both exotic and mundane on the margins of North America, it presents an epic struggle by one individual to rise above his station in life.

"Coercion: Why We Listen to What 'They' Say" (Riverhead Books) deconstructs the utopia many social scientists predicted was just a click away at the dawn of the World Wide Web, that is, until business interests hijacked it.

But long before the Internet went commercial, advertisers had become so influential in shaping popular culture as to threaten a sense of individual uniqueness. It didn't take hours and hours of surfing the Web to ask: Just who are we anyway? Television's omnipresence forced that question on any thinking person years ago.

We know, as these two books suggest, our unique self with all its contradictions dwells at the center of the human heart, not in some electronic signal blinking "buy.

nts or questions? Write to
One Norway Street,
115, or e-mail

ICE MONITOR



Scientists help Sun Belt cities find regional solutions to air-pollution problems

By Peter N. Spotts
Staff writer of The Christian Science Monitor

NASHVILLE, TENN.

Fred Fehsenfeld looks out a window aboard Miss Piggy, a federal hurricane-research plane, and nods at the gray-brown haze staining the popcorn clouds rising in the midday heat.

"You know, people move to Nashville thinking the air will be clean," the courtly atmospheric chemist drawls. "But it's anything but clean."

Flying for hours at altitudes low enough to count cows at the watering hole, Miss Piggy will log 1,500 miles on this run. The researchers hunched over consoles down her cabin are part of a small army of scientists who converged on Nashville, Tenn., this summer to solve the puzzle of smog in the Southern United States and how best to battle it.

It has become increasingly clear, researchers say, that air-pollution control strategies based on conditions in Los Angeles or the Boston-to-Washington corridor may not help burgeoning Sun Belt cities such as Atlanta or Nashville meet tighter federal air-quality standards.

See **SMOG** page 16



AP PHOTOS/LOS ANGELES TIMES

IT'S MIDDAY. CAN YOU SEE CITY HALL? Los Angeles has cleaned up its act considerably since this photo was taken in 1953.

somewhere else, such as the Great Smoky Mountains, he speculates. Regardless of its source, nighttime concentrations provide a ready reservoir of hydrocarbons to begin the next day's ozone production.

This year marks the first time the project has included particulate studies. The effort is a response to the new EPA regulations, which cite health and aesthetic reasons for wanting to reduce dust haze, as well as to uncertainties about the role particulates play in atmospheric chemistry.

Although researchers often see tiny particles as necessary "platforms" on which chemical reactions take place in the atmosphere, "particulates are a big unknown," says University of Denver atmospheric chemist Charles Brock. "They are something to throw in as answers to holes in our understanding of chemical reactions. But it's equally likely that the holes result from measurement errors."

Dust from Africa

Regardless of the role particulates play, controlling them could be challenging. A 23-year study of dust over Miami indicates that during some summers, up to 50 percent of the fine particles present comes from Africa, not from local sources, according to Joseph Prospero, an atmospheric chemist at the University of Miami. The dust is transported by the same circulation patterns that steer hurricanes across the Atlantic.

His study, published in the July 20 issue of the *Journal of Geophysical Research*, plus evidence from satellites and more-limited studies elsewhere in the Southeast, led him to conclude that the problem is not limited to Miami, but could well embrace much of the Southeast.

Moreover, those concentrations can reach levels that "could put a city over the top" for dust regulations, even though dust from local sources alone wouldn't constitute a violation.

"Air-quality people need to be aware that African dust is a pretty substantial component" of the Southeast's summertime dust problem, Dr. Prospero says.

Indeed, researchers are sending a message that SOS is well as others, continue home is that pollution precursor chemicals, know no better.

the Grand urban is a sea of includes plants the Valley participants second two-story International effort nations in Tennessee, within the

concentrations of nitrogen oxides. He likens it to burning fuel in a car's engine; the fuel burns most efficiently when air and fuel mix in the right proportions.

From a policy standpoint, he continues, the results imply that targeting big power plants for nitrogen-oxide reductions may provide "less bang for the buck" than going after smaller point sources or dispersed sources such as automobiles. Likewise, dealing with emissions of nitrogen oxides by building lots of small power plants instead of

in the South, where scorching turn the first several thousand covered chemical factory.

of a high- one big one could aggravate ozone problems, he notes.

umps and gh the un- s research cts on key at brought es back to volves ni- oducts of hich ozone says. Large itrogen ox- ver plants, efficient at un smaller ie rate of sensitive to

In another key result, he says, scientists were surprised to find that on a regional basis, "isoprene dominates photochemical reactions" forming ozone. Isoprene continues to baffle the research team this year.

"For the first time, we've seen very high concentrations of isoprene at night, and we don't understand it," says Nashville study director James Meagher, also from NOAA's Aeronomy Laboratory. "We know that plants do not produce isoprene at night."

Perhaps it blows in from

Are these new bio-crops safe?

Research shows gene-modified plants can produce unintended effects

By Alex Salkever
Special to The Christian Science Monitor

It is an issue capturing attention from Paris to Peoria: Are genetically altered crops safe?

In Europe, a public backlash has forced many food companies to ban genetically engineered products from store shelves.

In the US, acceptance of the technology is widespread: Most of the nation's wheat and corn, for example, is genetically modified.

Now, however, new evidence is showing that some genetically altered crops can cause unintended consequences - which could spur more resistance to the booming bio-agriculture industry in the United States.

The latest sign: A study in the journal *Nature* that implies genetically modified cotton can promote resistance to pesticides in a well-known - and much feared - parasite.

The research comes in the wake of a study in May showing Monarch butterflies die after contacting pollen from genetically engineered corn.

Moreover, last week the country's largest baby food manufacturer, Gerber, announced it would stop using genetically engineered soy and corn products because of public concern - warranted or not - about safety.

"I think this is another small piece that tells us to be conservative," says Fred Gould, a North Carolina State University entomologist, of the news in *Nature*. "I think that what we need is a lot more science and a lot less talk."

Yet one group that is talking a lot more is environmentalists. They have seized on the latest research to buttress their claims that genetically engineered crops could pose a danger to people and the environment.

"There may be long term effects that we may not see for many years but could have serious detrimental impacts on brain development and organ development," says Charles Margulis, a genetic issues specialist with Greenpeace.

But it is safe

For their part, the big biotechnology and agricultural companies argue there is no conclusive evidence that the crops are dangerous. In fact, they see them as beneficial to both the environment and consumers, since the crops require fewer pesticides.

"It's had a tremendous impact on the reduction of insecticide use," says Gary Barton, a spokesman for Monsanto Co., the big US chemical company. "The activist communities seem to ignore the nearly 1 million gallons of pesticide that hasn't been used on the cotton crops over the last three years. And that's just the cotton crop."

But it is precisely these claims, along with the lack of public opposition in the US, that make the Gerber announcement so surprising. Furthermore, Gerber's parent company, the Swiss pharmaceutical and agriculture conglomerate Novartis AG, has invested millions in developing the genetically altered plant strains that it now refuses to buy for Gerber baby foods.

Novartis executives say they want to make sure mothers retain their confidence in Gerber. In Europe, Novartis has tried to avoid conflicts with Greenpeace and other environmental groups. The company pulled baby food with genetically engineered ingredients off the shelf 24 hours after a Greenpeace request for information similar to the one sent to Gerber more than a month ago.

Despite the actions, Novartis and all other manufacturers of genetically engineered crops



CRAIG LINE/AP

DEADLY POLLEN: A study in May indicated that Monarch butterflies die when contacting the pollen of some genetically altered plants.

continue to maintain they're safe - a claim upheld by many food researchers in the US.

That's why each new study is being so closely scrutinized. In the findings published today in *Nature*, researchers at the University of Arizona document a flaw in a technique that causes plants to produce their own natural pesticide.

The study focuses on the fight against the pink bollworm, a pest that preys on cotton. Scientists have been splicing into cotton - as well as corn and other plants - a gene that produces a bug-killing chemical. Organic farmers have sprayed this bacteria on crops on rare occasions as a safer alternative to chemical treatments.

But the pests can develop a resistance to the bacteria. To counteract this, scientists plant genetically altered crops alongside regular crops. Under this "refuge strategy," bollworms that eat the altered crops - and eventually develop a resistance - will breed with bollworms that have not. The result is a slowing of the generations of insects that inherit a resistance.

The danger

Here's the problem: The life cycle of insects eating the genetically engineered cotton is delayed five or six days, altering their mating cycles. As the Arizona researchers point out, this may undermine the refuge strategy - and thus diminish the effectiveness of the natural pesticides.

This prospect especially worries organic farmers, who often use the natural pesticides as their last line of defense against crop-destroying pests.

Despite these concerns, few scientists advocate a ban on the development and use of genetically engineered crops, which farmers are already planting in vast amounts. But some do say the bollworms and Monarchs are evidence that a go-slow approach is warranted. "This is just one more of those studies that shows that all the ideal assumptions are not being met," says Mr. Gould.

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cial," said one offender.
ONDCP officials defend
tent of their ads, noting
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or before they've pro-
very far in their experi-
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ner's office will monitor
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which include hundreds of
in 11 different languages.
ve learn what's working
t working, adjustments
made," he says. "This is
a yes-no evaluation."

some researchers who
h high-risk kids such as
offenders, would like the
to expand its efforts.

aps it would be useful to
e sort of market analysis
out what type of messages
k kids would be receptive
Eric Wish, director at the
for Substance Abuse Re-
University of Maryland.



MARK WILSON/AP

PARCHED EARTH:

Dan Ramirez traces the waterline of the Beaver Dam Reservoir in Loudoun County, Va. It's at a third of its capacity as the mid-Atlantic region remains gripped in one of the worst droughts this century.

8-9-99

THE WHITE HOUSE
WASHINGTON

July 29, 1999

J
MEMORANDUM TO THE PRESIDENT

From: Joe Lockhart
Re: Draft TIME Magazine piece for your review

Attached please find a draft in your name prepared by Lowell Weiss, for possible submission to TIME Magazine's "Person of the Century" series. This series, pieces written by prominent leaders about who the "Person of the Century" should be, is currently being run in the magazine and will continue to be run in issues printed in these months leading up to the turn of the century. Their December issue is scheduled to cover the 100 most influential people of the 20th century and will name the Person of the Century. TIME is interested in your contribution.

The possible submission, attached, is a draft based on a similar answer you provided in your March 1998 speech to TIME Magazine's 75th Anniversary Celebration in New York's Radio City Music Hall. In addition, attached please find the full text of your New York speech and a few examples of other pieces, by Charles De Gaulle and Bob Dole, that TIME has run under the "Person of the Century" series.

Decision: *Any changes you wish made to the draft?*

Thank you.

cc: John Podesta

copied
Lockhart
Podesta

This is
great -
only 2 changes

8-9-99

Draft 7/27/99 5:20 p.m.

**PRESIDENT WILLIAM J. CLINTON
SUBMISSION TO TIME MAGAZINE
NOMINATING FDR AS "PERSON OF THE CENTURY"**

When our children's children look back, they will see that above all else, the story of the 20th century is the story of the triumph of freedom – the victory of democracy over totalitarianism, of free enterprise over state socialism, of tolerance over bigotry. The embodiment of that triumph, the driving force behind it, was President Franklin Delano Roosevelt.

Today, with the outcome known to all, it is tempting to conclude that victory was inevitable. But it wasn't. In the face of the 20th century's greatest crisis, President Roosevelt decisively and irrevocably committed America to freedom's fight. Because of that commitment and its embrace by every American leader since, today we can say, for the first time in history, a majority of the world's people live under governments of their own choosing.

Franklin Roosevelt was born to privilege, but he understood the aspirations of forgotten Americans. My grandfather, who had but a ^{high}~~fourth~~-grade education, believed President Roosevelt was his friend – a man who cared about him and his family and his child's future.

Polio put President Roosevelt in a wheelchair, but in our most troubled times he lifted our nation to its feet and got us moving again. Disappointments and failures never broke President Roosevelt's spirit or his faith in God. Because he always rose to the occasion, so did we. FDR

8-9-99

was guided not by the dictates of ideology but by the pragmatism of what he called “bold, persistent experimentation.” If one thing doesn’t work, he said, try another thing. But above all, try something. It drove his critics crazy, but it worked.

In our century’s struggle for freedom, President Roosevelt won two of America’s proudest victories. In confronting the gravest threat capitalism had ever faced – the Great Depression – he taught us that free markets require an effective government in which individual initiative and the call of community are not at odds but rather woven together in one seamless fabric. In confronting the gravest threat to personal and political liberty the world has ever faced, he taught us that our destiny is forever linked to the destiny of the world – that humanity’s cause must be America’s cause.

The new century will bring stunning advances in medicine and communications and commerce that President Roosevelt could never have imagined. But in all that we do as a nation, we must continue to follow FDR’s lead – ^③~~to~~ strengthen the bonds of our union, ^②widen the circle of opportunity, ^①and expand the reach of freedom. If we do so, we will make the 21st century the next American Century – and the Happy Warrior will smile down on us.



Who Should Be the Person of the Century?

TIME's coverage of the 100 most influential people of the 20th century will culminate in December, when we will name the Person of the Century. To help the editors make the choice, we've asked a select group of people to tell us whom they would pick. The latest intriguing nominations:

UPI—CORBIS BETTMANN

Nov. 22,
1890, in Lille, France
Career
army officer
Heads Free
French forces
President of
France; withdraws
troops from NATO
Nov. 9, 1970



CHARLES DE GAULLE If we are to single out a personality among all those who have shaped contemporary history, I would cite General Charles de Gaulle. He was the incarnation of honor and courage. I had the privilege of knowing him and of working at his side. I learned from him that intimate, almost mystical, alliance between a nation and its leader. The relationship between

De Gaulle and France was a personal and unique bond. During World War II, he was the symbol of the Resistance and later the spirit of reform. He restored political and economic stability. Never give up—have the courage to say no—embrace a collective ambition that leaves behind special interests: that is the message of Gaullism. It is one for all times and all nations. De Gaulle not only affirmed a certain idea of France. He also had a certain idea of mankind. And that idea allowed him to accomplish the impossible. —Jacques Chirac, President of France

DWIGHT D. EISENHOWER The next time someone asks whether character counts in a leader, remind them of D-day, June 6, 1944. In the months leading up to it, Supreme Allied Commander Dwight Eisenhower assembled an armada of 4,400 ships and landing craft, 11,000 airplanes and 155,000 troops with which to liberate Europe from the Nazis. Then, having done his best, Eisenhower imagined the worst. Along with a ringing message to his troops, he drafted a different one in case the invasion failed. In it he said, "If any blame or fault attaches to the attempt, it is mine alone." Ike's integrity, on and off the battlefield, gave him unparalleled credibility in the postwar world, whether launching Atoms for Peace; ending the war in Korea; sending federal troops to Little Rock, Ark., to integrate the school; or warning against the evils of what he named "the military-industrial complex." It has taken us nearly a half-century to see the true dimension of Eisenhower's achievements. —Bob Dole, former U.S. Senator



Oct. 14, 1890,
in Denison, Texas
Career U.S.
Army officer
Allied
Commander; over-
sees D-day invasion
Presi-
dent of the U.S.
March 28, 1969

DAVID F. SCHERMAN—LIFE

MOST READERS AGREE ON ONE THING: NOT HIROHITO

Japanese Prime Minister Keizo Obuchi's nomination of Emperor Hirohito as TIME's Person of the Century (July 5) drew a storm of outrage from many of our U.S. readers, along with support from several Japanese. Typical among protesters was Erin C. Galgay of Newton, Mass.: "To think that anyone could nominate a foe of freedom and a self-proclaimed god sickens me." Others saw Obuchi's nomination as an attempt to rewrite history. George K. Shoane of Piscataway, N.J., took a different tack: "I agree with Obuchi's nomination," he noted, "except for different reasons. Hirohito, as leader of Japan, was responsible for the suffering of millions and thus is on a par with Hitler for consideration as the Person of the Century." But the Emperor still has his Japanese backers, among them Yoshito Hayashi, who noted, "He tried to save his people."

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 3, 1998

REMARKS BY THE PRESIDENT
AT TIME MAGAZINE 75TH ANNIVERSARY CELEBRATION

Radio City Music Hall
New York City, New York

10:59 P.M. EST

THE PRESIDENT: Thank you very much. Thank you Walter, Gerry Levin, and all the people at Time. Tonight, Time has paid tribute to the time it not only observed but helped to create -- the stunning years your founder, Henry Luce, so unforgettably called the American Century.

To me, one man above all others is the personification of our American century: Franklin Delano Roosevelt. (Applause.) Now, that choice might have pained Henry Luce, but surely he would not be surprised. The story of this century we're about to leave is really many stories -- of the ascendance of science and technology; the rise of big government and mass media; the movements for equality for women and racial minorities; the dynamic growth and disruptive force of the Industrial Age.

But when our children's children look back, they will see that above all else, the story of the 20th century is the story of the triumph of freedom. Freedom, the victory of democracy over totalitarianism, of free enterprise over state socialism, of tolerance over bigotry and ignorance. The advance of freedom has made this the American century; for in this century, America has made freedom ring. The embodiment of the triumph, the driving force behind it, was Franklin Delano Roosevelt.

Today, with the happy outcome known to all, it is tempting to look back and say the victory was assured, inevitable -- but it wasn't. In the face of the 20th century's greatest crisis, decisively, irrevocably, President Roosevelt committed America to freedom's fight. Because of that commitment and its embrace by every American leader since, today we can say, for the very first time in all of human history, a majority of the world's people live under governments of their own choosing in freedom.

Winston Churchill said that Franklin Roosevelt's life was "one of the commanding events in human history." He was born to privilege, but he understood the aspirations of farmers and

factory workers and forgotten Americans. My grandfather came from a little town of about 50 people. He had a 4th grade education. He believed Franklin Roosevelt was his friend, a man who cared about him and his family and his child's future. Polio put him in a wheelchair, but he lifted our troubled nation to its feet and he got us moving again.

He was a patrician who happily addressed the Daughters of the American Revolution as, "my fellow immigrants." He was a master politician, a magnificent Commander-in-Chief. Yes, his life had its fair share of disappointments and failures, but they never broke his spirit or his faith in God or his people. Because he always rose to the occasion, so did we. FDR was guided not by the iron dictates of ideology, but by the pragmatism by what he called bold persistent experimentation. If one thing doesn't work, he said, try another thing; but above all, try something. It drove his critics crazy, but it worked.

He brought joy and nobility to public service as he completed the mission of his kinsman, Theodore Roosevelt, forging a progressive government for the Industrial Age, taming the savage cycle of boom and bust, giving our citizens the economic security and the skills they needed to build the great American middle class.

In our century's struggle for freedom, President Roosevelt won two great victories.

By confronting the gravest threat capitalism had ever faced – the Great Depression -- he strengthened economic liberty for all time, teaching us that free markets require effective government, one in which individual initiative and the call of community are not at odds, but instead are woven together in one seamless social fabric.

By confronting and defeating the gravest threat to personal and political liberty the world has ever faced, he forever committed America to the front lines of the struggle for freedom. He taught us that even the expanses of two great oceans could not shield America from danger or absolve America from responsibility. He taught us that our destiny, forever, is linked to the destiny of the world, that our freedom requires us to support freedom for all others, that humanity's cause must be America's cause.

Now we know what came of Roosevelt and his generation's "rendezvous with destiny." What will come of ours? To this generation of the millennium, in President Roosevelt's words, "much has been given" and "much is asked."

When Roosevelt ran for President in 1932, he said, "new times demand new responses from government." He saved capitalism from its own excesses, so it could again be a force for progress and freedom. Now we work to modernize government, saving it from its excess of debt, so that again it is a force for progress and freedom in a new era.

As Roosevelt gave Americans security in the Industrial Age, now we work to give Americans opportunity in the Information Age. As Roosevelt asked us to meet the crushing burden of the Depression with bold persistent experimentation, now we must bring the same attitude to the challenges and unrivaled opportunities of this era to our schools, our streets, our poorest

neighborhoods, to the fight against disease, the exploration of space, the preservation of the environment.

As Roosevelt established that security and opportunity for ordinary Americans required our leadership and cooperation with like-minded people throughout the world, now we must commit ourselves to the common struggle against new threats to the security and prosperity of ordinary people everywhere. For even more than in President Roosevelt's time, our prospects are bound to the world's progress.

Like FDR, we look around us and see a world that is not yet fully free. The advance of democracy has been steady, but it isn't irreversible.

For our generation, what does freedom mean? Well, at least the long, delayed achievement of President Roosevelt's dream of a Europe undivided, democratic and at peace for the first time in history.

What does "freedom from fear" mean? Well, at least, freedom for our children from the worry of nuclear, chemical or biological weapons. What does "freedom from fear" or "freedom from want" mean? Well, at least, for the world, a fair chance for people in every land to develop their minds, find reward in honest labor, and raise their children in peace according to the dictates of their conscience.

America must work to secure this kind of freedom with our allies and friends whenever possible, alone if absolutely necessary. We work today through the United Nations, which FDR helped to create and which he named. I salute Secretary General Kofi Annan tonight for what he has done. (Applause). Bearing an unequivocal message from the international community, backed by the credible threat of force, the Secretary General obtained Iraq's commitment to honor United Nations' resolutions on weapons inspection. Now the Security Council clearly and unanimously has supported the agreement. Iraq must match its words and its deeds, its commitment with compliance.

In the tradition of FDR, America and its partners must make sure that happens. And in the tradition of FDR, America must support the United Nations and other institutions for global security and prosperity, and that means we ought to pay our fair share. (Applause).

In the darkest hours of the Second World War, Franklin Roosevelt proclaimed, "We have faith that future generations will know that here in the middle of the 20th century, there came a time when men of goodwill found a way to unite and produce and fight to destroy the forces of ignorance and intolerance and slavery and war."

More than any other 20th century American, Franklin Roosevelt fulfilled the mandate of America's founders. When everything was on the line, he pledged our lives, our fortunes, our sacred honor to the preservation of liberty, the pursuit of happiness, the creation of a more perfect union.

The next century is now barely 700 days away. It will be many things new: a time of stunning leaps of science; a century of dizzying technology; a digital century; an era in which the very face of our nation will change.

Yet in all the newness, what is required of us still is to follow President Roosevelt's lead, to strengthen the bonds of our union, widen the circle of opportunity, and deepen the reach of freedom. That is the tribute we ought to pay to him. God willing, we will. And if we do, we will make the 21st century the next American century -- and the happy warrior will be smiling down on us.

Thank you and God Bless you. (Applause.)

END

11:12 P.M. EST

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Podesta / Counsel's office
what about this
- PK

OPINION

Reform drug asset seizure

By Mike Tidwell

IN THE war on drugs, law-enforcement bodies ranging from the US Justice Department to rural sheriffs have themselves become terribly addicted to an intoxicating substance. It's not crack or heroin they're strung out on. It's the money and property these enforcement groups seize each year from thousands of Americans under the often false assertion that the wealth is connected to the drug trade.

In truth, these seizures have as much to do with padding department budgets as with keeping streets safe. And they trample fundamental freedoms enshrined in the Constitution in the process.

Rep. Henry Hyde (R) of Illinois wants to rehabilitate our law-and-order officials. Mr. Hyde, no dove on crime issues, led the fight in Congress in June for passage of the Civil Asset Forfeiture Reform Act. The bill, now under debate in the Senate, would help prevent police and others from such acts as wrongfully seizing entire homes on little more than hearsay of drug involvement. It would stop the confiscation of cash and automobiles on suspicions of narcotics sales

which departments are routinely allowed to simply place the burden where it belongs: on prosecutors who must provide "clear and convincing" proof that seized property or money is involved in wrongdoing whenever such seizures are challenged in court.

So reasonable is the Hyde bill that it passed the House by a vote of 375 to 47, and was co-sponsored by key ideological opponents in the Clinton impeachment battle. This unlikely coalition of supporters also includes consumer and trade organizations, the American Civil Liberties Union, and the National Rifle Association. Nonetheless, the Senate Judiciary Committee threatens to derail the bill, thanks primarily to intense pressure from the Justice Department and the International Association of Chiefs of Police. They say the reform bill would allow dealers to file frivolous claims of innocence, hobbling prosecution efforts.

Law enforcement agencies are enriching themselves with seizures from many people never charged with a crime.

But, as one House Judiciary Committee spokesman explained, this is highly unlikely given that any court challenge would expose a real dealer to legal "discovery" procedures that can be overwhelmingly damaging to guilty parties with something to hide.

Yet the Senate objections persist, suggesting that it's the seized wealth itself —

Antidrug contradictions

THE CONTRADICTION THAT has always been in our national drug policy is coming to light.

It began when a survey showed that more high school students drink beer than smoke pot. This prompted some members of Congress and others, including Mothers Against Drunk Drivers (MADD), to suggest to Barry McCaffrey, the president's drug czar, that beer be included among the substances teenagers are discouraged from using.

Mr. McCaffrey, and others involved in antidrug efforts, said no. Targeting beer might diffuse the message about other drugs, and anyway they lacked legal authority. Very well, then, said Sen. Frank R. Lautenberg (D) of New Jersey and Rep. Lucille Roybal-Allard (D) of California, we'll give you the authority.

This touched off a massive, if underreported, lobbying battle on Capitol Hill, pitting the beer and wine industries in support of the ad-

dicts looking for money to pay high drug prices. In contrast, violent crimes — murder and assault among others — are more likely to be committed by people under the influence of alcohol than of other drugs.

Drug money has made Colombia ungovernable and Mexico nearly so. It is responsible for much of the corruption of police and other public officials in drug-plagued countries.

This will surely spread to the United States if it is not stopped. Without the money provided by the

PAT M. HOLT

Just consider what the black market would have wrought if we'd outlawed tobacco.

drug trade, both the violence and the corruption will necessarily be greatly reduced. The way to remove the money is to make the trade legal so that it can be regulated.

Alcohol provides a useful guidepost. Used in excess, it is so disruptive of societies, families, and personal lives that we once tried to prohibit it — "a noble experiment" (Herbert Hoover's description) that gave its name to an era. The people this saved from the

that are never proven and the taking of boats on discovery of a couple of marijuana joints brought on board by a guest without the owner's knowledge.

As outrageous as these seizures are, they happen regularly in America under antinarcotics statutes gone awry. Innocent people suffer great pain and loss without ever being accused of a crime.

Yet this desperately needed reform bill is in trouble in the Senate. Ranking members of the Senate Judiciary Committee - Joseph Biden (D) of Delaware and Strom Thurmond (R) of South Carolina - have vowed to kill it. They claim it would rob antidrug efforts of a tool that hobbles dealers by taking their ill-gotten gains.

But the Hyde bill permits civil forfeitures and recognizes their importance in the drug war while simply adding safeguards for the innocent.

Currently, people whose property is seized must prove their innocence at their own expense - and without necessarily being charged with any crime. The Hyde bill would

keep - that is the real issue. Enforcement groups, frankly, are showing signs of addiction. Last year, the Justice Department seized \$449 million, dramatically up from \$27 million in 1985.

Steven Kessler, a trial lawyer who once headed the asset forfeiture unit of the Bronx district attorney's office, recently told the Associated Press: "Forfeiture laws have run amok. The focus is no longer on combating crime.... It's on fund-raising."

It's time to break this dependency and stop eroding the rights of innocent citizens and debasing the Constitution. The Senate Judiciary Committee should send the Hyde bill to the Senate floor where most observers agree it would pass easily. Few bills in recent memory have enjoyed so much support from so many Americans for so just a cause.

■ Mike Tidwell is a freelance writer based in Takoma Park, Md. He wrote *'In the Shadow of the White House: Drugs, Death and Redemption on the Streets of the Nation's Capital'* (Prima, 1992).



HARLEY SCHWADRON

ministration against Mothers Against Drunk Driving, the surgeon general, and the American Medical Association. So far, the industry, led by the National Beer Wholesalers Association, is winning, but the argument isn't settled.

The trouble is in trying to outlaw some drugs, most prominently cocaine and marijuana, while regulating others equally or more dangerous, mainly alcohol and tobacco.

This "outlaw" policy includes public information campaigns against using the proscribed drugs and treatment programs for addicts, but its main thrust is enforcing prohibition by putting people in jail. This has resulted in the construction of more prisons, but it has not done much about drugs.

Those who defend this policy use the same logic heard so tiresomely about Vietnam during the Johnson administration: What we are doing is not working, so we ought to do more of it. As if to underline the point, McCaffrey has recommended an additional \$1 billion in antidrug aid for Colombia and nearby Andean and Caribbean nations.

Greater harm is done by the drug trade than by the drugs themselves. Because the trade is illegal, dealers charge a premium to cover the risk of going to jail if they're caught. This is generating billions of dollars, all in cash and all beyond the effective control of governments. It is corrupting our society. It is the driving force of many of the gang wars and murders in our cities.

It is the motivation for a disproportionate percentage of income-generating crimes such as robbery,

corner tavern did not offset the social harm that came with the rise of bootlegging and gangsterism - precisely what is happening today with respect to cocaine and marijuana. So we abandoned prohibition and turned to regulation.

We have, for example, made it illegal for teenagers to drink and for anybody to drive a car while drunk. People still flout the law to do these things. Six times more teenagers die from alcohol than from all illegal drugs combined, Mr. Lautenberg says - all the more reason to mount a vigorous campaign to deter them from drinking.

Consider the example of tobacco. When medical studies suggested a link between cigarettes and cancer, we did not react by outlawing cigarettes. Instead we began a steady, relentless campaign to persuade people to stop or not start smoking. This has dramatically reduced smoking. What would the black market be like if we'd taken the other route and tried to outlaw tobacco products?

Alcohol and tobacco are greater threats to the public health than cocaine and marijuana. We meet these threats with a little coercion (controlling the circumstances in which people drink and the places they smoke) and a lot of persuasion. Treasury agents poured a lot of booze down the drain during Prohibition yet people continued drinking.

Legalizing cocaine and marijuana won't solve the drug problem, but taking the money from the narco-traffickers will make it manageable.

■ Pat M. Holt, is a Washington writer on foreign affairs.

THE CHRISTIAN SCIENCE MONITOR

THE PRESIDENT - AS SEEN
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Ads and attitudes A federal TV campaign has sold some teenagers on just saying 'no' to drugs. **2**

Cottage country For many Canadians, summer on the lakefront is an indispensable tradition. **6**

Ideas Scientists identify oak trees and poplars as culprits adding to air-pollution in the Southern US. **15**

75¢

The hollowing of America's military

■ Shifting values of Net generation and strong economy create the worst personnel crisis since '70s.

By Dave Moniz

Special to The Christian Science Monitor

JACKSONVILLE, FLA. - When Felix Martinez joined the Navy 19 years ago, he saw it as a way to make a comfortable living and serve his adopted country.

To this day, the immigrant from the Dominican Republic wears his Navy blue-and-whites with pride and exudes unabashed patriotism. He even says, "I'm willing to die for my country" with a conviction that makes you believe it isn't a line from a recruiter's handbook.

But there is one thing Mr. Martinez won't do. "I will not recommend the military to my son," says the petty officer 1st class, who counsels sailors on their careers at the Mayport Naval Station here.

The reason: The military doesn't take care of its people the way it used to - too many hours, too few benefits, too much time away from home.

Martinez's concerns help explain why the United States - the world's lone superpower - is facing one of its biggest military manpower crises since the Vietnam War more than a quarter century ago.

From boot camps in South Carolina to Naval bases in Guam, there are signs that the military's ranks are becoming perilously thin. Far too few people are joining the all-volunteer military and far too many are leaving it.

The reasons vary, from the booming economy that offers platinum salaries in place of a career snapping salutes to the shifting values of the "Net generation."

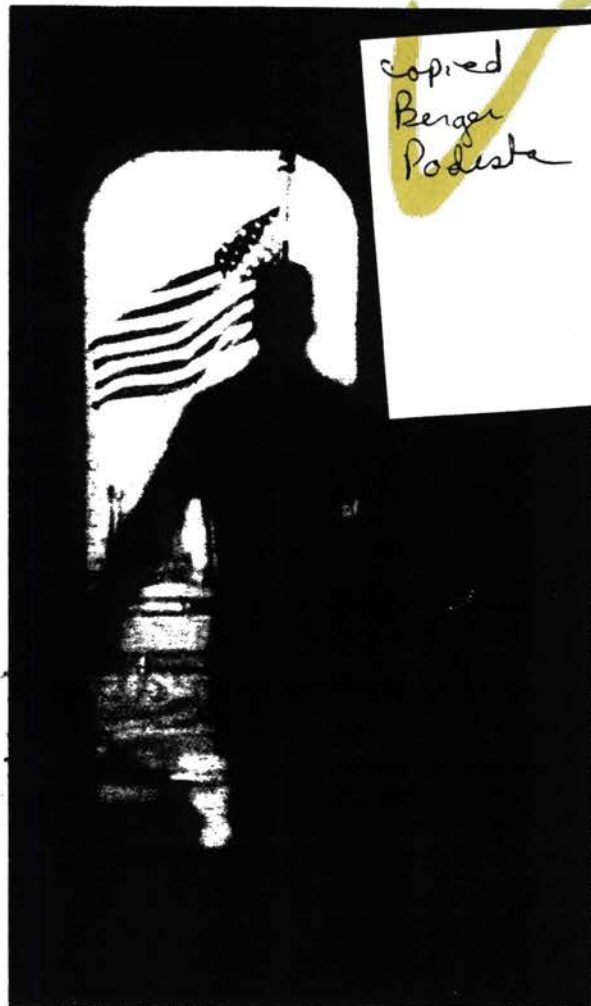
But they all add up to one thing for the Pentagon:

Short of dramatic action, the US may not be able to meet its military obligations in the 21st century.

See **SOLDIERS** page 12



PART 1 OF A
FOUR-PART SERIES



ERIK CAMPOS/THE STATE

LIGHT AT THE END OF THE TUNNEL? A sailor walks through a gangway of the USS McInerney docked at the Mayport Naval Station in Jacksonville, Fla.



PART 1: TODAY
Reasons behind the thinning ranks

PART 2: AUG. 6
Hispanics: the military's new recruitment pool

PART 3: AUG. 9
Kinder basic training to help recruits adjust to Army life

PART 4: AUG. 10
Another draft? Ideas to put more teens in fatigues

New generation prefers cyberspace over salutes

SOLDIERS from page 1

At the least, the present trends could lead to a smaller military, a less-educated military, or perhaps both.

"These problems are not going to go away," says David Segal, a military sociologist at the University of Maryland in College Park. "The nation is going to have to think about what sort of military force it wants and how it's going to get it."

The statistics are sobering. In the past year, every service except

the Marine Corps has suffered a shortage of recruits and troops.

• The Army expects to miss its year-end recruiting goal of 74,500 by about 7,000 to 8,000 — nearly the equivalent of a "light" infantry division.

Next year could be worse, Army commanders admit privately. The shortfall, some suggest, could force the Army to shut down one, or perhaps two, of its 10 active divisions. The Army is now losing 37 percent of all soldiers before they complete their first enlistments.

• The Navy isn't doing much better, with retention rates for officers at 11 to 14 percent below what's needed. It is also experiencing an exodus of enlisted sailors.

To maintain the fleet, the Navy needs 38 percent of all new sailors to stay for a second enlistment, but only 28 percent are doing so. Perhaps most disturbing is that only 47 percent of third-term sailors are choosing the Navy as a career, well under the 62 percent needed.

• The Air Force, also suffering a rapid exodus of skilled workers to the private sector, is airing television commercials seeking recruits for the first time ever. It is so short of air-traffic controllers that it has cut flight hours at a number of US bases.

Despite its recent decision to spend more than \$50 million on the TV spots this year and next, the Air Force is in danger of not meeting its enlisted recruiting goal for the first time in 20 years.

Historically, no service has been more successful selling its jobs to young Americans. Yet in a nation of 270 million, the Air Force may not be able to reach its recruiting goal of 33,000 enlistees this year.

Breaking the cycle

The downward spiral seems resistant to traditional solutions. The services must recruit increasing numbers of uninterested prospects who leave at a higher-than-normal rate. The result is an ever-increasing workload for career-military people that is reminiscent of the "hollow" military right after Vietnam.

"We don't know how to break the cycle," says Lt. Col. Jim Helis, an Army recruiting commander.

It is common to walk onto most military bases today and find a veteran soldier or sailor attempting the work of two or three people. A downsized military can't maintain that kind of workload.

One Army officer who's served

20 years puts it this way: "I can't believe the military leadership thinks we can do what we do around the world with this size force."

Behind the military's growing estrangement from the public are causes both predictable and unexpected.

Some are subtle, such as the fact that there are no contemporary icons like George Patton, Douglas MacArthur, or Dwight Eisenhower. "The missions in Somalia and Bosnia have not produced any heroes," says Colonel Helis.

Flower-power redux

Other reasons are more blatant. Baby boomers raised on Vietnam feel little affinity with the military and thus are not encouraging their children to sign up. Neither are military retirees, angry over cuts in veterans' health benefits. Even some who remain strong supporters of the military don't want their children to join unless recruiters promise they won't be sent to "Third World" countries.

Probably the biggest villain, though, is the surging economy. So many jobs are being created in the 1990s that virtually anybody who wants to work can — including former criminals.

"We're dealing with a smaller work force than we've had in decades," says James Fromstein, a senior vice president with Manpower Inc. in Milwaukee. "There aren't enough people to fill the ranks of the private sector and the military together."

Today, the US has about 10 million males ages 17 to 21, up from about 9 million in 1994. Even though those numbers will rise steadily for the next 15 years, right now they cannot sustain a full-employment economy.

The four services need about 200,000 new recruits each year. While that may seem small in a pool of 10 million young men, Army officials note that only about 1.4 million of those are interested in, or even qualify for, most military jobs.

The worker shortage is forcing many companies to recruit bright kids out of high school and create instant apprenticeship programs.

"The military comes in and says, 'We'll teach you electronics.' But that's four to five years away," says Mr. Fromstein. "The young high school grads don't find it necessary to put in that waiting period anymore."



ERIK CAMPOS/THE STATE

GRUNT WORK: Army Privates Lawrence Roberge III (left) and Gary Cummings Jr. pull up Diaz Castillo as part of basic training at Fort Jackson in Columbia, S.C.

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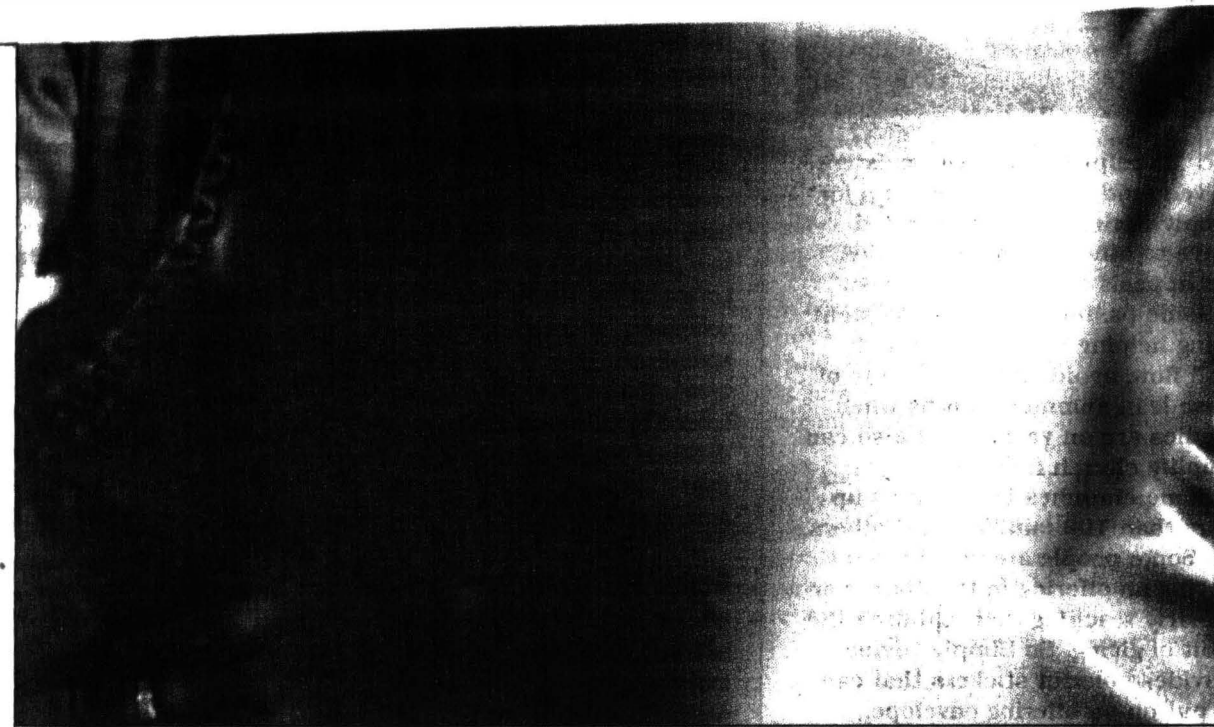
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"Hi, I'm Dorc



ERIK CAMPOS/THE STATE

Combine this new economy with surging college attendance and another strain is put on an already tight recruit pool.

Since the early 1980s, the difference in the earning power of a college-educated worker has doubled compared with a high school graduate. That is spurring many teenagers to choose Birkenstocks over combat boots.

"The competition for skilled labor is more intense than it has been since the 1960s," says Tony Carnevale, an economist who tracks college attendance for the Educational Testing Service. "The military is not competitive."

In 1982, during the post-Vietnam renaissance, 65 percent of high school graduates attended some form of college within two years of receiving their degrees. Today, that number has grown to

75 percent.

But the military's biggest obstacle to recruiting – and hardest to overcome – may be the changing values of today's young people.

Few in leadership positions are more optimistic about the military's ability to survive and compete than Maj. Gen. John Van Alstyne. But as commander of the Army's largest basic-training site at Fort Jackson, S.C., he is seeing a troubling shift in attitudes.

"The more you understand about the emerging generation – the folks from diapers to 20 years old – the more concerned you should be about the propensity for military service," says General Van Alstyne, whose base comes in contact with more young people than virtually anywhere else in the United States.

"The emphasis is on personal

freedoms," he says. "It's 'I want to work hard, but on my schedule, on my computer. I want to do something exciting, but I want to do it on my terms.'"

The military has never been about "my terms." But because of this emerging attitude and the increasing desperation of the Army and Navy, the military is beginning to study the Net generation.

What's with Web surfers?

In doing so, they'll have to learn new phrases and buzzwords.

"The influence of digital technology, particularly the Internet, is to remind kids of what a varied and opportunity-filled world we live in," says Don Tapscott, author of "Growing Up Digital."

"These technologies expand horizons. And by comparison, I think the military is seen as offer-

ing too little in value in exchange for the demands it makes," he says.

The Army already has found that the characteristics of today's young adults don't mesh with military life.

"There has been a real shift in their attitudes about where they can get the skills, the personal assets they need to succeed in life," says Maj. Rick Ayer, who heads Army Recruiting Command's research at Fort Knox, Ky. "It's a shift toward civilian industries, jobs, and education as the place to get those skills."

Major Ayer's job is to find how today's military fits into the culture and values of young Americans. The answer right now: not well.

To make his point he cites this statistic: In 1976, almost 40 percent of young Americans surveyed

said they definitely would not enter the military. That survey was taken a year after the United States withdrew from Vietnam, its most unpopular war.

The University of Michigan asked that same question two years ago. This time, almost 63 percent of young Americans said they definitely would not enlist.

The discouraging news for the Pentagon is that it is not just kids who are losing interest. It is guidance counselors, teachers, and even coaches.

"We have a mentoring culture that no longer sees the military as something they would like their sons and daughters to go into," says Jim Martin, a retired Army colonel who now studies military culture at Bryn Mawr College in Pennsylvania. "The military is way down on the bottom of the list."



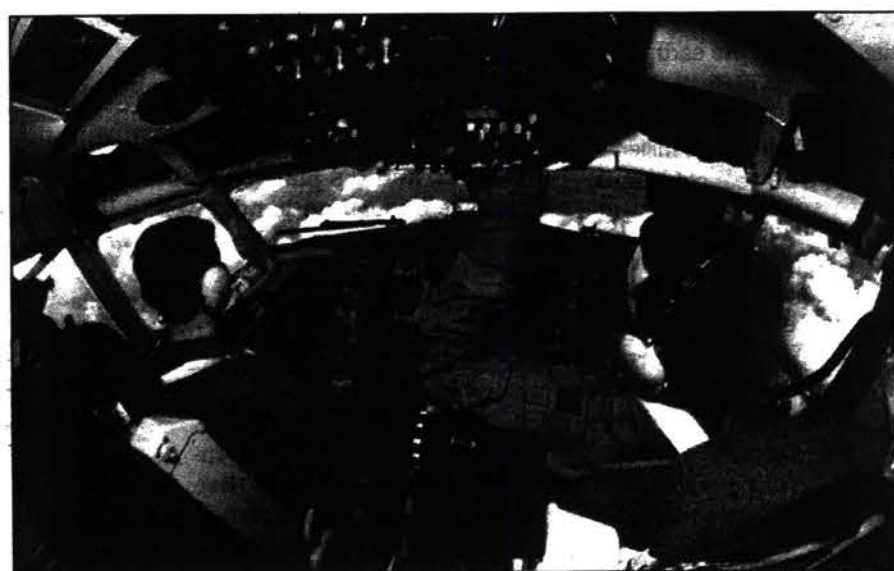
SHAWN HANDLEY/REUTERS

ACTIVE DUTY: Soldiers move a missile on the USS Vinson in the Persian Gulf. The military's regimented lifestyle is a stumbling block for many young people.



ERIK CAMPOS/THE STATE

THINNING RANKS: Sgt. 1st Class Byron Zamora (left) discusses enlistment with a student at a military academy in West Columbia, N.C. Despite aggressive recruiting, America's volunteer military faces a severe shortage.



BRAD FALLINUS AIR FORCE/AP

SKILLS DRAIN: Many pilots leave the Air Force for commercial airlines. Here, a crew from the 351st Air Refueling Squadron flies over the English Channel.



SHAWN HANDLEY/REUTERS

ACTIVE DUTY: Soldiers move a missile on the USS Vinson in the Persian Gulf. The military's regimented lifestyle is a stumbling block for many young people.

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8-9-99

Mr. President -
Which is correct?



Toby C. Graff
08/04/99 01:47:13 PM

Record Type: Record

To: Betty W. Currie/WHO/EOP@EOP

cc:

Subject: Grace...

Hi Betty,

The grace is for Family Circle magazine, which is doing a piece on the First Lady and the White House. Let me know if you need more information.

Thanks,
Toby

----- Forwarded by Toby C. Graff/WHO/EOP on 08/04/99 01:45 PM -----



Katherine D. Kincaid
08/04/99 01:19:17 PM

Record Type: Record

To: Betty W. Currie/WHO/EOP@EOP

cc: Toby C. Graff/WHO/EOP@EOP, Eric P. Hothorn/WHO/EOP@EOP

Subject: Grace...

Betty,

Below is the grace that HRC remembers they say at Thanksgiving. She asked that I confirm the language with Mrs. Rodham, but Mrs. Rodham wasn't sure about the language either. HRC also asked me to ask POTUS about the language for the evening grace. Can you ask him to confirm the language for the morning grace as well as provide language for the evening grace?

Toby Graff will call you with the name of the publication/interview that has requested this information. They need it by the close of business Thursday. I think we should run it by HRC again after we get POTUS' input.

HRC's version

God is good and God is great and we thank Him for this food.
By His hand we all are fed (everyday?) our daily bread.

Dorothy Rodham's version

God is great and God is good and we thank Him for this food.
By His hand we all are fed. Thank you, Lord, for daily bread.

The first line in Dorothy's makes more sense as good and food rhyme (sort of!)

Copied
Kincaid
Podesta

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which we are about to receive
from the bounty -
through Christ
Our Lord Amen.

< This ~~and~~
our night

THE PRESIDENT HAS SEEN
8-9-99

Reed

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*Copied
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Podesta*

To: *President Clinton*
Fax #: *456-1210*

Date: *August 6, 1999*
Pages: *2*

COMMENTS:

*Imagine - all this time I thought
Michael Kelly was a crocodile who
had been fed by humans!*

*Hope you enjoy this even more
than Lake Placid. It's not
"pure" praise, but for this reporter I'd
call it a breakthrough!*

*Chir - I enjoyed ~~pass~~ mejo as
the movies. Thanks for including us*

*Best regard,
Phyllis*

Michael Kelly

Assessing Welfare Reform

WASHINGTON POST

8/19/99

A-21

It is official: The reform of the welfare system is a great triumph of social policy—so great, indeed, as to restore some legitimacy to the whole concept of large-scale social policy.

When the 1996 law ending welfare as an entitlement was under consideration, the Department of Health and Human Services and the nongovernmental Urban Institute predicted that the proposed reform would push more than 4-million children into poverty. Critics warned of social catastrophe. This week, after studying the data for 1998, HHS and the Urban Institute have returned their verdict: The pessimists were wrong. Welfare reform did not give rise to catastrophe. It did not fling a million dependent children into the streets; it did rescue from the grinding tyranny of the dole millions of dependent adults.

The principal aim of the 1996 law was to require the states to move adults off the welfare rolls and into work. In 1998 the states were obliged to show that 30 percent of adult welfare recipients were working at least 20 hours per week. The actual results, released this week by HHS: On average, 35 percent were working. In some states more than 55 percent of welfare recipients were working at least half-time.

The Urban Institute also released a report this week. Studying women who left welfare between 1995 and 1997, the institute found that a majority—60 percent—were employed at the time they were interviewed. And, as President Clinton justifiably boasted Tuesday, the welfare rolls have been cut in half since 1993.

The first question about welfare reform's success is: Why? Recall that only a decade ago, the welfare system

seemed frozen in time. In the media-washed public discussion, the politics of welfare were also locked in place, with liberal Democratic humanists protecting women and children from cruel Reaganite ketchup-as-vegetable heads. How did we ever get out of this great dismal swamp?

The first answer is political. Here is one of those rare happy occasions when everyone takes credit and everyone deserves credit.

Governors—Republicans mostly, but some Democrats too—led reform well in advance of the administration and Congress, and they get credit for forcing and driving the issue—and, in many states, for implementing reform so aggressively and creatively as to outstrip the law's requirements.

Newt Gingrich and his revolutionary Republican Congress of 1994 get credit for drafting three welfare reform bills, sticking with the cause through two Clinton vetoes, and holding the president's feet to an election-year fire to win enactment the third time out.

Bill Clinton gets credit for making the governors' crusade a national promise, with his 1992 campaign pledge to "end welfare as we know it," and for keeping that pledge. It is perhaps true that he kept it reluctantly, but he kept it, and more. Clinton worked to undo some of the more Draconian and underthought elements of the law, and to strongly support the few worked version. In so doing, as a Democratic president, Clinton legitimized the reform; he did something crucial that no Republican could have done and no other Democrat had ever dared to do.

The second answer to the question of why is one of economics, and one of

considerable debate. Some—Clinton, for one—hold that the 1996 law is responsible for almost all of the reform's success. Others believe the fantastic economy largely did the job. Isabel Sawhill, a policy analyst at the Brookings Institution, is probably right to figure that the economy accounted for half the gain and the other half was due to policy changes (including the 1996 bill, the increase in the earned income tax credit, improvements in child care for the poor and the increase in the minimum wage).

Sawhill's analysis raises a last, critical point: Welfare reform's success is fledgling and fragile. As the Urban Institute's study shows, many of the women who have left welfare are barely making it. A recession of any length could threaten much of what has been accomplished.

What this suggests is that we must plan for a recession, and to defeat a recession. Incredibly, House Speaker Dennis Hastert thinks differently. The states have been so successful at getting people off welfare that at least \$4 billion in unclaimed welfare block grants have piled up in Treasury accounts. The states have been wisely content to leave the money there for now, as rainy-day cushions against recession's ability to undo the hard-won gains upon which millions of reclaimed lives depend.

Hastert has proposed that Congress glom the cash instead, and spend it on something else. It would be interesting to know what the speaker thinks is more important than the rescue of what was long thought to be a permanent underclass.

Michael Kelly is the editor of National Journal.

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HERE'S A REMEDY

by:
Jim DuPree &
Harvey Joe Sanner

A Modern Farm Safety Net – The New Marketing Loan

The US agri-food sector includes the nation's largest manufacturing system, accounting for about \$1 trillion in GDP (14% of total GDP) and 23 million jobs (17% of total US employment). It includes basic production subsectors (manufacturing, agricultural services, etc.), farmers and an enormous range of manufacturers, wholesalers, retailers and others.

US agriculture is the envy of the world, providing an unequaled variety of safe, healthful food and fiber that cost consumers a steadily declining share of national income. It not only adds significantly to the US economy annually, but also billions of dollars in export sales (with a huge positive trade balance). And, its productivity is growing rapidly, up more than 3% annually, among the fastest in the national economy.

Still, this powerful sector has experienced an extremely turbulent four decades. The 1950s and 1960s were marked by chronic excess supply, pervasive government interventions, low farm incomes and little export trade. Then, in the 1970s, the sector began forging increasingly strong links with the world economy, and became increasingly attuned to world markets, but that export boom collapsed in the early 1980s under the burden of an overvalued dollar, outdated US policies, and a worldwide economic slowdown.

At that time, U.S. government price supports, designed to protect against the raging inflation of the previous decade, was pricing US commodities out of many key markets. The resulting loss of market share was extensive, especially for wheat and feed grains, but also for each of the other major commodities. This collapse led to a very severe farm sector recession – the most difficult economic times since the 1930s. It also produced the last important philosophical debate on agricultural policy, focused on the role of government and the sector's reliance on foreign markets.

To overcome the chronic adversities of the 1980s, the government took very strong steps. A number of emergency programs were used in 1983 and 1984 to restrict US production (PIK, Whole Farm Buyout, etc.), while competitors increased theirs. In the United States, stocks were built, prices fell and economic returns declined sharply. Asset values contracted 30%, and the impacts reverberated throughout the food system and the entire economy. Finally, huge income support programs were mobilized costing more than \$26.5 billion in FY 1986 alone.

And the 1985 farm bill put the nation on a new policy course, embodied in the 1985 Farm Security Act.¹ In response to the new array of programs and policies, improving world economic conditions and the 1988 drought the sector recovered quickly - and began to build export markets aggressively on the basis of its new, much lower cost structure. Asset values rose, incomes grew, and market

shares recovered somewhat. The joint market expansion-conservation policy proved very popular with farm groups, environmentalists, agribusiness, and budget watchers alike. The economic and policy trends of the 1980s led to a sector almost fully integrated into world markets and one able to compete effectively, given an equitable opportunity. The shake-out of the 1980s with its severe, sectorwide de-capitalization reduced debt and forced consolidation - and, because many banks were severely damaged by those losses, lending attitudes changed, as well. Cost reductions that were a cornerstone of the sector's revitalization affected not only farms and banks, but also service agencies, rail and storage systems and nearly all agribusinesses as well. As a result, the sector was poised and well positioned for the market expansions of the early 1990s.

The FAIR Act of 1996 - Recent Experience

In 1990, as sectorwide recovery continued, the expiring 1985 legislation was extended with little modification in the 1990 farm law (and the budget reconciliation act of the same year). However, the program's complexities were becoming increasingly onerous to many producers and a number of "fixes" were applied (especially in appropriations bills) to increase planting flexibility.

Changes in the sector and its markets and the 1994 "Republican Revolution" that shifted control of the Congress to the Republicans after more than 40 years meant an entirely different atmosphere for the 1995 farm bill debate than that of a decade earlier. *The new political commitment to focus on the nation's severe budget problems led to strong pressure both to reduce government intervention and cut costs. And, the program and policies implemented to boost the sector out of the recession of the 1980s had become costly anachronisms in the highly competitive world markets of the mid-1990s, especially after implementation of the Uruguay Round and NAFTA trade agreements. As a result, the Federal Agricultural Improvement and Reform Act (FAIR) of 1996 initiated a fundamentally different approach to agricultural regulation. It ended a more than 60 year federal effort to stabilize prices and incomes of producers of "basic commodities," eight grain, oilseed and fiber crops.*

Still, US agriculture is not immune to basic changes in economic conditions at home or abroad. Farmers, rather than sharing in the nation's general prosperity of the past two years have been experiencing disappointing exports and sharply falling prices - developments that can be traced to an important degree to the recession that began in Asia more than 18 months ago and has since spread to other regions of the world.² Today, the new policies of the FAIR Act are being tested as never before. *And while there is general agreement through the farm sector that there is no longer any role for traditional price support/supply control programs in the modern agricultural setting, there is broad support for a review and possible modification of the safety net now provided for the nation's farmers. In this context, it is important to examine the key criteria that should be used to determine the effectiveness of our agricultural policies.*

In each of the recent agricultural policy debates, criteria for efficient and effective policies to support the sector have been spelled out clearly, and in detail. A successful agricultural safety net must:

- . effective prevent short-term market conditions from forcing unjustified, long-term decapitalization,
- . insure that market conditions effectively allocate resources across the sector;
- . insure that US products have equitable access to growing world markets, and
- . insure that the competitive position of US products in world markets fully reflects sector efficiency, and
- . avoid excessive, long-term government market interventions and program costs.

In its operation, such a safety-net program must insure that it leaves the market free to determine prices that fully reflect basic supply and market conditions - it must avoid pricing US commodities out of export markets. At the same time, it must provide significant protection to US investment in increasing sector production and marketing productivity.

In the current debate, there are those who say that depending on market forces to allocate resources has failed - that agricultural markets are inherently volatile and unreliable and that the sector should return to the traditional programs of the earlier post World War II period, without regard to the loss of competitiveness in world markets they imply. *This view is clearly short sighted. There is strong evidence that the current market contractions are temporary, based on short-term problems that can be expected to be overcome gradually over the next few years.*

It is essential that the policy reliance on market growth, and tools crafted over the last decade and more to increase US competitiveness in world markets are the correct prescription for today's problems, as they were in the mid-1980s. They have the capacity to provide necessary support for producers in the short-run without reducing its capacity to compete for longer-term market growth. The advantages of the marketing loan as an effective safety net are spelled out in the following sections.

Advantages of the Marketing Loan Concept

In spite of today's weak markets and declining economic returns for agriculture, there is little sentiment for a return to the traditional programs of the Post World War II era. Rather, there is growing pressure for a modern program that reflects the new "globalization era" and can help protect producers from sharp, temporary market shifts without losing the essential focus on market fundamentals.

A Marketing Loan program has enormous advantages over traditional non-recourse loans, *primarily because it expands rather than constrains market growth, in both domestic and overseas markets.* Traditional programs work at cross-purposes. They both stimulate production and limit sales (through their rigid pricing policies). They have repeatedly created enormous public stockpiles that could not be sold commercially, so that much of the grain was wasted. They impede resource adjustment, inequitably allocate benefits and were frequently very expensive (but, ineffective in bolstering the farm economy).

Marketing loans have none of these disadvantages. They increase access to foreign and domestic markets and expand, rather than constrain sales. They do not overhang markets and have no cost when they are not necessary to protect sector investment. They further sector adjustments that focus on growing markets and thereby increase efficiency of resource allocation. And, they promote full resource use and sharply increase the competitiveness of US products in world markets.

An effective marketing loan program:

- . **Expands export markets**, including those in which trading partners subsidize exports. By allowing unconstrained price movement, it removes any impediment to competitiveness, insures that markets are cleared by commercial sales, and regains lost market shares.
- . **Clearly signals US intentions to compete for world markets.** The United States does not intend to provide price umbrellas (through supply controls, stockpiles or land-idling programs) for foreign producers, to be merely a residual supplier or to absorb an undue share of the risk of demand shifts. The program makes those intentions clear, including the fact that subsidized sales by competitors will be increasingly costly in the future. *By increasing the information available to competitors, the program increases the responsiveness of export demand to price changes.*
- . **Is simple and familiar to users.** It is simple and inexpensive to administer, and it is familiar to both government officials and farmers on the basis of its limited availability since the 1985 farm bill.
- . **Reduces contradictions inherent in traditional price/income support programs.** For example, traditional programs require that high price supports be available to stimulate farmer participation in supply control programs (which, in turn, leads to resource misallocations, idle resources and stagnant markets).

Can be cheaper than traditional programs in the longer-run. Program levels can be adjusted directly to insure longer-term investment trends are protected, so that program payments are infrequent and minimal, except when severe and protracted market disruptions occur as has been the case in Southeast Asia in recent months.

Benefits domestic grain/oilseed/cotton markets by avoiding price minimums. By providing effective incentives to increase commodity use in our largest markets, marketing loans have much greater market development leverage than do solely export-oriented programs. And, lower domestic prices directly benefit the largest sector of the agricultural economic, the producers of meat, milk and other livestock products.

Increases incentives for longer term adjustment to market conditions. Since marketing loans do not interfere directly with prices (as traditional price support loans do), they do not impede adjustment to changing economic conditions. The program provides a solid cushion against extremes, but avoids the familiar disruptions of traditional non-recourse loan programs.

Retains incentives for farmers to improve individual marketing strategies.

Remaining Issues

A number of issues remain that must be dealt with in specifying this proposal in greater detail. One of the most important is the definition of the marketing loan rates for individual commodities. While no particular method is fool-proof, some important considerations are noted:

To provide the stability the sector requires, the marketing loan rate must cover a major part of cash costs for efficient producers. In theory, at least, the concept of reference prices that cover unit production costs has broad appeal – since producers whose out-of-pocket costs are covered (and who see a return to management and risk) can be expected to continue or expand production, while those who face the opposite situation can be expected to cut back. And, while there are practical problems in defining how costs should be measured, the general concepts are well understood.

If costs provide the reference, the degree of coverage must be determined.

Past market prices also can be used as a reference price level. (For example, current law included “olympic” averages of past prices).

Political determination. In the late 1970s and early 1980s, price supports were directly negotiated as part of the political process - an approach which could be used in the establishment of marketing loan levels. For example, fixed requirements per bushel or pound could be written into the law. Given present concern across the sector, this approach has considerable appeal.

For consideration of the marketing loan approach, some statistical data are attached.

¹ That bipartisan law recognized the importance to US agriculture of being competitive in world markets. Key reforms included in the Act are:

- . Reduced loan rates (to below market-clearing levels);
- . New stocks resale policy to reduce carryover and insure competitive US prices.
- . Marketing loans for cotton and rice to avoid stocks buildup;
- . Small reductions in target prices;
- . Long-term land idling (Conservation Reserve Program) and heavy use of annual idling programs to balance supply/use during the adjustment period, and
- . An export subsidy program to stimulate exports and counter unfair trade practices.

² Falling shipments to the Asian countries have accounted for more than 80% of the drop in the value of farm exports over the past two years. However, worsening economic conditions in Russia also have cut sales to that country. Shipments to Canada and Mexico have continued to increase, but exports to South America have declined as those economies have come under economic pressure. And, weakening currencies in competing producing countries also have increased competitive pressure on US products.

The Marketing Loan - Hypothetical Examples

The program's simplicity can be illustrated with several examples. Assume that the marketing loan rate is \$4.00 per bushel, and that a farmer decides to settle his loan in its sixth month:

- . If the world price (reference price) is above the loan rate, at, say \$4.40, he will pay off the loan with interest (perhaps \$0.12 per bushel), sell the commodity in the commercial market and, in this example, realize a \$0.28 per bushel gain following the settlement.
- . If the world price (reference price) is below the loan rate, USDA will announce a repayment rate (based on world prices) and the difference between the repayment rate and the loan is the differential.

Example

\$4.00	Loan
-3.60	USDA-Determined Repayment Rate
-0.40	Differential
\$3.68	Commercial Market Price
\$4.08	Commercial Price Plus Differential

Thus, the producer has strong incentive to repay the loan rather than forfeit the commodity, even when prices are below the loan rate - especially, since repayment (with interest) would cost perhaps \$4.12 per bushel, more than sale in the commercial market would yield.

- . If the world price (reference price) is below the loan rate, he pays off the loan at a reduced rate (determined by USDA, based on world price levels) and sells the product commercially, with the total return determined by the producer's marketing skill and prevailing prices.
- . In the example, the differential paid is \$0.40 per bushel. If the market price is \$3.80, the total return is \$4.20 per bushel.
- . If the market price is \$3.50, the \$0.40 per bushel differential will boost the producer's return to \$3.90 per bushel.

Marketing Loan Illustration

	Case 1: Price Above Loan	Case 2: Price Below Loan	
		\$ per bu.	
Loan	4.00	4.00	4.00
Amount Repaid	4.00	3.60	3.60
Differential	0.00	0.40	0.40
Sale Price	4.20	3.70	3.60
Realized Price	4.20	4.10	4.00

A marketing loan-only program involves the replacement of the target price, nonrecourse loan feature of recent legislation with a recourse marketing loan. Producers would receive the difference between the stipulated loan price and the marketing loan repayment rate.

Additional features of a market loan bill could include:

- . Complete flexibility -- elimination of the base-acre component would free farmers to choose any crop mix regardless of past cropping history without forfeiting program benefits.
- . No payment yield component -- all production eligible for market loan provisions.
- . No limits on loan deficiency payments.
- . Crop choice decisions based completely on market outlook.
- . Elimination or greatly simplified program signup and compliance requirements possible.
- . No fine tuning of crop production with ARPs or set-asides necessary.
- . Strong export competitive implications.
- . Export enhancements folded in -- therefore no special enhancements necessary.
- . Could be adjusted periodically to accommodate unforeseen cost-equity disparities, should they arise.
- . This bill could be "capped" for budget outlay requirements.
- . GATT legal.
- . If desired, the market loan can also be styled to provide a level of safety net prices for livestock, peanuts, sugar, or any other agriculture product produced by farmers.

Budget allowances that govern the design of this bill's stipulated loan prices do not afford benefits that are profit guaranteeing, hence the proposed bill can be correctly described as "safety net" providing at best.

Computing cost estimates for any farm bill is affected by the many features that accompany the design of the bill. Until the bill is in final form costing numbers are best claimed by projecting them within a range.

By using all monies being spent to support farmer "well-being" by the present farm bill—yearly AMTA appropriations, emergency money, direct subsidies paid to support crop and revenue insurance, subsidies to support marketing efforts, etc.—would support market loan prices of:

Corn	from	\$ 2.29	to	\$ 2.66
Wheat	from	\$ 3.33	to	\$ 4.87
Cotton	from	\$.61¢	to	\$.665¢
Rice	from	\$ 8.90	to	\$ 10.98
Soybeans	from	\$ 5.76	to	\$ 6.01