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Folder Title:

Monday, August 16, 1999

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Row:

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LEWIS RUDIN
345 PARK AVENUE
NEW YORK, N.Y. 10154
407-2417

Scheduling 8-16-99
yes ✓
no —

August 9, 1999

'99 AUG 16 AM 9:40

The President and Mrs. Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Hillary and Bill:

Please join us in breaking the Yom Kippur fast on Monday, September 20,
at 6:00 P.M. in the Ballroom of the Regency Hotel, Park Avenue and
61st Street.

Hope you can make it.

Sincerely,

Richard & Lew

R.S.V.P. By September 6
Card enclosed

MIGUEL D. LAUSELL

August 11, 1999

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Will send to
agency liaison
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OK. B 8-16-99

'99 AUG 16 AM 9:40

Dear Mr. President,

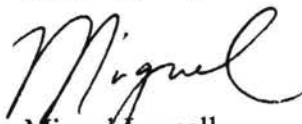
The Puerto Rican press reported yesterday that Charles Ruff recommended the release of some of the Puerto Rican political prisoners. We understand that Juan Segurra Palmer has been singled out not to be released. On humanity grounds, I am petitioning you to release all the prisoners, including my friend Juan.

I have been honored to be his friend since our school days at Harvard. Juan is a husband and father and after 13 years in prison has paid his dues to society. During his time in prison he has become a Christian and has given himself to God. Juan is a changed man and is not a threat to society. Brother Segurra will be a positive factor to his country and to the Puerto Rican community.

This week you will be giving the Presidential Medal of Freedom to Sister M. Isolina Ferre. As a symbol of this award, I urge you to give freedom to Juan Segurra Palmer.

Thank you for your attention to this matter of great importance to the people of Puerto Rico. Let's end this unfortunate episode in our history.

Best Regards,


Miguel Lausell

8-16-99

August 14, 1999

FROM: DAVID GOODFRIEND
LISEL LOY

Berger/Sperling memo on anti-dumping duty revenues – You asked for an analysis of the pros and cons of granting anti-dumping duty revenues to prevailing petitioners in trade cases. A recent bill introduced by Sen. Dewine would award anti-dumping duties to “affected domestic producers”; similar bills last Congress were killed in committee. Pros: gaining support from import sensitive Members and industries; boosting relief to domestic producers; and, arguably, pressing foreign producers to stop dumping. Cons include: may not result in significant payments; would create friction with trading partners and contribute to pressure for further constraints on U.S. anti-dumping laws negotiated in the New Round of WTO negotiations. *Please see memo for more detail.*

- Tab A - Copied memo with cover
to Berger, Sperling, Podesta
- Tab C - Copied memo with cover
to Berger, NSC West Wing Desk,
Podesta
- Tab E - Copied memo with cover to
Leg. Affrs. for reply, Podesta

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of your legacies with respect to the US/Russia relationship. He describes four packages: (1) Nuclear Materials/Back End of the Fuel Cycle and Nonproliferation; (2) Infrastructure Reduction and Job Creation; (3) Highly Enriched Uranium (HEU) II Initiative and Russian Spent Fuel Acceptance; and, (4) Crisis and Emergency Response. *Please see memo for details on each package.*

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THE WHITE HOUSE

WASHINGTON

August 12, 1999

8-16-99

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INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER
GENE SPERLING *508r*

SUBJECT: Granting Anti-Dumping Duty Revenues to Prevailing
Petitioners in Trade Cases

You asked for an analysis of the pros and cons of granting anti-dumping duty revenues to prevailing petitioners in trade cases. As you know, such revenue currently goes into the U.S. Treasury.

There have been a number of legislative proposals in this area. Most recently, S.61 was introduced by Senator Dewine and 14 co-sponsors (including Senators Daschle, Byrd, and Hollings) to award any anti-dumping duties collected to "affected domestic producers" defined as a petitioner or a party that supported the anti-dumping petition. Senator Dewine and Representative Regula introduced identical or similar bills last Congress that were killed in committee. While Senator Dewine was primarily concerned with steel producers, his bill is not limited to that industry.

Pros

- In the current climate, a strengthening of our trade laws of direct benefit to petitioning firms would be supported by import sensitive Members and industries.
- While imposition of anti-dumping duties against imported products already provides protective relief, the Dewine bill would give domestic producers greater relief by subsidizing them through the additional revenue collected.
- The Dewine bill arguably could provide additional motivation for foreign producers to stop dumping, giving U.S. firms greater incentives to bring cases and thereby adding a deterrent to foreign producers.

cc: Vice President
Chief of Staff

Cons

- Generally speaking, foreign companies subject to anti-dumping duty orders take steps to eliminate or reduce their margins or dumping or significantly curtail their exports. For instance, hot-rolled steel imports from Japan, Korea, and Russia have virtually ceased since the preliminary dumping determination. Therefore, the Dewine bill would not lead to significant payments to petitioners.
- The Dewine bill or similar legislation, if passed, would be certain to create frictions with our trading partners providing yet more momentum behind the strong pressure to negotiate further constraints on U.S. anti-dumping laws negotiated in the New Round of WTO negotiations to be launched in Seattle. Reopening the WTO Anti-Dumping Agreement is a political non-starter for us which has broad and growing international support.
- Trading partners are likely to argue that such laws violate the WTO Anti-Dumping Agreement. Because payments would only be issued to parties supporting the petition, foreign trading partners might argue that the Dewine bill would skew the "polling" of industry undertaken by the U.S. Department of Commerce to determine whether there is sufficient industry support to move forward with the case. (The WTO Anti-Dumping Agreement requires a minimum level of support for a petition within the affected industry.) The oil anti-dumping case was dismissed because sufficient support was not found.
- Dewine-type payments may be potentially "actionable" subsidies. The WTO Subsidies Agreement makes certain subsidies "actionable," i.e., subject to countervailing duties by foreign countries or WTO dispute settlement processes which can order the subsidy removed.
- If the Dewine bill were enacted into law, trading partners are likely to respond by implementing similar provisions, to the detriment of U.S. exporters and workers. This could only exacerbate the upward trend in dumping cases filed against U.S. firms. As a result, this provision would be strongly opposed by export-oriented U.S. business.
- The Dewine bill does not relate the amount of payments that a particular firm receives to the actual injury suffered by that firm. Instead the bill links payments to expenditures (on

plant, equipment, R&D, personnel training, etc.) made by a company after an anti-dumping order goes into effect. Accordingly, severely injured companies supporting the anti-dumping petition would be equally entitled to receive payments as relatively unscathed ones. Additionally, companies' expenditure decisions might be unduly influenced by duties they might be able to collect under an order, rather than by sound business considerations. [Note, however, that the alternative -- linking payments to actual injury -- would likely be an administrative nightmare.]

THE WHITE HOUSE

WASHINGTON

August 14, 1999

8-16-99

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Recent Information Items

FROM: DAVID GOODFRIEND
LISEL LOY

We are forwarding the following recent information items:

(A) **Berger/Sperling memo on anti-dumping duty revenues** – You asked for an analysis of the pros and cons of granting anti-dumping duty revenues to prevailing petitioners in trade cases. A recent bill introduced by Sen. Dewine would award anti-dumping duties to “affected domestic producers”; similar bills last Congress were killed in committee.

Pros: gaining support from import sensitive Members and industries; boosting relief to domestic producers; and arguably pressing foreign producers to stop dumping. Cons

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(C) **Memo from Bill Richardson on Long-Term Nonproliferation Program** – Following your discussion in the Oval Office, Bill presents a four-part, \$300 million program to reduce the risk of nuclear accident, theft, proliferation or catastrophe in Russia's weapons complex. These proposals for long term as opposed to “quick fix” programs could be one of your legacies with respect to the US/Russia relationship. He describes four packages: (1) Nuclear Materials/Back End of the Fuel Cycle and Nonproliferation; (2) Infrastructure Reduction and Job Creation; (3) Highly Enriched Uranium (HEU) II Initiative and Russian Spent Fuel Acceptance; and, (4) Crisis and Emergency Response. Please see memo for details on each package.



The Secretary of Energy

Washington, DC 20585

August 12, 1999

8-16-99

99 AUG 13 AM 11:53

MEMORANDUM FOR THE PRESIDENT

FROM:

BILL RICHARDSON

Subject:

Long-Term Nonproliferation Program for Russia: One of Your Legacies

As I promised when we last met in the Oval Office, I am describing here a program to reduce the risk of nuclear accident, theft, proliferation or catastrophe in the weapons complex of Russia -- potentially one of your enduring legacies as President in our relationship with Russia. It is divided into four prioritized packages. Each of the program packages is in itself coherent and important, but the four together would take the threat reduction work that we are doing with Russia to a new stage. Many of our current programs were designed to provide a "quick fix" to the most serious crumbling of the old Soviet nuclear arsenal. That work remains of first-order importance and will continue. However, we can launch in serious new directions that will provide a legacy for your Administration of having dealt in a permanent way with these issues.

Your approach would be to establish a set of programs that get to the root of the problems created in Russia by the nuclear overhang of the Cold War—tons of weapons-useable plutonium at the back end of the fuel cycle, a bloated weapons complex far beyond the capacity needed for the current Russian arsenal, an extensive cache of highly enriched uranium (HEU) not covered by the existing HEU Purchase Agreement, and inadequate capabilities for dealing with crisis and emergency response at nuclear facilities. The programs are grouped into the four packages, which total \$300 million:

Package 1: Nuclear Materials/Back End of the Fuel Cycle and Nonproliferation

Halting the Further Separation of Civil Plutonium: At a time when the United States is spending hundreds of millions of dollars to eliminate or secure Russian weapons-usable fissile materials, Russia continues to produce two tons of new fissile material annually, by separating plutonium from power reactor spent fuel at the RT-1 reprocessing plant at Mayak. No U.S. program currently addresses this problem. Given increasing flexibility on the issue of reprocessing that the Ministry of the Russian Federation for Atomic Energy (MinAtom) leadership has shown in recent months, it may be possible to achieve cessation of civil reprocessing at Mayak by offering the proper



incentives. This could be done by creating added jobs for RT-1 plutonium workers using other on-going U.S. programs at the Mayak site and/or by conditioning U.S. support for an international spent-fuel storage facility at Zheleznogorsk that MinAtom is eager to construct. This project can be combined with an overall effort to inventory Russia's stocks of plutonium, consolidate them, and provide enhanced material protection, control, and accounting (MPC&A). Estimated budget for first year: \$5M to \$100M, depending on specific program elements selected. An early push for consolidation, for example, could require some considerable up-front costs to acquire storage casks, enhance transportation capabilities, improve MPC&A, etc. At the same time, such an effort would potentially employ many plutonium workers who might otherwise be out of a job.

Spent Fuel to Russia: The Nonproliferation Trust: MinAtom has been engaged in discussion with a U.S. nonprofit group, the Nonproliferation Trust (NPT), to develop a project to ship foreign spent fuel to the repository at Zheleznogorsk, one of the nuclear cities of Russia. The fuel would be "third party" fuel, not directly from the United States, but would include U.S.-origin fuel. MinAtom would contract with the NPT, who would hold title to the fuel for 40 years in Russia and would disburse the revenue flowing from the deal according to an agreed detailed contract. The gross revenues of the arrangement with the NPT would be about \$15B for the estimated 10,000MT of spent fuel potentially involved. About \$4B would be used to cover 40 years of fuel maintenance in dry storage without reprocessing, to include casks, transportation, and preparation of a geologic repository in Russia. The remaining \$11B income stream would be disbursed on a project basis through the NPT to agreed purposes, in fissile material security and plutonium disposition (\$2B), nuclear cities transformation (\$2B), submarine decommissioning (\$500M), economic support for the region storing the spent fuel (\$500M), distressed pensioners and orphans (\$2.25B), and environmental mitigation and cleanup (\$2.25B). Because the NPT is seeking no funds from the U.S. Government, this project did not appear in the July 20 memorandum. However, it will require certain approvals by the USG, as well as changes in the Russian law prohibiting the return of nuclear "waste" to Russia from foreign sources.

Development of Proliferation Resistant Reactors: Minister Adamov has stated quite bluntly that if the United States agrees to provide assistance to MinAtom on developing proliferation resistant technologies, Russia will cease its on-going cooperation with Iran. The United States has indicated some interest in investigating possibilities for future joint work, but has very strongly indicated that any cooperation must be linked with a cessation of Russia's cooperation with Iran. The proliferation potential for Russian reactors has been a concern for years while in the West, reactor designs with proliferation resistance have been pursued for many years. This has led to design requirements for

proliferation resistance that have only recently been more uniformly accepted among reactor designers. A near-term goal of this project would be to further develop a culture of proliferation resistance in the reactor design community. A longer-term goal would be to identify improvements that could be made to existing reactors to increase their proliferation resistance. This would also help attain the goal of providing meaningful and rewarding work for key nuclear and engineering experts in the closed nuclear cities. An R&D program might consist of the following steps: 1) identify the key scientists and engineers in Russia; 2) review earlier studies of proliferation resistant reactor designs and identify those attributes with the potential to increase considerably nonproliferation in Russia; 3) Develop reference designs/concepts with attributes useful in Russia; 4) compare attributes of the reference designs against existing reactors in the Russian Federation and identify improvements that could be retrofitted to improve the safety or nonproliferation characteristics of existing reactors. Estimated budget \$25M/year in the first and subsequent years.

Maximum cost in first year for this package: \$125M.

Package 2: Infrastructure Reduction and Job Creation

Defuel and Dismantle Russian Nuclear Attack Submarines: Russia has requested U.S. assistance with dismantling decommissioned nuclear general-purpose submarines fueled with HEU. It is a very high priority for the Russian Government and could provide leverage to the United States for other issues. About 150 nuclear submarines have been taken out of service, but have not been dismantled and defueled, posing potential environmental and nonproliferation threats from the HEU spent fuel. DOD is supporting the dismantlement of 31 ballistic missile submarines, but there is no program for the nuclear general-purpose submarines (which are not equipped to carry nuclear weapons). The most urgent problem involves about 30 nuclear general-purpose submarines near Kamchatka, in the Russian Far East. A project to assist Russia with these submarines would include upgrading the facility for defueling and dismantlement, defueling, and the repackaging, transport, and storage of HEU spent fuel and radioactive reactor components. Total estimated budget: \$425 - \$500M to rebuild the shipyard and dismantle 20-30 submarines. Investment in first year: \$30M to commence rebuilding shipyard. Note: If the NPT proposal noted above is implemented, the USG investment for this effort may be relatively modest and essentially provide for early-year start-up of the submarine work. Once the revenue stream from the NPT project is established, USG investment would end.

Nuclear Harbors Program: In response to the wide scale unemployment associated with Russian nuclear shipbuilding programs and the proliferation threat this represents, a Nuclear Harbors Program is proposed. Its purpose is

to create sustainable employment opportunities for civilian workers in 4 of the 23 Russian nuclear naval facilities (i.e., Murmansk, Severodvinsk, Vladivostok, and Petropavlosk) who were, or are, engaged in the design, construction, operation and maintenance of nuclear powered submarines. It could have an environmental focus and could be linked to the development of ongoing commercial activities underway in the Nuclear Cities Initiative. Estimated budget: \$20M/year.

Accelerated Closure of Serial Production Facilities: Opportunities now exist to expand the scope of the NCI to facilitate the closure of the nuclear weapons assembly and disassembly plants, the so-called serial production facilities, in Sarov (Avangard) and Zarechnyy (Production Association Start). These facilities are currently slated for closure by 2004, but this schedule can be advanced by the creation of commercial job opportunities for current workers. A variety of programs are proposed to assist in this process beginning at Sarov. These include seed funding for establishment a Center for Kidney Dialysis Equipment Development, Centers for Nuclear Weapons Transparency, and development of other commercial products to be produced at Avangard, e.g., safeguards and security equipment, explosive ordnance disposal equipment, and a variety of medical equipment. Estimated budget: \$15M/year.

Contract Research Initiative: As a bridge to the creation of commercial sustainable jobs in the nuclear cities, a Contract Research Initiative is proposed. This entails the placement of research and development (R&D) contracts by the DOE at the scientific and technical institutes in the nuclear cities to meet the current needs of the Department. Estimated budget: \$15M/year.

International Centers for Environmental Safety: At the suggestion of Minister Adamov, international centers for environmental safety (ICES) have been established jointly in the U.S. and Russia to coordinate the resolution of environmental issues associated with the nuclear complex. Thus far, no significant funding has been identified. Projects under consideration for these centers include: creation of an environmental database for regions affected by nuclear weapon activities, including nuclear facilities and power plants; evaluation of environmental aspects of spent fuel transportation and storage; development of an integrated approach to resolution of environmental problems; development and demonstration of methodologies to minimize waste streams; and development of environmental remediation technologies. Estimated budget \$30M/year.

Proposed cost for first year of this package: \$80M.

Package 3: HEU II Initiative and Russian Spent Fuel Acceptance

The HEU II Initiative: A significant proliferation risk is posed by the many tons of weapons-useable highly enriched uranium (HEU) located at various sites throughout Russia and not subject to the HEU Purchase Agreement. Short-term fixes are underway through the MPC&A program, but the most effective, long-term approach would be to remove it from far-flung sites and blend it down to low enriched uranium (LEU) for use in commercial power or research reactors. Currently, due to the HEU Purchase Agreement, three Russian facilities have excess capacity to blend-down HEU. They are also already subject to stringent transparency measures. As part of an HEU II Initiative, the 'donor sites' (sites that currently have possession of the HEU) would receive financial assistance to compensate them for sending the HEU to be downblended. Once the HEU is downblended to LEU, the donor sites would get the LEU back, which they could then sell for profit. We estimate that \$20M would be required annually for facility modification, incentives and to pay the blending facilities.

Russian Research Reactor Spent Fuel Acceptance Program: The former Soviet Union supplied research reactors fueled with HEU to Eastern Europe, Libya, North Korea, Vietnam, and to former Soviet states such as Kazakhstan and Ukraine. Operators of many of those reactors are eager to ship their HEU spent fuel inventories to Russia because their own storage facilities are almost full to capacity and, in some locations, they have physical protection concerns. HEU spent fuel inventories are a serious proliferation concern, as HEU is a weapons-usable material. The United States has a major campaign underway to accept US-origin HEU spent fuel, but Russia does not have the resources to start a similar campaign for Soviet-origin material. Assisting Russia with such a campaign would be a valuable complement to our existing joint efforts to reduce the proliferation threat. The International Atomic Energy Agency (IAEA) is already drafting an action plan to initiate the program. The IAEA estimates the program execution cost to be \$50-\$100M. This program could be initiated at a level of \$15M/year.

Proposed cost for first year of this package: \$35M.

Package 4: Crisis and Emergency Response

Situation Crisis Center and Emergency Cooperation: The Situation Crisis Cooperation Center is currently being built in Moscow to implement the Richardson-Adamov decision of March 1999 to link crisis communication between DOE and MinAtom. This Center, which will be launched during my next trip to Moscow in late September, can serve as the basis for expansive emergency response cooperation involving the Russian nuclear weapons complex, including far-flung facilities in the production and laboratory categories. Estimated budget \$50M/year.

Nuclear Materials Safety Initiative: The concern is that Russia does not adhere to modern standard safety practices in its processing and management of nuclear materials. The United States and Russian mutual nonproliferation goal of safe and secure disposition of surplus weapons-useable material is dependent upon safely managing the storage, handling, processing, and transportation of nuclear materials. This initiative would have two parts: the creation of a nuclear materials safety culture through the development of higher education degree programs and facility-specific technical projects to improve safety methodologies. Estimated budget \$10 M/year.

Proposed cost for first year of this package: \$60M.

TOTAL COST for 4 packages: \$300M.

8-16-99

(D) **Harris Wofford memo on California's commitment to service** – Wofford reports on Governor Davis' proposal to require service as part of the curriculum and experience of all students in public colleges and universities in California. *He attaches copies of the Governor's press release and letter to the President of the University of California system asking for his support.*

(E) **Congressional correspondence from Janet Murguia** – Letter from Rep. Walsh (R-NY) welcoming you and your family to Skaneateles for vacation and offering to provide any helpful information.

Tab A - Copied memo with cover
to Berger, Sperling, Podesta

Tab C - Copied memo with cover
to Berger, NSC West Wing Desk,
Podesta

Tab E - Copied memo with cover to
Leg. Affrs. for reply, Podesta

As this letter

THE WHITE HOUSE
WASHINGTON

8-16-99

August 10, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: JANET MURGUIA *JM*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your review is a letter from Rep. James Walsh (R-NY) welcoming you and your family on your upcoming vacation to the Village of Skaneateles in Central New York.

312733



James T. Walsh
25th District, New York

U. S. House of Representatives
Washington, D. C.

July 27, 1999

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

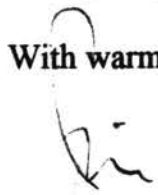
Dear Mr. President:

When reading my news clips this morning, I noted with pleasure that you and your family will be vacationing in Central New York next month. I was very pleased to learn that you selected the beautiful Village of Skaneateles as your vacation residence. It is a wonderful community with friendly people who will welcome you warmly.

On behalf of the residents of my district, I extend a personal welcome to you, Mrs. Clinton and hopefully Chelsea for a week of rest and recreation.

There are many wonderful things to do in this area of a cultural and recreational nature. I would be pleased to provide any information that might be helpful to you or your staff during the planning stages of your trip.

With warm wishes,


James T. Walsh
Member of Congress

8-16-99

To Mr. Penn
Interfering
for - PC

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AS SEEN
8-16-99

Capital punishment still favored by Americans

By August Gribbin
The Washington Times

Almost all Americans believe innocent persons are sometimes convicted of murder. And although a plurality also think capital punishment doesn't deter homicide, they favor it anyway.

Capital punishment has been a topic of media coverage often so it figures that people had opinions about it when Harris Poll researchers recently phoned.

However, Madeleine K. Albright, Alan Greenspan, Trent Lott and prominent foreign leaders frequently are news topics, too. They routinely pop up on the family TV. Yet a separate and unrelated survey shows they're practically unheard of.

Ninety-five percent of the 1,015 adults in Harris' nationwide sur-

vey said they believe some people are wrongly convicted of homicide.

White people estimate that as many as 10 percent of those convicted are innocent. Blacks put the figure at 18 percent.

Some of the convicted murderers are sentenced to death, and a few are actually killed. Thus it's logical to assume an innocent person could be executed. Nonetheless, 71 percent of those queried "believe in capital punishment." Twenty-one percent "oppose" it.

Three decades ago, just 38 percent favored the penalty. The number favoring it has risen continually since then to a peak of 75 percent two years ago.

Researchers say the rise and subsequent slight turnaround in the numbers shows public attitudes about capital punishment aren't "set in concrete." They have changed in the past and they will probably change in the future," as one researcher put it.

Forty-nine percent of the public thinks the death penalty has little effect on deterring others from committing murder while 47 percent says it does. Since the poll's margin of error is plus or minus 3 percent, it's fair to say the public is split on the question.

Despite the mixed feelings though, a plurality of 43 percent would opt to increase the use of the death penalty while 29 percent favor decreasing its use and 28 percent offer no opinion.

Regarding which newsmakers Americans know, researchers found surprising ignorance.

True, 89 percent of the public knows Al Gore is the Vice President, 69 percent knows Boris Yeltsin is Russia's president, 63 percent recognizes Bill Gates is head of Microsoft's and 56 percent has heard of Texas Gov. George W. Bush.

Yet fewer than half of those polled (46 percent) knows Mrs. Albright is secretary of state. A third

(32 percent) has heard of Mr. Greenspan, the chairman of the Federal Reserve Board, and that's 8 percent more than the 24 percent who recognized Mr. Lott, the Senate majority leader.

The name of British Prime Minister Tony Blair registers with about a third of the public (34 percent). But foreign leaders especially elude Americans' memory.

New Israeli Prime Minister Ehud Barak is familiar to just 16 percent of the public. Mexican President Ernesto Zedillo is known to 9 percent, Canadian Prime Minister Jean Chretien to 4 percent and South African President Thabo Mbeki to 2 percent.

The survey results led Harris Poll Chairman Humphrey Taylor to conclude the findings "confirm the assertion that most Americans are strikingly uninformed about events, and, in this case, about people outside the United States. They also show how many Americans take little interest in domestic [and foreign] policy."



The Washington Times
SUNDAY, AUGUST 15, 1999

8-16-99

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Counsel
Podesta

Bleed / cc Committee

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Be

diplomats, a simple caring family who are leaders in the community, helping others cope with life."

The service was attended by more than 350 including scores of uniformed postal workers, each carrying a single white rose.

In a gesture that displayed the impact of the shooting on the city and the nation, the service was also attended by Rabbi Lawrence Goldmark, the head of the Board of Rabbis of Southern California, and by Congressman Brad Sherman, who read letters of condolence from President Clinton, Vice President Al Gore, and California Senators Diane Feinstein and Barbara Boxer.

Ileto, who was Filipino-American, was gunned down by Furrow after the white supremacist opened fire on the North Valley Jewish Center, wounding three young children, a teenager and a grandmother.

Villanueva said because of his death, "the world will remember that racial hatred is a terrible thing."

Synagogue Defaced, Police Call it Copy-Cat Crime

By Joe Mozingo

Los Angeles Times

LOS ANGELES Congregants arriving at a synagogue in East Hollywood on Saturday were confronted with a swastika and the words "Jews die," spray painted on the front of the building.

Many of those who attend services at Temple Knesset Israel are elderly Holocaust survivors who were horrified by the act of hatred. Officers from the Los Angeles Police Department documented the vandalism and will pass on the information to department's Criminal Conspiracy Section.

"I believe it's a copy-cat thing, somebody wants a little press," said Sgt. Sanford Rosenberg, referring to last week's shooting at a Jewish community center in Granada Hills.

He said whoever committed the crime would be charged with felony vandalism for defacing a place of worship and would face increased penalties for committing a hate crime. In the temple's mailbox, officers also found a letter that appeared to be anti-British.

"It doesn't make any sense," one officer said. The letter was confusing, at times saying the British were going to start internment people, she said.

The temple's president, Harvey Shield, is British.

Shield said that in light of the incident he will hire a private security guard for the Holy days in September. Earlier last week, when congregants suggested increasing security after Tuesday's shooting, he said he was reluctant to do so. "My initial response was: 'Let's not overreact so quickly,'" he said. "Now there is no question about it."

Police said they would step up patrols in the area.

The painted letters, scrawled at the entrance to the preschool, were about six feet high. The doors to the temple itself have gates in front of them, making it difficult for potential vandals to reach them, but worshipers could easily see the hateful message as they stepped inside. Shield said about a dozen people saw the swastika before police painted over it.

Hate Group Chat Rooms Full of Static, Little Agreement

By Stephen Braun and John Beckham

Los Angeles Times

WASHINGTON On the web pages and Internet chat rooms that serve as all-night echo chambers for the rants of white supremacists, Buford Furrow's "wake up call to America" may not have roused racists quite as passionately as he had hoped.

At WhitePrideNet a web site that carries a monolithic black graphic of a steel cross and a fiery quote from German philosopher Friedrich Nietzsche a recently added "news flash" was blunt in its response to Furrow's alleged shooting Tuesday of three children and two staffers at the Granada Hills Jewish Community Center.

"An act of stupidity carried out by a lunatic," sniffed the site's owner.

From the aftermath of the Oklahoma City bombing in 1996 through last month's Midwest killing spree by white supremacist Benjamin Smith, neo-Nazi and racist computer devotees have used the Internet as an instant sounding board to fawn over and quibble about the murderous acts committed by their brethren.

But their reactions are rarely unified, a fragmentation as disjointed as the supremacists' volatile belief systems evident again in the days since Furrow walked into the FBI's Las Vegas office to surrender.

"They can't stop talking about it, but they can't seem to agree on what it means," said Jordan Kessler, an Internet monitor for the Anti-Defamation League of B'nai B'rith who spent seven hours Friday snooping on hate group Web sites from his New York office. "You hear everything from 'Buford's a hero' to 'He's hurt the movement.' What you don't hear is any shred of regret, guilt or shame."

As some skinheads argued in chat rooms this week over whether Furrow was a secret government agent or simply a "punk" who walked "sheepishly into the FBI office UNARMED," as one anonymous messenger grouched, more vitriolic extremists were hailing Furrow for purposely targeting innocents.

From his Nationalist Observer Web site, San Diego neo-Nazi militant Alex Curtis beckoned followers to a hotline phone number trumpeting his approval of Furrow's "lone wolf" tactics. Furrow, who once worked as a security guard at the Aryan Nations compound in Hayden Lake, Idaho, reportedly told FBI agents that he had stormed the day care center as a "wake-up call to America to kill Jews."

"This is known as the hit-and-run," Curtis oozed in faux-radio announcer mode over his hotline, "and will probably become a favorite among Aryan combatants."

Internet hate sites have mushroomed from a mere handful just four years ago to nearly 245 these days, said Joe Roy, who directs intelligence operations for the Southern Poverty Law Center, a watchdog group that monitors and pursues legal actions against neo-Nazi and Ku Klux Klan factions. Racist-oriented chat groups which often are difficult to monitor and record because their members are quick to challenge strangers who roam into their meetings have proliferated so quickly, "there's no way to know how many there are," Roy said.

So-called "white pride" sites now commingle in a thriving Gothic wasteland that mirrors the Internet's mainstream growth. Supremacists can plug into a dizzying array of options buy martial anthems from skinhead rock groups like Berserker and No Remorse, download scores of "Jew jokes" and print out designs for anti-Semitic "cyber tattoos."

Some sites offer sound bites of rhetoric from the short-wave radio broadcasts of such race-obsessed Christian Identity pastors as James Wixstrom and Pete Peters. James Latham, a Costa Rica-based monitor for Radio for Peace International who taps into weekly broadcasts aired by nine right-wing extremist stations, said Peters and other white supremacists "typically go into denial after these kinds of crimes. They'll turn it around and say it was the government who set up the whole thing."

Just hours after police and media reports began linking the chaotic Granada Hills shooting scene to Furrow and his neo-Nazi past, racist chat groups were seething with arguments and anonymous calls for more violence.

On the "Alt.Politics.White-Power" news group, a writer who identified himself as "David Johnson" issued this invective:

"Be afraid, Jewboy, let the executions begin...All Jews in Amerika must leave or die."

Because news groups are open to anyone, the message was soon answered by a flurry of furious replies. "Yes, and you can keep showing us how 'superior' you are by shooting some more grannies and preschoolers," mocked "anOOnie." Only one other racist joined in to support Johnson, and he too was quickly overwhelmed by Web "flames."

At night, however, in the secrecy of more guarded chat rooms on the Internet Relay Channels, white supremacist sympathizers with pseudonyms like "Dr. Mengele" and "Arynna" talked openly about their admiration for Furrow even if some questioned his timing, tactics and targets.

On a "KKK" chat room on the IRC the Web's unchaperoned real-time meeting rooms conversations seethed with arguments and anonymous calls for more violence. Near midnight Thursday, a white supremacist who called himself "Modulus" wondered if "people are starting to wake up," perhaps prodded by the Granada Hills shootings.

"I guess I'm a pessimist," replied "DeadNextDoor." "I only see it martyring the Jews even more."

A few minutes later, both of them chirped brightly about how to hasten Armageddon.

Modulus: "We must start killing more powerful Jews with help from the CIA."

DeadNextDoor: "I agree ... but we'd have to kill them in droves ... or be very selective about who we aced."

Suddenly, a "KKK" site guardian who signed on as "Surviv" warned: "Stop it 'bout the killing here or be banned." Even in such free-access sites, it seemed, some extremists worry that heated talk of racist murder might jeopardize their access to the web.

Despite such cautions, their presence on the Internet is unshakable. Kessler laments that obscure klan groups and neo-Nazi sects that once had difficulty paying for newsletters for their own sparse membership can now "beam out their drivel to 100,000,000" Web users.

Columbine High Tries to Quietly Welcome Back Students

By Julie Cart

Los Angeles Times

LITTLETON, Colo. Officials at Columbine High School have gone to great lengths to ensure Monday's back-to-school ritual comes off just like a normal school day. Although normal hasn't been seen here in some months, it's the tranquil state this suburban campus yearns to return to.

To that end, the reopening of the once-crippled school will meld traditional welcome-back greetings with a pep rally aimed at "Taking Back the School" banishing images of the shooting and bombing rampage on April 20 that left 15 dead and catapulted Columbine into the international spotlight.

School officials insist they will set the tone for the year and conduct the day's rally, flag raising and ribbon cutting with as much privacy as they can gain.

While the school may look the same to the arriving students, much has been altered beyond the repairs to bullet- and bomb-

U.S. Agency Rejects Oil 'Dumping' Complaint

By PAUL BLUSTEIN
Washington Post Staff Writer

The Commerce Department, which usually sides with domestic companies in "dumping" cases against foreign exporters, rejected a complaint yesterday brought by independent U.S. oil producers accusing four countries of selling petroleum at unfairly low prices in the United States.

The department decided not to even investigate the petition filed by Save Domestic Oil Inc., an Oklahoma-based coalition of small oil firms, on grounds the group had "insufficient industry support." Multinational oil firms opposed the com-

plaint, bolstering Commerce's conclusion that the case could not advance under trade laws because there was more industry opposition than support for the effort.

Although the oil producers vowed to appeal to the courts, the ruling deals a severe and perhaps fatal blow to a case that threatened to inflame diplomatic ties with several key U.S. allies—notably Saudi Arabia and Mexico—whose oil might have been subject to stiff U.S. duties if the case had gone forward. The other two countries named in the complaint were Venezuela and Iraq.

When the complaint was filed in late June, it was ridiculed by a number of economists and energy experts,

who questioned how dumping—that is, the sale at below-market prices—could be occurring with a commodity that is widely traded on global markets. But trade experts warned that the case had to be taken seriously simply based on the history of the dumping laws. The law is designed to protect the U.S. market from predatory foreign competition, but critics assert it is rigged in favor of domestic companies, and Commerce is traditionally sympathetic to the complaints of U.S. industry.

Accordingly, the rapid dismissal of the case came not only as a relief but something of a pleasant surprise to the defense. "The sound you hear is people celebrating and rescheduling their vacations" that they now can take, said Gary Horlick, an attorney who represented Mexico, referring to the clink of glasses and buzz of conversation that could be heard over the phone.

Charles Verrill, an attorney for Save Domestic Oil, said the group will appeal to the Court of International Trade in New York, "and we're going to ask for expedited consideration." He noted that some of the major oil companies who opposed the complaint, such as Occidental Petroleum Corp., have told the government in other situations that they are shutting domestic wells and laying off American workers because of foreign competition.

The remarkable rise of a man from Hope to become president of the United States has a striking parallel in the U.S. Agriculture Department, where a black woman also from Hope, Ark. has risen to become the top-ranking official in charge of the \$40 billion Food and Nutrition Service.

Today, Agriculture Undersecretary Shirley R. Watkins commands a staff of 1,600 and oversees two-thirds of the departmental budget, running the food stamp program, which serves 20 million people; the program for women, infants and children, which serves 7 million mothers and their babies; and the school lunch program, which feeds 26.7 million school children. But when she was born, she had nothing, not even a family.

Watkins's mother, a girl of 14, placed her underweight infant in a shoe box and left her on the doorstep of a childless couple in Hope in 1938. Adopted by a railroad worker and his wife, Watkins was 8 years old when Clinton was born on the other side of the tracks. The future president's grandfather ran a grocery store near her neighborhood. She was starting at the segregated high school when Clinton moved away to Hot Springs, Ark. Kids teased her about being adopted, and she sometimes daydreamed about what life would have been like with a young mother in some faraway place.

But she said, she always knew that her mother "did the right thing. I was blessed."

She went to the all-black University of Arkansas at Pine Bluff, majoring in home economics. When she did her student teaching in Dermott, Ark., she lived with her supervisor, because no one would rent a room to a black person, according to LaVerne W. Feaster, the supervisor who became a lifelong friend.

Watkins's first job was as the "assistant Negro home demonstration agent for colored people" in Wynne, Ark. She was not assistant to anybody, but that was the title given to all black agents, she said.

She married and moved to Memphis to teach school and rose through the Memphis school system, from teacher to director of food service, eventually becoming the national president of the American School Food Service Association.

She was propelled out of Memphis in 1993, not as a Friend of Bill, but because of her prominence as president of the food service group. She is the first government food czar with hands-on experience supervising the lunch line.

Watkins "represents the best this administration has to offer," said Marshall Matz, counsel for the American School Food Service Association and a friend. "This is what Bill Clinton talked about when he was a candidate, bringing in committed, experienced people from the grass roots who have been out there in the real world running these programs."

Watkins is ironic, occasionally witty, and disarmingly magnanimous about her early life, but her elevation at USDA came just as decades of racial tensions within the department came to the fore. USDA is facing at least five class action or proposed class action complaints of racial and sexual discrimination and more than 1,500 individual discrimination complaints.

In this, her steely side shows. "It is unfortunate that within our agency there were clearly problems" of discrimination, she said.

Coming in and making changes, she said, "has been difficult for other individuals, but not for me."

The agency has been staffed predominantly by white men. "It has been difficult to break through the mind-set that 'We have always had these jobs, we deserve these jobs,'" she said. "It is sad that it is so embedded in the culture."

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Running the nation's food programs, which sounds like the ultimate apple pie-and-motherhood-type job, is surprisingly contentious and political. When the Republican Congress proposed turning school food programs over to the states in 1994, the defeat was so crushing that it became known as "being school-lunched."

Even today, Congress and the administration are battling over whether to fund pilot school breakfast programs to check out whether kids actually do better in school when such programs are available. Some conservatives fear breakfast programs would be a step toward socialist-type meal programs.

And her food stamp program is also besieged from the other side of the philosophical aisle. Food stamp enrollment has been falling much faster than the poverty rate, and many charitable groups believe the government is not doing enough to make sure families are getting the food they are entitled to receive.

"So many people don't know how to access the programs. . . . We want to make it certain that people who are eligible are given applications," Watkins said. "Our goal is to ensure that people do not go hungry."

The Woman From Hope

Watkins Heads \$40 Billion Nutrition Program

By JUDITH HAVEMANN
Washington Post Staff Writer

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The Washington Post

TUESDAY, AUGUST 10, 1999

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The Washington Post

TUESDAY, AUGUST 10, 1999

8-16-99

THE WHITE HOUSE
WASHINGTON

August 13, 1999

MR. PRESIDENT:

Attached is Secretary Richardson's memo on power outages that he mentioned to you at the last Cabinet meeting. *Your advisors asked DOE to submit this revised version of an August 5 memo on the same subject.*

Richardson believes that more needs to be done to alleviate the public's fears about electric supply reliability during heat waves and proposes that you (1) issue a directive to DOE to develop an Administration strategy for short-term alleviation of power outages, before the long-term benefits of electricity restructuring area realized; (2) implement emergency measures to reduce energy consumption when needed by local utilities (in addition to your recent EO on reducing overall energy consumption) and form an interagency task force; and (3) call on Congress to increase funding for energy efficiency.

OMB urges caution with respect to Richardson's recommendation to issue a directive (item 1, above) because it could harm the Administration's electricity restructuring efforts (*i.e.*, Congress could conclude that you believe reduced reliability is tied to restructuring and that you are second-guessing your own electricity restructuring plan). OMB supports, however, Richardson's proposal to develop emergency energy consumption-reducing measures.

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The Secretary of Energy

Washington, DC 20585

August 13, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM:

BILL RICHARDSON

BR

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SUBJECT:

Proposed Action Plan to Address Power Outages

The heat wave that gripped the eastern two-thirds of the Nation during July put enormous strains on many electric utility systems. Utilities cut-off power to industrial customers, reduced voltage and made urgent appeals to their customers to reduce their electricity consumption. While major system-wide outages were narrowly avoided, some utilities were forced to impose rolling blackouts. In addition, the stress on distribution cables and transformers caused power outages in a number of cities and localities.

On July 19, 1999, I announced a Department of Energy initiative designed to reduce the prospects for future weather-related power outages. However, more needs to be done to alleviate the public's fears about the reliability of their electricity supply when the thermostat rises. Your leadership in the following endeavors would be helpful.

- **Presidential Directive** – We expect heat-related power outages to continue to be a problem in the short-term. Electricity consumption continues to set records while supply has remained stagnant. Although the situation should improve when Congress and the States enact electric restructuring legislation to establish the rules of the road which are necessary to attract new capital investment, changes in the way we generate, transmit and consume electricity are needed to alleviate this situation now. You should direct the Department of Energy to develop an Administration strategy to address these changes.



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- **Leading by Example** – The Federal Government, which is the largest electricity consumer in the country, is making progress in reducing our consumption. Your recent Executive Order directing agencies to further reduce energy use will have a substantial beneficial impact. However, we do not have a formal agency-wide process for undertaking emergency measures to reduce electricity consumption in Federal buildings and facilities when utilities make urgent appeals for customers to cut back on usage.  You should direct each Agency to implement emergency measures when conditions warrant and form an interagency task force led by the Department of Energy and the General Services Administration to develop a comprehensive plan so that we can lead by example.
- **Funding for Existing Programs** – Through the Administration's climate change initiative and other programs, we are engaged in a variety of activities designed to improve efficiency in the ways we generate, transmit and consume electricity in a manner that helps to grow the economy and protect the environment. Unfortunately, Congress has failed to fund these programs at the levels you have requested. You should call on Congress to increase funding for them as a means of reducing the burden on our power supply system.

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Washington, DC 20585

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