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Monday, September 20, 1999

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COLLECTION:

Clinton Presidential Records
Staff Secretary
Sean Maloney (Chron File (Sept 99))
OA/Box Number: 14867

FOLDER TITLE:

Monday, September 20, 1999

2016-0970-F
rs3009

RESTRICTION CODES

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

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

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]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
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]

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RR. Document will be reviewed upon request.

THE WHITE HOUSE
WASHINGTON

DATE: September 20, 1999

NOTE FOR: **Barry R. McCaffrey**

The President has reviewed the attached, and it is forwarded to you
for your:

Information ☒

Action ☐

Thank you.

cc:

Sean-
OK to dispatch?
~~NO~~
NO
~~keep a copy of~~
~~the note for chron~~
NECESSARY

PHOTOCOPY
PRESERVATION

Sean-
OK to dispatch?

~~NO~~

Not

~~Do keep a copy of
the note for chron~~

NECESSARY

THE WHITE HOUSE
WASHINGTON

DATE: September 20, 1999

NOTE FOR: **Barry R. McCaffrey**

The President has reviewed the attached, and it is forwarded to you for your:

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

The Honorable Barry R. McCaffrey
Director
Office of National Drug Control Policy
750 17th Street, N.W.
Washington, D.C.



9-20-99
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

Personal

September 13, 1999

'99 SEP 14 PM 4:49

Dear Mr. President:

We have gained interagency consensus on the attached National Counterdrug Intelligence Coordination chapter of the General Counterdrug Intelligence Plan (GCIP). This is an important milestone in the counterdrug intelligence architecture review as it establishes a structure for future counterdrug intelligence policy coordination.

In the next few days, I will forward the attached chapter to key congressional members as a progress report. This notification will demonstrate that we have gained interagency agreement to this crucial GCIP chapter and that the entire GCIP should be forwarded to you for signature and transmittal to Congress this fall. To that end, our interagency working team has reconvened and is preparing the remainder of the GCIP for formal interagency coordination, which will begin September 20 and should be completed in November.

This progress has been achieved through a widespread interagency consensus that the national coordination construct we have agreed on and the GCIP have the potential to substantially improve the counterdrug intelligence system. Thank you for your continued personal leadership.

Very respectfully,

Barry R. McCaffrey
Director

copy d
mccaffrey
Podesta
WSC

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

August 19, 1999

SECTION A. NATIONAL COUNTERDRUG INTELLIGENCE COORDINATION

//NOTE: The following is included to provide necessary information describing the overall framework in which the CDX will function. It is expected this general introductory information will move elsewhere in the GCIP document once the CDX section is endorsed.//

When completed, the General Counterdrug Intelligence Plan (GCIP) will reflect the collective agreement of the Director of National Drug Control Policy (hereafter termed "Director of ONDCP"), the Attorney General, the Secretary of the Treasury, the Director of Central Intelligence, the Secretary of Defense, the Secretary of State, and the Secretary of Transportation on the need to systematize and clarify U.S. counterdrug intelligence and information programs. The goal is to establish a counterdrug intelligence framework that both supports operators in the field and responds to policy makers as they formulate counterdrug policy, generate tasking and requirements, and make resource decisions.

The Director of ONDCP, acting on behalf of the President, continues to play the lead role for the United States Government in formulating drug control policy and developing the national drug control strategy. He has responsibility for providing oversight and policy guidance to the respective departments and agencies that make up the Federal counterdrug community. Under the new drug intelligence architecture, he will monitor progress in the implementation of the GCIP and promote resolution of drug intelligence policy issues. The GCIP, in turn, provides a means for the law enforcement community and the Intelligence Community, responsive to the national drug policy prescribed by the Director of ONDCP, to resolve drug intelligence issues and to aid National Drug Control Program Agencies in satisfying performance measures of effectiveness.

The GCIP will also strengthen the overall process to provide operators and investigators with timely, relevant and actionable drug-related information and intelligence necessary to disrupt and dismantle illicit drug trafficking infrastructures, and organizations. It will do these things by creating and implementing effective interfaces between domestic and foreign intelligence, as well as between the law enforcement community and Intelligence Community agencies, that are consistent with law.

I. PURPOSE. The coordinating structure for carrying out the functions and for implementing the recommendations contained in the forthcoming GCIP is set forth below. This structure is intended to maximize timely information sharing, intelligence exchange, and operational coordination -- fully within statutory limitations -- among the policy making, military, law

enforcement, and Intelligence Community components that collectively make up our national counterdrug intelligence architecture. The new architecture will build on the important progress that has been made over the past decade, and provide a framework that promotes even further counterdrug intelligence coordination and information flow, at the Federal, State and Local levels, into the 21st Century.

II. THE PRESIDENT'S COUNCIL ON COUNTER-NARCOTICS. The Council, originally established by Presidential Executive Order, was given statutory authorization under section 709 of the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1708). With the Director of ONDCP serving as Executive Director, this cabinet-level Council advises and assists the President in providing direction and oversight for the National Drug Control Strategy, and in ensuring coordination among departments and agencies of the Federal Government concerning implementation of the National Drug Control Strategy. Consistent with those responsibilities, the Council shall serve as the preeminent body for providing oversight on all issues relating to drug intelligence policy. There is established within the Council a 6-member body (the Attorney General, the Director of Central Intelligence, the Director of ONDCP, the Secretary of the Treasury, the Secretary of Defense, and the Secretary of Transportation) known as the Counterdrug Intelligence Executive Committee, whose purpose is to provide a focal point for all counterdrug intelligence policy issues within the PCCN. Other PCCN members may attend meetings of this Executive Committee as appropriate to the issues under consideration. Through existing counternarcotics fora noted in section III, and subordinate bodies prescribed in sections IV and V below, the Council will monitor implementation of the GCIP, and, more particularly, it will oversee the development and dissemination of law enforcement and intelligence requirements to meet the goals and objectives of the National Drug Control Strategy.

III. COUNTERNARCOTICS INTERAGENCY POLICY AND PROGRAM

COORDINATION. The interdepartmental bodies listed below meet to identify and coordinate counterdrug issues. Each focuses on a distinct area of the counterdrug arena, described below, and may provide input into the CICG or CDX, as appropriate. While the CN-IWG deals exclusively with policy guidance issues, the remaining entities deal primarily with operational and programmatic issues:

- a. the Counter Narcotics Interagency Working Group (CN-IWG), chaired by ONDCP, is the principal interagency, senior working-level forum for coordinating policy guidance related to counterdrug issues. As described below, it is also a principal forum for identifying counterdrug intelligence-related requirements and taskings that may cross jurisdictional lines or involve multiple components

- within the Federal law enforcement community and the Intelligence Community;
- b. the Southern Frontiers Committee, which is chaired by the Attorney General and provides operational focus and direction to law enforcement organizations;
 - c. The Interdiction Committee (TIC), which is currently chaired by the Commissioner, US Customs Service, provides advice to the US Interdiction Coordinator in support of his role to oversee the adequacy and optimum use of Federal interdiction assets. Additionally, the TIC provides a forum for coordination and optimization of border interdiction and promotes seamless and effective integration of interdiction efforts in support of the National Drug Control Strategy;
 - d. the J-3/USIC Quarterly Counterdrug Conference, which is co-chaired by the DoD Joint Staff Director for Operations and the US Interdiction Coordinator and promotes coordination between military counterdrug support efforts and the needs of interdiction organizations; and,
 - e. the Committee on Narcotics Intelligence Issues (CNII), which is chaired by the Director, DCI Crime and Narcotics Center and promotes counterdrug coordination within the Intelligence Community.

Whenever these or other Federal counterdrug-related interagency committees and working groups identify counterdrug intelligence-related issues, requirements or taskings that are cross jurisdictional¹, such matters may be referred to the Counterdrug Intelligence Coordinating Group (CICG) described in Section IV for attention and necessary action. Matters that cannot be resolved by the CICG will be referred to the Council.

IV. COUNTERDRUG INTELLIGENCE COORDINATING GROUP

a. **ESTABLISHMENT.** There is established under the Council an interagency group known as the Counterdrug Intelligence Coordinating Group or CICG.

b. **MEMBERSHIP**

(1) **COMPOSITION.** The CICG shall be composed of 13 members, of whom

- (a) 1 shall be designated by the DCI;
- (b) 1 shall be designated by the Attorney General;

¹ As used here and elsewhere in the GCIP, the term "cross-jurisdictional" refers to counterdrug intelligence issues that affect or involve both the law enforcement community and the Intelligence Community, or, within the law enforcement community, affect or involve more than one department, or that affect both the U.S. Government and State and/or Local officials.

- (c) 1 shall be designated by the Secretary of the Treasury;
- (d) 1 shall be designated by the Secretary of Transportation;
- (e) 1 shall be designated by the Director of ONDCP;
- (f) 1 shall be designated by the Secretary of Defense;
- (g) 1 shall be designated by the Secretary of State;
- (h) 1 shall be designated by the Assistant to the President for National Security Affairs;
- (i) 1 shall be designated by the Administrator of the Drug Enforcement Administration;
- (j) 1 shall be designated by the Director of the Federal Bureau of Investigation;
- (k) 1 shall be designated by the Commissioner of the United States Customs Service;
- (l) 1 shall be designated by the Commissioner of the Internal Revenue Service; and,
- (m) 1 shall be designated by the Commandant of the United States Coast Guard.

(2) **LEADERSHIP.** The CICG shall be led by co-chairs from the Intelligence Community and from the Federal law enforcement community. The Intelligence Community co-chair will be the member designated by the DCI. The law enforcement co-chair will be designated from among other members of the CICG by mutual agreement of the Attorney General, the Secretary of the Treasury, and the Secretary of Transportation. Co-chair designations will be made in consultation with the Director of ONDCP.

(3) **OTHER ATTENDEES.** With the concurrence of the co-chairs, individual members may invite other officials, representing the major counterdrug intelligence centers and components of the participating agencies and departments, to attend meetings or participate in CICG deliberations as appropriate to the issues under consideration. In particular, the Deputy Director for State and Local Affairs/ONDCP may attend meetings of the CICG to discuss counterdrug intelligence issues that concern State and Local officials. With the concurrence of the co-chairs, said Deputy Director may invite no more than two State and/or Local law enforcement representatives to attend appropriate CICG deliberations.

c. **FUNCTIONS.** The CICG, in support of the Council or its individual members, will among other things:

(1) ensure coordination among departments and agencies of the Federal Government responsible for conducting intelligence programs that support the National Drug Control Strategy.

(2) receive policy guidance and taskings from the Council; additional issues for CICG consideration may be received from other fora as described in Section III or may be raised by individual members of the CICG. The CICG will refer to the Council those issues that it cannot resolve.

(3) receive, endorse, and forward to appropriate entities domestic and foreign drug intelligence tasking and requirements in support of national counternarcotics policy makers.

(4) provide a forum to resolve or refer for adjudication those cross-jurisdictional counter drug intelligence issues that cannot be resolved at a lower level.

(5) study and advocate enhancements to promote the effectiveness and efficiency of both foreign and domestic counterdrug programs and activities, including the adequacy of intelligence services.

(6) commission national and regional drug threat assessments and studies as requested by senior policy-makers.

(7) promote improvements to counterdrug intelligence centers and activities to strengthen mission focus, reduce functional overlap, and promote joint analytical products.

(8) assume the functions heretofore performed by the National Drug Intelligence Center (NDIC) Executive Advisory Board, the NDIC Intelligence Priorities Board; and, the El Paso Intelligence Center (EPIC) Advisory Board.

(9) use the Counterdrug Intelligence Executive Secretariat (CDX, described in Section V) to carry out the functions of the CIGC under this section and other taskings as appropriate; and,

(10) submit a semi-annual written report concerning drug intelligence issues and recommendations to the Council.

d. **AUTHORITY.** The CIGC derives its ability to resolve issues through the authorities and prerogatives of its respective members.

V. COUNTERDRUG INTELLIGENCE EXECUTIVE SECRETARIAT

a. **ESTABLISHMENT.** In order to improve the overall effectiveness of counterdrug intelligence, there is established a full-time interagency staff known as the Counterdrug Intelligence Executive Secretariat, or CDX, which shall operate directly under the CIGC.

b. CDX DIRECTOR AND CDX DEPUTY DIRECTOR.

(1) **CDX DIRECTOR.** There shall be a CDX Director, who will be responsible for carrying out the functions of the CDX. The CDX Director shall be designated by mutual agreement among the Attorney General, Secretary of the Treasury, and the Secretary of Transportation, in consultation with the Director of ONDCP, for a renewable term of two years. The CDX Director will fill an SES position.

(2) **CDX DEPUTY DIRECTOR.** There shall be a CDX Deputy Director who will assist the CDX Director in carrying out the functions of the CDX. The CDX Deputy Director shall be designated by the DCI, in consultation with the Director of ONDCP, for a renewable term of two years. The CDX Deputy Director shall fill an SES or SIS position.

c. CDX STAFF. The CDX staff shall be initially composed of approximately 30 personnel, selected by the CDX Director from departmental nominees, on two- to three-year details, and such additional detailees as needed to fill an executive officer, legal advisor, and other administrative support positions. Within one year, and annually thereafter, the CICG will review CDX staffing to decide if CDX needs a mix of detailees and permanent appropriated staff positions. The CDX staff shall be organized to address:

- (1) foreign drug information and intelligence;
- (2) domestic drug information and intelligence;
- (3) information systems and technology; and
- (4) analyst education and training.

d. FUNCTIONS. The CDX shall primarily provide staff support to the CICG, and shall act for the CICG as appropriate, in monitoring the implementation of the GCIP; coordinating the implementation of multi-agency cross-jurisdictional counterdrug intelligence taskings and requirements levied by or through the CICG; and, promoting resolution of cross-jurisdictional counterdrug intelligence-related issues. In so doing, the CDX shall, among other things:

(1) promote stronger information flow, information sharing, and fusion relationships among Federal, State and Local agencies, between domestic law enforcement agencies and the Intelligence Community, and with foreign nations or international organizations;

(2) promote development of technology standards and inter-operable information systems, and monitor implementation of and report on information technology and communications plans;

(3) promote improved drug intelligence education, training and career professionalization throughout the intelligence and law enforcement communities;

(4) receive cross-jurisdictional counterdrug intelligence issues from multiple sources, review and analyze the issues, and prepare appropriate staff studies with recommendations for resolution;

(5) promote improved mechanisms for counterdrug intelligence exchange with foreign nations and international organizations;

(6) attempt to resolve issues and disputes at the lowest practical organizational level; and,

(7) draft reports and recommendations as appropriate, including a semi-annual, written report addressing issues raised and recommendations made over the past six months, to the CICG for review and submission to the Council.

Recommendations by the CDX shall take care to protect and preserve the safeguards between domestic law enforcement and the Intelligence Community, shall be advisory and non-binding, and may be formally and informally disputed by the applicable departments or agencies.

e. ADMINISTRATION.

(1) EVALUATIONS. The co-Chairs of the CICG shall evaluate the annual performance of the CDX Director and CDX Deputy Director. Other CDX personnel shall be evaluated within the CDX. Evaluations shall be provided to the detailing agencies.

(2) COOPERATION FROM OTHER AGENCIES. The CDX will receive from each department and agency of the executive branch:

(a) access to the information it requires to fulfill its mission, with applicable safeguards for protection of sources and methods;

(b) cooperation in carrying out the functions of the CDX; and

(c) such assistance, information, and advice as the CDX may request, to the extent permitted by law.

(3) SUPPORT AND PLACEMENT. CDX will be administratively supported by the Department of Justice, housed in Justice-owned or leased non-headquarters space in the Washington metropolitan area, and funded by ONDCP as prescribed below. ONDCP will arrange through OPM and OMB for SES and SIS billets for CDX.

f. FUNDING. The CDX shall be funded as a line item through the ONDCP budget per fund availability. These funds shall be used to reimburse the Justice Department for expenses associated with CICG and CDX operating, travel, administrative, supply, security, and support services, and those agencies that provide administrative support detailees or services. Additionally, these funds may be used to reimburse departments and agencies from which other detailees are assigned.

g. NOTE. The functions and responsibilities of the CDX will not derogate or supersede the statutory roles, responsibilities, or authorities of participating Executive Departments and Agencies.

(E) **Echaveste memo on Chinese detained in Ullin, IL** – In response to your question about whether there's anything that could be done for the 88 Chinese migrants being detained in a maximum security jail in Illinois, Maria forwards information from the INS on their status: 10 have been released to the care of immediate family; 25 are in shelters; 54 remain in custody and will be granted changes of venue to cities closer to their legal representatives – their parole requests are being considered on a case-by-case basis.

(F) **Letter from Barry McCaffrey re: General Counterdrug Intelligence Plan (GCIP)** – Barry reports that interagency consensus has been reached on the National Counterdrug Intelligence Coordination chapter of the GCIP, establishing a structure for future counterdrug intelligence policy coordination. He plans to forward the chapter to key congressional members as a progress report. The interagency working team is preparing the remainder of the GCIP and expects it to be complete in November. *A copy of the chapter is attached.*

(G) **Memo from Harris Wofford on America's Promise** – Wofford reports on General Powell's recent approach to the National Service Corporation, seeking a closer alliance between America's Promise and the Corporation, and expressing an interest in receiving a small amount of appropriated funds to support America's Promise's basic operations -- a departure from their original approach of seeking only private funding. Wofford sees potential benefits for the Corporation and Americorps as well as for America's Promise, and recommends that you include an additional \$7.5 million in your FY '00 budget for the Corporation to support America's Promise. (The Points of Light Foundation receives appropriated funds through the Corporation; Wofford recommends increasing this year's \$5.5 million request for Points of Light to \$7.5 million to establish parity with America's Promise). *We have forwarded Wofford's memo to Jack Lew and Bruce Reed for their review.*

(H) **Ballentine memo on Natural Capitalism** – Roger thanks you for the loan of Amory Lovin's book and returns it with key passages underlined, as you requested. Lovin highlights the fundamentally new pattern of scarcity we face today: the scarcity of natural capital (e.g. green space, clean water). For the first time, this scarcity of natural resources is a potential barrier to sustained, global economic growth; natural capitalism is a construct designed to respond to this new pattern of scarcity. Overall, Roger believes that you and the Vice President are already promoting the central lesson of the book: that economic and environmental issues are one and the same and that rational economic principles demand that we grow the economy while cleaning up the environment.

(I) **Ucelli memo with Clinton-Gore Accomplishments** – Loretta forwards an updated list of

Do not reply

9.20.99
VSC
To ~~Burkhardt~~
for Reply


note for POTUS Thanking
him for Holocaust Survivors
Program from volunteer
in Presidential Messages,
SELMA COHEN.



Clinton

1 SEP 20 PM 5:59

September 9, 1999

Dear President Clinton,

Back in December, 1998 I wrote to you as a White House Volunteer and the wife of a World War II Veteran-Pow regarding the Holocaust Survivors Program. Your response (Dec. 18) of support was very much appreciated. Thank you.

Now I would ^{also} like to thank you for seeing this effort through to its successful conclusion. Those surviving veterans and their families now have much needed closure to this matter...



as well as receipt of a helpful financial settlement.

Many people in your administration have given high level support towards this conclusion: Janet Reno, Sandy Berger, Madeleine Albright, Stuart Eizenstat and I'm sure many whose names I do not know. There were also members of Congress who spoke up in behalf of their constituents. We thank them all!

With Appreciation,
Selma Cohen
(Mrs. Stanley B. Cohen)

① Podesta
(want to do this)

② cc 200

1. cc Sean
Stephanie
John P
2. Potus

September 16, 1999

Memorandum to the President

From: Al From

9-20-99

Subject: First Ever On-line, Video Town Meeting

The purpose of this memorandum is to urge you to agree to participate at a date of your choosing this fall in the first ever on-line town meeting, with voice and video, on New Democrat-Third Way innovations.

This event that the DLC would sponsor in partnership with Excite@Home, a major internet portal with 38 million registered users, could attract an audience and be an incredible shot in the arm to our efforts to brand Third Way politics as Democratic and to build your legacy as a Third Way-New Democrat reformer who modernized progressive politics in this country and throughout the world.

copied
Podesta
Streets
Blumenthal

This event would take about an hour of your time one evening - and I believe because of its novelty it would get enormous press attention in addition to the huge participating audience.

Earlier in the summer, John Podesta and I met with much of your senior White House staff to develop a strategy for securing your legacy as a Third Way reformer. Out of that meeting Sid and I put together a number of specific events to carry out that strategy. We thought an on-line town meeting, with voice and video, would be a terrific way to involve many more of the next generation of New Democrat state and local leaders in the kind of discussions we began at our April 25 Third Way event with world leaders and continued at DLC's National Conversation in July in Baltimore.

When we first came up with the idea, we were not sure we could pull it off. But Excite@Home has agreed to do and pay for all the technical arrangements and to promote the event heavily. We will have complete control over the content. If you agree, it's a go.

The attached memo to me from my staff who negotiated the deal with Excite@Home explains in detail how the event would work. The essentials are this: you and a panel of 10 state and local officials and community leaders (who would be in their home communities) would participate in a voice chat that would be telecast over the internet. Another 15,000 participants could ask questions that we would screen. Millions of people could watch the event live or as an archived event over the internet.

Specifically, what we need from you is an hour of your time, preferably between 7 p.m. and 8 p.m. one evening in early or mid-November. The more lead time we can get the better, so that we can promote the event and build the audience.

I think this would be a spectacular and novel way to promote the Third Way and our ownership of it. I hope you will agree to do it.

Memorandum

To: Al
From: Holly, Amy
Re: Presidential On-line Town Hall Meeting
Date: Sept. 12, 1999

Description of the Event

The Democratic Leadership Council proposes an on-line town hall meeting, featuring President Clinton, state and local New Democrat leaders from around the country, national business and community leaders, and an audience that could reach the hundreds of thousands. The town hall meeting—the first ever of its kind—would be different from standard online “chats” because it would employ the latest audio and video capabilities. The event is to be jointly sponsored by the DLC and Excite@Home, a major Internet portal with 38 million registered users.

Building from the successful model used in two previous DLC events, the Third Way event in March and the National Conversation in July, the centerpiece of the town meeting would be an exchange between President Clinton and state and local reformers who are implementing Third Way policies in their own communities. The idea would be to put Third Way values and ideas in a tangible form by highlighting the results of Third Way policies at the state and local level.

We believe this event would get enormous attention and tap into a new on-line audience that extends beyond the Beltway. As part of the DLC's agreement with Excite, Excite would promote the event heavily for 30 days in advance, and continue to promote it for another month after the event actually takes place. As follow-up to the event, the panelists and/or other elected officials could participate in additional chats on Excite following the event to discuss various topics in greater detail.

In a brainstorming session with Excite, we proposed the topic: “Activist Government in the 21st Century—A Third Way.” While we are not committed to this specific idea, something in this vein is critical to help us deliver the message of the Third Way to a new audience.

Logistics

The event will consist of a live video feed of the President and ten key participants—a panel of New Democrat elected officials, community leaders, and entrepreneurs—who will participate in a Voice Chat.

Voice Chat technology allows participants to engage in a type of online conference call with crystal clear delivery. Online audience members will see the President Voice Chatting and hear the content of his conversation via an audio and video broadcast. Simultaneously, the panelists will be seen via web cam from their respective locations participating in the chat.

The event will be broadcast to an Excite Chat Auditorium where 15,000 people can watch, listen and submit questions to the President and the panel. (Questions will be screened by Excite, DLC, and White House staff.) In addition, an unlimited number of people from around the world can watch the event live or view it as an archived event on the DLC and Excite web sites at a later date.

The ten direct participants will be linked to the event by standard technology (basically a laptop with audio/video capacity) and can be located anywhere. The President's options are a bit more limited because we will have to set up live broadcast capability prior to the event. Excite has agreed to provide all the technology and technological support for the event, including broadcast equipment for the President and laptops for the panel.

Chats of this nature usually last for one hour and are best attended during prime time—the 7pm to 8pm time slots. The President would kick off the event with framing remarks, then turn to each of the panelists for a short presentation of what's working in their community. The last 15 - 20 minutes could be spent taking questions from the audience.

The Specific Request from the White House:

- * One hour of the President's time during "prime time" 7 - 8 p.m. EST
- * A date in mid November (anytime the week of the 8th or 15th)
- * As much advance notice as possible (obviously the more time we have the greater our opportunity to promote the event)

Goals

We believe this event would achieve three objectives. First, the online discussion would promote a better understanding of the Third Way and illustrate Third Way policies affecting the lives of American citizens. Second, a meeting of this kind would allow us to drive home the point that the Third Way is the politics of the Information Age. Partnering with Excite, a major Internet portal, gives us the opportunity to utilize cutting-edge technology and tap into a highly desirable audience who use the Internet on a daily basis. Finally, this event would identify and brand the Third Way with the Democratic Party, the New Democrats, and the DLC with President Clinton at its helm.



**THE DLC HAS MOVED - OUR NEW ADDRESS IS:
600 PENNSYLVANIA AVE., SE, WASHINGTON, DC, 20003**

FAX TRANSMITTAL SHEET

Pages (including cover): 4

Phone: _____

Fax: _____

To: NANCY HERNREICH

From: AL FROM

Comments: PLEASE CALL JENIFER CAULMAN
AT (202) 608-1205 IF YOU HAVE ANY
QUESTIONS - THANK YOU

**IF THERE ARE ANY PROBLEMS WITH THIS TRANSMISSION,
PLEASE CALL (202) 546-0007. THANK YOU.**



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

SEP 17 1999

MEMORANDUM FOR JOHN PODESTA

FROM: William M. Daley *WR*
SUBJECT: President's Export Council

99 SEP 20 PM1:22

In a September 8 conference call with Michael Armstrong, Chairman of the President's Export Council (PEC), and others, Mr. Armstrong again expressed concern that the PEC has not received substantive responses to various letters it has sent to the White House. These letters have detailed the PEC's concerns on a number of important issues, including sanctions reform.

As you know, the PEC provides invaluable guidance to the Administration on a range of critical international trade issues. Since its formation, the PEC has worked to maintain close ties with Commerce, the White House, and other key parts of the Administration. I am sure you share my view that a strong working relationship between the PEC and senior Administration officials can play a key role in strengthening U.S. trade policy to the benefit of U.S. companies and workers.

Additionally, as a further means to re-engage the PEC — something we need to do as we approach a number of significant trade-related events in the coming months, such as the Seattle Ministerial -- I suggest that the President send the attached letter to Mr. Armstrong, emphasizing the value of the PEC. The proposed letter (already vetted interagency) contains a brief response to the PEC's input on sanctions.

If you agree with this recommendation, I hope you will be able to arrange for the President to sign the letter. I look forward to hearing your thoughts about this important issue.

Attachment

9-20-99

DAN B-

LET'S
DISCUSS
ASAP

[Signature]

*See
Please follow up
I get this
letter out
Thanks
John*



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

SEP 17 1999

MEMORANDUM FOR JOHN PODESTA

FROM: William M. Daley *WR*
SUBJECT: President's Export Council

'99 SEP 20 PM1:22

In a September 8 conference call with Michael Armstrong, Chairman of the President's Export Council (PEC), and others, Mr. Armstrong again expressed concern that the PEC has not received substantive responses to various letters it has sent to the White House. These letters have detailed the PEC's concerns on a number of important issues, including sanctions reform.

As you know, the PEC provides invaluable guidance to the Administration on a range of critical international trade issues. Since its formation, the PEC has worked to maintain close ties with Commerce, the White House, and other key parts of the Administration. I am sure you share my view that a strong working relationship between the PEC and senior Administration officials can play a key role in strengthening U.S. trade policy to the benefit of U.S. companies and workers.

Additionally, as a further means to re-engage the PEC — something we need to do as we approach a number of significant trade-related events in the coming months, such as the Seattle Ministerial -- I suggest that the President send the attached letter to Mr. Armstrong, emphasizing the value of the PEC. The proposed letter (already vetted interagency) contains a brief response to the PEC's input on sanctions.

If you agree with this recommendation, I hope you will be able to arrange for the President to sign the letter. I look forward to hearing your thoughts about this important issue.

Attachment

*Saw
Please follow up
I get this
letter out
Thanks
John*

Draft Letter for the President's Signature

Mr. C. Michael Armstrong
Chairman
President's Export Council
Washington, D.C. 20230

Dear Mr. Armstrong:

Thank you for the President's Export Council's input on economic sanctions and legislation being considered by the Congress, as well as on so many other issues important to our trade and commercial policies. The PEC's extensive 1997 sanctions report was an important step in directing attention toward this critically important issue.

Building on the work of the PEC, my Administration has sought agreement with Congress on the outlines of an appropriate package for sanctions reform. Our goal is to make the sanctions process more disciplined and more cognizant of the domestic economic effect of imposing unilateral sanctions. There has been progress, but much remains to be done.

I appreciate the PEC's suggestion that we move ahead with our proposed Executive Branch reforms without waiting for legislation. Action by the Executive Branch may provide further encouragement for Congressional action, and it is certainly a suggestion I will consider carefully.

In that regard, however, I note that I already took a major unilateral step toward sanctions reform on April 28, when I announced that the United States would exempt commercial sales of agricultural commodities and products, as well as medicine and medical products, from future sanctions regimes. In addition, the Administration will extend this policy to existing economic

sanctions programs by modifying licensing policies for currently embargoed countries to permit case-by-case review of specific proposals. We are implementing this change as part of our overall sanctions reform program.

Further reform, however, is needed. I look forward to working closely with you and the PEC on reforming sanctions to make them a more effective tool of U.S. foreign policy, and on developing policies that benefit U.S. companies and workers.

I am grateful for your continued support of the Administration's work and for your efforts in leading the PEC.

Sincerely,



**UNITED STATES DEPARTMENT OF COMMERCE
EXECUTIVE SECRETARIAT
OFFICE OF THE SECRETARY**

DATE:

9/17

TO:

John Peltola's office:

ORGANIZATION:

TELEPHONE NUMBER:

FAX NUMBER:

456-1907

FROM:

Cynthia in Secretary Dale's Office

Room 5516, 14th & Constitution Avenue, N.W.

Washington, D.C. 20230

Telephone Number: 202/482-3934 Fax Number: 202/482-4576

NUMBER OF PAGES TO FOLLOW:

3

MESSAGE:

Will be sending the original on Monday.

Recommended Phone Call
to Pastor Al Meredith
re shooting at his
church in Ft. Worth, TX

to be made 9-17-99

9-20-99

'99 SEP 17 PM 4:39

THE WHITE HOUSE

WASHINGTON

September 17, 1999

RECOMMENDED TELEPHONE CALL

copied
Cahill
Podesta

TO: Pastor Al Meredith
817-292-1400

Date: September 17, 1999.

RECOMMENDED BY: Mary Beth Cahill, Assistant to the President, Director of OPL *MP*

PURPOSE: To express your condolences over the shooting at his church,
Wedgwood Baptist, in Ft. Worth

BACKGROUND: On Wednesday, emotionally disturbed Larry Ashbrook opened fire at Wedgwood Baptist Church during a youth service. Seven people were killed – four teens, two Baptist seminary students, and a seminary graduate. Seven people were injured - four students, two seminary students, and one other adult. Wedgwood pastor Al Meredith said Thursday that he hopes to go forward with Sunday services as well as a memorial service.

Some conservatives are calling this an example of growing anti-Christian bias, while more liberal leaders point to the problems of mental illness as well as the accessibility of guns. We do not know Pastor Meredith's views on these issues.

TOPICS OF DISCUSSION:

- ☐ Express your regret at the loss of life and those injured.
- ☐ Inquire about the medical condition of those injured – one is reported paralyzed.
- ☐ Ask about the families.
- ☐ State that the prayers of the First Family and the nation are with him, his church, and the Ft. Worth community.

STAFF CONTACT: Maureen Shea X62721

DATE OF SUBMISSION: September 17, 1999

ACTION: _____

Maureen 9-20-99
Potus wants him
invited to Religious
Leaders Breakfast.

Potus knows what
he wants to talk
about. *B*

Podesta/Sid/Sandy

1. OK / John Podesta
9/17/99 / ANDY BERGER
J. Sean Hannity
CZI

9-20-99

THE WHITE HOUSE
WASHINGTON

September 17, 1999

Z. Potus

MEMORANDUM FOR THE PRESIDENT

FROM: SIDNEY BLUMENTHAL

SUBJECT: THE FLORENCE CONFERENCE

I don't understand who
made this decision, esp. re
Kok who was elected before
all the rest of us, or why --
I don't understand what we
get out of keeping Barak
+ Cardoso
or Gutierrez
for goodness
sake or
the sake of
the American
people out --
But I am
especially
troubled
by Kok
Cardoso
Gutierrez --
+ I consider
this w/ Barak

Governance in the 21st Century," to be held in Florence on
veral significant, focused objectives:

international platform for you to discuss the achievements,
administration, surrounded by leaders who acknowledge your
olitics that now encompasses the globe.

Schroeder and, to a lesser degree, D'Alema. Schroeder is
is at the moment, and the conference, and especially your
courageous approach he has taken.

Jospin and the French center-left for the first time to speak
olitics. This will be a dramatic event because of his sharp
manifesto released about two months ago. You will be able to
ission, not only on the stage but in the broad stream of

and European counterparts, I was able to hammer out the
a that involves the expansion of the circle to include other
abrasion and jockeying. Wim Kok, who participated in the
ing invited to Florence. Nor are others who very much wish to
len, Klima of Austria and Barak of Israel. I have also been
iated with Ricardo Lagos, who will undoubtedly be elected the
who wishes to participate in the future, and by the chief of staff
ly one of these leaders who falls into this category and should

be included in future meetings but not the present one. To solve all disputes--the British arguing
for Kok, for example--the agreement reached at the Rome meeting was to stick to five for this
meeting and to expand the circle after Florence. If a new member is added to the group now, it
appears that at least four others will demand entrance. Explanations to the contrary will not seem
credible. And the event will become unwieldy, losing its potential impact as outlined. This is
also the feeling of the British. In a conversation today with Walter Veltroni, the Italian Deputy
Prime Minister and leader of the ruling Democratic party, he also feels that in order to retain
maximum impact at the conference and to get the effect of your presence, it should have the five

BC

Copied
Podesta
Blumenthal
Berger

I don't understand who
made this decision, esp. re
Kok who was elected before
all the rest of us, or why --
I don't understand what we
get out of keeping Barak
and Cardoso or Gutierrez
for goodness sake or
the Swede or the Austrian
even, out --
But I am especially troubled
by Kok, Cardoso, Gutierrez --
And I could use this
w/Barak

Roberta/Sil/Sandy

1. OK / John Podesta
9/17/99 / SANDY BERGER
SEAN MAWNEY
CZI

9-20-99

THE WHITE HOUSE
WASHINGTON

2. Potus

September 17, 1999

I don't understand who

MEMORANDUM FOR THE PRESIDENT

FROM: SIDNEY BLUMENTHAL

SUBJECT: THE FLORENCE CONFERENCE

Made this decision, up. N. Kok
who was there before all this of
us, or why - I don't understand
what we get out of keeping Bush
& Clinton

The conference on "Progressive Governance in the 21st Century," to be held in Florence on November 20-21, will achieve several significant, focused objectives:

1. It will provide an unparalleled international platform for you to discuss the achievements, larger goals and principles of the administration, surrounded by leaders who acknowledge your role in this brand of policy and politics that now encompasses the globe.
2. It will provide a forum to help Schroeder and, to a lesser degree, D'Alema. Schroeder is meeting his greatest political crisis at the moment, and the conference, and especially your presence, will bolster him and the courageous approach he has taken.
3. It will provide a public way for Jospin and the French center-left for the first time to speak positively and openly about our politics. This will be a dramatic event because of his sharp criticism of the Blair-Schroeder manifesto released about two months ago. You will be able to draw Jospin out and into the discussion, not only on the stage but in the broad stream of trans-Atlantic-European politics.

or Guterres
for goodness
sake on
the stage or
in the room
either out -
But I am
especially
troubled
by Kok
Cardoso
Guterres -
+ I consider
this up Bush

In the working group with British and European counterparts, I was able to hammer out the outlines of a post-Florence agenda that involves the expansion of the circle to include other countries. There was considerable abrasion and jockeying. Wim Kok, who participated in the Washington conference, is not being invited to Florence. Nor are others who very much wish to attend, including Persson of Sweden, Klima of Austria and Barak of Israel. I have also been approached by the Chileans associated with Ricardo Lagos, who will undoubtedly be elected the President of Chile in December, who wishes to participate in the future, and by the chief of staff to Zedillo. Cardoso of Brazil is only one of these leaders who falls into this category and should be included in future meetings but not the present one. To solve all disputes--the British arguing for Kok, for example--the agreement reached at the Rome meeting was to stick to five for this meeting and to expand the circle after Florence. If a new member is added to the group now, it appears that at least four others will demand entrance. Explanations to the contrary will not seem credible. And the event will become unwieldy, losing its potential impact as outlined. This is also the feeling of the British. In a conversation today with Walter Veltroni, the Italian Deputy Prime Minister and leader of the ruling Democratic party, he also feels that in order to retain maximum impact at the conference and to get the effect of your presence, it should have the five

Boz

leaders and expand at a subsequent meeting. The British propose a summit of many leaders in London in the spring.

It is my recommendation that the US approve the plan already in place for Florence, which will have a great effect politically, and to approve the expansion of the group for post-Florence, to be announced at the conference.

9-20-99

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE

FROM: SEAN MAJ
LISEL LOY

SUBJECT: Recent Info

... forwarding the foll

Tab B - copied page 1 of cover memo
and Tab B to Reed,
Potherham, VP, Joe Andrew,
CT Smith, Podesta, Burson

Tab E - copied page 2 of cover
memo and Tab E to
Echaveste, Podesta

F - copied page 2 of cover memo
and Tab F to McCaffrey,
Podesta, NSC

b G - copied page 2 of cover
memo and Tab G to
tofford, Reed, Podesta

b H - copied Ballentine, Podesta

b M - copied page 3 of cover
memo and Brain memo re
Rep. Tony Hall to Brain,

DEB —
PLEASE BLOCK
OUT TAB (D)
WHEN MAKING
COPIES

PA

from Democrats ar
how to help failing
Bush's approach a
over vouchers. Pl

(4) **NBAC report on stem cell research** — responding to your November 1998 charge to review issues associated with human stem cell research, the Commission submits its report, "Ethical Issues in Human Stem Cell Research." Among its 13 recommendations, NBAC concludes that federal sponsorship of research that involves the derivation and use of human embryonic stem (ES) cells and human embryonic germ (EG) cells should 1) be limited to two sources of these cells -- cadaveric fetal material and embryos remaining after infertility treatments; and, 2) be contingent on an open system of national oversight. The report is on file in our office; we have attached the executive summary.

9-20-99

(E) **Echaveste memo on Chinese detained in Ullin, IL** – In response to your question about whether there's anything that could be done for the 88 Chinese migrants being detained in a maximum security jail in Illinois, Maria forwards information from the INS on their status: 10 have been released to the care of immediate family; 25 are in shelters; 54 remain in custody and will be granted changes of venue to cities closer to their legal representatives – their parole requests are being considered on a case-by-case basis.

(F) **Letter from Barry McCaffrey re: General Counterdrug Intelligence Plan (GCIP)** – Barry reports that interagency consensus has been reached on the National Counterdrug Intelligence Coordination chapter of the GCIP, establishing a structure for future counterdrug intelligence policy coordination. He plans to forward the chapter to key congressional members as a progress report. The interagency working team is preparing the remainder of the GCIP and expects it to be complete in November. *A copy of the chapter is attached.*

(G) **Memo from Harris Wofford on America's Promise** – Wofford reports on General Powell's recent approach to the National Service Corporation, seeking a closer alliance between America's Promise and the Corporation, and expressing an interest in receiving a small amount of appropriated funds to support America's Promise's basic operations -- a departure from their original approach of seeking only private funding. Wofford sees potential benefits for the Corporation and Americorps as well as for America's Promise, and recommends that you include an additional \$7.5 million in your FY '00 budget for the Corporation to support America's Promise. (The Points of Light Foundation receives appropriated funds through the Corporation; Wofford recommends increasing this year's \$5.5 million request for Points of Light to \$7.5 million to establish parity with America's Promise). *We have forwarded Wofford's memo to Jack Lew and Bruce Reed for their review.*

(H) **Ballentine memo on Natural Capitalism** – Roger thanks you for the loan of Amory Lovin's book and returns it with key passages underlined, as you requested. Lovin highlights the fundamentally new pattern of scarcity we face today: the scarcity of natural capital (e.g. green space, clean water). For the first time, this scarcity of natural resources is a potential barrier to sustained, global economic growth; natural capitalism is a construct designed to respond to this new pattern of scarcity. Overall, Roger believes that you and the Vice President are already promoting the central lesson of the book: that economic and environmental issues are one and the same and that rational economic principles demand that we grow the economy while cleaning up the environment.

(I) **Ucelli memo with Clinton-Gore Accomplishments** – Loretta forwards an updated list of

your Administration's accomplishments.

(J)

Note and draft bill from Barney Frank (via Ann Lewis) – forwards photo of you receiving a hongi greeting in New Zealand; makes a joke about domestic partners and forwards draft legislation on the issue.

(K)

Neal Peirce article on Little Rock sprawl (via Podesta) – John forwards Peirce article on sprawl that he received from Keith Laughlin at CEQ (on your Livable Communities Task Force).

(L)

Glickman note forwarding cartoon – Dan forwards a farm policy cartoon he thought you'd enjoy; says "it seems that farm policy debates never really change."

(M)

Congressional correspondence (via Brain) – Chuck forwards letters from 1) **Rep. Tony Hall** (D-OH) thanking you for your remarks at Stanley Chesney's, praising your New Markets Initiative and expressing interest in joining you on a second trip; 2) **Rep. Jerry F. Costello** (D-IL) wishing you a happy birthday; 3) **Rep. John Conyers, Jr.** (D-MI), forwarding note from John Conyers, III, thanking you for the gift of the Ford Thunderbird; 4) **Rep. Amo Houghton**, (R-NY) thanking you for your birthday wishes.

*cc: Our Spelling
was shared with him*

'99 SEP 15 PM9:04

THE WHITE HOUSE
WASHINGTON

9-20-99

September 15, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES M. BRAIN *CMB*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your review is a letter from Rep. Tony P. Hall (D-OH), praising your New Markets Initiative and expressing interest in joining you on a second trip to highlight other pockets of poverty.

*Copied
Brain
Sperling
Podesta*

TONY P. HALL

THIRD DISTRICT, OHIO

COMMITTEES:

HOUSE COMMITTEE ON RULES

RANKING MINORITY MEMBER

SUBCOMMITTEE ON RULES AND
ORGANIZATION OF THE HOUSE

CHAIRMAN

DEMOCRATIC TASK FORCE ON HUNGER

1432 LONGWORTH HOUSE OFFICE
BUILDING
WASHINGTON, DC 20515-3503
(202) 225-6465

DISTRICT OFFICE:
501 FEDERAL BUILDING
200 WEST SECOND STREET
DAYTON, OH 45402
(937) 225-2843

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

314534

August 10, 1999

The President
The White House
Washington, DC 20500

Dear Mr. President:

It was good to be with you a couple of weeks ago at Stanley Chesley's house in Cincinnati. I very much appreciate your warm and kind comments to me privately and during your remarks after dinner.

I wanted to follow up on our conversation about your poverty tour. First of all, I commend you for drawing attention to issues that I care about very deeply. It would have been an honor to join you in launching your New Markets Initiative.

You mentioned that you are planning a second trip to highlight other pockets of poverty. I would very much like to accompany you on any future trip. I also feel that this would be an ideal opportunity for Vice President Gore to connect with voters on an important issue. Like your first tour, one involving the Vice President would attract a great deal of attention. It would also further contribute to ongoing efforts to address the poverty that persists during this otherwise prosperous time.

If I can be of any assistance to you and your staff as you plan this trip, please do not hesitate to call me. I look forward to working with you on this and further efforts, in Congress and otherwise, to address hunger and poverty throughout our nation. I commend your commitment to those Americans who have been left behind. Thank you.

Best wishes.

Sincerely,

Tony P. Hall
Member of Congress

TPH:mbf

your Administration's accomplishments.

(J)

Note and draft bill from Barney Frank (via Ann Lewis) – forwards photo of you receiving a hongi greeting in New Zealand; makes a joke about domestic partners and forwards draft legislation on the issue.

(K)

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cc: Our Spelling
Can Forward to him

THE WHITE HOUSE
WASHINGTON

9-20-99

September 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE

RE: *Natural Capitalism*

Copied
Ballentine
Podesta

'99 SEP 6 PM 4:00

Thank you for loaning me Amory Lovin's new book – *Natural Capitalism*. As you requested, I have highlighted some of the more provocative passages.

The authors make a number of points about how economic decisions should be made with a “whole system” view that includes the costs of and impacts on “natural capital”. We are entering for the first time in history a fundamentally new pattern of scarcity: the scarcity of natural capital (whether it be green space, species, clean water, clean air, or a hospitable climate). Never before has the barrier to sustained economic growth on a global scale been the scarcity of natural resources. Historically, our economic and industrial practices have developed in response to an inverse pattern of scarcity -- abundant natural resources and relatively few people. Natural capitalism is an economic construct meant to respond to this new pattern of scarcity through: radical resource productivity, loop-closing and the elimination of waste, moving toward a “service and flow” economy (where consumption of products is replaced by the more efficient provision of services to the consumer), and reinvestment in natural capital.

There are many implications and ideas for policy in this book, in the contexts of climate change, the Vice President's Livability Initiative and your Lands Legacy proposals. Fundamentally, however, I believe that you and the Vice President have already promoted the simplest and most profound lesson from this book: that economic and environmental issues are one and the same. Not only *can* we grow the economy while we clean up the environment and protect natural resources, rational economic principles *demand* it. Amory Lovins notes in the book Einstein's observation that “problems cannot be solved within the mindset that created them”. The “new environmentalism” of the Clinton-Gore Administration -- whereby economic, social and environmental priorities have been shown to be mutually reinforcing instead of in conflict – is a new mindset and is very much in line with the principles of “natural capitalism”.

cc: The Vice President
John Podesta
George Frampton

9-20-99

'99 SEP 8 PM 1:10

Copied
Reed
Podesta

September 7, 1999

MEMORANDUM TO THE PRESIDENT

From: Harris Wofford

Harris

Subject: America's Promise

From the time you asked me to take this job, my overriding objective has been to move national service to the center of the national agenda and to establish national service, and especially AmeriCorps, on the same non-partisan ground as the military and the Peace Corps. With your strong backing, we have made great progress, winning increasingly widespread approval and some notable new friends – in Congress, in the non-profit community, and in the corporate sector.

Our effort to reclaim the non-partisan foundation for national service has been powered by two central ideas. First, that national service must not stand apart from the non-profit sector, but rather work in tandem with it and be a resource for national and local non-profit organizations. Second, that the purpose of national service is not just to “get things done,” but to get things done that are vital to our future as a country. National service must be seen as – and see itself as – not only an end in itself, but also a key strategy for solving our most pressing problems.

Opportunity

A major new opportunity to advance this strategy has been presented recently. Specifically, based on the success of their partnership with the Corporation and especially AmeriCorps, General Powell and the leadership of America's Promise have approached the Corporation about the possibility of a closer alliance with the Corporation.

As you may know, America's Promise and General Powell have determined that the America's Promise effort is meeting with real success and that it should continue into the future. At the same time, the leadership at America's Promise has signaled that they would welcome a relatively small infusion of appropriated funds to support their basic operation. This marks a distinct departure from their original doctrine, which was to be entirely privately funded. However, the demands of fundraising and persistent questions about competition with other non-profits have caused General Powell and his colleagues to rethink that doctrine.



Further, a number of people, including high-ranking Members of Congress, have recommended that the best way for America's Promise to receive funding would be through the Corporation for National Service, just as the Points of Light Foundation now does. In discussions I have had with the leadership of America's Promise, including direct discussions with General Powell, the desire to forge a closer relationship with the Corporation and its programs is clear. (I attach for your information several of General Powell's recent public statements of support for AmeriCorps, including especially his comment in his presentation to the Governors at the recent NGA meeting in St. Louis.)

In addition to putting America's Promise on more solid footing, strengthening and formalizing our relationship with America's Promise has great benefits for the Corporation and AmeriCorps. The synergistic impact of the Presidents' Summit you convened in Philadelphia, the America's Promise effort led by General Powell, and the capacity of the national service programs – especially AmeriCorps – has already proved enormously valuable in states and communities across the country.

- In many cases, the impetus provided by the Presidents' Summit and the follow-up campaign has been a crucial entry point for AmeriCorps, and has increased our direct ties to Governors who have turned to their state service and volunteering commissions to organize state efforts to fulfill the Summit promises.
- The "on-the-ground" capacity of national service programs has been one of the most effective tools for delivering on the promises, which has been recognized by the leadership of America's Promise at both the national and local levels.
- Our commitment to and involvement with state and local Summits and follow-up activities has moved AmeriCorps to the center of the community response.
- The collaboration with America's Promise has sharpened AmeriCorps' focus on the needs of children and youth, and in turn that has helped sharpen public understanding of the benefits that AmeriCorps brings.
- AmeriCorps members' ability to deliver on the promises agreed upon in Philadelphia has brought AmeriCorps new prominence and acceptance in one community after another.
- The AmeriCorps Promise Fellows program you announced just over a year ago is already a major success, putting nearly 500 top-flight AmeriCorps members to work in states and communities specifically pursuing one or more of the goals of the Presidents' Summit. (General Powell's comments on the AmeriCorps Promise Fellows is included in the attachment.)

In short, teaming up with America's Promise fits our overall approach of great partnerships to achieve critical objectives. It shows AmeriCorps working in close alliance with a well-regarded national organization, taking a leading role on issues of great concern to people. Based on the record to date, the potential for an expanded partnership is a huge opportunity to showcase the success and significance of AmeriCorps.

The Proposal

AmeriCorps is funded through the VA-HUD appropriation. Your budget for the coming year includes a substantial increase to put AmeriCorps on a path to enrolling 100,000 members per year. As the negotiations move forward, I recommend that we include an additional \$7.5 million for the Corporation for the purpose of supporting America's Promise. As noted above, the Points of Light Foundation receives its appropriated funds through the Corporation. This year, the request for the Points of Light Foundation is \$5.5 million and I recommend that in negotiations with congressional leaders we seek \$7.5 million for the Points of Light Foundation as well to establish parity with America's Promise.

Needless to say this is an unorthodox request and recommendation, and the timing is difficult. However, the circumstances are exceptional and I believe this opportunity offers a quantum leap toward our objectives. With your enthusiastic backing, I am confident that we can obtain this support for America's Promise and that in doing so we will greatly enhance the future health and expansion of the Corporation for National Service and AmeriCorps.

General Colin Powell, Chairman, America's Promise Recent Statements on AmeriCorps and National Service

In Response to a Question from New Hampshire Governor Jeanne Shaheen on the House Failure to Fund AmeriCorps National Governors' Association Meeting, August 9, 1999

Well, I think the House made a big mistake, and I hope it will be corrected. I have now had two years of experience with AmeriCorps and they are doing a great job, and sometimes they are misunderstood. They are given a stipend for their work, but what they do in terms of leveraging other individuals to volunteer and how they facilitate people being allowed to come into the system and volunteer is really incredible. We have 500 AmeriCorps Promise Fellows working with America's Promise and I met three of them earlier here in St. Louis. So it is a tremendous investment in young people, a tremendous investment in the future, and I am a strong supporter of AmeriCorps. I think they have demonstrated their worth, they have paid their dues and they are worthy of the support I hope they will get from the Congress.

Op-Ed in the Jackson, MS *Clarion-Ledger* August 9, 1999

For some of our young people, preserving our democratic way of life means shouldering a rifle. . . . For a select group of young people called the AmeriCorps Promise Fellows, it means endowing those younger than themselves with the character and competence they need to lead successful lives. The AmeriCorps Promise Fellows are the latest idea to emerge from the partnership between the Corporation for National Service (AmeriCorps) and the crusade for young people, called America's Promise – The Alliance for Youth, I am leading. . . . The AmeriCorps Promise Fellows will serve as full-time leaders who can mobilize volunteer efforts to meet the needs of local youth. Right now, more than 400 are at work in communities all across the country. . . . AmeriCorps Promise Fellows are an investment in young people, for the purpose of helping other young people, that promises to pay unlimited returns to our nation in the century ahead.

Remarks Made via Videotape to the National Community Service Conference June 1999

You know, the Points of Light Foundation and the Corporation for National Service helped to launch America's Promise, helped to launch me, more than two years ago in Philadelphia at the Presidents' Summit for America's Future. I'll never forget the contribution that your two organizations made to this great crusade that we now call America's Promise. . . . It was the start of a vital and important partnership that has been a great benefit to all of us and to the nation's young people especially, and frankly to the nation as a whole ever since. . . .

America's Promise is proud to be a partner with you, all of us together leading this national crusade to keep these five promises. The Points of Light Foundation and the Corporation for National Service are more than just allies. I mean, you are true partners and the best commitment-makers that I have in this over-all effort. All the streams of service of the Corporation for National Service come together: including AmeriCorps, Senior Corps, Service-Learning, AmeriCorps Promise Fellows, all of these are critical allies taking this message across the nation. . . . And at the same time, hundreds of AmeriCorps Promise Fellows around the country will be helping to organize local volunteer efforts to keep the five basic promises to our youth. They form a powerful leadership cadre for the America's Promise crusade.

**Remarks Made at City Year's 10th Anniversary Conference
May 28, 1999**

Well, there are new kinds of enemies out there now. Enemy called drugs. Enemy called violence. Enemy called despair. And enemy called a lack of hope. There are so many of our communities -- so many of our young people who wonder if the American Dream is there for them. They are the enemies that those youngsters are facing. And, despair, lack of hope, violence -- And, what City Year is saying -- what AmeriCorps is saying -- what America's Promise is saying -- is that we can beat these enemies -- just as easily as we can beat enemies on the battlefield. And we'll use the same kind of tools in beating these enemies. We'll use the tools of discipline. We'll use the tools of hard work. We'll use the tools of education. We'll use the tools of commitment and courage. But above all, we will use the tool of love of country -- that those of us who have been blessed by this country with the opportunity to be successful in life, or the opportunity to be on the road to success. We will reach back, down, and across to help youngsters who are still wondering if his dream is there for them.

In AmeriCorps*NCCC Television Public Service Announcement

Throughout our history we've always been able to count on our young people to step forward and "pitch in" when we needed help. Today, the young people who serve in AmeriCorps' National Civilian Community Corps are showing us the best of this "American spirit". They tutor our children, aid the victims of disasters, restore our streams and parks, and assist with the care of our elderly. I urge you to support these young Americans....and learn how the NCCC can help you...and your community.

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9-20-99
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

Persona

September 13, 1999

99 SEP 14 PM 4:49

Dear Mr. President:

We have gained interagency consensus on the attached National Counterdrug Intelligence Coordination chapter of the General Counterdrug Intelligence Plan (GCIP). This is an important milestone in the counterdrug intelligence architecture review as it establishes a structure for future counterdrug intelligence policy coordination.

In the next few days, I will forward the attached chapter to key congressional members as a progress report. This notification will demonstrate that we have gained interagency agreement to this crucial GCIP chapter and that the entire GCIP should be forwarded to you for signature and transmittal to Congress this fall. To that end, our interagency working team has reconvened and is preparing the remainder of the GCIP for formal interagency coordination, which will begin September 20 and should be completed in November.

This progress has been achieved through a widespread interagency consensus that the national coordination construct we have agreed on and the GCIP have the potential to substantially improve the counterdrug intelligence system. Thank you for your continued personal leadership.

Very respectfully,

Barry R. McCaffrey
Director

copied
✓ McCaffrey
✓ Podesta
✓ WSC

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

August 19, 1999

SECTION A. NATIONAL COUNTERDRUG INTELLIGENCE COORDINATION

//NOTE: The following is included to provide necessary information describing the overall framework in which the CDX will function. It is expected this general introductory information will move elsewhere in the GCIP document once the CDX section is endorsed.//

When completed, the General Counterdrug Intelligence Plan (GCIP) will reflect the collective agreement of the Director of National Drug Control Policy (hereafter termed "Director of ONDCP"), the Attorney General, the Secretary of the Treasury, the Director of Central Intelligence, the Secretary of Defense, the Secretary of State, and the Secretary of Transportation on the need to systematize and clarify U.S. counterdrug intelligence and information programs. The goal is to establish a counterdrug intelligence framework that both supports operators in the field and responds to policy makers as they formulate counterdrug policy, generate tasking and requirements, and make resource decisions.

The Director of ONDCP, acting on behalf of the President, continues to play the lead role for the United States Government in formulating drug control policy and developing the national drug control strategy. He has responsibility for providing oversight and policy guidance to the respective departments and agencies that make up the Federal counterdrug community. Under the new drug intelligence architecture, he will monitor progress in the implementation of the GCIP and promote resolution of drug intelligence policy issues. The GCIP, in turn, provides a means for the law enforcement community and the Intelligence Community, responsive to the national drug policy prescribed by the Director of ONDCP, to resolve drug intelligence issues and to aid National Drug Control Program Agencies in satisfying performance measures of effectiveness.

The GCIP will also strengthen the overall process to provide operators and investigators with timely, relevant and actionable drug-related information and intelligence necessary to disrupt and dismantle illicit drug trafficking infrastructures, and organizations. It will do these things by creating and implementing effective interfaces between domestic and foreign intelligence, as well as between the law enforcement community and Intelligence Community agencies, that are consistent with law.

I. PURPOSE. The coordinating structure for carrying out the functions and for implementing the recommendations contained in the forthcoming GCIP is set forth below. This structure is intended to maximize timely information sharing, intelligence exchange, and operational coordination -- fully within statutory limitations -- among the policy making, military, law

enforcement, and Intelligence Community components that collectively make up our national counterdrug intelligence architecture. The new architecture will build on the important progress that has been made over the past decade, and provide a framework that promotes even further counterdrug intelligence coordination and information flow, at the Federal, State and Local levels, into the 21st Century.

II. THE PRESIDENT'S COUNCIL ON COUNTER-NARCOTICS. The Council, originally established by Presidential Executive Order, was given statutory authorization under section 709 of the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1708). With the Director of ONDCP serving as Executive Director, this cabinet-level Council advises and assists the President in providing direction and oversight for the National Drug Control Strategy, and in ensuring coordination among departments and agencies of the Federal Government concerning implementation of the National Drug Control Strategy. Consistent with those responsibilities, the Council shall serve as the preeminent body for providing oversight on all issues relating to drug intelligence policy. There is established within the Council a 6-member body (the Attorney General, the Director of Central Intelligence, the Director of ONDCP, the Secretary of the Treasury, the Secretary of Defense, and the Secretary of Transportation) known as the Counterdrug Intelligence Executive Committee, whose purpose is to provide a focal point for all counterdrug intelligence policy issues within the PCCN. Other PCCN members may attend meetings of this Executive Committee as appropriate to the issues under consideration. Through existing counternarcotics fora noted in section III, and subordinate bodies prescribed in sections IV and V below, the Council will monitor implementation of the GCIP, and, more particularly, it will oversee the development and dissemination of law enforcement and intelligence requirements to meet the goals and objectives of the National Drug Control Strategy.

III. COUNTERNARCOTICS INTERAGENCY POLICY AND PROGRAM

COORDINATION. The interdepartmental bodies listed below meet to identify and coordinate counterdrug issues. Each focuses on a distinct area of the counterdrug arena, described below, and may provide input into the CICG or CDX, as appropriate. While the CN-IWG deals exclusively with policy guidance issues, the remaining entities deal primarily with operational and programmatic issues:

- a. the Counter Narcotics Interagency Working Group (CN-IWG), chaired by ONDCP, is the principal interagency, senior working-level forum for coordinating policy guidance related to counterdrug issues. As described below, it is also a principal forum for identifying counterdrug intelligence-related requirements and taskings that may cross jurisdictional lines or involve multiple components

- within the Federal law enforcement community and the Intelligence Community;
- b. the Southern Frontiers Committee, which is chaired by the Attorney General and provides operational focus and direction to law enforcement organizations;
 - c. The Interdiction Committee (TIC), which is currently chaired by the Commissioner, US Customs Service, provides advice to the US Interdiction Coordinator in support of his role to oversee the adequacy and optimum use of Federal interdiction assets. Additionally, the TIC provides a forum for coordination and optimization of border interdiction and promotes seamless and effective integration of interdiction efforts in support of the National Drug Control Strategy;
 - d. the J-3/USIC Quarterly Counterdrug Conference, which is co-chaired by the DoD Joint Staff Director for Operations and the US Interdiction Coordinator and promotes coordination between military counterdrug support efforts and the needs of interdiction organizations; and,
 - e. the Committee on Narcotics Intelligence Issues (CNII), which is chaired by the Director, DCI Crime and Narcotics Center and promotes counterdrug coordination within the Intelligence Community.

Whenever these or other Federal counterdrug-related interagency committees and working groups identify counterdrug intelligence-related issues, requirements or taskings that are cross jurisdictional¹, such matters may be referred to the Counterdrug Intelligence Coordinating Group (CICG) described in Section IV for attention and necessary action. Matters that cannot be resolved by the CICG will be referred to the Council.

IV. COUNTERDRUG INTELLIGENCE COORDINATING GROUP

a. **ESTABLISHMENT.** There is established under the Council an interagency group known as the Counterdrug Intelligence Coordinating Group or CICG.

b. **MEMBERSHIP**

(1) **COMPOSITION.** The CICG shall be composed of 13 members, of whom

- (a) 1 shall be designated by the DCI;
- (b) 1 shall be designated by the Attorney General;

¹ As used here and elsewhere in the GCIP, the term "cross-jurisdictional" refers to counterdrug intelligence issues that affect or involve both the law enforcement community and the Intelligence Community, or, within the law enforcement community, affect or involve more than one department, or that affect both the U.S. Government and State and/or Local officials.

- (c) 1 shall be designated by the Secretary of the Treasury;
- (d) 1 shall be designated by the Secretary of Transportation;
- (e) 1 shall be designated by the Director of ONDCP;
- (f) 1 shall be designated by the Secretary of Defense;
- (g) 1 shall be designated by the Secretary of State;
- (h) 1 shall be designated by the Assistant to the President for National Security Affairs;
- (i) 1 shall be designated by the Administrator of the Drug Enforcement Administration;
- (j) 1 shall be designated by the Director of the Federal Bureau of Investigation;
- (k) 1 shall be designated by the Commissioner of the United States Customs Service;
- (l) 1 shall be designated by the Commissioner of the Internal Revenue Service; and,
- (m) 1 shall be designated by the Commandant of the United States Coast Guard.

(2) **LEADERSHIP.** The CIGG shall be led by co-chairs from the Intelligence Community and from the Federal law enforcement community. The Intelligence Community co-chair will be the member designated by the DCI. The law enforcement co-chair will be designated from among other members of the CIGG by mutual agreement of the Attorney General, the Secretary of the Treasury, and the Secretary of Transportation. Co-chair designations will be made in consultation with the Director of ONDCP.

(3) **OTHER ATTENDEES.** With the concurrence of the co-chairs, individual members may invite other officials, representing the major counterdrug intelligence centers and components of the participating agencies and departments, to attend meetings or participate in CIGG deliberations as appropriate to the issues under consideration. In particular, the Deputy Director for State and Local Affairs/ONDCP may attend meetings of the CIGG to discuss counterdrug intelligence issues that concern State and Local officials. With the concurrence of the co-chairs, said Deputy Director may invite no more than two State and/or Local law enforcement representatives to attend appropriate CIGG deliberations.

c. **FUNCTIONS.** The CIGG, in support of the Council or its individual members, will among other things:

(1) ensure coordination among departments and agencies of the Federal Government responsible for conducting intelligence programs that support the National Drug Control Strategy.

(2) receive policy guidance and taskings from the Council; additional issues for CIGG consideration may be received from other fora as described in Section III or may be raised by individual members of the CIGG. The CIGG will refer to the Council those issues that it cannot resolve.

(3) receive, endorse, and forward to appropriate entities domestic and foreign drug intelligence tasking and requirements in support of national counternarcotics policy makers.

(4) provide a forum to resolve or refer for adjudication those cross-jurisdictional counter drug intelligence issues that cannot be resolved at a lower level.

(5) study and advocate enhancements to promote the effectiveness and efficiency of both foreign and domestic counterdrug programs and activities, including the adequacy of intelligence services.

(6) commission national and regional drug threat assessments and studies as requested by senior policy-makers.

(7) promote improvements to counterdrug intelligence centers and activities to strengthen mission focus, reduce functional overlap, and promote joint analytical products.

(8) assume the functions heretofore performed by the National Drug Intelligence Center (NDIC) Executive Advisory Board, the NDIC Intelligence Priorities Board; and, the El Paso Intelligence Center (EPIC) Advisory Board.

(9) use the Counterdrug Intelligence Executive Secretariat (CDX, described in Section V) to carry out the functions of the CIGC under this section and other taskings as appropriate; and,

(10) submit a semi-annual written report concerning drug intelligence issues and recommendations to the Council.

d. **AUTHORITY.** The CIGC derives its ability to resolve issues through the authorities and prerogatives of its respective members.

V. COUNTERDRUG INTELLIGENCE EXECUTIVE SECRETARIAT

a. **ESTABLISHMENT.** In order to improve the overall effectiveness of counterdrug intelligence, there is established a full-time interagency staff known as the Counterdrug Intelligence Executive Secretariat, or CDX, which shall operate directly under the CIGC.

b. CDX DIRECTOR AND CDX DEPUTY DIRECTOR.

(1) **CDX DIRECTOR.** There shall be a CDX Director, who will be responsible for carrying out the functions of the CDX. The CDX Director shall be designated by mutual agreement among the Attorney General, Secretary of the Treasury, and the Secretary of Transportation, in consultation with the Director of ONDCP, for a renewable term of two years. The CDX Director will fill an SES position.

(2) **CDX DEPUTY DIRECTOR.** There shall be a CDX Deputy Director who will assist the CDX Director in carrying out the functions of the CDX. The CDX Deputy Director shall be designated by the DCI, in consultation with the Director of ONDCP, for a renewable term of two years. The CDX Deputy Director shall fill an SES or SIS position.

c. CDX STAFF. The CDX staff shall be initially composed of approximately 30 personnel, selected by the CDX Director from departmental nominees, on two- to three-year details, and such additional detailees as needed to fill an executive officer, legal advisor, and other administrative support positions. Within one year, and annually thereafter, the CICG will review CDX staffing to decide if CDX needs a mix of detailees and permanent appropriated staff positions. The CDX staff shall be organized to address:

- (1) foreign drug information and intelligence;
- (2) domestic drug information and intelligence;
- (3) information systems and technology; and
- (4) analyst education and training.

d. FUNCTIONS. The CDX shall primarily provide staff support to the CICG, and shall act for the CICG as appropriate, in monitoring the implementation of the GCIP; coordinating the implementation of multi-agency cross-jurisdictional counterdrug intelligence taskings and requirements levied by or through the CICG; and, promoting resolution of cross-jurisdictional counterdrug intelligence-related issues. In so doing, the CDX shall, among other things:

(1) promote stronger information flow, information sharing, and fusion relationships among Federal, State and Local agencies, between domestic law enforcement agencies and the Intelligence Community, and with foreign nations or international organizations;

(2) promote development of technology standards and inter-operable information systems, and monitor implementation of and report on information technology and communications plans;

(3) promote improved drug intelligence education, training and career professionalization throughout the intelligence and law enforcement communities;

(4) receive cross-jurisdictional counterdrug intelligence issues from multiple sources, review and analyze the issues, and prepare appropriate staff studies with recommendations for resolution;

(5) promote improved mechanisms for counterdrug intelligence exchange with foreign nations and international organizations;

(6) attempt to resolve issues and disputes at the lowest practical organizational level; and,

(7) draft reports and recommendations as appropriate, including a semi-annual, written report addressing issues raised and recommendations made over the past six months, to the CICG for review and submission to the Council.

Recommendations by the CDX shall take care to protect and preserve the safeguards between domestic law enforcement and the Intelligence Community, shall be advisory and non-binding, and may be formally and informally disputed by the applicable departments or agencies.

e. ADMINISTRATION.

(1) EVALUATIONS. The co-Chairs of the CICG shall evaluate the annual performance of the CDX Director and CDX Deputy Director. Other CDX personnel shall be evaluated within the CDX. Evaluations shall be provided to the detailing agencies.

(2) COOPERATION FROM OTHER AGENCIES. The CDX will receive from each department and agency of the executive branch:

(a) access to the information it requires to fulfill its mission, with applicable safeguards for protection of sources and methods;

(b) cooperation in carrying out the functions of the CDX; and

(c) such assistance, information, and advice as the CDX may request, to the extent permitted by law.

(3) SUPPORT AND PLACEMENT. CDX will be administratively supported by the Department of Justice, housed in Justice-owned or leased non-headquarters space in the Washington metropolitan area, and funded by ONDCP as prescribed below. ONDCP will arrange through OPM and OMB for SES and SIS billets for CDX.

f. FUNDING. The CDX shall be funded as a line item through the ONDCP budget per fund availability. These funds shall be used to reimburse the Justice Department for expenses associated with CICG and CDX operating, travel, administrative, supply, security, and support services, and those agencies that provide administrative support detailees or services. Additionally, these funds may be used to reimburse departments and agencies from which other detailees are assigned.

g. NOTE. The functions and responsibilities of the CDX will not derogate or supersede the statutory roles, responsibilities, or authorities of participating Executive Departments and Agencies.

(E) **Echaveste memo on Chinese detained in Ullin, IL** – In response to your question about whether there's anything that could be done for the 88 Chinese migrants being detained in a maximum security jail in Illinois, Maria forwards information from the INS on their status: 10 have been released to the care of immediate family; 25 are in shelters; 54 remain in custody and will be granted changes of venue to cities closer to their legal representatives – their parole requests are being considered on a case-by-case basis.

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THE WHITE HOUSE
WASHINGTON

99 SEP 17 PM 4:32

September 17, 1999

9-20-99

copied
Echaveste
Podesta

MEMORANDUM FOR THE PRESIDENT

From: Maria Echaveste

Cc: John Podesta

RE: Chinese Migrants detained in Ullin, IL

You asked if there was anything that could be done for the 88 Chinese migrants who were being detained in a maximum-security jail in Ullin, Illinois.

INS reports the following:

- 10 of the migrants have been released to the care of immediate family.
- 24 are in the care of a number of shelters located throughout the US.
- 1 juvenile is in a youth shelter.
- The remaining 54 will be granted changes of venue to cities closer to their legal representatives.

The parole requests for the 54 remaining migrants are being reviewed on a case by case basis. The process requires that the migrant's attorney file an application that determines if the migrant is a flight risk or is a risk to the community as well as if the migrant's safety is at risk. Those not eligible for asylum will be returned to China. The migrants eligible for asylum will be released to family or shelters in the US.

Attached you will find some additional information from INS.

U.S. Department of Justice
IMMIGRATION AND NATURALIZATION SERVICE

RESPONSE TO QUERY

09/13/99

Update on Chinese Migrants Detained in Ullin, IL

On June 4, 1999, the Immigration and Naturalization Service (INS) transported 89 Chinese migrants from the CNMI Island of Tinian to the United States in order to allow them an opportunity to pursue claims for immigration benefits in the United States. One, a juvenile migrant, was taken to a special youth detention shelter contracted by INS, and the remaining 88 were taken to INS contracted detention space in Ullin, Illinois. The migrants were being smuggled on a number of vessels intercepted by the U.S. Coast Guard near Tinian in April and May. Almost 400 migrants were returned in late June to the Peoples Republic of China from these smuggling vessels.

In order to facilitate the processing of their claims, INS, in consultation with legal counsel as well as interested non-government organizations (NGO's) and immediate family members has agreed to parole 10 of the migrants to the care of immediate family members and 24 of the migrants to the care of a number of shelters located throughout the United States. The one juvenile will remain in the youth shelter. The remaining 54 migrants will be granted changes of venue to cities closer to their legal representatives. Parole requests for this group will be reviewed on a case by case basis using the same criteria as the 34 migrants paroled to NGO's and family members.

Q. INS officials have previously stated that the reason for detaining these 88 PRC nationals was to protect them from smugglers who want to force them to pay off smuggling debts. If you are concerned about their safety, why are you releasing them now?

A. INS has been assured by NGO's and family members that the 34 migrants granted parole will be released to a secure environment. Parole for the remaining 54 migrants, whose venues are being changed at the request of their counsel, will be considered on a case by case basis with the same safety assurances that INS took into consideration in granting parole to the 34 migrants

Q. Which facilities are they being taken to? Where will they be relocated?

A. For security reasons we will not provide the names of the facilities nor their locations.

Q. INS has obviously determined that these migrants have a "credible fear" of being returned to China and merit consideration for political asylum. Why, therefore, don't you allow them to be released on parole pending the outcome of their asylum hearings?

A. The migrants will be granted parole if certain criteria are met, including the safety of the individual. If INS determines that smugglers remain a credible threat to their safety and well being, they will not be paroled.

Chinese Migrants

Page 2

Q. How long will the asylum/hearings process take?

A. It is our intention to move as quickly as possible to complete the immigration hearing process so that the migrants who are not eligible for asylum are returned to China and those who are eligible for asylum are able to proceed with their lives here in the U.S.

Q. Will the media be allowed to interview any of these asylum seekers?

A. The migrants may be interviewed with the written consent of the migrant and/or their attorney.

THE PRESIDENT HAS BEEN
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Mark
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For 88 Refugees, Limbo Is a Place Called Illinois

Chinese Jailed for Two Months

By FREDRIC N. TULSKY
Special to The Washington Post

ULLIN, Ill.—For more than two months, 88 Chinese, flown 7,000 miles to the United States on a government plane, have been trapped here in a refugee's Catch-22: The U.S. government believes they might face persecution if sent back to China but is afraid they might face indentured servitude if released in the United States.

So the detainees sit in the only place that can guarantee their safety—a maximum-security jail in this remote location in southern Illinois. On good days, they are permitted an hour of exercise in a fenced-off area that resembles a dog run. They watch television in a language they don't understand.

Some sleep on mattresses on a concrete floor in order to stay together.

Officials at the Immigration and Naturalization Service had set out to use the case of the 88 Chinese as a model for how the asylum process should work. On June 4, the government flew the Chinese from the Northern Mariana Islands to Los Angeles to allow them to apply for asylum. The Chinese were excited at the prospect of freedom. Instead, they found themselves in prison.

"We were really happy until we got off the plane," explained one woman, describing how they were put in shackles and handcuffs when their plane touched down in Los Angeles.

The INS planned to quickly release many of the detainees to privately run shelters. But agency officials became convinced that the Chinese were in danger of being forced into New York sweatshops and restaurants to repay debts as high as \$40,000 to the smugglers who arranged their passage out of China.

David Venturella, associate commissioner for detention and deportation, said last week that the INS intends to keep the Chinese locked in Ullin until they can present their asylum claims to administrative law judges. Venturella said those hearings are planned to take place in Ullin and will take several months.

Representatives of pro bono organizations are concerned that some asylum seekers will not find qualified attorneys for the hearings. "I'd be shocked if they all end up with attorneys in Ullin," said Mary McClellan, a lawyer with the Catholic Legal Immigration Network in New York. "And I think the result will be that some will lose valid cases and be deported."

The Chinese in Ullin were among more than 400 immigrants from Fujian province who were on boats arranged by smugglers that were intercepted by U.S. officials in April. They were taken to Tinian Island, one of the Northern Marianas. There they were held in tents for more than a month and interviewed to determine which ones appeared to have viable cases for asylum—a well-founded fear of persecution if sent back to China.

Those who passed that hurdle were taken to Ullin. They include 35 women, 53 men and one boy. The boy, 17, is the only person from the group who has been released from the facility. He was transferred to a youth shelter in Chicago after the INS concluded that he had been improperly held for weeks in the adult facility.

After the Chinese arrived in Ullin, INS officials contacted groups active in supporting asylum-seekers and sought to enlist their efforts to ensure that the Chinese did not languish behind bars. To help the detainees with their asylum applications, the INS agreed to pay for pro bono attorneys from as far away as New York and Arizona to travel to Ullin. The attorneys lined up shelters in various cities that were willing to house the detainees while their asylum applications were pending.

But late last month, the plan went awry. The INS learned that smugglers had contacted family members of the detainees, seeking payment. The shelter releases were scrapped.

Venturella explained that in "normal cases" the detainees could have expected to be released pending asylum hearings. But, he said, these detainees had "direct association with smuggling organizations."

"That makes their plight a little different than people who come to airports, present themselves with no documents and say they wanted asylum," Venturella added. That difference, he said, "not only put themselves in jeopardy, it put those associated with them in jeopardy as well."

The INS decision angered officials who spent weeks in Ullin assisting the detainees. Mary Margaret McCarthy, director of the Midwest Immigrant Rights Project, last week called the INS position "totally outrageous."

"Many if not all of these people have strong asylum claims," McCarthy said. "Yet they are locked up and isolated in a small town with no access to legal resources."

The Tri County Detention Center sits alongside a soybean field, off the interstate 30 miles south of Carbondale. The facility, designed to hold 208 inmates, was opened in January to replace three deteriorating county jails.

It was mostly empty until the INS began sending immigrants to the jail, paying slightly more than \$45 per night for each detainee. The agency decided to send the Chinese to Ullin because there was enough space to house all 88 together.

The jail is operated by GRW Corp. of Nashville, which is owned by Gil R. Walker, a former oilman.

Walker has hired Chinese translators to work round-the-clock, so the detainees can communicate with the guards and others. Even so, the jail was not fully prepared. An unfamiliar menu caused periodic intestinal discomfort. Walker and his administrator had to run to Wal-Mart for such items as women's underwear. The women were housed in a dormitory that included four local prisoners. The jail had no outside exercise area. "I wish I could do more for them," Walker said.

The detainees gave a variety of reasons for fleeing Fujian: forced sterilization or abortion, religious persecution, forced marriage and domestic abuse.

They were told about a boat to the United States; they told a reporter recently. They would be welcomed and offered the chance to earn enough money to repay the smugglers who arranged the trip, they were told. The detainees—who

asked for anonymity out of fear for their safety—were taken out to sea at night in small boats that unloaded them onto a larger vessel. They spent most of the next two weeks in the hold, racked by nausea and seasickness and subsisting on rice.

Then U.S. officials intercepted the boat, and the Chinese were taken to Tinian, where they waited in their tents. One day officials called out their names, and each was put onto a bus and was told the group was being sent to the United States.

They were flown to Los Angeles and ultimately were taken to another plane, to Scott Air Force Base in southern Illinois, and then onto a bus to the prison.

Wendy Young, staff lawyer for the Women's Commission for Refugee Women and Children, said, "The INS is right to be concerned about smugglers. But the appropriate response to smuggling is not to further victimize the victims by placing them into indefinite detention."

If the Chinese are likely to still face threats from smugglers if they win asylum, "what is the INS going to do?" asked Young. "Sentence them to life in prison to keep them safe?"

This report was made possible by support from the Fund for Investigative Journalism.

(E) **Echaveste memo on Chinese detained in Ullin, IL** – In response to your question about whether there's anything that could be done for the 88 Chinese migrants being detained in a maximum security jail in Illinois, Maria forwards information from the INS on their status: 10 have been released to the care of immediate family; 25 are in shelters; 54 remain in custody and will be granted changes of venue to cities closer to their legal representatives – their parole requests are being considered on a case-by-case basis.

(F) **Letter from Barry McCaffrey re: General Counterdrug Intelligence Plan (GCIP)** – Barry reports that interagency consensus has been reached on the National Counterdrug Intelligence Coordination chapter of the GCIP, establishing a structure for future counterdrug intelligence policy coordination. He plans to forward the chapter to key congressional members as a progress report. The interagency working team is preparing the remainder of the GCIP and expects it to be complete in November. *A copy of the chapter is attached.*

(G) **Memo from Harris Wofford on America's Promise** – Wofford reports on General Powell's recent approach to the National Service Corporation, seeking a closer alliance between America's Promise and the Corporation, and expressing an interest in receiving a small amount of appropriated funds to support America's Promise's basic operations -- a departure from their original approach of seeking only private funding. Wofford sees potential benefits for the Corporation and Americorps as well as for America's Promise, and recommends that you include an additional \$7.5 million in your FY '00 budget for the Corporation to support America's Promise. (The Points of Light Foundation receives appropriated funds through the Corporation; Wofford recommends increasing this year's \$5.5 million request for Points of Light to \$7.5 million to establish parity with America's Promise). *We have forwarded Wofford's memo to Jack Lew and Bruce Reed for their review.*

(H) **Ballentine memo on Natural Capitalism** – Roger thanks you for the loan of Amory Lovin's book and returns it with key passages underlined, as you requested. Lovin highlights the fundamentally new pattern of scarcity we face today: the scarcity of natural capital (e.g. green space, clean water). For the first time, this scarcity of natural resources is a potential barrier to sustained, global economic growth; natural capitalism is a construct designed to respond to this new pattern of scarcity. Overall, Roger believes that you and the Vice President are already promoting the central lesson of the book: that economic and environmental issues are one and the same and that rational economic principles demand that we grow the economy while cleaning up the environment.

(I) **Ucelli memo with Clinton-Gore Accomplishments** – Loretta forwards an updated list of

VIVIANE MANFRE
7225 Pine Bluff Drive
Lake Worth, Florida 33467
(561)966-5991

SEP 20 AM 10:45

Office of President
Bill Clinton
White House
Director For Legislative Affairs
1600 Pennsylvania Ave, N.W.
Washington, D.C. 20502

RE; NITZA MANFRE
URI SHABTAY
CASE NO. A75379296
DOC# 1779.016

9-20-99
To Agency
Liaison? FOR
YES - APPROPRIATE
HANDLING *[initials]*

Dear President Bill Clinton:

I wrote to you on May 5, 1999 and to date I have not heard from you. I appreciate the fact that you are extremely busy, however, as our situation is most serious and the clock is ticking, I am at this time begging for your immediate attention and help.

I realize that the offices of U.S. Immigration have to proceed and go by the book, but sometimes my Dear President there are situations that because of humanitarian reasons, laws are somewhat bent. You and only you can help, at this time, I plead with you to help us. My daughter and grandson Visa expires November 14th, 1999. It would be a shame to hurt this little family, with such a sensitive story, it really really would hurt all of us. My grandson is having nightmares at the thought of going back to Israel. They both came to the U.S. with such great dreams and love. Today, they are destroyed, depressed and we all are so very sad.

PLEASE, find it in your heart to help. Thank you very much.

Sincerely,

Viviane Manfre
Viviane Manfre

Encls.

**Viviane Manfre
7225 Pine Bluff Drive
Lake Worth, Florida 33467
Tel: 561-966-5991 (Home)
561-627-2277 (Work)**

May 5, 1999

**President William J. Clinton
White House
Pennsylvania Avenue
Washington, D.C.**

RE: Case No. DOC# 1779,016
A 753 792 96

Dear President Clinton:

You may not remember me nor my name, however, proudly, I was one of the volunteers to assist you during one of your visits in Palm Beach, Florida, in 1995.

After great thoughts and debate, I have decided to turn to you, although I completely understand how very busy you are, to plead and plead, as you seem to be my only hope. For some reason, I feel that as the great humanitarian that you are, you won't ignore our problem and will assist us in solving this heartache.

My daughter and I were reunited after 38 long years of forced separation, for the simple reason that I was young, a minor, sent to Israel from Morocco, to nowhere's land in Israel where I had no one, no funds, no work nor home. Adoption was the only answer, thus my daughter was adopted at birth by a wonderful couple from Bulgaria

(both of them are now deceased). To assist you in better understanding the situation, I am enclosing some of the documentation pertaining to this matter.

Please know that not getting approval for my daughter's in this country is actually killing us, destroying us and we are at a point that we neither eat nor sleep, nor breathe. America the beautiful land of the free should unite families and be happy and blessed doing so. Our story is a poignant, sad story, and believe me, enough pain was felt, enough tears were shed during that forced separation and, I am sure that you can imagine what we have been going through. Now that we have found each other, we under no circumstances want to be apart from one another. You can understand and appreciate this, I am sure.

I turn to your heart Dear President Clinton, as somehow I feel certain that you'll find it in your conscience, compassion to want to help us and grant my daughter and 13 year old grandson (who is a straight "A" student) legal permanent stay in this great country of ours.

WE DO NOT WANT TO GO BACK TO ISRAEL, to terror and misery. You, better than anyone know how very difficult life is in Israel, and frankly it just would not be fair nor human to allow such a decision to happen. I am not asking for welfare, I am only asking for compassion and understanding and grant for my daughter and grandson to be able to have a better life, a peaceful life and complete joy at the fact that we would be together and try to catch up of our lost years. Is it too much to ask??? We have suffered enough, we want to live in peace, harmony and without fears. **PLEASE, PLEASE, HELP US. ONLY YOU CAN HELP.** I dream to show my daughter that there is beauty to life, not just fears and struggles. I want my daughter to have the chance to taste the goodness of this great country and its people.

Dear President Clinton, consider our situation, my daughter and grandson are here with me now. I am working and enjoying coming home to them at the end of the day. How can anyone have the heart, at this stage to want to destroy our new home life and joy, that would be super cruel.

My Dear President, I leave our destiny in your good hands and will anxiously await hearing from you. Just to say "thank you" will never be enough to express our appreciation for your saving our lives. God Bless You.

Sincerely,

Viviane Manfre

P.S. I am enclosing some of the correspondence of which I did not get an answer. Our case is still sitting in somebody's desk in Washington, D.C.

Is your RETURN ADDRESS completed on the reverse side?	SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. ☐ Addressee's Address 2. ☐ Restricted Delivery Consult postmaster for fee.	
	3. Article Addressed to: PRESIDENT WILLIAM CLINTON WHITE HOUSE PENNSYLVANIA AVENUE WASHINGTON, D.C.		4a. Article Number Z 048 406 250	
			4b. Service Type ☐ Registered ☒ Certified ☐ Express Mail ☐ Insured ☐ Return Receipt for Merchandise ☐ COD	
	5. Received By: (Print Name) White House Mail Room		7. Date of Delivery MAY 17 1992	
	6. Signature (Addressee or Agent) X Washington, D.C. 20502		8. Addressee's Address (Only if requested and fee is paid)	
PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt				

Thank you for using Return Receipt Service.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. form	[Personally Identifiable Information] [partial] (2 pages)	08/00/1999	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Sean Maloney (Chron File (Sept 99))
OA/Box Number: 14867

FOLDER TITLE:

Monday, September 20, 1999

2016-0970-F
rs3009

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- 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]

Notice of Action

THE UNITED STATES OF AMERICA

RECEIPT NUMBER SRC-99-172-54561		CASE TYPE I539
RECEIPT DATE May 21, 1999		PRIORITY DATE
NOTICE DATE August 15, 1999		PAGE 1 of 1
APPLICANT MANFRE, NITZA		BENEFICIARY SHABTAY, URI
LESLIE I. SNYDER PA 28 W FLAGLER ST 11 FL MIAMI FL 33130		Notice Type: Approval Notice Class: B2 Valid from 05/16/1999 to 11/14/1999

The above application for extension of temporary stay is approved. The temporary stay of the named applicant(s) is authorized to the date indicated above. An updated Form I-94 is attached.

If the applicant has an authorized representative, this notice has also been mailed to the representative.

Please read the back of this form carefully for more information.

THIS FORM IS NOT A VISA NOR MAY IT BE USED IN PLACE OF A VISA.

Please see the additional information on the back. You will be notified separately about any other cases you filed.

IMMIGRATION & NATURALIZATION SERVICE

TEXAS SERVICE CENTER

P O BOX 851488 - DEPT A

MESQUITE TX 75185-1488

Customer Service Telephone: (214) 381-1423



Form I797A (Rev. 09/07/93)N

PLEASE TEAR OFF FORM I-94 PRINTED BELOW, AND STAPLE TO ORIGINAL I-94 IF AVAILABLE

Detach This Half for Personal Records

Receipt # SRC-99-172-54561

I-94# 666803922 07

NAME SHABTAY, URI

CLASS B2

VALID FROM 05/16/1999 UNTIL 11/14/1999

PETITIONER: MANFRE, NITZA
7225 PINE BLUFF DR
LAKE WORTH FL 33467

666803922 07

Receipt Number SRC-99-172-54561
Immigration and
Naturalization Service

I-94

Departure Record

Petitioner:

14. Family Name
SHABTAY
15. First (Given) Name
URI
17. Country of Citizenship
ISRAEL

16. Date of Birth
(b)(6)

Notice of Action

THE UNITED STATES OF AMERICA

RECEIPT NUMBER SRC-99-172-54561		CASE TYPE I-539
RECEIPT DATE May 21, 1999		APPLICATION TO EXTEND/CHANGE NONIMMIGRANT STATUS
PRIORITY DATE	APPLICANT MANFRE, NITZA	
NOTICE DATE August 15, 1999	PAGE 1 of 1	BENEFICIARY MANFRE, NITZA
LESLIE I. SNYDER PA 28 W FLAGLER ST 11 FL MIAMI FL 33130		Notice Type: Approval Notice Class: B2 Valid from 05/16/1999 to 11/14/1999
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IMMIGRATION & NATURALIZATION SERVICE
TEXAS SERVICE CENTER
P O BOX 851488 - DEPT A
MECQUITE TX 75185-1488
Customer Service Telephone: (214) 381-1423
Form I797A (Rev. 09/07/93)N



PLEASE TEAR OFF FORM I-94 PRINTED BELOW AND STAPLE TO ORIGINAL I-94 IF AVAILABLE

Detach This Half for Personal Records

Receipt # SRC-99-172-54561

I-94# 666803720 07

NAME MANFRE, NITZA

CLASS B2

VALID FROM 05/16/1999 UNTIL 11/14/1999

PETITIONER: MANFRE, NITZA
7225 PINE BLUFF DR
LAKE WORTH FL 33467

666803720 07

Receipt Number SRC-99-172-54561

Immigration and
Naturalization Service

I-94

Departure Record Petitioner:

14. Family Name

MANFRE

15. First (Given) Name

NITZA

17. Country of Citizenship

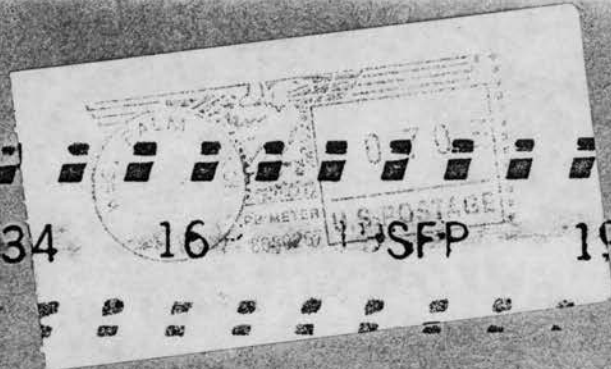
ISRAEL

16. Date of Birth

(b)(6)



VIVIANE MANFRE
7225 Pine Bluff Dr
Lake Worth, FL 33467



1999

WEST PALM BEACH 334

16

SFP

1999

URGENT

Office of President

Bill Clinton

White House

DIRECTOR FOR LEGISLATIVE AFFAIRS

1600 PENNSYLVANIA AVE, N.W.

WASHINGTON

RAY AT RDS
USSS 20502

SPEISER, KRAUSE, NOLAN & GRANITO

COUNSELLORS AT LAW

*Two Grand Central Tower
140 East 45th Street
New York, N.Y. 10017*

(212) 661-0011

FAX: (212) 953-6483

9-20-99

WASHINGTON D.C. OFFICE

2300 CLARENDON BLVD.

SUITE 306

ARLINGTON, VA 22201

(703) 522-7500

FAX: (703) 522-7905

CALIFORNIA OFFICE

1 PARK PLAZA

SUITE 470

IRVINE, CA 92614

(949) 553-1421

FAX: (949) 553-1346

TEXAS OFFICE

5430 LBJ FREEWAY

SUITE 1575

DALLAS, TX 75240

(972) 404-1401

FAX: (972) 404-9797

FLORIDA OFFICE

MIAMI CENTER - 10TH FLOOR

201 SOUTH BISCAYNE BLVD.

MIAMI, FLORIDA 33131

(305) 375-9400

FAX: (305) 375-0337

PLEASE REPLY TO
NEW YORK OFFICE

September 7, 1999

Sean P. Maloney, Esq.
Staff Secretary
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20502

Dear Sean:

I hope all is well since we have spoken last. I thought you, in particular, would enjoy reading the local news reports concerning Chappaqua's illustrious new residents. I am certain that they will be welcomed with open arms, and a little awe.

By coincidence, my wife Suzy and I will be virtual neighbors of The First Family. We have built a house in the adjoining hamlet of Armonk, at 35 Wrights Mill Road. If you find yourself in the neighborhood, let us know.

Please call me if you get a chance.

Best regards,

John J. Halloran, Jr.

John J. Halloran, Jr.

JJH:mlc

re

MR. PRESIDENT -

THOUGHT YOU MIGHT

ENJOY IT!!

SEAN

9-20-99

Will send to
Burkhardt for
Reply after you
have seen.

*copied
HRC*

First family of Chappaqua

Clintons make a deal to buy \$1.7M home

**MELISSA KLEIN
and NOREEN O'DONNELL**
The Journal News

CHAPPAQUA — Sealing the deal that had been in the works for less than a week, the president and Hillary Rodham Clinton signed a contract yesterday to buy a turn-of-the-century Colonial in this northern Westchester hamlet for \$1.7 million.

The first couple will borrow \$1.35 million from Bankers Trust Co. to purchase the property on Old House Lane, according to a statement from the White House. The loan will be guaranteed in part by Terry McAuliffe, a close friend of the Clintons and his chief campaign fund-raiser.

The five-bedroom house, built in 1889, gives Hillary Clinton the New York address she needs to run for the U.S. Senate and offers another clear signal she's in the race to stay. She must establish a residence in the state by Election Day 2000 if she seeks to succeed Sen. Daniel Patrick Moynihan.

The president and first lady will



Ricky Flores/The Journal News
President Clinton and first lady Hillary Rodham Clinton house-hunting in Chappaqua last Saturday.

close on the house on Nov. 1.

"The Clintons will continue to live in the White House," said Joe Lockhart, the White House press secre-

tary. "As with other presidents, this house will be their private home and they will spend as much time there as they can."

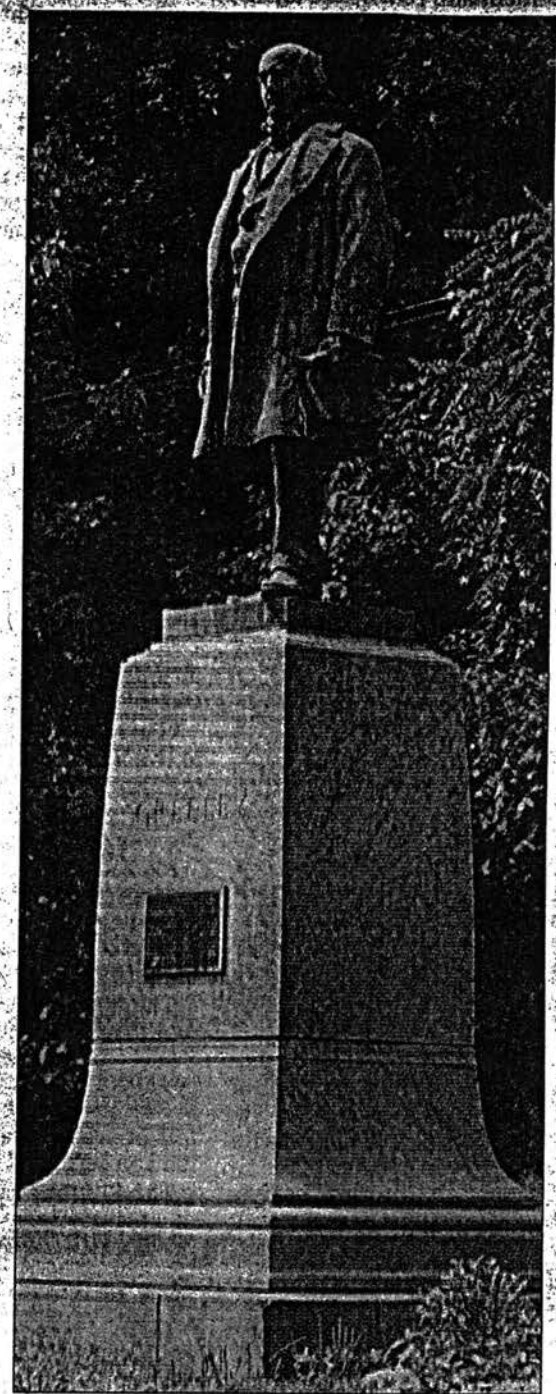
Meanwhile, Hillary Clinton may use the house as her New York pied-a-terre on the campaign trail.

"We appreciate everyone who helped make our search for a new home an enjoyable experience," the Clintons said in a statement from their upstate vacation in Skaneateles. "We particularly want to thank the homeowners, their neighbors and the real estate brokers who have been so gracious to us throughout our search."

Clinton will become the second former president to live in Westchester. Ulysses S. Grant made his home in North Salem after he left office.

Yesterday's announcement puts an end to speculation about the first family's post-presidency residence. The county has been abuzz since May, when the Clintons' desire for a

Please see CLINTONS, 2A



Photos by Mark Vergari/The Journal News

The statue of Horace Greeley near the Chappaqua exit on the Saw Mill River Parkway.

Clintons moving from White House to Old House

CLINTONS, from 1A
Westchester home became public.

The talk only intensified in the past few weeks after the family's whirlwind visit Aug. 15 to homes in Edgemont, New Rochelle, Mamaroneck, Harrison and Pound Ridge. Potential neighbors were variously hopeful and apprehensive about having such high-profile residents in their midst.

"I honestly don't know what it's going to be like," said one of their new neighbors, Roni Jacobson, a real estate agent with the Coldwell Banker office in Chappaqua. She and her husband, Ronald Jacobson, a pedi-

atric neurologist, have lived on Old House Lane since 1984.

"I'm sure the Clintons want to live a private life, and so do the Jacobsons," she said.

The Clintons chose one of the wealthiest communities in Westchester. They'll join other professionals on the cul-de-sac, including a pediatric surgeon, an architect and another man in real estate.

The 5,232-square-foot colonial, originally known as Little Brook Farm, came on the market about three weeks ago for \$1.695 million. It sits behind tall fir trees on a little more than an acre.

The Clintons have not lived in a private home since Presi-

dent Clinton began his second term as Arkansas' governor in 1983.

The Clintons will make a down payment of \$350,000, drawing on money from the blind trust established at the start of his presidency. McAuliffe will put up \$1.35 million of his own money as collateral.

A loan guaranty is more typical for first-time home buyers, particularly those with a promise of higher earning potential than cash on hand. That description fits President Clinton once he leaves office.

Lockhart said the home would be held in the names of both the president and first lady. They will have a five-year

balloon mortgage that will adjust every six months, and after five years, they will have to pay off the loan or refinance it, he said. The beginning interest rate will be determined near the closing date.

They will pay about \$26,000 a year in property taxes on their new residence, according to tax records.

Town records show the 11-room house underwent a major renovation in 1989, adding about 1,700 square feet. The addition included a first-floor family room and a second-floor master bedroom with a cathedral ceiling and windows overlooking the pool, said Cathy Paulsen, a real estate agent with Holmes & Kennedy in Chappaqua who has seen the house.

One feature that may have attracted the Clintons was a converted barn that, Paulsen said, has a kitchen and bathroom and could make a good home for Secret Service agents.

Dr. Jeffrey Weisberg, who co-founded the DOCS medical offices, and his wife, Cheryl, bought the house in 1981 for \$205,000, town records show.

It was once home to another public official, although not one of presidential stature—Alfred Busselle, who served from 1930 to 1942 on the New Castle Plan-

ning Board, the New Castle Historical Society said.

The Clintons will live off Route 117, one of northern Westchester's main thoroughfares, about a mile from Chappaqua's shopping district and the Metro-North Railroad station.

"I don't think they're going to be taking the train, unless they rent a train for the day," said Linda Peterson, the New Castle town clerk.

Town Supervisor Clinton Smith, a Democrat and fellow Southerner, said Chappaqua was already preparing for extra traffic and attention the Clintons will bring. The Police Department has been in touch with its counterpart in Saddle River, N.J., where President Nixon lived after leaving office.

"The word is once you're a former president, you're former," Smith said. "There's an initial hubbub, but it tends to quiet down."

Whatever happens, Smith welcomed the new residents to his town.

"They chose Chappaqua," he said. "We think that's a good choice."

The Associated Press contributed information for this report.

once called Little Brook Farm, was built in 1889

The colonial the Clintons will call home was built in 1889, set on 6 acres, and was called Little Brook Farm for a time. Its owners through the years have included:

■ Alfred and Harriet Murray Busselle, 1905-1936. Busselle, an architect, designed the former town library on Senter Street, which is now the Community House. He also served on the New Castle Planning Board from 1930 to 1942. His wife was active in the District Nursing Association.

■ Wilhelmina Hill bought the house in 1936. It was not known when she sold it.

■ Edgar and Constance Thompson, ownership dates unavailable.

■ Tamarack Builders, 1969 to 1970.

■ James and Nancy Keller, 1970 to 1973.

■ Robert and Jane Kaufman, 1973 to 1978. By this time, the property was 1.1 acres. Robert Kaufman, who died in 1997, was an executive at Time magazine in the late 1960s and later worked in public relations and marketing. He was an adjunct professor of literature at Pace University.

■ Muhammed and Mary Jo Muhaisen, 1978 to 1981.

■ Jeffrey and Cheryl Weisberg, 1981 to present. Jeffrey

THE HOUSE

Address: 15 Old House Lane, Chappaqua

Asking Price: \$1,695,000

Number of rooms: 11

Number of bedrooms: 5

Number of baths: 3

Levels: 3

Square feet: 5,232

Year built: 1889

Estimated taxes: \$25,922

Owners: Cheryl and Jeffrey Weisberg, co-founder of DOCS health clinics.

Weisberg, a physician, co-founded the DOCS group of health care centers. The family remodeled the home in 1989, adding about 1,700 square feet. *Source: Town of New Castle; New Castle Historical Society.*

Fund-raisers mark end to upstate vacation

SKANEATELES, N.Y. — OK, so now they have the house.

Meanwhile yesterday, President Clinton was shooting for a low score on the golf course, and Hillary Rodham Clinton spent a quiet day preparing for a big score for her all-but-declared U.S. Senate run.

Unlike Wednesday, when she took her husband on a busy day of sightseeing at historic sites in several upstate New York communities, the first lady

kept a low profile, staying at their vacation home on Skaneateles Lake.

She was scheduled to attend two fund-raisers yesterday, the first family's final full day of vacationing in upstate New York. The president was scheduled to accompany her after playing golf in Syracuse.

Both events were to benefit Clinton's senatorial exploratory committee. She has spent the summer on a "listening

tour" of New York, deciding whether to run for the U.S. Senate seat being vacated by Democrat Daniel Patrick Moynihan. Her likely opponent is Republican New York City Mayor Rudolph Giuliani.

Her first fund-raising stop was scheduled in Cazenovia at the home of Edward Green, a law firm president. About 200 people were expected to attend the two-hour cocktail party at a cost of \$250 apiece.

CORRECTIONS

Accuracy, fairness and balance are important to us. It is the policy of The Journal News to promptly correct errors. If you wish to report an error or clarify a news story, please direct your call to the city desk. Telephone: 694-5006.

Affluent community is losing its small-town feel

Once quaint hamlet struggles to cope with booming growth

ED TAGLIAFERRI
The Journal News

CHAPPAQUA — It's a community awash in affluence, with a nationally recognized school system and a small-town quaintness that harkens back to simpler times.

But this New Castle hamlet is in many ways a victim of its own success. Its reputation has led to growth and, as a result, growing pains.

Students are jammed into Chappaqua's middle and elementary schools, forcing the school district to look at build-

■ 110-year-old house has had many owners, **2A**

■ A longtime home for the rich and famous, **3A**

■ Neighborhood prepares for inevitable change, **3A**

■ Chappaqua has a history to make Clintons proud, **3A**

ing a new school. And as the hamlet's population has increased, so have the traffic jams through downtown Chappaqua and at the Metro-North train station.

"We're a small town getting too big," said five-year resident Jane Genende. "So people worry about the traffic in town.

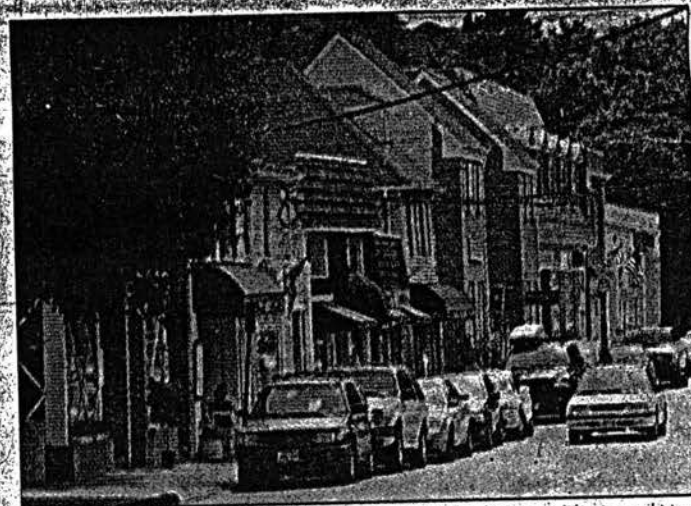
We've become too popular."

New Castle's supervisor said this is a critical time for the town, even if the president and first lady weren't moving in.

"We're grappling with a lot of problems that do come with being an attractive place to live," Supervisor Clinton Smith said. "But it's nothing that the town won't be able to handle."

New Castle, with a population of 17,600, is one of the wealthiest towns in Westchester. The median income of residents was \$133,960 in 1996, second only to Scarsdale's \$154,412, the most recent figures show. About 29 percent of New Castle's residents earned

Please see **CHAPPAQUA, 2A**



Mark Vergari/The Journal News

South Greeley Avenue was quiet yesterday, although traffic jams have become common in the growing hamlet of Chappaqua.

Albright steps in on Mideast talks

The Washington Post

JERUSALEM — Secretary of State Madeleine K. Albright and her top Middle East peace negotiators sought early today to restart stalled negotiations on a long-delayed West Bank troop withdrawal seen as critical to restoring trust between Israel and the Palestinians.

U.S. officials had hoped for an agreement resuming implementation of the 10-month-old Wye Plantation accord in time for Albright and Egyptian President Hosni Mubarak to preside over its signing at an afternoon ceremony yesterday in Alexan-

■ **ANALYSIS:** Barak's style is similar to that of his predecessor, **11A**

Jerusalem for a post-midnight huddle with Barak.

Though she continued to emphasize that Israel and the Palestinians should work out their differences themselves, she also acknowledged that a U.S. role could be critical in the hours and days ahead.

The Israelis adopted a uniformly hard-line public posture. Negotiations were over, they said, and it was up to the Palestinians to accept the new deal or suffer the consequences.



Frank Becerra Jr./The Journal News

New York City police officers carry out the casket of former NYPD officer Donald E. Pagani, following funeral services yesterday at St. Columbanus Church in Cortlandt.

Cops bid farewell to a hero

Affluent Chappaqua losing its small-town feel

CHAPPAQUA, from 1A

more than \$150,000 a year, more than any other municipality except Bronxville (31 percent) and Scarsdale (42 percent), according to the 1990 census.

With that wealth comes a respect for people's privacy, said Robin Chalk-Levy, a hamlet resident and real estate agent at Randolph Properties in downtown Chappaqua.

"People really know how to give other people their space," she said.

The Clintons should also be comfortable with the town's politics. Democrats outnumber Republicans, 42 percent to 29 percent, with another 26 percent not registered in a party, according to figures from the county Board of Elections. Supervisor Smith, another transplanted Southerner, (he's from Alabama) is a Democrat, as is the entire Town Board.

Clinton might also be happy to know that less than 1 percent of residents are registered

Conservatives.

The town is not quite as diverse as Washington, D.C., or Arkansas, however. New Castle is 93 percent white, with Asians being the largest minority group at 5 percent, according to 1990 census figures.

Chappaqua is not easy to define. It can be the hamlet, with its downtown centered along King Street and South Greeley Avenue; the school district, which includes the bulk of New Castle and a piece of Mount Pleasant; or the ZIP code, 10514, which extends into Mount Pleasant and Yorktown.

There is a distinct benefit to being able to latch onto any one of those designations. Just ask residents of New Castle's other hamlet, Millwood, which is on the west side of town, on the other side of the Metro-North Railroad tracks.

"I know our property values would be much higher if we were in Chappaqua," said Elaine Levy, a 51-year resident

of Millwood. Still, she and others said they don't resent Chappaqua's reputation: She admits she loves the neighboring hamlet.

"It's charming. It's still a little village, and that's rare these days," Levy said. "It's still rural, yet convenient."

The town is a 15-minute drive from Westchester County Airport, 35 miles from Manhattan and a 55-minute train ride from Grand Central Terminal — 47 minutes on the express. Chappaqua's Metro-North station has 1,200 parking spaces: They are a valued commodity, quickly snatched up by commuters.

The hamlet's downtown has maintained its small-town charm by keeping predominantly local stores. There is no Gap, but instead a Squire's Men and Boys Wear, a fixture for 60 years. There's no Blockbuster, but the Chappaqua Video Center.

There was much debate and hoopla over the community's

first Chinese restaurant about a decade ago, and since then a Dunkin' Donuts and Starbucks have managed to squeeze in.

"It's a quaint town, but this (the Clintons' purchase) is not necessarily a bad thing," said Michael Kushner, co-owner of Squire's. It will bring some initial attention and tourism, he said, but he doubted it would disrupt life.

Many residents noted, for example, that actress and former Miss America Vanessa Williams, a Millwood native who once lived in Chappaqua but now lives in nearby Pleasantville, is frequently spotted in town.

Even with the Clintons moving in, the biggest concern in Chappaqua has been the need for a new school. Enrollment has jumped by more than 20 percent this decade, and projections show it could rise by an additional 30 percent in the next 10 years, school board President Kenneth Godshall said.

The district will have to con-

struct a sixth school building, at a probable cost of \$20 million, he said. Officials may also have to expand Horace Greeley High School, rated as one of the best in the country. The high school boasts one of the highest average SAT scores in the county and reports that 92 percent of its graduates head off to college.

This month, the board will start evaluating potential school sites, which have so far been met with opposition from neighbors.

Officials and residents agree that it's the school system that is at the core of Chappaqua's image.

"We came here for the quiet and the good schools," said Chappaqua resident Genende, whose daughter, Emily, will be a freshman at Horace Greeley this year. Like the Clintons, they looked in Edgemont before deciding on Chappaqua.

"I guess they're following me," she said.

Academa Persaud with her children, Divya, 3, and Tara, 8, look at the house that will soon be home to the first family.

said, 'I'm here before the passing'... tourists get here.' I said, 'Where are you from?' He said, 'From and then got in

Hamlet has a history to make Clintons proud

Area was settled by Quakers opposed to slavery and once was the summer home of a presidential candidate

ROBERT MARCHANT
The Journal News

CHAPPAQUA — A hamlet with a history of noisy political disturbances and social consciousness, where leaders of industry and public opinion have lived for generations, could prove a historically suitable home base for the Clintons.

The area was settled by Quakers who opposed slavery and promoted religious tolerance, and it was the country home of one of the Democratic Party's 19th-century presidential nominees, Horace Greeley.

"There's a feeling of community service that goes with the town," said New Castle's town historian, Richard Neale.

"I think it could fit someone like Clinton. It has some self-made people who are familiar with the upper classes," Neale said.

A hamlet in the town of New Castle with 3,500 homes, the community was the stopping point for a group of Quakers who came from Long Island in the 1720s. The Quaker Meeting House in Chappaqua was built in 1753, and it stands today.

Chappaqua was a quiet farming community for much of its early existence. When the railroad came through town in the middle of the century, wealthy arrivals bought up homes in the Chappaqua highlands. Locals called them "hill-toppers."

During the Civil War, Chappaqua was reputed to be a station on the Underground Railroad, a clandestine network of anti-slavery activists who steered runaway slaves to Canada.

Documentation or evidence that Chappaqua was involved in the escape route has not been verified. The Headey family, a family of African-Americans, had lived in the area for generations, and the town's well-known Quaker traditions may have led to reports of a Chappaqua link to the Underground Railroad.

Horace Greeley, editor of the New York Tribune, bought a swampy 75-acre parcel in Chappaqua in 1853 and turned it into a farm. His efforts

"There's a feeling of community service that goes with the town. I think it could fit someone like Clinton. ...

"When I go away, I'm always pleased when I come back, what a pretty town it is. But it's up-to-date and forward-looking. It's a great place to live."

Richard Neale,
New Castle town historian

attempts at agriculture.

"Chappaqua confronted him with fruit trees and grape vines concerning which he was, as he himself declared, 'ignorant as a horse,'" wrote a Greeley biographer, Glyndon Van Deusen.

During the Civil War, Greeley was an outspoken supporter of the Union cause. When the Draft Riots erupted in July 1863, touched off by the conscription of able-bodied men in the Northern states who could not afford to pay their way out of army service, a group of 300 men turned up at Greeley's farm and staged a noisy demonstration.

Greeley's wife, Mary, who looked after the Chappaqua farm while her husband worked in the city, was reported to have poured out a large pile of gunpowder in their house, threatening to blow it up from a safe distance if any intruders gained entry. The story may or may not be true. In any event, the protesters left Greeley's farm after a loud rally.

Mary Greeley was an educated Virginia aristocrat who enjoyed the company of New York City's intellectual and creative classes. But an isolated country life in Chappaqua did not suit her, and the deaths of seven out of nine of her children led to periods of severe depression in her later years. She was known around Chappaqua as an eccentric. Greeley said his wife suffered from a "physical paralysis of will."

Greeley mounted a disastrous run for the presidency in 1872 against Ulysses Grant, campaigning as a Democrat despite his longtime Republican affiliations. Greeley brought large crowds to the Chappaqua farm,

streak. He invited them to drink from his spring, and visitors to the farm were often treated to lobster salad, pigeon pie and lemonade.

Mary Greeley died during the fall of 1872, with her husband at her side. Greeley took to his own deathbed a short time later, humiliated after a landslide victory by Grant.

"The Sage of Chappaqua," as Greeley was known, is memorialized by a statue in his honor that stands next to the Saw Mill River Parkway. The statue faces east, though Greeley was the man who popularized the phrase, "Go West, young man," as advice to the unemployed of New York City.

An attempt by the state Department of Transportation to relocate the statue met with furious local opposition in the mid-90s, and the statue of Greeley still stands along the spot near the Saw Mill where it was first unveiled in 1914.

Chappaqua is also known — though not widely — as the location of Reader's Digest. Lila and DeWitt Wallace chose the hamlet for the new headquarters of the Digest, completed in 1939 for the huge sum of \$1.5 million. The lavish corporate park was described by a commentator as having been built in a style that "God would have done if He had the money." Still, the Wallaces liked the name of the home of their previous headquarters — Pleasantville — so they opted to retain it as a mailing address.

Chappaqua's rocky soil and steep slopes made it poor farmland, as Greeley discovered to his misfortune, but its unique geography had advantages in later times.

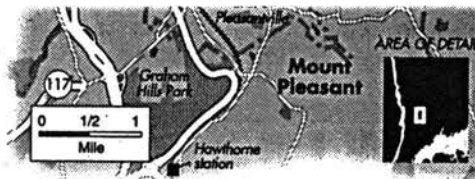
During the post-World War II development boom, Chappaqua was largely bypassed by large-scale residential growth because it was a difficult area to build on. Its relatively unspoiled character has drawn wealthy newcomers and new blood through the years.

Neale, the town historian, said Chappaqua had a certain, old-fashioned flavor, but it was not a fusty place.

"When I go away, I'm always pleased when I come back, what a pretty town it is," he said, "But it's up-to-date and forward-looking. It's a

ter was the name of the estate venture that has the Clintons since their Arkansas, they might be Lederer version.

— Robert Marchant



screenwriter, and his wife, actress **MARY BETH HURT**.

Time magazine's 1996 "Man of the Year."

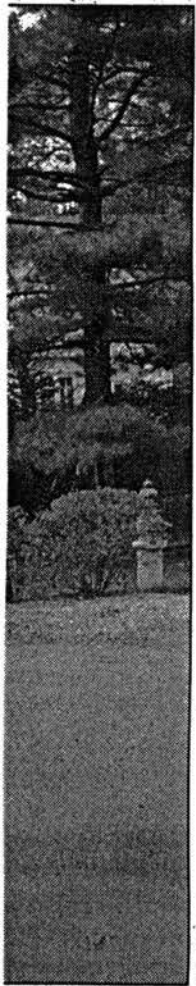
American Jewish Committee.

and historian.

■ **KENNETH JACKSON**, noted urban historian and Columbia University professor.

Miss America, is a former resident who now lives in Pleasantville.

'The House' already drawing visitors in Chappaqua



rtens/The Journal News and Tara, 8, look t family.

Curiosity-seekers start lining up for look at the Clintons' new home

JORGE FITZ-GIBBON and NOREEN O'DONNELL
The Journal News

CHAPPAQUA — The Clintons' new Colonial already has a new nickname.

"I think when he's at the Little White House it will change things," said 48-year-old Steve Zinaman, who drove by with his 14-year-old daughter, Kimberly, on their way to dinner last night.

"There's not much I can do about it," he said. "It's going to change the town."

Curiosity seekers have been cruising the cul-de-sac since the Clintons toured the white manor house at 15 Old House Lane on Saturday. Last night, after the deal was announced, a much heavier procession of cars moved slowly up the road. The line stretched at times to Route 117, past a television news truck parked nearby.

"I've been interviewing people who come by," said one of the Clintons' new neighbors, Dr. Ronald Jacobson, a pediatric neurologist who lives on the street. "I saw one guy ... he said, 'I'm here before the tourists get here.' I said, 'Where are you from?' He said, 'From



'There are so many people who live in these neighborhoods, in these towns, that are accomplished. Ultimately they will be just another face.'

Thornwood resident Sue Lagrotta

the other side of town.' I said, 'Excuse me, you are a tourist.'"

The house was quiet last night, with a welcoming light on the front porch; a sliver of light shone through curtains on the second floor. Next door, where there is now a "No Trespassing" sign, someone watched through the window and then got into a car and left.

Mike Piscatelli drove to the neighborhood from Pleasantville with his wife. In a county where property values are everything, he called the Clintons' new residency a boon for everyone.

"How many people can say 'I live next to the president?'" he asked. "My house just went up \$20,000. I think it's good for the area to get somebody with that kind of status."

Pam Socolow of Chappaqua, 33, who pulled up with a friend in a minivan full of children, agreed.

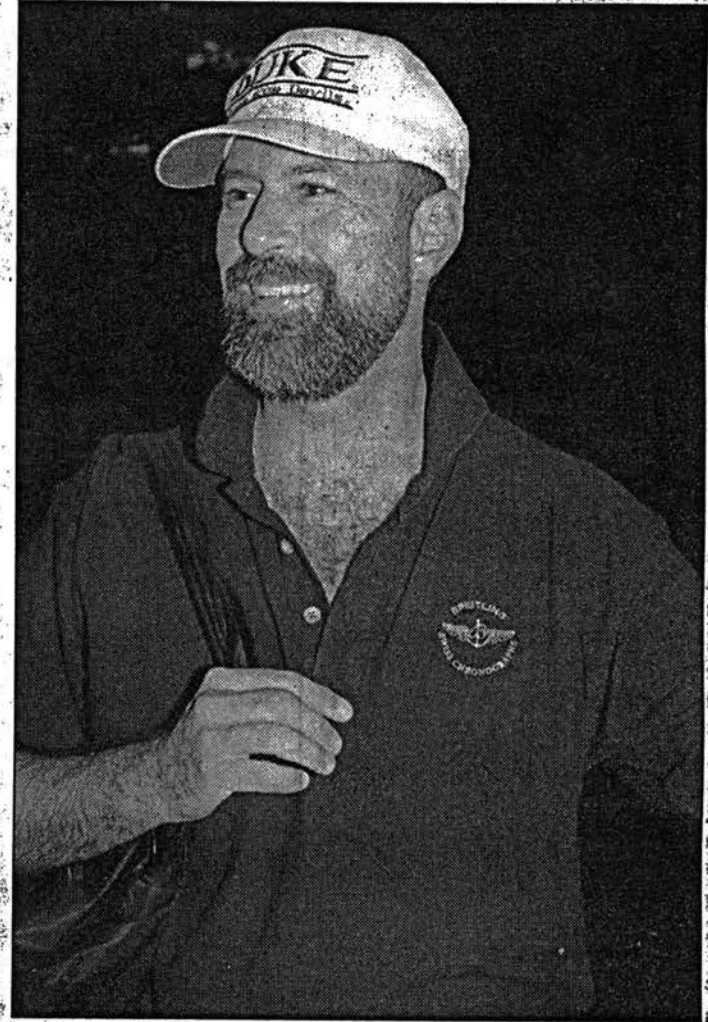
"I wish I lived on this street too," she said. "I'd sell."

Bob Schultz walked across Route 117 with his family and two dogs so his children could share in the fun.

"I'm truly excited and honored that they would choose Chappaqua," he said. "I say that knowing that there are negatives. ... But I think the negatives will be far outweighed by the positives."

In time, predicted Sue Lagrotta of Thornwood, all the commotion will die down.

"There are so many people who live in these neighborhoods, in these towns, that are accomplished," she said. "Ultimately, they will just be another face."



Dr. Ronald Jacobson is getting some famous new neighbors.

as a history

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Weekly Reports

- Tab A - copied Bailey, Podesta
Tab C - copied Sperling, Podesta
Tab D - copied Reed, Liu, Podesta
Street # (page 2)
Tab E - copied Frampton, Podesta
Tab F - copied Ballentine, Podesta,
and Leggett
Burkhardt, for Replies
Tab G - copied Lane, Podesta
Tab I - copied Ibarra, Podesta
Tab J - copied Marshall, Balderston,
Podesta; copied page 4 to Reed,
Marshall, Balderston, Podesta
Tab M - copied Johnson, Podesta
Tab N - copied Cutler, Echaveste,
Podesta
Tab O - copied Moore, Podesta
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~~Burkhardt~~ for Reply
Moore

THE WHITE HOUSE
WASHINGTON

9-20-99

September 19, 1999

MR. PRESIDENT:

Attached are the following weekly reports:

- (A) **Weekly Economic Briefing**
- (B) **Update on Global Markets/Interest Rates and Stock Prices**
- (C) **NEC**
- (D) **DPC**
- (E) **CEQ**
- (F) **Environmental Initiative**
- (G) **OSTP**
- (H) **Legislative**
- (I) **Intergovernmental**
- (J) **Cabinet Affairs**
- (K) **Communications**
- (L) **Public Liaison**
- (M) **Race Initiative**
- (N) **Indian Country**
- (O) **Political Affairs**

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9-20-99

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WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

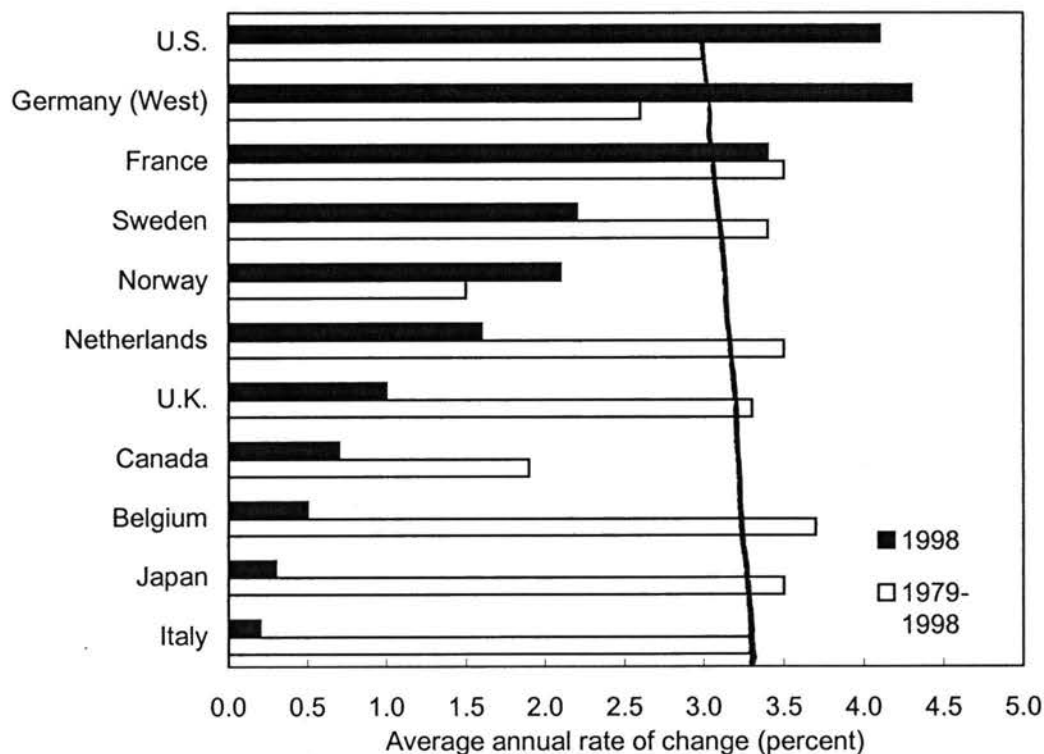
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

September 17, 1999

Copied
Bailey
Podesta

CHART OF THE WEEK

Manufacturing Productivity Growth in Selected Countries



The latest international comparisons of manufacturing productivity from the Bureau of Labor Statistics show that labor productivity in U.S. manufacturing increased 4.1 percent in 1998, second only to Germany's 4.3 percent. The United States and Germany (together with Norway) were also the only countries to achieve faster growth in 1998 than their long-term trend growth rate. (The U.S. output series used for international comparisons is different from the one used in the standard quarterly series on productivity and costs.)

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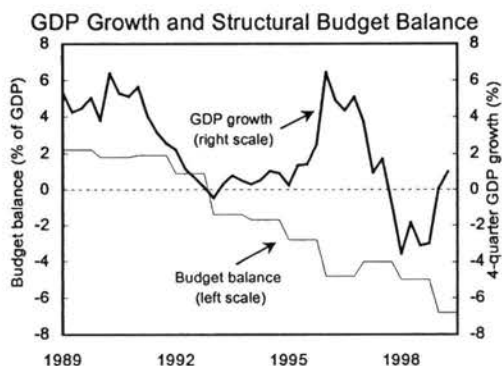
"Is this the year, Pumpkin? Goodbye, love boat, hello, elder hostel?"

CURRENT DEVELOPMENT

Has Japan Turned the Corner?

Japanese real GDP growth has recovered strongly in 1999 (see upper chart), following the longest downturn since the war. Despite hopeful signs, however, macroeconomic and structural concerns suggest a need for continued caution.

Slowdown, decline, and rebound. Despite a brief upward blip in 1996, Japan has suffered lackluster economic performance throughout the 1990s. Faced with rising budget deficits, Japan implemented a sharp fiscal consolidation in 1997. But this coincided with the onset of the Asian financial crisis and the collapse of several major financial institutions. The country plunged into recession.



Despite the large budget deficit, Japan implemented a major fiscal stimulus package in late 1998. Monetary policy became more aggressive in early 1999, as already low short-term interest rates were cut to virtually zero. Structural reforms may also have helped the recovery. For example, Japan has put in place a comprehensive framework to deal with banking weaknesses, and announced a package of tax and regulatory measures to promote corporate restructuring. These steps may have contributed to a recent surge in stock prices and an improvement in (the still low levels of) business confidence in 1999 (see lower chart).

Risks remain. Japan is not necessarily out of the woods. For example, public investment boosted demand in late 1998 and early 1999, but declined in the second quarter and would be a drag on growth if it returns to normal levels as projected. Residential investment surged in the second quarter, reflecting tax breaks, but its rapid pace is not sustainable. In addition, non-residential investment remains weak, and yen strength could curtail net exports.

Observers also point to the need to further strengthen the financial system, encourage corporate restructuring, increase labor mobility, and accelerate deregulation. Without continuing structural reforms, combined with appropriate fiscal and monetary policy, Japan runs the risk that rising growth will turn out to be transitory. After all, Japan has already had a previous, sharp recovery of growth—which, unfortunately, ended abruptly with the recession of 1997 and 1998.

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Asset Transfers and Medicaid Receipt

About 35 percent of 65 year-olds will use a nursing home at some point during the remainder of their lifetimes, according to one estimate. Medicaid is the main source of government support for such care. However, it is a needs-based program and is unavailable to individuals who have not first exhausted their own resources.

Policymakers have been concerned individuals have an incentive to transfer their assets to other family members in order to qualify for support. Past research had found little evidence of such asset shifting, but a recent study, using improved data, finds that those who believe they are more likely to enter nursing homes do indeed transfer assets with greater frequency and in larger amounts than others.

The high cost of care. An average nursing home stay now costs more than \$40,000 per year, and many people mistakenly believe that Medicare will cover the costs of their long-term care. In fact, however, nearly 50 percent of the costs of long-term care are paid out-of-pocket by nursing home patients and their families, and most of the remaining costs are borne by Medicaid. Because costs are so high, spend-down (the process by which individuals first exhaust their own assets before qualifying for Medicaid) typically occurs very rapidly. Using a sample of Massachusetts residents over age 66, one study estimated that 63 percent of those living alone would become Medicaid-eligible within 13 weeks after entering a nursing home.

Evidence of asset transfers. Previous efforts to examine the extent to which people transfer assets to others as a means of qualifying for Medicaid used data on individuals who were already in nursing homes or were very likely to enter them, and hence whose transfer behavior might already have occurred. (Current rules prohibit the transfer of assets within 3 years of entering a nursing home, the so-called "look back" period.) The new study makes use of a nationally representative survey of individuals above age 70 that contains, among other key information, individuals' assessments of the likelihood that they will enter a nursing home within 5 years and the amount of money already transferred to others. It finds that a household with average net worth and a self-assessed 60 percent probability of entering a nursing home within 5 years will make transfers that are 21 percent higher than a household with average net worth and the average self-assessed probability of entering a nursing home (19 percent). In addition, among those who made transfers of more than \$1,000 the average amount transferred was over \$6,000.

Costs to Medicaid. The recent research suggests that the cost savings to the Medicaid program could be larger than previously thought. It is estimated that close to 12 million households might transfer assets for the purpose of qualifying for Medicaid. If everyone transferred assets at the same rate as the study

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population, these 12 million households would make \$3.5 billion in transfers, representing 15 percent of Federal Medicaid spending on nursing homes in 1993. Of course, not all of these transfers represent a loss to the Medicaid system since some of the individuals who transfer money to qualify for Medicaid do not actually need nursing home care, and the study suggests that the actual loss to the Medicaid system from these transfers is likely to be less than half of this amount.

Implications. Although the new evidence suggests that asset transfers are large enough to raise Medicaid costs, efforts to control costs by tightening rules regarding transfer behavior have been unpopular. Alternative approaches might examine ways to control rising long-term care costs, increase the availability of long-term care insurance, and create positive incentives for individuals who can afford it to share responsibility for payment.

yes

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Long-Term Temps Are a Rare Breed. Although popular perceptions may be otherwise, employment in the temporary help services industry is relatively small (about 1 to 2 percent of the labor force). Moreover, only a small fraction of temps represent long-term jobholders, according to a recent analysis of Bureau of Labor Statistics data by a private foundation. In fact, 54 percent of all temps leave their jobs within 6 months. And while 38 percent of new temps cite inability to find a permanent job as their reason for temping, this percentage drops to below 6 percent for those with more than 48 months of tenure. Those with longer tenure are also considerably more likely to prefer their current arrangement. This study emphasizes the positive side of temporary work for some, while previous analyses in the *Weekly Economic Briefing* (November 14, 1997 and September 11, 1998) have also recognized that lower wages and changeable work settings may create problems for other temporary workers.

How Do Layoffs Affect Stock Prices? Layoffs may be getting more attention in the press than they used to, but a recent study finds that the total number of layoff announcements follows the business cycle quite closely. What has changed, according to the study, is the stock market's reaction to layoff announcements: on average, a layoff announcement is more likely to be associated with a rise in the price of the company's stock than it used to be. One possible explanation for this change is that reductions in force designed to improve efficiency are becoming more common relative to those designed to deal with reductions in demand for the company's product. The study found that layoffs associated with reorganization have, in fact, increased dramatically and that the fraction associated with plant closings has declined. It also found that layoffs due to plant closings received a negative stock market reaction while those due to reorganization were generally positively received. However, the authors were more confident in documenting that stock market reactions to layoffs have become less negative over time than they were in attributing this change to any particular cause.

Attending Elite Colleges May Have Little Payoff—Except for Minorities. A new study finds that attending a more selective (higher average SAT score) college does not appear to boost future earnings, contrary to previous findings. The study uses 1995 earnings data for about 14,000 students who entered college in 1976. Because factors affecting college admission may also affect future earnings, the study groups together students who were accepted and rejected from a similar set of schools, and then compares, within groups, the outcomes of those who chose to attend a more selective college with those who chose a less selective one. Post-college earnings were found to be similar for those who attended elite colleges and those who could have, but did not—except for students from more disadvantaged backgrounds, whose earnings were raised by attending a more selective college. An implication of the study is that efforts to attract qualified students from more disadvantaged family backgrounds to elite colleges could improve matching of these students' abilities to their future jobs, without adversely affecting that matching for others, on average.

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INTERNATIONAL ROUNDUP

Asian Recovery Exceeds Forecasts. After strong first-quarter regional growth of 4.8 percent (relative to year earlier levels), reinforced by continued strong growth in the second quarter, the Asian Development Bank raised its forecasts for most countries in the 14 "Developing Asia" economies. The faster-than-expected recovery in 1999, from 1 percent growth in the last quarter of 1998, has been fueled by domestic demand stimulated by expansionary policies and increased global demand for semi-conductors and electronic products. The implementation of corporate and financial sector reforms has helped raise industrial production and exports in most of the crisis-affected economies and, in many cases, reverse capital outflows. However, the recovery has not been evenly spread, with South Korea, Taiwan, Singapore, the Philippines, and Thailand leading the way, while Hong Kong, Malaysia, and Indonesia are lagging behind. Despite an overall positive forecast, the Asian Development Bank notes several factors that could moderate the effectiveness of the reforms in the region, including debt and structural problems of Korean Chaebols, the slow pace of bank restructuring and consolidation, and the problems associated with China's banking and state-owned enterprise sectors.

Israel Moves Toward ILO Core Labor Standards. Although Israel has made progress in ratifying International Labor Organization core labor standards, progress still needs to be made in order to protect some groups of workers from abuses, according to a WTO-commissioned report by the International Confederation of Free Trade Unions (ICFTU). The report found that, while most Israeli workers are able to exercise their basic trade union rights, the government has at times forced striking workers to return to work in arbitrarily defined "essential" public services. The report also found that significant discrimination against women and Israeli Arabs remains despite legislative improvements in recent years, due in part to lack of resources for enforcement. Also, while child labor is a relatively minor phenomenon, it is reported to be a problem for some groups of the population. The ICFTU recommends that Israel amend its law on the definition of "essential" public services, remove the penalty of forced labor for those engaging in an illegal strike, extend full freedom of association and collective bargaining rights to all workers including those from the West Bank and Gaza, and provide adequate resources for implementing its laws regarding discrimination against women and Israeli Arabs.

✓ **UK sees record lows in unemployment, inflation.** Unemployment as measured in the United Kingdom fell by 22,300 in August to a 19-year low of 4.2 percent of the workforce. (The unemployment rate approximating U.S. concepts is nearly 2 percentage points higher.) The number of people employed in the UK rose to a record high in the May-July period, increasing by almost 300,000 from the same period last year. Average earnings also increased in July by 4.6 percent, up from 4.4 percent in June. At the same time, inflation fell to its lowest level since the mid-1960s, standing at just over 1 percent.

RELEASES THIS WEEK

Housing Starts

****Embargoed until 8:30 a.m., Friday, September 17, 1999****

Housing starts were about unchanged in August at 1.676 million units at an annual rate. For the first 8 months of 1999, housing starts are 5 percent above the same period a year ago.

Industrial Production and Capacity Utilization

The Federal Reserve's index of industrial production rose 0.3 percent in August following an increase of 0.7 percent in July. Capacity utilization rose 0.1 percentage point to 80.8 percent.

Consumer Price Index

The consumer price index increased 0.3 percent in August. Excluding food and energy, consumer prices rose 0.1 percent.

Retail Sales

Advance estimates show that retail sales rose 1.2 percent in August following an increase of 1.0 percent in July. Excluding sales in the automotive group, retail sales rose 0.7 percent following an increase of 0.4 percent.

MAJOR RELEASES NEXT WEEK

U.S. International Trade in Goods and Services (Tuesday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1998	1998:4	1999:1	1999:2
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	4.3	6.0	4.3	1.8
GDP chain-type price index	5.4	0.9	0.8	1.6	1.5
Nonfarm business (NFB) sector:					
Productivity (chain-type)	1.5	2.6	4.1	3.6	0.6
Real compensation per hour:					
Using CPI	0.6	2.5	2.0	2.9	1.5
Using NFB deflator	1.3	3.7	3.4	3.0	3.7
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	11.0	11.0	11.0	11.2
Residential investment	4.5	4.3	4.5	4.6	4.7
Exports	8.2	11.3	11.3	10.9	11.0
Imports	9.2	13.0	13.1	13.2	13.7
Personal saving	5.2	0.3	-0.0	-0.5	-0.9
Federal surplus	-2.7	0.9	0.8	1.4	1.6
	1970- 1993	1998	June 1999	July 1999	August 1999
Unemployment Rate (percent)	6.7**	4.5**	4.3	4.3	4.2
Payroll employment (thousands)					
increase per month			281	338	124
increase since Jan. 1993					19403
Inflation (percent per period)					
CPI	5.8	1.6	0.0	0.3	0.3
PPI-Finished goods	5.0	0.0	-0.1	0.2	0.5

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

New or revised data in **boldface**.

FINANCIAL STATISTICS

	1997	1998	July 1999	August 1999	Sept. 16, 1999
Dow-Jones Industrial Average	7441	8626	11052	10935	10737
Interest Rates (percent per annum)					
3-month T-bill	5.06	4.78	4.55	4.72	4.57
10-year T-bond	6.35	5.26	5.79	5.94	5.90
Mortgage rate, 30-year fixed	7.60	6.94	7.63	7.94	7.82
Prime rate	8.44	8.35	8.00	8.06	8.25

INTERNATIONAL STATISTICS

Exchange Rates	Current level September 16, 1999	Percent Change from	
		Week ago	Year ago
Euro (in U.S. dollars)	1.042	-1.2	N.A.
Yen (per U.S. dollar)	105.1	-2.7	-22.1
Major currencies index (Mar. 1973=100) (trade-weighted value of the U.S. \$)	93.11	-0.3	-3.6

International Comparisons ^{1/}	Real GDP growth (percent change last 4 quarters)	Unemployment rate (percent)	CPI inflation (percent change in index last 12 months)
United States	3.9 (Q2)	4.2 (Aug)	2.3 (Aug)
Canada	3.7 (Q2)	7.7 (Jul)	1.8 (Jul)
Japan	1.1 (Q2)	4.9 (Jul)	-0.1 (Jul)
France	2.1 (Q2)	11.3 (Jun)	0.3 (Jun)
Germany	0.6 (Q2)	7.1 (Jul) ^{2/}	0.6 (Jul)
Italy	0.9 (Q1)	12.1 (Apr)	1.7 (Jul)
United Kingdom	1.2 (Q2)	6.1 (May)	1.3 (Jul)

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

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

THE WHITE HOUSE
WASHINGTON

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9-20-99

September 17, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORTS

cc: JOHN PODESTA

Air Traffic Control (ATC) Reform: The much-publicized increase in air traffic control delays is a symptom of the deeper problem that has made ATC reform an Administration priority since 1993. The key elements are: management reform (a government corporation or performance-based organization within the FAA); pricing reform (cost-based user fees instead of the current excise tax on airline tickets); and special budget treatment (user fees dedicated to ATC; borrowing authority). Although major political obstacles remain, the delay problem has created some momentum for reform, and Dorothy Robyn on my staff has been spending considerable time on this. Yesterday, she and Jane Garvey met for more than two hours with Jay Rockefeller, who is ranking on the Aviation Subcommittee. Rockefeller is not yet ready to champion ATC reform (he's concerned about the effect on small communities), which makes it unlikely we can get reform provisions into this year's Senate FAA reauthorization bill. And the House FAA bill, which would take the aviation trust fund off budget, also lacks reform provisions. The good news is that the major airlines, which have never made ATC reform a priority, have suddenly gotten religion, and key Republicans are sympathetic. Our best bet may be to try to get a clean extension bill for the FAA and to seek ATC reform as part of an FY2001 reauthorization bill. I will hold a principals meeting in the next few days to consider our legislative options.

Taxes/Budget/Social Security: Your economic team met throughout the past week to discuss appropriations as well as overall budget strategies. Also, throughout the week, the NEC has hosted a number of technical working group meetings with staff from Treasury, OMB, and CEA to discuss the following: drafting issues related to the Social Security and Medicare portions of the lockbox legislation, various options to manage potential on-budget deficits in FY2000 without undermining the fiscal discipline of the Social Security lockbox, alternative scenarios and rationales for our Medicare transfers, and a revised USA program. We will continue to meet and discuss these issues throughout the next week.

Biotechnology/GMOs: You should know that currently the NEC is conducting an interagency process to discuss Biotechnology/GMOs and related issues. On Wednesday, Lael Brainard chaired a meeting of the Biotech High-Level Group to develop preliminary options to address consumer right to know, including those related to labeling. Over the next two weeks, the

interagency working group will develop proposals and we will present you with the different perspectives of your relevant Cabinet Members and economic advisors shortly thereafter.

Trade Legislation – CBI, Africa and Southeast Europe: NEC Deputies met on Thursday to chart strategy on pending trade bills. Senator Lott's intention is to pair the Africa and CBI bills on the Senate floor during the last week of September or first week of October. He and Chairman Roth will resist amendments, reserving any changes for the conference negotiations with the House, which has already passed a broader version of the Africa but is unlikely to take up CBI on its own. Our strategy is to reinforce through Cabinet-level contacts next week your strong support for enactment of this legislation this year, emphasizing that prospects for passage would be greatly enhanced by Senate floor action soon so as to avoid having the conference agreement debated just before adjournment, when textile foes will have greater leverage. Senator Lott's willingness to schedule the bill soon will be strongly influenced by whether supporters will be able to demonstrate they have the 60 votes necessary to defeat likely filibuster attempts by textile foes (we think we will) and whether Senator Daschle can secure from the Caucus a finite list of Democratic amendments in order to ensure the bill will not consume too much time. We will also explore with Moynihan and Roth the prospects for attaching Southeast Europe trade preferences to this legislation.

IMF's New Forecast: The forecast shows substantial upward revisions for both U.S. and world economic growth for 1999. The IMF's latest forecast of world GDP growth in 1999 was revised up to 2.8 percent from the 2.3 percent envisioned last May. This represents one of the largest upward revisions in the IMF's quarter-century history of semi-annual economic forecasting. Driving the upgrade were improved forecasts for the U.S. and East Asian economies. The United States is now expected to grow 3.7 percent this year, compared with the 3.0 percent increase expected last May. In light of the forecast upgrade, the IMF report said that the U.S. economy probably needed another round of interest rate increases to prevent overheating. The report also noted that the forecast for Korea had been revised sharply upward (to 6.5 percent growth), while recessions in Brazil and Russia are now thought likely to be less severe than previously envisioned. The report also said that "various signals point to a limited revival in the Japanese economy." The forecast for Japanese growth in 1999 was revised from a 1.1 percent contraction (last May) to a 0.2 percent increase.

Lamb: Your July 201 safeguard decision has been well received by the domestic lamb industry. An NEC-led interagency group has been in consultation with the domestic industry on the \$100 million, 3-year domestic relief package. On Tuesday, staff held meetings at USDA to discuss written submissions by industry groups analyzing the industry's problems and suggesting specific proposals for using the assistance to achieve lasting results. About 50 representatives from all parts of the industry participated either in that meeting or in other meetings and conference calls during the week. Participants repeatedly thanked the Administration for bringing them together in a common goal. The Federal assistance was described as "challenge" or venture funding. Plans to help the industry adjust to import competition by boosting productivity are being refined in consultation with OMB, USDA, and USTR for presentation to you in October.

Information Technology Research: The Senate Appropriations Committee approved \$126 million of the \$146 million that we had asked for NSF's portion of the Administration's "Information Technology for the 21st Century" initiative. The House only approved \$35 million

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THE PRESIDENT HAS SEEN

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of the Administration's request. The goal of the initiative is to invest in long-term IT research in the same way that government investments beginning 30 years ago led to today's Internet. Currently, 1/3 of U.S. economic growth has come from the IT industry, and jobs in the IT sector are paying almost 80 percent more than the private sector average.

'99 SEP 17 PM 6:13

THE WHITE HOUSE
WASHINGTON

9-20-99

September 17, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Crime – Texas Shooting Update: ATF has traced two handguns carried by the gunman in the shooting Wednesday at Wedgwood Baptist Church in Fort Worth. According to trace information and news reports, the AMT .380 caliber handgun and Ruger 9-mm semiautomatic handgun were sold to the gunman, Larry Ashbrook, by federally-licensed dealers at a 1992 gun flea market in Grand Prairie, TX. It has been reported that Ashbrook had a 1971 conviction for marijuana possession and no history of treatment for mental illness.

2. Crime – Juvenile Justice Bill Conference: Representatives Hyde and Conyers have been meeting this week but remain unable to reach agreement on key gun provisions. We have seen a draft of a possible Hyde compromise proposal on guns, which contains flawed provisions on gun shows (including a flea market exemption) and large capacity ammunition clips, but acceptable language on child safety locks and juvenile Brady requirements. House Republicans also are insisting on their Ten Commandments provision. The conferees may meet next week.

3. Campaign Finance – Update on Reform Bills: By a vote of 252-177, the House on Wednesday passed the Shays-Meehan bill, which bans federal soft money and expands the definition of "express advocacy." Senators McCain and Feingold on Thursday then introduced a stripped-down version of their bill that includes only a soft money ban, in the hope that such a bill could secure enough votes to prevent a filibuster. Common Cause and other groups have signaled their willingness to support this strategy. Our judgment, however, is that it is premature to abandon the wider-reaching reform package just passed by the House. To ensure that we preserve some leverage in the event of a House-Senate conference, we recommend that you continue to support Shays-Meehan and the more comprehensive version of McCain-Feingold.

4. Health Care – Patients Bill of Rights Update. Speaker Hastert announced Friday that the House will vote on both Norwood-Dingell and Coburn-Shadegg the week of October 4. The leadership will likely attempt to focus the debate on "right to sue" issues. With this in mind, we are encouraging Representatives Norwood and Dingell to join with groups opposed to Coburn-Shadegg in a more aggressive critique of that bill's inadequate enforcement provisions. We also are tentatively scheduling an October 12th address to a national conference of pediatricians who strongly support the Administration's legislation. At this event, you would unveil a new regulation that applies the Patients Bill of Rights to every CHIP plan in the country.

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5. Health Care – Ads by Pharmaceutical Manufacturers Association (PhRMA).

PhRMA has initiated what appears to be a \$30 to \$40 million dollar advertising campaign against your prescription drug benefit proposal. The ads, featuring an elderly character named Flo, charge that the Administration's drug benefit would limit access to necessary drugs, create incentives for private plans to drop coverage, and inhibit investment in research and development. Although independent experts and advocacy organizations have repudiated these charges, there has not yet been a coordinated effort to counter the campaign. A number of aging organizations plan to picket PhRMA headquarters and declare that the group does not represent the best interests of the elderly. Next week, we will also meet with representatives of the drug industry to reiterate our request that they pull the ads. A number of them reportedly believe it was a mistake to criticize your plan directly. We will keep you apprised of developments.

if they
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8. Education – ACHIEVE Summit: Lou Gerstner and ACHIEVE are hosting an education summit on September 30th and October 1st in Palisades, NY, like the one you attended in March 1996. They are expecting over thirty Governors, over thirty CEOs, Secretary Riley, Bob Chase, Sandy Feldman and other key education leaders to attend. They have invited you to be the keynote speaker on the afternoon of September 30th, but your schedule makes it very difficult for you to attend. (You already have a major news announcement that morning of Census Bureau figures on income and poverty, and you leave the next morning for a Western swing). We do not yet know whether Governor Bush is going, but the summit will attract substantial press coverage, with 400 reporters expected. That week also marks the tenth anniversary of the Charlottesville summit.

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7. Education – ESEA Reauthorization Update: The House Education and Workforce Committee is planning to mark up Title I legislation by the end of this month. On the Senate side, Senator Jeffords is still drafting a comprehensive ESEA bill. Senator Lieberman is also planning to introduce an ESEA bill later this month that will include your class size initiative and accountability measures but will consolidate many ESEA programs and focus the money more heavily on impoverished school districts.

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8. Tobacco – Synar Amendment: In 1992, Congress enacted the Synar Amendment to require states to make progress in reducing tobacco sales to minors. This year, for the first time, HHS has made a preliminary finding that seven states (DE, IA, MO, MN, OR, RI, WY) and the District of Columbia have failed to meet their targets, making them subject to a statutory 40 percent cut in their Substance Abuse Prevention and Treatment block grant. Secretary Shalala has called the governors and members of Congress from those states to notify them and to describe the appeals process. She has also indicated the Administration's willingness to work with Congress to pass a more graduated penalty. As you may recall, we made similar changes to state child support enforcement penalties last year. Senator Durbin is drafting a promising alternative that would 1) modulate the penalty depending on how much of the target was met, while 2) raising the required rate of retailer compliance from 80 to 90 percent by 2008. We hope to add a legislative fix to the SAMSHA reauthorization bill now pending in the Senate.

9. Tobacco – Bidis: You asked whether there was anything we could do about "bidis," the small, cheap and often flavored cigarettes that are growing in appeal among the young. Currently, the FTC considers bidis cigarettes, requiring that the Surgeon General's health

9-20-99

warnings appear on packages and in advertising, but many retailers and importers are unaware of this. We could direct the FTC to notify all tobacco importers of the status of bidis and of the warning requirements. Bidis containing tobacco are also considered cigarettes by the Treasury Department and are taxed as such. Businesses that import them will have to apply for an importer's permit before January 1; this will help us track the volume entering the country. The Food and Drug Administration (FDA) is also examining bidis and evaluating whether they fall under the "drug and device" regulatory standard. The agency is unlikely to act, however, while the Supreme Court is reviewing its jurisdiction over tobacco products.

10. Violence Against Women – House Republican Fetal Protection Legislation: On a party-line vote, the House Judiciary Committee on Tuesday passed H.R. 2436, the "Unborn Victims of Violence Act of 1999," which would make it a new and separate federal offense to kill or injure "a child in utero" by assaulting or injuring a pregnant woman while committing certain federal crimes. (It specifically exempts abortions). The bill, sponsored by Canady, Graham and Chris Smith, is a clever, thinly veiled attempt to treat a fetus of any age as a life under federal law. The Department of Justice advised that the bill was not unconstitutional, but sent a letter to the Committee articulating the Administration's opposition. We are working with House Democrats to devise a strong substitute that would call for tougher penalties for crimes against pregnant women and additional protections from violence against women. There is no similar bill pending in the Senate.

11. Welfare – Out-of-Wedlock Birth Bonus: Last week, HHS awarded the first bonus funds under the 1996 welfare reform law for the five states with the largest decrease in out-of-wedlock births (and an accompanying decline in abortion rates). California, D.C., Michigan, Alabama, and Massachusetts each received \$20 million. Altogether, 12 states experienced a reduction, and the national rate held constant over the four-year period measured by the bonus.

12. Welfare – Initiatives to Address Poverty: In response to a recent Chicago Tribune story, you asked us to gather information about your anti-poverty initiatives and the trips you have made to poor communities. We are working with NEC to update and expand a set of documents prepared as part of your first New Markets tour. These documents highlight the Administration's accomplishments on behalf of poor communities and families, as well as the initiatives we continue to fight for (including EZ/ECs, CDFI, EITC, CHIP, Head Start, minimum wage, New Markets, child care, and Welfare-to-Work). We can release this information in conjunction with new Census data on poverty and income due September 30th. We will make sure the Tribune reporter and others receive this information.

13. Immigration – English Language/Civics Education Initiative: On Thursday, White House and Education Department officials met with education, literacy, immigration and civil rights groups to discuss your English Language/Civics Education Initiative. This initiative, which the Administration's FY 2000 budget funds at \$70 million, would help communities combine ESL programs with civics and life skills instruction, to help ensure that adults with limited English proficiency get the tools they need to enter American life. The groups were very supportive and intend to advocate for funding of this initiative.



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

99 SEP 17 PM5:05

September 17, 1999

9-20-99

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR. *GTFJr.*

SUBJECT: CEQ WEEKLY REPORT

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BUDGET

Corporate Average Fuel Economy (CAFE)

As part of the debate over the Transportation Appropriations bill, the Senate this week voted 55 – 40 to defeat a Sense of the Senate resolution expressing opposition to a House rider banning the Administration from proposing changes to the current CAFE standards. The Administration has consistently opposed the House rider. Environmental groups tout this vote as a major victory, arguing that it demonstrates enough support to uphold a veto of the Transportation appropriations bill on account of the rider. CAFE will be a central issue at the Vice President's meeting with leaders from environmental organizations, which is scheduled for next week. They will also be pressing you to issue a veto threat on the bill to help work the Conference and eliminate the rider there.

INTERNATIONAL LEADERSHIP

Ozone Protection

Your speech this week at the Antarctic Center in Christchurch about ozone depletion and other international environmental issues received very positive media attention. Your remarks on new clean energy development options for developing countries complements progress made at the G8 toward higher environmental standards for export credit agencies, oversight of the World Bank's new energy sector strategy, the efforts to eliminate environmentally-damaging subsidies in our trade negotiations, and promotion of U.S. exports of renewable and energy efficiency products. We will continue to look for opportunities to push these critical policies.

Building on the remarks at Christchurch, you transmitted to the Senate a technical amendment to the Montreal Protocol yesterday. Marking the "International Day for the Preservation of the Ozone Layer," this amendment will help promote compliance with the treaty. You also released a statement calling on Congress to approve your budget request for the Montreal Protocol Fund, which plays a key role in helping developing countries phase out ozone-depleting chemicals.

9-20-99

The Administration's policies on ozone depletion were one of three items identified by Friends of the Earth in its endorsement of Bill Bradley earlier this week. The group is especially unhappy about our failure to threaten a veto to last year's Omnibus Appropriations bill over the Fazio Amendment, which conformed the Clean Air Act provisions on methyl bromide (at the time, a 2001 phaseout) to the international phaseout schedule (2005 phaseout). As you may recall, our judgment at the time was that such a veto could not be sustained.

American Samoa

In 1991, a hurricane sank eight foreign fishing vessels on coral reefs in American Samoa's main harbor, leaving behind dangerous and leaking vessels. Senator Inouye, Representative Faleomavaega and Governor Sunia asked for our help in solving this health and safety problem. For several years, CEQ has worked with NOAA, the Coast Guard, Interior, DOJ and DOT to plan and fund the vessel removal through the Oil Pollution Act (OPA) trust fund. Removal of the first vessels has finally begun, and we hope to have the harbor fully cleared prior to American Samoa's 100th anniversary as a U.S. Territory.

What's the
status?

THE PRESIDENT HAS SAID
9-20-99

THE WHITE HOUSE
WASHINGTON

September 17, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: ROGER BALLENTINE *[Signature]*
RE: OFFICE OF ENVIRONMENTAL INITIATIVES WEEKLY

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Climate Change

Press, Science and Industry.

[Handwritten: Dupont speech kept in the Clinton]
As you know, this week Dupont announced ambitious, voluntary measures to combat climate change. The company will reduce its greenhouse gas emissions by 65% from 1990 levels, hold its energy use flat at 1990 levels, and use renewable energy for 10% of its energy needs in the next decade. I have attached a copy of the speech and a copy of the ad Dupont ran in the major papers.

[Handwritten: ✓]
Reuters reported that Price Waterhouse Coopers and EcoSecurities Ltd. have formed a partnership to meet the "explosive growth" anticipated in greenhouse gas mitigation services for corporations. Reuters (9/13) also reported that within months Honda and Toyota will introduce hybrid electric vehicles into the American market that get 65 to 70 miles per gallon. Detroit automakers continue to say it will be at least 2004 until they have commercially viable high-efficiency vehicles on the market.

[Handwritten: X]
Global sea temperatures last year were the warmest in at least 1,000 years, according to a worldwide study of 300 coral reefs published in the *Philippine Daily Inquirer*. ABC World News Tonight (9/12) aired a report positing a connection between the recent outbreak of encephalitis in New York and global warming, noting likely increases in such outbreaks if temperatures rise in northern climates. Our own scientists agree that a warmer, wetter climate will change the ideal ranges for diseases, enhancing their transmission, but do not believe one can say explicitly that global warming is behind the current NY outbreak.

Legislative

Senators Feinstein, Gorton and Bryan offered a Sense of the Senate resolution to the DOT appropriations bill that the Senate should not accept the House rider prohibiting examination of the Corporate Average Fuel Economy (CAFE) standards. Although the resolution was defeated 55-40, the proponents and the environmental community viewed 40 votes (with supporters Chafee, Daschle and McCain absent) as a great victory. The environmental community will use the vote to encourage you to veto the transportation bill, which passed 95-0.

9-20-99

Last week, the House completed action on the FY2000 VA-HUD appropriations bill, which contains the Knollenberg (R-MI) rider prohibiting "backdoor" implementation of the Kyoto Protocol. The Republicans have expanded the report language to cover EPA's voluntary programs and that instructs EPA to include opposing viewpoints at all scientific forums and public discussions of climate change. The Senate Appropriations Committee marked up the HUD bill this week. The Committee mark is \$102M -- \$7M below last year and \$114M below our FY2000 request for EPA's climate programs. Furthermore, the Committee zeroed out the Clean Air Partnership Fund and funding for the Montreal Protocol. The Senate bill contains the same rider language from last year, which was acceptable to us. We are working with Senator Byrd to fight off the House language.

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The House this week passed the Science Committee's DOE research authorization bill. During consideration, Representatives Mark Udall (D-CO) and Sherry Boehlert (R-NY) offered an amendment to increase the authorization for renewable energy and energy efficiency research to our request level. This amendment was adopted by voice vote.

Diplomatic

The United Nations will hold a special session of its General assembly on Sept. 27 and 28 to hear the concerns of several dozen small island nations regarding climate change and other matters. Forty-two countries and territories will be represented at the session, and will request "concrete relief measures" to combat climate change.

We have begun developing message and communications strategy for the Fifth Conference of the Parties to be held in Bonn in October. Our major focus will be the U.S. domestic climate change program and its accomplishments, since demonstrating domestic action will be key to convincing developing countries to participate.

Lands Legacy

FY2000 Budget.

We continue to do poorly in the appropriations process. To date, our Lands Legacy programs have been funded at a level about 65% below your request. The bulk of these programs are funded in the Interior bill, which has passed the House is now being considered by the full Senate.

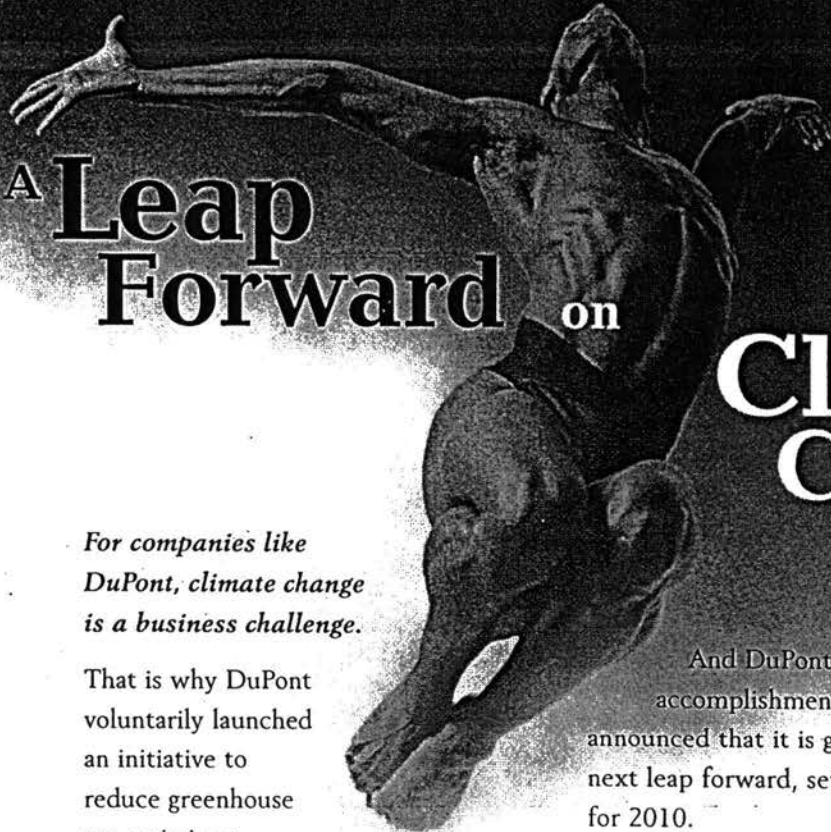
Authorizing Legislation

As you know, our efforts to provide permanent funding for environmental priorities -- such as the Land and Water Conservation Fund -- have been linked to legislation in both Houses of Congress that dedicate off-shore oil royalties on a permanent basis to various programs. There has been intensive lobbying on the Hill by state Fish and Wildlife agencies, environmental groups, mayors, governors, and local parks and recreation groups. The House Resources Committee is close to marking up a bill, and the Senate Energy Committee is hoping to do the same. We

9-20-99

continue to look for ways to build on such efforts and support to pass a bill that meets our principles and provides a true legacy of guaranteed funding for conservation and recreation purposes. Secretary Babbitt has launched a nationwide "Lands Legacy" tour, touting the merits of your proposal with local officials, Civil and Revolutionary War Battlefield groups, youth athletic program directors and the like.

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



A Leap Forward on Climate Change

For companies like DuPont, climate change is a business challenge.

That is why DuPont voluntarily launched an initiative to reduce greenhouse gas emissions.

The results have been dramatic. By the year 2000, DuPont will have reduced emissions from global operations by 45 percent and improved energy efficiency by 15 percent below 1990 levels. DuPont also has succeeded in holding energy use constant for the last ten years.

And DuPont is not resting on its accomplishments. DuPont just announced that it is going to take the next leap forward, setting new goals for 2010.

- Reducing global carbon-equivalent greenhouse gas emissions by 65 percent, using 1990 as a base year;
- Holding total energy use flat, using 1990 as a base year; and,
- Using renewable resources for ten percent of global energy use.

DuPont's leadership shows that it is possible to address climate change and maintain economic growth.



PEW CENTER
Global CLIMATE CHANGE

DuPont is a member of the Pew Center on Global Climate Change's Business Environmental Leadership Council. The Pew Center does not receive corporate contributions.

Paid for by the Pew Center on Global Climate Change
www.pewclimate.org

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Wednesday, September 15, 1999

Wall Street Journal
Wednesday, September 15, 1999

Washington Post
Tuesday, September 14, 1999

Wilmington News Journal
Wednesday, September 15, 1999

Remarks by
Dennis H. Reilley
Vice President and Chief Operating Officer - DuPont
Pew Center Conference, Washington, DC
September 13, 1999

For the past 10 years DuPont has been on a remarkable environmental journey. In 1989, then-chairman and CEO Ed Woolard announced that CEO stood for "chief environmental officer" and that he was going to make environmental leadership a priority of his tenure. Ed's successors - Jack Krol and Chad Holliday - each accepted that same accountability.

During that period of time, we went from a mindset that said environmental performance was defined by external regulations, to a fuller perspective that says environmental performance is part of an all-encompassing internal drive toward true sustainable growth.

Operationally, we began by proposing a series of numerical goals that included reducing levels of hazardous waste at the source; major reductions in airborne emissions, especially carcinogens; and land "set asides" for wildlife habitat. Later we set a goal to eliminate discharges to deep wells. Eventually we adopted a zero waste and emissions goal as a direction in which to move.

Although those goals were concrete, our ultimate objective was to make environmental protection a value that would be on the same level as the value that we had assigned to safety for nearly two centuries. We wanted environmental protection to become an enduring part of our company's culture, and an integral part of all business decisions.

In many respects we succeeded - so much so that in the past few years we have been able to turn our focus to the ultimate challenge that faces all of us: How can we achieve sustainable growth? We are trying to

envision what sustainability would look like for a company such as ours which continues to grow and transform itself in a global economy that is itself dynamic and unpredictable.

For many industrial companies, the creation of value is still linked to the throughput of materials and increased pounds of production made possible by the expenditure of large amounts of energy in the form of fossil fuels. A sustainable growth company, by contrast, builds value for shareholders and society while decreasing its environmental footprint. It sees the marketplace and civil society as integral to business decisions, not as external entities that we simply interact with. And it fulfills the needs of a growing world population using the best and most advanced forms of modern technology while minimizing risk and environmental impact.

For a company like DuPont, there are several factors to consider as we seek sustainable growth. One of the most important is the one I want to address today - energy, and its impact on global climate.

Our experience with atmospheric science issues goes back to the 1970s. So we are not newcomers to the climate change issue. In 1991, we concluded that there was sufficient evidence linking greenhouse gas emissions to global climate change that we needed to take action. And, in 1993 we became the first company to volunteer under the U.S. Environmental Protection Agency/Department of Energy Climate Wise program.

Since 1991, we have spent over \$50 million to achieve a goal of reducing greenhouse gas emissions from our global operations (on a

carbon-equivalent basis) by 45 percent by the year 2000. We have done this primarily by reducing point sources – nitrous oxides and fluorochemicals. During that same past decade our production volumes increased by over 35 percent while we held total energy consumption flat. About half of that flat energy profile came from the classic energy efficiency items of equipment, yield and uptime improvements. The rest came from changes in our mix of products and processes and from significant powerhouse improvements.

During the same time period, our shareholder return increased by a factor of four. We have been able to demonstrate that performance in at least one key area of sustainability can be consistent with a growing business and solid return to our shareholders.

When we think about energy use and climate change at DuPont, we take a very long view. The long-term view is nothing new to DuPont. We have been in business for nearly 200 years and we have undergone several transformations. We are in the midst of another transformation now – one in which information science and biology are just as key to our outlook and plans as chemistry and chemical engineering were through much of the 20th century. In this process, we continually ask ourselves, do the businesses and technologies that we are building lend themselves to sustainable models? What actions must we take now to make sure that we are able to maintain sustainable growth over the next 100 years?

Of course, we don't have any special means for predicting the future. It is humbling for us at DuPont in 1999 to think about our predecessors in corporate management back in 1899. How would they have gone about planning for the uncertain and largely unimaginable industrial developments of the century ahead? The answer is that they did not wait for certainty. Nor can we. No business leader can afford to do that. We make decisions in the face of uncertainty all the time. We rely on good science and tried

and true values to make plans and decisions in the face of uncertainty.

One thing that we do have as a result of being in business for two centuries is a very real understanding of what it means to have a legacy and what it means to leave a legacy. It is not an easy thing for a business focused on the next quarter's earnings to make costly decisions to ensure that our children's children and the generations after them do not live in a world of collapsing ecosystems. But that is the ethical response we must make to the situation we currently face.

Such a long-term view is obviously relevant to the discussion of climate change, because climate change scenarios will play out over that time frame – the next century and beyond. To give you an idea of the order of magnitude of what we face, consider this: to achieve atmospheric carbon dioxide levels, currently being considered as possible stabilization targets – between 1.6 and 3 times pre-industrial levels – per capita global carbon emissions will have to be one-tenth that of the U.S. today and *falling rapidly* 75 to 150 years from now.

From this perspective, the Kyoto Protocol represents only a signal that global leaders are taking the issue of climate change seriously. Given the global challenge before us, the Kyoto goals have an effect, but do not, over the course of the next 100 years, alter the curve. They may shift it downward, but not to any degree that makes a difference. Moreover, they arguably are a negative, because they set an extremely challenging short-term target, and that target now dominates political discussion.

From our point of view, what matters is not whether we are for Kyoto or against Kyoto. Our bias should be for prompt and meaningful *action* where there is reasonable cause for concern. And there is no question in our minds about whether there is reasonable cause for concern.

From that point of view and in addition to our actions of the past decade, we have set for ourselves three goals for the year 2010:

First, we will reduce our global carbon-equivalent greenhouse gas emissions by 65 percent using 1990 as a base year. For the purposes of our "scorecard," we will use the Kyoto basket of gases.

Second, we will hold total energy use flat using 1990 as a base year. While this continues the progress we have already made, this is clearly a stretch goal for us. To achieve this goal in the future will require that our business growth be much more "knowledge intensive" and much less "raw material and energy" intensive than in the past – a move that is very consistent with our stated corporate direction.

Third, we will source 10 percent of our global energy use in the year 2010 from renewable resources. We want to show that we are serious about the need for renewable energy to be a part of our future, and to provide a strong "market signal" that there will be at least one major energy consumer ready to buy. We also want to indicate that we are prepared to work with energy suppliers and others to develop renewable energy.

To put this goal in perspective, DuPont's renewable energy demand in 2010 will require 300 megawatts of capacity, which represents 17 percent of the present U.S. commercial capacity and 4 percent of the present world commercial capacity for renewable wind energy. However, with the projected double-digit growth for renewable energy, we expect that our demand will be a small, but not insignificant, part of the available supply in 2010.

We know that we will need help to achieve these goals if we are to achieve them in a way that is good for our business. This help will need to come from the commitment and creativity of our employees, from alliances with global energy providers, and from responsible public policy. That is why I am

very pleased that you are talking about "credit for early action" at this conference.

As we look at our own goals and consider what needs to be done by industry more broadly, it becomes critically important that incentives are provided. Equally important is making sure that disincentives are not put in place. If a primary objective is to reduce our dependence on fossil fuel technologies and to encourage renewable energy technologies, incentives for early action will surely help.

For example, our goal of 10 percent sourcing of renewable energy by the year 2010 may bring with it a significant cost penalty. If we bought the best-priced renewable energy today, we would pay 2-3 cents per kilowatt hour more than the most attractive fossil fuels. This would increase our energy costs by \$60-90 million dollars per year - a change that would, obviously, not be good for business.

"Credit for early action" and other incentives offer the possibility of eliminating cost penalties and encouraging, and possibly accelerating, the growth of cost-effective sources of renewable energy. The absence of incentives, and the continuance of subsidies for our fossil fuel based global economy, will only serve to strengthen the status quo – a scenario that shows increasing carbon concentrations in the atmosphere with unknown, but potentially significant, changes in our global climate.

As a company, we believe that action is warranted, not further debate. We also believe that the best approach is for business to lead, not wait for public outcry or government mandates. From our experience of the past ten years, we know that integrating environmental considerations into our business strategies enhances our ability to achieve sustainable growth. But, we have also learned that the transition to sustainable growth is accelerated when the economics are positive, a critical factor that can be highly influenced by responsible public policy.

DuPont has already weighed in on the side of prudent action. We are convinced that the key to lower long-term concentrations of carbon in the atmosphere will be a fundamental change in energy technology – one that will take several decades to achieve. However, we also believe that several important steps need to be taken now, and we have learned during our environmental journey of the past decade to face reality squarely and to respond with creative action.

The goals I have announced today are to challenge us as a company, and to show the world that we are serious about the changes we need to make. We believe that our response satisfies our scientific understanding and ethical standards. We also believe that it can be good for business. And, we believe that meeting these goals will be a step towards creating a world that is more sustainable for future generations.

8/24/99



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

99 SEP 17 PM 5:07

September 17, 1999

THE PRESIDENT HAS SEEN

9-20-99

MEMORANDUM FOR THE PRESIDENT

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

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Senate Finds More Money for S&T

On Wednesday (9/15), the Senate Appropriations Subcommittee on VA, HUD and Independent agencies distanced itself from the disastrous funding levels for science and technology provided by the House. NSF and NASA received your requested level, and EPA received slightly more than requested. The Senate mark included \$126 million of your \$146 million request for the Information Technology Initiative, far superior to the House mark of \$35 million. The Senate took billions out of the Labor/HHS/Education allocation to fund this and other bills, leaving that subcommittee nearly \$18 billion short of what is needed to fund your request.

GPS Funding Still Imperiled

On Tuesday (9/14) I addressed a large group of GPS supporters at the Institute of Navigation's GPS '99 Conference in Nashville, TN. I highlighted Congress' decision to zero out the \$400 million initiative to modernize GPS in its FY 2000 Appropriations bills. Given the European Union's recent push to develop its own satellite navigation system, failure to modernize could weaken our future ea ers i osi i in e mu ti- i ion et for civil GPS e ui ment an services. My staff is working closely with OVP, OMB, DOT, and DOD to restore funding.

*Podesta
Kane
Weller
Lynch
Rosen
Gandy*

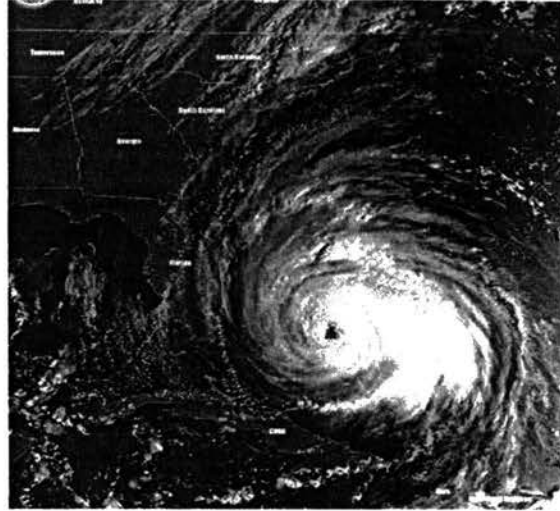
It's the End of the World as We Know It – And I Feel Fine

DOE has invited you to attend the dedication of the Relativistic Heavy Ion Collider (RHIC) at Brookhaven National Laboratory on October 4. The RHIC will be used to duplicate on a microscopic scale the conditions that prevailed milliseconds after the Big Bang, when the universe consisted of a primordial soup known as the quark-gluon plasma. By colliding gold ions at extremely high speed, scientists will attempt to create a tiny version of the quark-gluon plasma to gain a better understanding of the origins of the universe. Notwithstanding a number of alarmist press stories that this machine could create a black hole that would destroy the earth, such is not the case. The "classic" black hole forms when an extremely massive object, much more massive than the sun, collapses under its own gravity. Collisions at RHIC are between the nuclei of two atoms that are about one-trillionth of a centimeter across and do not come close to meeting the prerequisite mass. In addition, collisions of a similar energy to RHIC have occurred regularly in the atmosphere from cosmic rays for billions of years without dire consequences. I plan to attend the dedication, which marks the opening of significant new scientific facility in a new area of research in the physical sciences, an area that has seen substantially reduced funding in recent years.

9-20-99

Climate Change and Hurricanes

In New Zealand, you raised the issue of whether or not hurricanes might be affected by climate change. The **number** of hurricanes in the Atlantic may or may not increase as climate changes – it depends a great deal on what happens to the cycles of the El Niño Southern Oscillation. El Niños suppress Atlantic hurricanes by 'shearing' off the tops. The total number of storms that achieve hurricane status in the Atlantic may decrease if the number of El Niños increases with climate change. La Niña years – as we are in now – tend to have a higher incidence of hurricanes.



However, hurricanes that do form in the warmer, wetter world expected due to climate changes might be more intense. One recent modeling study for the Pacific (by Princeton researchers) suggests that warming the waters of the Pacific by 2 degrees C will lead to a 10 – 20% increase in the forces exerted on structures by the wind, and total precipitation would increase by almost 30%. Since most hurricane damage is ultimately caused by water, this increase could be very significant.

Hurricane Floyd spared the Kennedy Space Center (KSC) by turning away from central Florida. The Space Shuttle vehicles were unaffected, and there was no damage to any flight hardware.

NSTC Committee on International Cooperation in Energy Research

This week you asked me to convene a working group on international energy research, development, demonstration, and deployment (RD³) under the National Science and Technology Council, as PCAST recommended in their new report to you, *Powerful Partnerships*. In New Zealand, you spoke of the "breathtaking advances in energy conservation, and the use of alternative forms of energy" that are now possible; we hope to make these a reality. And, we hope to help U.S. business capture a substantial portion of the \$11 trillion of energy supply technology markets that are emerging over the next 2 decades – most of it overseas. I am asking each agency to identify a senior official to serve on this working group and to ensure that international energy RD³ is coordinated within their agencies. We are already working across agencies to develop recommendations for your 2001 budget as you requested.

Nation's Youth Challenged to Use Science and Technology

On Sunday (9/19) *Parade* magazine will feature a cover story about JumpStart 2000 – the largest appeal ever to the nation's youth to use science and technology to create real solutions for a better life in the 21st century. This program is sponsored by *Parade* and *React* magazines, and the National Science Board, NSF's governing board, in partnership with the White House Millennium Council. JumpStart 2000 is a national science and technology challenge for students in grades K-12 to identify a problem of national or global importance in the 21st century and to propose an innovative solution that uses science and technology. Six winning teams will receive an expense-paid trip to Washington, D.C. for an awards ceremony May 16-18, 2000.

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THE WHITE HOUSE
WASHINGTON

9-20-99

September 17, 1999

Copied
Ibarra
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Mickey Ibarra

SUBJECT: Office of Intergovernmental Affairs Weekly Report – September 1-17, 1999

DOMESTIC POLICY OUTREACH

Mayors and County Executives: On Thursday, September 9, IGA coordinated a domestic policy briefing with the leadership of the United States Conference of Mayors, County Executives of America, National League of Cities, National Association of Counties and the National Conference of Black Mayors. John Podesta, Gene Sperling, Bruce Reed and George Frampton provided an overview of the budget, new markets, education, gun safety, clean air and the livability initiatives. IGA is developing a strategy for increasing communications with these groups during budget negotiations.

Mayors and Police Chiefs: On Thursday, September 9, you attended an event organized by IGA, DPC and the US Conference of Mayors, where a bipartisan delegation of 49 mayors and 30 police chiefs joined you in urging Congress to pass sensible gun safety legislation. Secretary Cuomo, Secretary Summers and Attorney General Reno also participated. After the event, the mayors and police chiefs held a rally at the Capitol and then visited their members of Congress. The event received positive regional and national media coverage.

Towns and Townships: John Koskinen and I addressed the annual meeting of the National Association of Towns and Townships, which represents over 11 million residents of small communities. John addressed their Y2K compliance challenges, and I discussed the potential negative impact of the proposed Republican tax cuts on small communities.

Large Urban Counties: On Friday, September 10, IGA hosted the Large Urban County Caucus, which represents the 100 largest counties nationwide. Josh Gotbaum, Secretary Herman and Secretary Babbitt discussed the budget, welfare to work, and livability issues as they relate to large urban counties. Following the meeting, County Executive Wayne Curry and the Cabinet members were interviewed by regional press.

WORLD TRADE ORGANIZATION CONFERENCE

IGA, along with USTR, convened a conference call today with Seattle, King County, and Washington state officials, and representatives from NACO and USCM, to urge them to host a trade forum for city and county officials during the WTO Ministerial Conference. There is

considerable interest. We also hope to get a commitment from NGA and NCSL to convene a forum for governors and state legislators.

GOVERNORS

Governor Howard Dean (D-VT): On Tuesday, September 7, the governor asked the Administration for a drought disaster declaration in the five remaining Vermont counties. USDA approved this request. USDA had previously approved a drought disaster declaration for all of the other counties in the state. Consequently, all counties in Vermont now are eligible for low-interest loans for farmers who have suffered an estimated \$40 million crop loss.

Nuclear Waste Agreement: On Friday, September 9, Governor Hodges met with Energy Secretary Richardson regarding the dumping of low-radioactive nuclear waste in South Carolina. Subsequently, on September 11, the governors of Colorado, Tennessee, Washington, and South Carolina signed an agreement with the Department of Energy to clean up nuclear waste.

National Governors' Association (NGA): NGA Chairman Governor Mike Leavitt (R-UT) and NGA Vice-Chairman Governor Parris Glendening (D-MD) wrote to you on September 15 in appreciation of your recent speech to the governors in St. Louis. On behalf of NGA, the governors reiterated their "opposition to funding cuts to [the states'] key health, human services, and education programs." Specifically, the governors mentioned Medicaid, CHIP, TANF, the Social Services Block Grant, and child support enforcement in their letter.

Hurricane Floyd: IGA assisted Cabinet Affairs and FEMA in providing prompt response to requests for assistance submitted by elected officials from New Jersey, Virginia, North Carolina, South Carolina, Georgia, and Florida.

STATE LEGISLATORS

National Black Caucus of State Legislators (NBCSL): IGA hosted a White House briefing for 20 leaders of the NBCSL. Presenters briefed the group regarding their concerns about topics including racial profiling, access to health care and the 2000 census. IGA will organize subsequent policy briefings on labor, health and education with members of the caucus and agency representatives.

Meetings Completed: I met with Speaker Villaregosa (D-CA) and Lt. Governor Bustamante (D-CA) separately this week.

MAYORS

Maryland Mayors' Association: On Wednesday, September 15, IGA organized a White House briefing and luncheon for the Maryland Mayors' Association. The audience of 25 mayors was briefed on transportation, budget and livability issues. Senator Paul Sarbanes (D-MD) attended the luncheon that followed and discussed the impact of the proposed budget on Maryland communities.

9-20-99

Fort Worth, Texas: IGA is requesting that you call Mayor Kenneth Barr (D) of Ft. Worth to offer your condolences in response to the shooting tragedy at a local Baptist church. In addition, we will request that Correspondence prepare a letter to each victim's family. The Staff Secretary was provided a call request today.

Meetings Completed: This week, I met with Supervisor Chuck Smith (R-Orange County, CA), Mayor Joe Carollo (D -Miami, FL), and Mayor Woodrow Stanley (D - Flint, MI) separately.

INSULAR AREAS

Puerto Rican Prisoners: Governor Rosello (D) reiterated his support for your grant of conditional clemency, saying it showed a "great sense of humanity." Resident Commissioner Romero-Barcelo (D) led the statehood party to pass a resolution in support of clemency. Also, House Speaker Edison Mislá, a RNC member and Republican state chair, and former Governor Luis Ferre reiterated their support for your action.

Vieques Bombing: We continue to work closely with Maria Echaveste, NSC staff, and others to resolve the conflict between the United States Navy and Puerto Rico residents over the Vieques training site. Governor Rossello's tripartisan Vieques working group told Defense Undersecretary DeLeon and other officials that Puerto Ricans would stage sit-ins in an attempt to prevent further target practice by the Navy. Reverend Jesse Jackson and Geraído Rivera said they would also sit-in. Meanwhile, Senate Energy and Natural Resources Committee Chairman Frank Murkowski (R-AK) and Senator Charles Schumer (D-NY) sponsored a bill to transfer the Navy's landholdings to Puerto Rico, and the Senate and House Armed Services Readiness Subcommittees scheduled hearings on the issue.

Guam Election Case: The Supreme Court agreed to hear Governor Carl Gutierrez's (D) challenge to lower court rulings that he had not obtained the required majority vote for re-election last year.

Guam/Marianas Immigration Issues: Senate Energy Chairman Murkowski intends to push legislation to extend Federal immigration laws to the Northern Mariana Islands, as you have proposed. However, House Resources Committee Chairman Don Young (R-AK) stated during a Committee hearing that federal immigration legislation for the Northern Marianas Islands is not necessary. Additionally, in response to a request by Guam Delegate Robert Underwood (D), we urged the INS to reimburse Guam for the cost of housing illegal Chinese migrants. The INS said it would pay Guam \$4.4 million.

PERSONNEL

On September 15, you announced your intent to appoint Ray Martinez as Deputy Assistant to the President and Deputy Director of Intergovernmental Affairs. Ray currently serves as a Regional Director for the U.S. Department of Health and Human Services. He will succeed Fred DuVal as IGA's primary liaison to governors and other statewide elected officials. Ray will start October 19.

THE WHITE HOUSE
WASHINGTON

September 17, 1999

9-20-99

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR.
KRIS M. BALDERSTON

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SUBJECT: Summary of Cabinet Weekly Reports
September 11 - 17, 1999

AMPLIFICATION OF PRESIDENTIAL INITIATIVES

- **Congressional Black Caucus Foundation's Legislative Conference:** This week marks the 29th Annual Legislative Conference for the Congressional Black Caucus Foundation, which is taking place from September 15-18. Members of the Cabinet and subcabinet will participate in a series of issue forums, workshops, congressional braintrusts, and fundraising events convened by the Members of the Congressional Black Caucus (CBC). The following agencies are scheduled to participate in these events: DOD, DOC, USDA, DOL, HHS, and VA.
- **Hurricane Floyd:** Hurricane Floyd, originally a Category 4 hurricane, has moved out to sea after leaving a path of destruction along the East Coast from FL to NY. To date, you have declared States of Emergency in FL, GA, SC, VA, and NJ. Additionally, you have declared a major disaster in NC. On September 18, you will tape a radio actuality announcing the additional emergency declaration for NY; declare a major disaster for VA; and sign an emergency declaration for PA. FEMA Director James Lee Witt is in NC with Governor Hunt touring the affected areas and assessing the extent of the damage. NC has confirmed eleven fatalities, four missing, 88 damaged or closed roads, 903,000 customers affected by power outages, dam breaches in two counties, and 700 homes destroyed or damaged. In NJ, rivers are reaching flood levels, 12,000 customers are without power, water treatment plants are inundated, some police and fire facilities are flooded, and telephone communications have been interrupted for thousands of residents.

DEPARTMENT OF TREASURY

- **Russia:** On September 21, Secretary Summers will testify before the House Banking Committee on Russian money laundering and corruption. This testimony begins a series of hearings to be held by the Committee on Russia, with official witnesses to include the

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Head of DOJ's Criminal Division, Manhattan District Attorney Morgenthau and an Interpol official. Other potential witnesses include U.S. and European banking officials, Russia experts and Russian bankers/business executives. This week, a high-level Russian delegation visited Washington and met with officials at the Departments of Justice, State, and Treasury, as well as the Federal Reserve Board. The discussions focused on Treasury's anti-money laundering activities. Separately, Russia's stock market fell 19 percent this week in the wake of additional apartment complex bombings and new money laundering allegations.

- **Indonesia:** On September 10, Secretary Summers told reporters, "We have urged the IMF and the World Bank to make clear that their lending to Indonesia is dependent on the conduct of the Indonesian government and military in East Timor." He also emphasized the importance of resolving the Bank Bali scandal. An IMF spokesman confirmed this week that the previously scheduled mission to Indonesia is on hold indefinitely. Stock prices fell 2.8 percent this week. The rupiah appreciated about four percent against the dollar on Monday, but lost nearly all of this advance later in the week.
- **Dollar/Yen Exchange Rate:** This week, Secretary Summers reaffirmed the Administration's strong dollar policy. The yen rose 1.9 percent against the dollar this week on the strength of a growing sense of a Japanese recovery and statements by Japanese officials indicating that the Japanese monetary policy stance would remain unchanged. The yen also rose against the euro. The Bank of Japan intervened again this week on behalf of the Ministry of Finance, but this did little to slow the yen's climb. The dollar is near its lowest level against the yen in three years amid mounting optimism over the outlook for the Japanese economy.
- **Medicare:** On September 14, Senate Democrats met to discuss proposals for restoring Medicare payment cuts imposed by the Balanced Budget Act of 1997 (BBA). Senate Minority Leader Daschle indicated that Democrats are considering a package of about \$20 billion over five years, and feel "a sense of urgency about restoring cuts through legislation," which Democrats will introduce soon. Senator Daschle acknowledged the difficulty in moving such a bill, and indicated it would need to be attached to a revenue measure, possibly to the tax extenders package or the Caribbean Basin Initiative trade bill. The Administration has sought linkage between any restoration of the BBA Medicare cuts and overall reform of the Medicare system. Finance Chairman Roth's comprehensive Medicare reform plan, which he is expected to outline soon, would include a partial restoration of the BBA cuts. There are indications that Chairman Roth's plan will also include the Administration's version of the competition plan, or something very close to it.

- **Gun Control:** House Judiciary Chairman Hyde and Ranking Member Conyers are moving toward an agreement on gun control measures. On September 15, the White House legislative team went to the Hill to work on an acceptable compromise on key issues such as gun shows, tracing, National Instant Checking System records retention and import assault clips ban. DOJ has suggested a compromise on Brady checks that would keep the 24 hour turn-around unless there is an arrest record hit, in which case a three business day waiting period would be required.

DEPARTMENT OF JUSTICE

- **Bomb Threat, Southern District of NY:** On August 27, an 18-year-old Panamanian national and resident alien was arrested on charges of making a bomb threat via electronic mail against the Armonk, NY, headquarters of IBM.
- **Rural Grants:** This week, the Violence Against Women Office announced grants to rural areas totaling about \$20 million under the Rural Domestic Violence and Child Victimization Enforcement Grant Program. DOJ made new awards to about 53 jurisdictions in 23 states, and will provide about \$5 million in continuation funding to sites that received awards in previous years.
- **Juvenile Justice Publications:** In September, DOJ is scheduled to publish *Youth Out of the Education Mainstream: A North Carolina Profile*. This Bulletin describes NC's Youth Out of the Education Mainstream program, which was implemented in ten rural and urban sites. The Bulletin discusses how the sites addressed targeted youth and describes ten lessons learned from the first year of implementing the initiative. DOJ is also scheduled to publish *Family Disruption and Delinquency*. The findings presented in this bulletin are drawn from a longitudinal study of youth in Denver, CO; Pittsburgh, PA; and Rochester, NY. The bulletin discusses the impact multiple family disruptions have on an adolescent's risk of serious adolescent behavior.

DEPARTMENT OF INTERIOR

- **Devil's Lake Drainage:** ND's Governor has requested a Corps of Engineers permit to lower the level of Devil's Lake, which has been flooding the area since 1993. FWS opposes the request because it believes this project will flood Stump Lake National Wildlife Refuge, and such flooding is not a compatible use of the refuge. The water would eventually end up in the Red River, which flows into Canada.

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UNITED STATES DEPARTMENT OF AGRICULTURE

- Drought Damage Estimates:** USDA's Economic Research Service released a detailed analysis of the financial impact of the Mid-Atlantic drought showing, relative to 1998, damage to commodity receipts of \$1.29 billion, \$315 million worse than previously expected. Additionally, the report shows a damage to net farm income of \$1.35 billion, \$230 worse than preliminary estimates. The estimated impacts on net income for the *extreme* and *severe* drought areas totaled over \$840 million alone, while many farm businesses in these areas were already experiencing cash flow problems resulting from unusually low commodity prices. In *severe* drought areas, the share of farms that generate insufficient income to repay debt is expected to more than double, from 8 percent in 1998, to 17 percent in 1999.
- Debt Collection:** For the first eight months of 1999, USDA collected \$100.8 million in delinquent debt through the Tax Refund Offset Program (TROP) and the Treasury Offset Program (TOP); a 30 percent increase over the \$77.7 million collected during the same period in 1998.
- Commodity Markets:** Wheat cash prices were supported by worries about late harvest in the Northern Plains, but futures were unchanged as traders focused on weakening export prospects. Corn cash prices rose along with soybeans, but the impending larger-than-expected harvest sent futures down. Soybean prices surged across the board on good exports, especially to Mexico and Asia. Rice cash prices were steady, but futures moved higher on prospects for smaller supply and a positive export sales report. Cotton prices rose sharply as USDA's latest production forecast was much lower than the trade expected. Cattle prices advanced in the face of strong retail demand. Declining wholesale carcass values helped send hog prices lower. Broiler prices slipped in the face of large supplies and tepid food service demand.

E. coli: On September 13, Safe Tables Our Priority (S.T.O.P.) called on USDA and the cattle industry to adopt new measures to control E. coli. The food safety interest group recommended that research be made on prevention and eradication of the pathogen in animals; efforts be made to prevent slaughter of infected animals; USDA make mandatory the HACCP food inspection program from farm to the slaughter plant; that strict regulations be imposed on the use of manure as a fertilizer; and that USDA implement mandatory animal waste disposal programs.

cc: Podesta
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DEPARTMENT OF COMMERCE

- Small Manufacturers Summit:** On September 22, Secretary Daley will deliver remarks at a National Manufacturing Summit to be hosted by DOC's National Institute of Standards and Technology. The conference is being held as part of the Secretary's

declaration of 1999 as the Year of the Small Manufacturer and your proclamation of September 19-25 as Small Manufacturing Week. The National Association of Manufacturers and the Modernization Forum are co-sponsors.

- **Y2K Business Assistance:** On September 17, Secretary Daley announced that DOC's National Institute of Standards and Technology Manufacturing Extension Partnership (MEP) has developed additional assistance for small businesses with Y2K computer problems. This month, DOC will train field staff from several MEP centers, offices of SBA and USDA's Cooperative Extension Service to help small businesses prepare for Y2K problems. DOC's Minority Business Development Administration is also holding a series of Y2K awareness meetings in its regions and is working closely with other organizations to ensure Y2K compliance in the minority business community.
- **Advanced Technology Funding:** In late September or early October, DOC will announce the selection of about 50 companies and consortia from the latest competition for Advanced Technology Program cost-shared funding for high-risk research. A \$1 million Advanced Technology Program award to Auto Body Consortium, Inc. of Ann Arbor, MI, was recently renewed.

DEPARTMENT OF LABOR

- **Child Labor:** On September 29, Secretary Herman and NEC Chair Gene Sperling plan to meet with ILO Director-General Juan Somavia, AFL-CIO President Sweeney, and Tom Niles, President of the U.S. Council for International Business to discuss a strategy for a global campaign for the elimination of the worst forms of child labor. The group will develop a list of recommendations for further action, including USG-ILO agreements to work for widespread ratification of ILO Convention 182 on the Worst Forms of Child Labor; develop a website on child labor aimed at youth; work toward the establishment of a Global Committee on Child Labor; and encourage and work with the World Bank and IMF to promote basic worker rights, including the prohibition of abusive child labor.
- **Beryllium:** By the end of September, OSHA will issue a Hazard Information Bulletin that alerts workers to the hazards of beryllium exposure, which can cause chronic beryllium disease (CBD), a disabling and often fatal lung disease for which there is no cure. Beryllium is a metal found in nature. Its use began in the 1940's in the making of atomic weapons.
- **Hurricane Bret (TX):** By the end of September, DOL plans to award a disaster relief grant to the State of TX to fund temporary jobs for workers cleaning up and repairing the damage caused by Hurricane Bret.

- **Welfare-to-Work:** By the end of September, DOL will announce the third round of competitive Welfare-to-Work grants. \$220 million will be awarded to between 40 and 70 grant applicants.
- **School-To-Work Urban and Rural Opportunity Grants:** By the end of September DOL, DOEd, and the School-To-Work Office will jointly award approximately \$15 million in the latest round of the School-To-Work Urban and Rural Opportunity Grants.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **NY E. coli Outbreak:** As of September 15, NY has reported 804 cases of illness among persons who attended the Washington County Fair with 64 hospitalized, 11 cases of hemolytic uremic syndrome, and two deaths. A case-control study to help identify the source of the outbreak was conducted on September 11-12. Consuming water or beverages made with water from a suspect well at the fair was significantly associated with illness.
- **NY Encephalitis:** Eleven cases of St. Louis encephalitis (SLE) in New York City have been laboratory-confirmed by CDC. Seven of these cases occurred in residents (aged 58-90 years) in a neighborhood in Flushing, and three have died. All of these cases lived within approximately five miles of each other but share no identified common epidemiologic factors other than performing occasional yard work or gardening activities. As of September 13, four additional cases had been laboratory-confirmed: one in Queens outside the epicenter of the outbreak, two in the Bronx, and one in Brooklyn. The Mayor of New York City has initiated mosquito control activities throughout all five New York City boroughs. As of September 13, nine CDC staff were on-site.
- **Medicare Handbook:** On September 22, the Health Care Financing Administration will issue a press release announcing that more than 32 million copies of *Medicare and You 2000* will be mailed to Medicare beneficiaries over the course of a month as part of the Medicare and You campaign.
- **Food Safety:** FDA, CDC, and USDA are conducting two regional conferences on "Food Safety Initiatives Influencing Public Health and Trade," in Mexico City, on September 22-23 and Santiago, Chile, on September 29 – October 1. These conferences will provide information on key U.S. food safety initiatives and programs including the President's Food Safety and Produce Safety Initiatives.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Mortgage Lending Discrimination:** Secretary Cuomo released a report prepared by the Urban Institute which concluded that minority homebuyers in the U.S. do face discrimination from mortgage lending institutions." The Urban Institute report concludes that "not all Americans enjoy equal access to the benefits of homeownership, in part because of unequal access to capital."
- **Tribal Consultations:** HUD conducted the first of six tribal consultation sessions. This initial session was held in Bismark, ND in conjunction with the United Tribes of North and South Dakota. These consultations give tribes, their elected leaders and representatives the opportunity to offer comments and recommendations on HUD programs and policies. The second tribal consultation session was in Washington DC.

DEPARTMENT OF TRANSPORTATION

- **Drug Interdiction:** On September 13, Secretary Slater, joined by ONDCP Director McCaffrey, and USCG Commandant Loy, announced the successful implementation of a new Caribbean counter-narcotics initiative that has resulted in record seizures. The Aircraft Use of Force Program helped establish a new annual record of over 53 tons of cocaine seized by the Coast Guard with a street value of more than \$3.7 billion.
- **Child Pedestrian Injuries:** On September 13, Secretary Slater focused on the safety of children as millions headed back to school this month. The release highlighted that you and Vice President Gore are concerned for the safety of all Americans, especially children, and have made safety their highest transportation priority. In 1998, 580 pedestrians ages 15 and under were killed and another 21,000 were injured. One-fifth of all traffic fatalities among people under age 15 are pedestrians.
- **Fuel Tank Rupture in CA Bay:** On September 7, the U.S. Army Corps of Engineers Dredge STUYVESANT discharged an estimated 2000 gallons of oil two miles off the Humboldt Bay entrance. A unified command was established and continues to implement the established action plan with good results. More than 800 birds have been reportedly damaged by oil exposure, resulting in approximately 200 deaths.
- **New York City Cross Harbor Freight Tunnel:** On September 7, Federal Railroad Administrator (FRA) Molitoris and other representatives of FRA toured the future site of New York City's cross harbor tunnel. The New York Economic Development Corporation recently completed its Cross Harbor Freight Movements Major Investment Study, concluding that there is demand for a cross harbor freight tunnel and that it is feasible to connect the Brooklyn waterfront with such a tunnel. The study examined eight different alternatives, and concluded that a rail tunnel connecting Brooklyn with

Staten Island would be the most beneficial to the area's economy and environment, diverting an estimated 8 million tons, or 1.3 million tractor-trailers per year from truck to rail.

DEPARTMENT OF ENERGY

- **Travel to Russia:** Secretary Richardson is scheduled to travel to Russia from September 28-October 3. He will commission two sites in Murmansk where DOE has enhanced Material Protection Control and Accounting Systems. These systems are helping the Russians improve control, account for, and secure nuclear material in civilian and military sites in more than 50 locations across Russia. Secretary Richardson will also visit a site in Dimitrovgrad where DOE is beginning cooperation on plutonium disposition.
- **Paducah Site Review:** DOE's two-week onsite review of the Paducah Gaseous Diffusion Plant has been completed. DOE is documenting the investigation report on environment, safety, and health concerns at the Paducah facility.
- **Mixed Oxide (MOX) Fuel Shipment to Canada:** DOE and the Canadian government have reached agreement for the shipment of a small quantity of MOX fuel (containing 119 grams of U.S. weapons plutonium) to Canada.
- **Rebuild Little Rock Energy Curriculum Kick-Off:** From September 29-30, in Little Rock, AR, the Rebuild Little Rock Partnership will kick-off the Rebuild Little Rock Energy Curriculum. They will introduce Active Physics, a newly-designed freshman physics energy course to be used in all Little Rock secondary schools, reaching over 1,500 students. The curriculum was developed with the assistance of Rebuild Arkansas, the Little Rock School District.

DEPARTMENT OF EDUCATION

- **Academic Achievement of Poor Children:** On September 13, the Citizens' Commission on Civil Rights released a report finding that flaws in the implementation of Title I of the Elementary and Secondary Education Act prevent poor urban students from getting the help they need to reach the academic achievement of their peers. The report found that states have been allowed too much latitude in adopting uniform standards of learning for all children, and that the Federal government has focused solely on math and reading standards. The report cites the 1994 Republican takeover of Congress as an obstacle to the Administration's effort to effect standards-based reform.

- **One America:** DOEd is preparing a letter to Members of Congress inviting them to participate in the Campus Week of Dialogue, October 4-8. More than 500 postsecondary institutions are scheduled to join the weeklong effort to promote meaningful dialogue about race on college campuses.
- **School Safety Grants:** On September 27, DOEd plans to post the Middle School Coordinator Grants on its web site. The Middle School initiative is a \$35 million program that will award up to 300 grants nationwide. These funds will be used to recruit, hire, and train school drug and safety coordinators to improve the quality of drug and violence prevention programming in middle schools.
- **Community Technology Centers Grants:** By September 30, DOEd will announce \$10 million in Community Technology Centers grants. This program will expand access to information technology and learning services through the creation of computer learning facilities in low-income communities.

DEPARTMENT OF VETERANS AFFAIRS

- **Y2K:** Vice President Gore, addressing the National Convention of the American Legion last Wednesday, announced that VA has passed tests to ensure that veterans' checks and VA hospital machinery are unaffected by computer glitches at the start of the New Year.
- **FY2000 Budget:** The Administration's pledge of \$1 billion beyond the original VA budget request, in addition to the \$700 million pledged by lawmakers, may substantially reduce the possibility of wide-scale VA cutbacks next year. Some critics among organized veterans groups continue to call for \$3 billion in extra spending.

ENVIRONMENTAL PROTECTION AGENCY

- **NY Encephalitis Outbreak:** In response to recent outbreaks of Encephalitis in New York City, EPA has been fielding hundreds of calls a day on its toll-free pesticide hotline number to provide important safety tips and general information to the citizens of New York about the implementation of a mosquito prevention and control program. City officials have authorized the spraying of malathion to address the problem. Malathion is an organophosphate insecticide that has been used in mosquito control programs throughout the country for many years.
- **Great Lakes Chemical Discharge:** Within the next week, EPA will propose a rule for public comment to reduce certain discharge of the most toxic, persistent, bioaccumulating chemicals still released into the Great Lakes today. The 22 chemicals, referred to as "bioaccumulative chemicals of concern" (BCCs), include PCBs, mercury, dioxin, chlordane, DDT and mirex. The rule proposes to restore a ban on the discharge of BCCs

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into "mixing zones." Mixing zones work by diluting chemicals, allowing excessive discharges of bulk chemicals while still meeting permit limits. The proposal would immediately ban new discharges of BCCs into mixing zones and would phase out the use of existing mixing zones for BCCs over ten years. The Great Lakes States of IN, MI, MN, and WI already prohibit mixing zones for BCCs. A separate international agreement between the U.S. and Canada calls for virtual elimination of these persistent, bioaccumulative, toxic substances.

- **E. Coli:** Recent E. coli outbreaks over the last several weeks have been water-related, with people becoming sick after drinking contaminated water in New York State and swimming in contaminated water in WA State. EPA and CDC are working together to respond to these outbreaks. EPA has made a new web site on E. coli available as of September 15 and will be enhancing the services of EPA's Safe Drinking Water Hotline to respond to calls about the outbreaks and concerns regarding E. coli.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Trip to Salt Lake City, UT:** On September 23, Director McCaffrey will travel to Salt Lake City to receive a briefing on drug testing and anti-doping education efforts planned for the Olympic Games in Salt Lake City and meet with Salt Lake Olympic Committee (SLOC) president Milt Rooney and senior SLOC leaders. He will also participate in an editorial board with the *Salt Lake Tribune*.

SMALL BUSINESS ADMINISTRATION

- **Small Business Expo:** On September 29, SBA will participate in a Small Business Expo in South FL. The Expo is an opportunity to provide technical assistance and loan program information to the small business community affected by a FL Department of Transportation project on a Miami thoroughfare, Calle Ocho.
- **New Markets:** On September 21, Administrator Alvarez and Secretary Daley will be featured speakers at the Minority Enterprise Development Week (MEDWeek) Leadership Luncheon. The luncheon is expected to draw from 700-1,000 attendees. The Administrator will present the Administrator's Award and will discuss New Markets in her remarks. On September 22, Administrator Alvarez will be the featured speaker at the press club luncheon at the National Press Club.
- **E-Commerce:** In response to your directive on E-Commerce and small business, SBA will form an interagency working group whose task is to prepare a white paper on the issue and develop an interagency E-Commerce outreach program.

OFFICE OF PERSONNEL MANAGEMENT

- **Administration's Children's Health Equity Bill:** On September 13, Representative Elijah Cummings (D-MD) introduced the Federal Employees Health Benefits Children's Equity Act of 1999. The proposal, drafted by OPM, would enable the Federal government to enroll an employee and his or her family in the Federal Employee Health Benefits Program when a State court orders the employee to provide health insurance coverage for a child.

UNITED STATES INFORMATION AGENCY

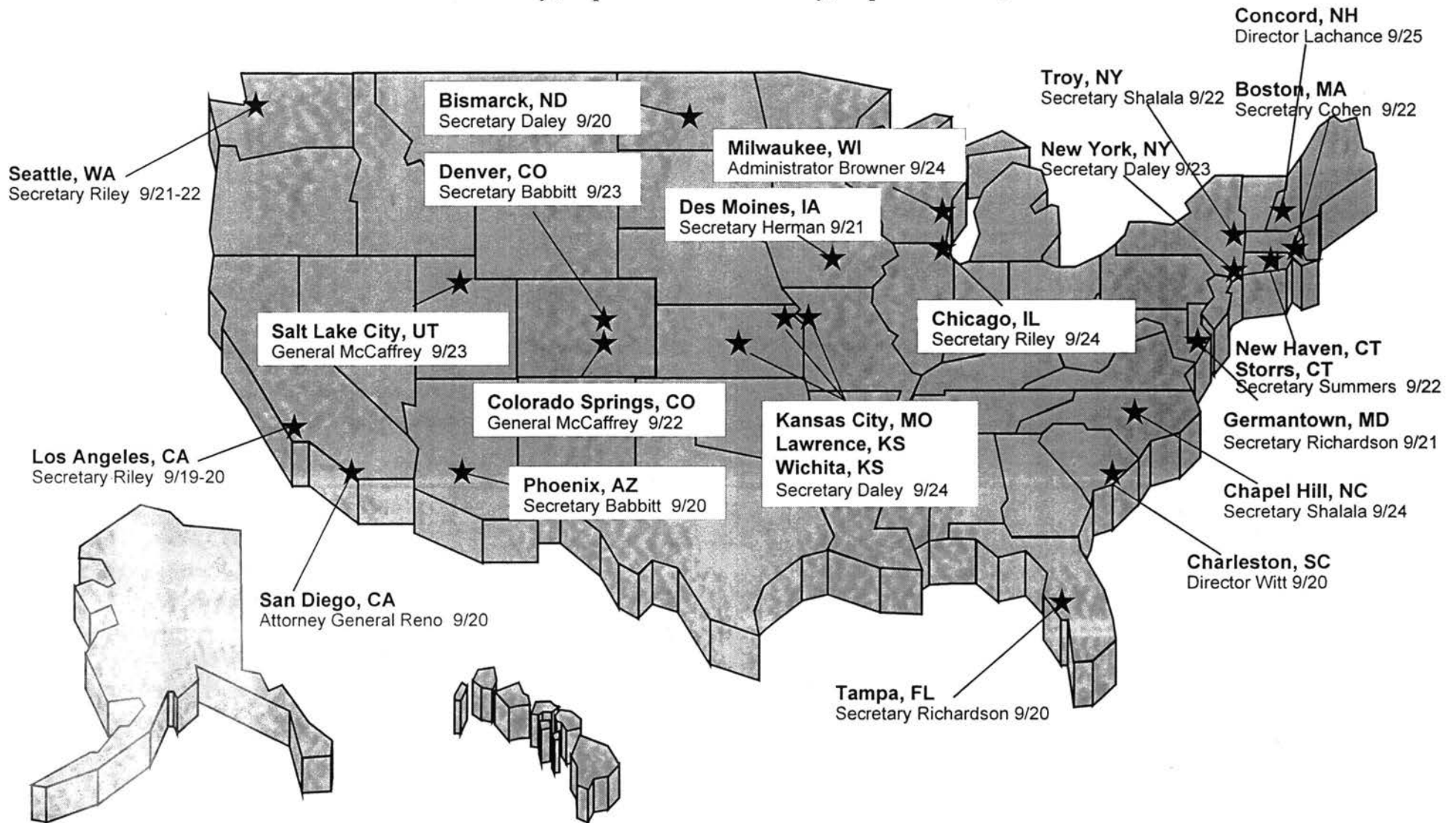
- **Foreign Media Reaction to East Timor:** Overseas commentary on East Timor remained heavy in the wake of the UN Security Council's unanimous authorization of a UN peacekeeping mission to the violence-wracked province. In Asia, commentators spoke of the dangers of possible confrontations between the "foreign" forces, led by Australia, and Indonesian "defenders of what is still legally Indonesian soil," saying that such clashes would "surely stoke the fires of Indonesian nationalism." European observers focused on the UNSC vote, with all judging it to be a "welcome," albeit "belated" development.
- **Guatemalan Presidential Elections:** A late-August CID-Gallup poll indicates that the opposition presidential candidate Alfonso Portillo of FRG leads over the ruling party (PAN) candidate, Oscar Berger. With the election two months away, 34 percent of the public favor Portillo, 28 percent Berger 27 percent said they would not vote or gave no preference). A good portion of Portillo's strength is drawn from the fact that a plurality of Guatemalans feel crime and violence is the country's principal problem (32 percent), followed at a distance by government corruption (18 percent), and unemployment (16 percent). The ability to resolve such problems is by far the most mentioned factor for choosing a candidate, and more than twice as many believe Portillo (31 percent) rather than Berger (13 percent) can best solve the problems.

SOCIAL SECURITY ADMINISTRATION

- **Task Force on Employment of Adults with Disabilities:** On September 22, SSA, in collaboration with the Presidential Task Force on Adults with Disabilities, will coordinate a one-day symposium on "Overcoming Barriers to Employment: Implications for Federal Policies and Programs." The Symposium will bring together representatives of key federally funded demonstration projects to identify the major policy, regulatory, fiscal, programmatic or attitudinal barriers that limit employment opportunities for individuals with disabilities. Representatives will also share new and innovative strategies to address these barriers and recommend changes to Federal policies for consideration by the Task Force.

Cabinet Travel

Monday, September 20 - Sunday, September 26, 1999



Canada
Secretary Summers 9/20

Mexico
Secretary Richardson 9/23-24

Austria
Secretary Richardson 9/25-27

cc:

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

THE WHITE HOUSE
WASHINGTON

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9-20-99

September 17, 1999

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Podesta

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: BEN JOHNSON

SUBJECT: OFFICE ON THE PRESIDENT'S INITIATIVE FOR ONE AMERICA
WEEKLY REPORT

ACTIONS

Congressional Black Caucus Weekend: We participated in a number of CBC workshops and legislative sessions in an effort to highlight the administration's priorities and initiatives affecting African Americans. We also met with the leadership of African American State legislators to outline your policies on racial profiling and civil rights enforcement. They expressed an interest in a variety of subjects, including education, the census and dissemination of White House talking points to their membership. We asked IGA to add them to their fax network. Additionally, they asked us to look for ways title 6 could be creatively used to support civil rights enforcement.

Commission for One California: I met with CA Lieutenant Governor Cruz Bustamante to discuss his Commission for One California. You may be aware that he recently announced the formation of a blue-ribbon commission of community, academic, religious, law enforcement and corporate leaders to establish a statewide forum for understanding diversity and combating intolerance. We also had a very frank discussion regarding the growing split between African Americans and Hispanics.

He is very knowledgeable regarding the problem and made several positive recommendations concerning resolution. I'm going to follow up with a meeting between leaders from both groups to begin discussions aimed at resolving issues that seem to be exacerbating the breach.

National Association of Public Sector Equal Opportunity Officers (NAPSEO): I attended and was a featured keynote speaker at the annual conference of the non-profit, non-partisan professional organization comprised of state and local government officials. I discussed your New Markets Initiative and answered questions about civil rights enforcement.

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Lawyers for One America (LFOA): The planning committee met on September 10 in Deputy Attorney General Holder's office to begin formal implementation of their action plan. The coalition has hired a full time executive director who will work to coordinate the day to day activities of the LFOA and travel extensively to promote and recruit additional members for their national LFOA plan of action. We attended the meeting, along with Lisa Green (NEC). Among other issues, Ms. Green presented an overview of your New Markets Initiatives and we discussed possibilities for tying in the two initiatives – New Markets and LFOA – for mutual benefit, particularly for message amplification during your second New Markets tour.

Ad Council: We are continuing our work with the Ad Council to promote anti-hate tolerance messages through the media outlets including the Internet. We are planning to attend a meeting with representatives from the Departments of Justice and Education and the Ad Council to explore combining our efforts with the agencies plan to launch anti hate-crime media campaign.

Presidential Prize Winners: We hosted the 1998 winners of the Presidential Prize Awards -- launched during your historic trip to Northern Ireland -- recognized for their grassroots work in community building. The two winners from Belfast shared their experiences and hopes for the region and we discussed the work of your Initiatives on Race and One America activities.

CABINET RACE INITIATIVE WEEKLY

Department of Education

Charlotte-Mecklenburg School Decision: On September 9, a U.S. District Court judge ordered the Charlotte-Mecklenburg school system to stop busing and all other race-based practices designed to integrate schools. The judge also instructed the school board to no longer give any educational benefits to students based on race. The school system, like others across the country, had established race-based admissions policies to ensure that blacks were proportionately represented in magnet schools.

The suit was triggered by the case non-black student, who was twice denied entrance to a magnet program. It will likely be appealed to the Fourth Circuit Court of Appeals. DOEd and DOJ are discussing participation as amicus curiae on the question of whether promoting voluntary integration or diversity, constitutes a compelling interest that justifies the narrowly tailored use of race. DOEd is evaluating the impact of the ruling on grants that Charlotte-Mecklenburg receives under the Magnet Schools Assistance Program.

Report Charges that Poor Children are Not Held to High Standards: On September 13, the Citizens' Commission on Civil Rights released a report finding that flaws in the implementation of Title I of the Elementary and Secondary Education Act (ESEA) are preventing poor urban students from getting the help they need to reach the academic achievement of their peers. Specifically, the report found that states have been allowed

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too much latitude in adopting uniform standards of learning for all children, and that the Federal government has focused solely on math and reading standards. The report cites the 1994 Republican takeover of Congress as an obstacle to the Administration's effort to effect standards-based reform.

Campus Week of Dialogue: DOEd is preparing a letter to Members of Congress inviting them to participate in the Campus Week of Dialogue, October 4-8. More than 500 post-secondary institutions are scheduled to join the week-long effort to promote meaningful dialogue about race on college campuses.

General Services Administration

Computer Donation to Schools in San Antonio, TX - On September 3, Region 7 Regional Administrator Pouland joined Representative Gonzales in presenting computers to Stephen F. Austin Elementary and Nelson Elementary Schools in San Antonio, TX. Each school received 25 computers.

Department of Justice

Four Corners Indian Country Conference: The United States Attorneys offices for the Districts of AZ, NM, CO, and UT hosted the eighth annual Four Corners Indian Country Conference on September 8-9. This year's theme was "New Directions for the 21st Century." The conference focused on school violence and its prevention, victim services, specialized courts, and restorative justice. The training was offered for federal, state, local and tribal staff working with Native Americans, including teachers, administrators, and school board members.

Small Business Administration

Minority Entrepreneurship Outreach. SBA has signed a partnership agreement with the Asian Policy Roundtable. The event took place this week at Concordia University in St. Paul, Minnesota. The partnership agreement focuses on SBA programs designed to assist Asian-American entrepreneurs. Congressman Bruce Vento was the guest of honor at the signing.

THE WHITE HOUSE
WASHINGTON

9-20-99

September 17, 1999

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MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER *LC*

CC: MARIA ECHAVESTE

SUBJECT: INDIAN COUNTRY

Legislative Priorities

- We continue to face many difficulties with our budget requests for Indian Country. I am having a meeting today with over forty Washington representatives of tribal governments to review your priorities and to hear theirs and see how we can work together. As an example, despite the best efforts of Senator Tim Johnson and others, they were not able to get any increase for the tribal colleges into the Interior bill. We will have to continue that fight as well as the law enforcement funding in the Justice conference.

Mental Health Facility at Pine Ridge

- We are holding a meeting next week with the Departments of Health and Human Services, Justice, Agriculture, and Housing and Urban Development to explore all of the ways that we can facilitate the implementation of the Ron Dozoretz proposal. I know that you have mentioned CHIP and Medicaid several times, but as I reported, there are only eighteen children on Pine Ridge enrolled in CHIP, and the state plan for residential mental health services is very poor. The meeting, which will be chaired by Maria Echaveste, is to see how we can push from the federal level to improve this situation and get some movement on this project.

City Book Drive Efforts

- I have asked the U.S. Conference of Mayors to publicize the efforts of Lowell, Massachusetts to obtain books for Pine Ridge and to ask other cities to do the same with other tribes. I have offered to help put cities together with tribes with needs.

*Why can't we send
someone to help get
them enrolled - here
and elsewhere*

[Signature]

MEMORANDUM FOR THE PRESIDENT
PAGE TWO

- You may remember the request of the tribal leaders who came to your office with Senator Ben Nighthorse Campbell to have Fort Reno returned to the tribe. You wanted to act on the request at that time, which was several months ago. When I investigated the issue, I learned that there was a process at the Department of Agriculture that had to be followed before the Secretary could act. Secretary Babbitt had advised Secretary Glickman that he was in full support of the return. I have pursued the issue, but now Senator Nickles has an amendment in the Senate version of the Interior bill, which would prohibit Agriculture from expending funds to act on the return. He is vigorously lobbying the House conferees to support his amendment. I have conveyed your wishes on this as hard as I can, but now feel some direct communication from your office to the Hill and to Secretary Glickman is critical. This has gone on far too long, and now Senator Nickles is making this a personal issue.

- On September 10, 1999, Governor Gray Davis and more than fifty Indian Tribes agreed to binding compacts intended to keep slot machines operating at Indian casinos around the state. The State Legislature voted to put a referendum on the ballot next march to exempt Indian Tribes from the state Constitution's ban on casino gambling. These two developments are very positive for the Tribes and for Governor Davis because they put an end to a dispute that could have resulted in federal seizure of the slot machines from ten casinos.

→ Can't help / do it
can't control power?
You're strong idea
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VP

Should we
consider this?

Yes

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Privatization of Air Traffic Control in Canada

Recently, U.S. fliers have experienced delays attributable to air traffic control, raising questions about whether the delivery of air navigation services could be improved. Canada's experience with a privatized air traffic control system may provide a useful perspective on this issue.

The decision to privatize. In 1996, Canada transferred the authority to run its air traffic control system to a non-profit private company, Nav Canada. One of the important benefits for Canada from privatization was the ability of the new corporation to raise the funds necessary for long-term capital improvements. Another benefit was separating the role of regulating safety from that of operating the air traffic control system. Responsibility for safety regulation remained with the government, eliminating any possible conflicts of interest.

Getting started. Nav Canada raised more than \$2 billion (Canadian) in debt-based financing to fund its start-up and paid the government \$1.5 billion for existing assets and operating rights. Nav Canada covers its costs by charging user fees to airlines and other major users of its services. Any excess funds remaining after covering its costs are returned to the users in the form of lower fees. When the user fee system was implemented, the Canadian government eliminated the Air Transport Tax that had been charged to individual consumers.

Building a better air traffic control system. After beginning operations as a private company, Nav Canada made a series of changes designed to improve customer service. It began by setting aside \$600 million to fund capital improvements. In addition, the company has tried to improve safety by hiring and training more controllers to overcome chronic shortages inherited from the government-run system. Nav Canada has also implemented a number of cost-control measures, including streamlining its management structure. Because of lower costs, traffic growth, and a broader base of paying customers, Nav Canada has been able to set its fees below the levels originally anticipated, with the result that customers paid approximately 27 percent less than they would have under the Air Transport Tax.

A user-based governance structure. Although Nav Canada is a privatized monopoly, Canada does not impose direct government regulation of its fee level. Instead, responsibility for setting fees is entrusted to Nav Canada's board of directors, which is composed of representatives drawn from the community that uses its services. Five of the 15 board members are drawn from the commercial and general aviation community, with the remainder being representatives of the government, the unions, and the general public. This board composition allows the users most directly affected by the fees to have a say in both the fees charged and in the programs Nav Canada chooses to undertake to improve customer service.

THE PRESIDENT HAS SEEN

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The Singer Solution to World Poverty

A contentious ethicist explains why your taste for foie gras is starving children.

The Australian philosopher Peter Singer, who later this month begins teaching at Princeton University, is perhaps the world's most controversial ethicist. Many readers of his book "Animal Liberation" were moved to embrace vegetarianism, while others recoiled at Singer's attempt to place humans and animals on an even moral plane. Similarly, his argument that severely disabled infants should, in some cases, receive euthanasia has been praised as courageous by some — and denounced by others, including anti-abortion activists, who have protested Singer's Princeton appointment.

Singer's penchant for provocation extends to more mundane matters, like everyday charity. A recent article about Singer in The New York Times revealed that the philosopher gives one-fifth of his income to famine-relief agencies. "From when I first saw pictures in newspapers of people starving, from when people asked you to donate some of your pocket money for collections at school," he mused, "I always thought, 'Why that much — why not more?'"

Is it possible to quantify our charitable burden? In the following essay, Singer offers some unconventional thoughts about the ordinary American's obligations to the world's poor and suggests that even his own one-fifth standard may not be enough.

Illustrations by Ross MacDonald



By Peter Singer

IN THE BRAZILIAN FILM "CENTRAL STATION," Dora is a retired schoolteacher who makes ends meet by sitting at the station writing letters for illiterate people. Suddenly she has an opportunity to pocket \$1,000. All she has to do is persuade a homeless 9-year-old boy to follow her to an address she has been given. (She is told he will be adopted by wealthy foreigners.) She delivers the boy, gets the money, spends some of it on a television set and settles down to enjoy her new acquisition. Her neighbor spoils the fun, however, by telling her that the boy was too old to be adopted — he will be killed and his organs sold for transplantation. Perhaps Dora knew this all along, but after her neighbor's plain speaking, she spends a troubled night. In the morning Dora resolves to take the boy back.

Suppose Dora had told her neighbor that it is a tough world, other people have nice new TV's too, and if selling the kid is the only way she can get one, well, he was only a street kid. She would then have become, in the eyes of the audience, a monster. She redeems herself only by being pre-

At the end of the movie, in cinemas in the affluent nations of the world, people who would have been quick to condemn Dora if she had not rescued the boy go home to places far more comfortable than her apartment. In fact, the average family in the United States spends almost one-third of its income on things that are no more necessary to them than Dora's new TV was to her. Going out to nice restaurants, buying new clothes because the old ones are no longer stylish, vacationing at beach resorts — so much of our income is spent on things not essential to the preservation of our lives and health. Donated to one of a number of charitable agencies, that money could mean the difference between life and death for children in need.

All of which raises a question: In the end, what is the ethical distinction between a Brazilian who sells a homeless child to organ peddlers and an American who already has a TV and upgrades to a better one — knowing that the money could be donated to an organization that would use it to save the lives of kids in need?

Of course, there are several differences be-

tween the two situations that could support different moral judgments about them. For one thing, to be able to consign a child to death when he is standing right in front of you takes a chilling kind of heartlessness; it is much easier to ignore an appeal for money to help children you will never meet. Yet for a utilitarian philosopher like myself — that is, one who judges whether acts are right or wrong by their consequences — if the upshot of the American's failure to donate the money is that one more kid dies on the streets of a Brazilian city, then it is, in some sense, just as bad as selling the kid to the organ peddlers. But one doesn't need to embrace my utilitarian ethic to see that, at the very least, there is a troubling incongruity in being so quick to condemn Dora for taking the child to the organ peddlers while, at the same time, not regarding the American consumer's behavior as raising a serious moral issue.

IN HIS 1996 BOOK, "LIVING HIGH AND LETTING Die," the New York University philosopher Peter Unger presented an ingenious series of imaginary examples designed to probe

our intuitions about whether it is wrong to live well without giving substantial amounts of money to help people who are hungry, malnourished or dying from easily treatable illnesses like diarrhea. Here's my paraphrase of one of these examples:

Bob is close to retirement. He has invested most of his savings in a very rare and valuable old car, a Bugatti, which he has not been able to insure. The Bugatti is his pride and joy. In addition to the pleasure he gets from driving and caring for his car, Bob knows that its rising market value means that he will always be able to sell it and live comfortably after retirement. One day when Bob is out for a drive, he parks the Bugatti near the end of a railway siding and goes for a walk up the track. As he does so, he sees that a runaway train, with no one aboard, is running down the railway track. Looking farther down the track, he sees the small figure of a child very likely to be killed by the runaway train. He can't stop the train and the child is too far away to warn of the danger, but he can throw a switch that will divert the train down the siding where his Bugatti is parked. Then nobody will be killed — but the

Thinking of his joy in financial security, he decided to throw the switch. Years to come, Bob would have the financial secu-

ity. Unger will immediately agree. But Unger, too, has opportunities for his children. We can give them a high probability of being threatened by (I do not believe it is worth saving than argue that children on themselves, for the issues.) Unger did use the information to offer some plausible cost of raising money and the cost of being needed. By his calculation would help a sickly healthy 6-year-old through childhood's show how practical it is, Unger even can easily donate and calling one (800) 367-5437 for Oxfam America. Information you need should you judge? Think again about Dora, Bob did not of the child he was material comfort. The car to him and too far mate, personal way. It mislead the child or imperiling him. In all on resembles that of to donate to overseas situation.

It is very wrong of Bob that would have divided a child's life, then it is deny that it is also key to one of the or- less, that is, there is ference between the overlooked.

Intuitions about whether the who need it? No-

body who knows the world of overseas aid can doubt that such uncertainties exist. But Unger's figure of \$200 to save a child's life was reached after he had made conservative assumptions about the proportion of the money donated that will actually reach its target.

One genuine difference between Bob and those who can afford to donate to overseas aid organizations but don't is that only Bob can save the child on the tracks, whereas there are hundreds of millions of people who can give \$200 to overseas aid organizations. The problem is that most of them aren't doing it. Does this mean that it is all right for you not to do it?

Suppose that there were more owners of priceless vintage cars — Carol, Dave, Emma, Fred and so on, down to Ziggy — all in exactly the same situation as Bob, with their own siding and their own switch, all sacrificing the child in order to preserve their own cherished car. Would that make it all right for Bob to do the same? To answer this question affirmatively is to endorse follow-the-crowd ethics — the kind of ethics that led many Germans to look away when the Nazi atrocities were being committed. We do not excuse them because others were behaving no better.

We seem to lack a sound basis for drawing a clear moral line between Bob's situation and that of any reader of this article with \$200 to spare who does not donate it to an overseas aid agency. These readers seem to be acting at least as badly as Bob was acting when he chose to let the runaway train hurtle toward the unsuspecting child. In the light of this conclusion, I trust that many readers

will reach for the phone and donate that \$200. Perhaps you should do it before reading further.

NOW THAT YOU HAVE DISTINGUISHED YOURSELF morally from people who put their vintage cars ahead of a child's life, how about treating yourself and your partner to dinner at your favorite restaurant? But wait. The money you will spend at the restaurant could also help save the lives of children overseas! True, you weren't planning to blow \$200 tonight, but if you were to give up dining out just for one month, you would easily save that amount. And what is one month's dining out, compared to a child's life? There's the rub. Since there are a lot of desperately needy children in the world, there will always be another child whose life you could save for another \$200. Are you therefore obliged to keep giving until you have nothing left? At what point can you stop?

Hypothetical examples can easily become farcical. Consider Bob. How far past losing the Bugatti should he go? Imagine that Bob had got his foot stuck in the track of the siding, and if he diverted the train, then before it rammed the car it would also amputate his big toe. Should he still throw the switch? What if it would amputate his foot? His entire leg?

As absurd as the Bugatti scenario gets when pushed to extremes, the point it raises is a serious one: only when the sacrifices become very significant indeed would most people be prepared to say that Bob does nothing wrong when he decides not to throw the switch. Of course, most people could be wrong; we can't decide





**You shouldn't take that
cruise, redecorate the house
or get that pricey new suit.
After all, a \$1,000 suit could
save five children's lives.**

moral issues by taking opinion polls. But consider for yourself the level of sacrifice that you would demand of Bob, and then think about how much money you would have to give away in order to make a sacrifice that is roughly equal to that. It's almost certainly much, much more than \$200. For most middle-class Americans, it could easily be more like \$200,000.

ISN'T IT COUNTERPRODUCTIVE TO ASK people to do so much? Don't we run the risk that many will shrug their shoulders and say that morality, so conceived, is fine for saints but not for them? I accept that we are unlikely to see, in the near or even medium-term future, a world in which it is normal for wealthy Americans to give the bulk of their wealth to strangers. When it comes to praising or blaming people for what they do, we tend to use a standard that is relative to some conception of normal behavior. Comfortably off Americans who give, say, 10 percent of their income to overseas aid organizations are so far ahead of most of their equally comfortable fellow citizens that I wouldn't go out of my way to chastise them for not doing more. Nevertheless, they should be doing much more, and they are in no position to criticize Bob for failing to make the much greater sacrifice of his Bugatti.

At this point various objections may crop up. Someone may say: "If every citizen living in the affluent nations contributed his or her share I wouldn't have to make such a drastic sacrifice, because long before such levels were reached, the resources would have been there to save the

lives of all those children dying from lack of food or medical care. So why should I give more than my fair share?" Another, related, objection is that the Government ought to increase its overseas aid allocations, since that would spread the burden more equitably across all taxpayers.

Yet the question of how much we ought to give is a matter to be decided in the real world — and that, sadly, is a world in which we know that most people do not, and in the immediate future will not, give substantial amounts to overseas aid agencies. We know, too, that at least in the next year, the United States Government is not going to meet even the very modest United Nations-recommended target of 0.7 percent of gross national product; at the moment it lags far below that, at 0.09 percent, not even half of Japan's 0.22 percent or a tenth of Denmark's 0.97 percent. Thus, we know that the money we can give beyond that theoretical "fair share" is still going to save lives that would otherwise be lost. While the idea that no one need do more than his or her fair share is a powerful one, should it prevail if we know that others are not doing their fair share and that children will die preventable deaths unless we do more than our fair share? That would be taking fairness too far.

Thus, this ground for limiting how much we ought to give also fails. In the world as it is now, I can see no escape from the conclusion that each one of us with wealth surplus to his or her essential needs should be giving most of it to help people suffering from poverty so dire as to be life-threatening. That's right: I'm saying that you shouldn't buy that new car, take that cruise, re-

decorate the house or get that pricey new suit. After all, a \$1,000 suit could save five children's lives.

So how does my philosophy break down in dollars and cents? An American household with an income of \$50,000 spends around \$30,000 annually on necessities, according to the Conference Board, a nonprofit economic research organization. Therefore, for a household bringing in \$50,000 a year, donations to help the world's poor should be as close as possible to \$20,000. The \$30,000 required for necessities holds for higher incomes as well. So a household making \$100,000 could cut a yearly check for \$70,000. Again, the formula is simple: whatever money you're spending on luxuries, not necessities, should be given away.

Now, evolutionary psychologists tell us that human nature just isn't sufficiently altruistic to make it plausible that many people will sacrifice so much for strangers. On the facts of human nature, they might be right, but they would be wrong to draw a moral conclusion from those facts. If it is the case that we ought to do things that, predictably, most of us won't do, then let's face that fact head-on. Then, if we value the life of a child more than going to fancy restaurants, the next time we dine out we will know that we could have done something better with our money. If that makes living a morally decent life extremely arduous, well, then that is the way things are. If we don't do it, then we should at least know that we are failing to live a morally decent life — not because it is good to wallow in guilt but because knowing where we should be going is the first step toward heading in that direction.

When Bob first grasped the dilemma that faced him as he stood by that railway switch, he must have thought how extraordinarily unlucky he was to be placed in a situation in which he must choose between the life of an innocent child and the sacrifice of most of his savings. But he was not unlucky at all. We are all in that situation. ■

TONY P. HALL

THIRD DISTRICT, OHIO

COMMITTEES

HOUSE COMMITTEE ON RULES

RANKING MINORITY MEMBER

SUBCOMMITTEE ON RULES AND
ORGANIZATION OF THE HOUSE

CHAIRMAN

DEMOCRATIC TASK FORCE ON HUNGER

Congress of the United States

House of Representatives

Washington, DC 20515

September 10, 1999

1432 LINGWORTH HOUSE OFFICE
BUILDING
WASHINGTON, DC 20515-35
(202) 225-6485

DISTRICT OFFICE:
501 FEDERAL BUILDING
200 WEST SECOND STREET
DAYTON, OH 45402
(937) 225-2843

The President
The White House
Washington, DC 20500

199 SEP 20 AM 7:45

Dear Mr. President:

I write to commend to you Ms. Kim Denmark from my district who has requested a meeting with you to discuss her work to find jobs for welfare recipients. Ms. Denmark will complete an eight-month, 1100-mile walk from Dayton, Ohio when she arrives at the White House tomorrow. The purpose of her walk is to bring to your and the public's attention the employment needs of welfare recipients and the difficulties facing minority- and female-owned small businesses.

As you know, Mr. President, I have long been involved in the fight against poverty and in giving the less-fortunate the help they need to help themselves. In Dayton, Ms. Denmark started her own small business to fight that same battle. Further, over the last eight months, she has been living that fight in a very personal way during every day of her walk and making the fight real to countless others along the way. Please find enclosed additional information about Ms. Denmark and the attention her walk has been getting.

Ms. Denmark's walk is certainly impressive. After meeting with her personally, however, I can tell you that her concern, her humility, and her commitment to service is even more impressive. I sincerely hope that you also take the opportunity to meet with Ms. Denmark's by accepting her request for an appointment.

Sincerely,



Tony P. Hall
Member of Congress

or for Legislative Affairs

9-20-99
To Leg Affairs
for Reply
OK

This is my pile
of ???

Back from
Oval

9/18
Jana

September 16, 1999

The Honorable President of the United States
Mr. William J. Clinton
1600 Pennsylvania Avenue
Washington, D.C.

Dear Sir,

My name is Kim Denmark, I am the African American woman that has taken a personal issue dear to my heart. I began my "Walk" on January 5, 1999, in 4 feet of snow, from Dayton, Ohio.

I had a "Temporary Service" in Dayton, Ohio which in itself employed in excess of 300 plus "welfare" mothers, and non-violent prison offenders. These poor and some non skilled applicants would frequent my office for part time and some full time jobs in all capacities.

Our service placed temps as clerk typists, cooks, housekeepers, general labor, certified nurses, etc. All were qualified to do their jobs. We at "Performance Temporary Service" would hire most of our temps from the "project" and/or "ghetto" areas. As many as we could shuttle to and from work, we would do just that.

However, after 7 long years, of helping these people, and while giving these people "hope", I was forced to shut my doors due to lack of funding. No banks or set aside programs would assist me. Some of the reasons, were absolutely ridiculous. One bank even wanted to do a "Partnership", with option to purchase company after 1 year.

After years of attempting to "fit in" and use the "American Way". it has become evident that I am not part of the "American Pie", therefore, I can never be part of the "American Dream", "successful".

I am sending along with this letter some history of my 1,100 mile "Walk". While on this "journey", I have met thousands of Americans who Love and support you. I support you too! So, I am asking you again, will you meet with me? I arrived here September 11, 1999, and am awaiting a response. Seems, I am being hid. No one wants you to know, I have been "Walking" since January. And, just arrived. I have 3 issues to bring to your attention. Please help me help others.



United States Department of the Interior



IN REPLY REFER TO:

NATIONAL PARK SERVICE
National Capital Region
1100 Ohio Drive, S.W.
Washington, D.C. 20242

PUBLIC GATHERING PERMIT

99-1549

Date: 09/10/99

In accordance with Park Regulations as contained in C.F.R., Title 36, Chapter 1, Section 7.96, permission is granted to conduct a public gathering to the following:

Person(s) and/or Organization(s): KIM DENMARK, ROSE PATTON
(PUBLIC RELATIONS FOR MS. DENMARK)

Date(s): 09/11/99

To: 09/11/99

Time: Starting: 2:00 P.M.

Ending: 5:00 P.M.

Location(s): LAFAYETTE PARK, NORTH WEST QUADRANT

Purpose(s): PRESS CONFERENCE...TO HIGHLIGHT
EMPLOYMENT NEEDS OF WELFARE RECIPIENTS.

Anticipated Number of Participants: 250

Person(s) in Charge: ROSE PATTON

Address(es): 404 H STREET NE., WASHINGTON, DC 20002

Telephone Nos. Day: 888-859-1023

This permit is granted subject to the following conditions:

1. Permittee and all participants authorized therein must comply with all of the conditions of this permit and with all reasonable directions of the United States Park Police.
2. All sidewalks, walkways, and roadways must remain unobstructed to allow for the reasonable use of these areas by pedestrians, vehicles, and other park visitors.

PERMITTEE IS RESPONSIBLE FOR READING AND ADHERING TO THE ATTACHED ADDITIONAL CONDITIONS.

3. All laws, rules and regulations applicable to the area covered by this permit remain in effect.

4. No fee may be collected, donation solicited, or commercial activity conducted.

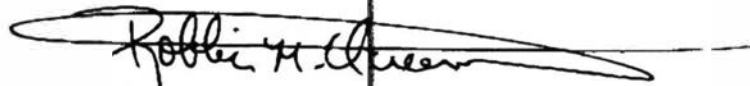
5. The area must be left in substantially the same condition as it was prior to the activities authorized herein, and all litter shall be placed in the trash containers provided.

6. This permit is applicable only for the use of the area designated above, and during the times designated above, or in any area as may hereafter be designated by the United States Park Police.

7. The use of sound amplification equipment, other than hand-portable sound amplification equipment to be used for crowd control purposes only, is prohibited on the White House Sidewalk (South 1600 Pennsylvania Avenue, NW., sidewalk between East Executive Avenue). All sound amplification equipment shall be limited so that it will not unreasonably disturb nonparticipating persons in, or in the vicinity of, the area.

8. The National Park Service reserves the right to immediately revoke this permit at any time should it reasonably appear that the public gathering presents a clear and present danger to the public safety, good order or health, or if any conditions of this permit are violated.

Terry R. Carlstrom
Regional Director
National Capital Region



By: Richard E. Merryman
FA Chief, Division of Park Programs
National Capital Parks-Central

PRESS RELEASE

WOMAN "WALKING" FROM OHIO TO WASHINGTON, D.C.

KIM DENMARK, THE AFRICAN AMERICAN WOMAN LEFT DAYTON, OHIO ON JANUARY 5, 1999. "WALKING".

HER DESTINATION: THE PRESIDENT OF THE UNITED STATES MR. BILL CLINTON

WHY? TO BRING THE FOLLOWING ISSUES TO HIS ATTENTION:

- 1. JOBS/WELFARE RECEPIENTS**
- 2. FUNDING FOR MINORITY/WOMEN SMALL BUSINESSES**
- 3. FAIR LENDING/BANK PRACTICES**

MS. DENMARK HAS "WALKED" SOME 1,200 MILES (INCLUDING TWO "WALKS" TO "OPRAH" IN 1998).

KIM HAS BEEN COVERED BY CBS, ABC, FOX TELEVISION NETWORKS AND, IS CURRENTLY, IN BALTIMORE, MD. FOR 10 DAYS "RESTING". SHE WILL CONTINUE HER "WALK" SEPTEMBER 7, 1999 TO COMPLETE HER FINAL 40-50 MILES.

SHE IS EXPECTED TO ARRIVE IN WASHINGTON, D.C. ON SEPTEMBER 11, 1999. AND, WE ARE REQUESTING THE COMMUNITY, NETWORKS, RADIO AND ALL INTEREST PARTIES TO GET INVOLVED AND HELP SUPPORT THIS MOST WORTHY CAUSE.

KIM CAN BE REACHED AT 1-888 859-1023, HER CONTACT PERSON IS ROSE PATTON. PLEASE FEEL FREE TO CONTACT HER ANYTIME FOR YOUR COMPLETE "HISTORY PACKET" O.N.M.S.

ALL POST

OHIO'S BLACK NEWSPAPER

36 PAGES

She's walking to D.C.

BY NORMAN E. JONES, JR.
Staff Writer

Not many people have the determination of Kim Denmark. She is on her way to Washington to bring attention to her cause of keeping her business alive.

Ms. Denmark is a 37-year-old mother of four children. She is also the owner and operator of Performance Temp Service (PTS) in Dayton. The business recruits women who are on welfare and places them in temporary jobs. Many of

the employment positions her business fills are at nursing homes, hotels, clerical, assembly work and light industrial occupations. She has been in business since 1992.

"I'm walking from Dayton to Washington in hopes of bringing attention to the services we provide and to raise money to stay in business," said Ms. Denmark on the steps of city hall last

Friday. "Last year, our business got jobs for 350 people and took more than 35 women off the welfare rolls."

We need money to stay in business and to help others help themselves," Denmark said. "I have tried to go to banks and the Small Business Administration to help maintain the business. They tell me no, not at this time. So I'm walking to DC to gain support from the communities or anyone who will come forward and help me, help others."

PTS prepares prospective employees for employment interviews and also provides transportation and other related services for their clients. The company receives money from employers who hire the people Denmark refers to them. Sometimes it takes up to three months before the company receives any money for their services.

Medicare and Medicaid disburses money to nursing homes in 90-day intervals. Therefore PTS must wait at least that long to receive any money, said Denmark.

She says she is running out of money to provide the services.

"These people need a boost to gain employment. We found employment and provided transportation to and from their new jobs for up to ninety days," Ms. Denmark told the media. "We provided a transportation service from the projects to the jobs and also offered clothing for

Social Security narrows wealth gap

NEW YORK — A new study released by the International Longevity Center-USA, Inc. (ILC) shows how important Social Security benefits are to narrowing the gap in retirement wealth between white and minority households. In "Minorities Face Retirement Wealth Disparities Repeatedly for the first time Social Security benefits are calculated into projections of the wealth that older households expect to have when they retire. Adding this important source of retirement financing, the total wealth of the median black household more than doubles from \$86,000 to \$189,000 and total wealth of the median white household



Dayton woman walking to D.C. for small businesses

By DEAN SHIPLEY
Press Staff Writer

LONDON — Her bright orange sweatshirt appeared almost radiant in the bright winter sun. Her gait was steady but not particularly swift. She carried a small American flag and wore a sandwich board proclaiming her message:

"I'm Kim from Dayton" read the front; "to Washington D.C. ..." read the back.

Kim Denver was on the road, traveling east. The entrepreneur from Dayton, some 50 miles west of here, was on her way to Washington D.C.

She had planned a stop at the Madison Correctional Institution to talk to inmates about what she does and why she's hoofing it to D.C.

Denver owns and operates Performance Temporary Service in Dayton. She recruits men and women from the welfare roles and places them in temporary jobs in nursing homes, light industrial settings and other temporary situations.

For her temps, Denver provides uniforms and transportation to and from work sites. She foots the bill on these so her people make a professional impression and have a reliable way to work.

Denver has put to work 350 men and women by her count. "Of those 23 are now working full-time," she said as she walked up High Street toward Main.

But the cost of doing business and the method she is paid has put her business in a cash flow bind.

"My working capital is exhausted completely," she said.

She said her clients pay in intervals up to 90 days. She said nursing homes receive funds from Medicare and Medicaid every 90 days, after which she is paid. "It's hard to run a business," she said.

Denver, an alumna of Miami University, said banks have turned her down for loans.

She has had offers to buy the business, but she said it is not for sale.

She is seeking an investor to provide working capital so she can continue to operate. "If someone would give me a lump sum, I could show them what I can do," she said.

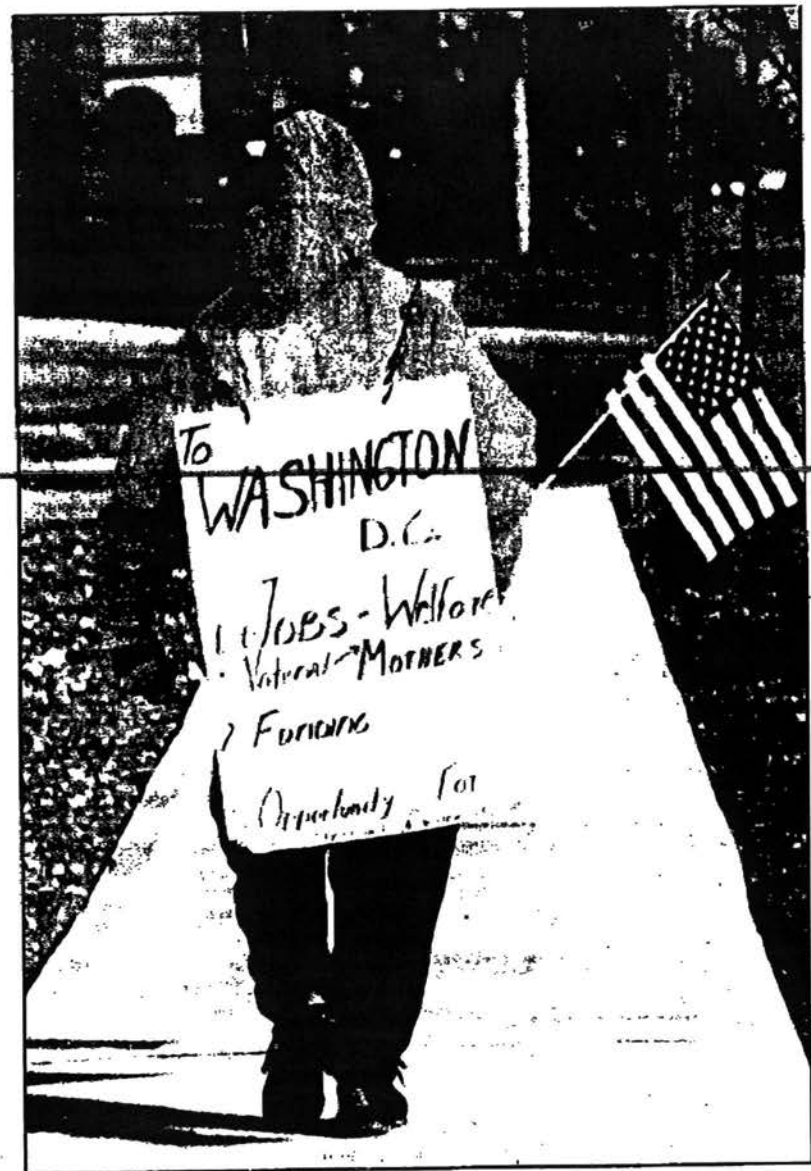
By her walking to D.C., which she plans to hit by March 3, she wants to bring attention to not only her situation, but also that of other small businesses that may have cash flow problems.

Denver has received a number of donations in support of her walk to Washington. She has a communications network, which has been donated, to keep her in touch with her home base. During her walk up High Street, Rose Patton, stopped by to check in with Denver.

At the point she stops for the day, after covering about 10 miles, she places an American flag. The following day she returns to that spot to begin her walk.

Her walk from Dayton began Jan. 5.

She has a message center phone number for those who would care to give support to her trek: 1-888-859-



Dean Shipley/The Madison Press

Kim Denver, a Dayton businesswoman, passed through London Tuesday on her walk to Washington D.C. She runs a temporary service that employs people on welfare to help them become part of the work force and leave the welfare roles. She began her walk in Dayton Jan. 5 and plans to arrive in Washington March 3.

1023. effort to see Oprah Winfrey. She said Denver became a news story last year for her walk to Chicago in an effort to see Winfrey at that time.

Kim heading to London Penitentiary to visit Warden and inmates

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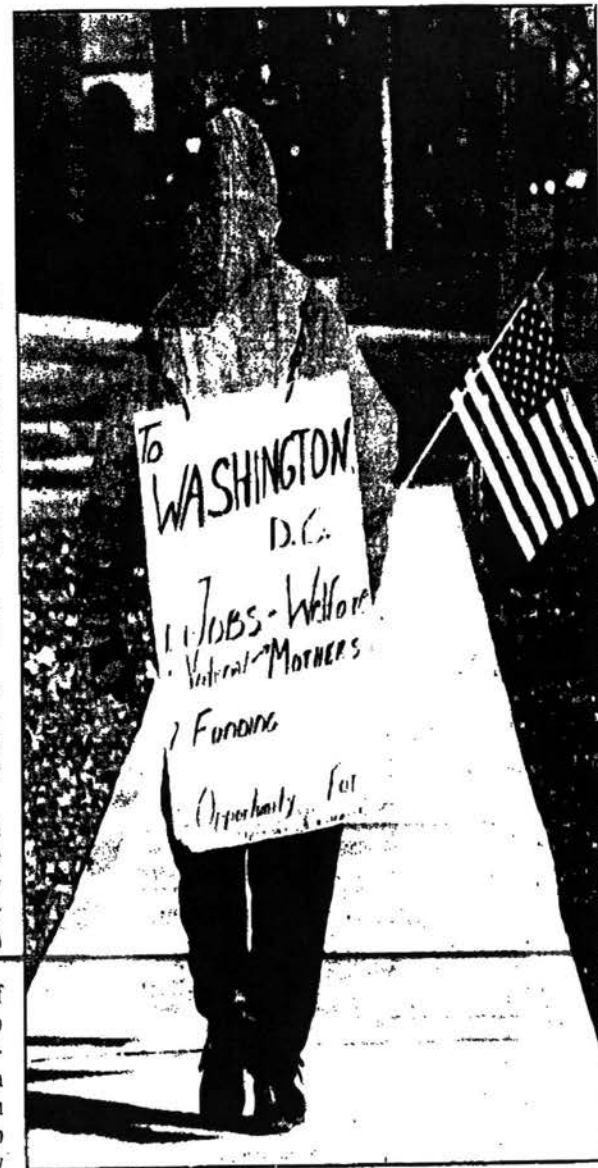
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1023.

Denver became a news story last year for her walk to Chicago in an

effort to see Oprah Winfrey. She said she was unable to see Winfrey at that time.

Kim heading to London Penitentiary to tell Warden and inmates

Welfare activist lets her feet do the talking

FROM
DAYTON, OH

KIM
15

Kim Denmark of Dayton, Ohio, walks along Route 19 in Cranberry during her trek from Dayton, Ohio to Washington, D.C. in hopes of discussing welfare reform with the president. Denmark operates a temporary services firm that hires former welfare recipients and provides transportation and clothing.

Heidi Murrin/staff photographer

Ohio woman on 500-mile trek to nation's capital

By Jennifer Dittman
Staff writer

She has endured daily swelling in her legs, taunts from the Ku Klux Klan and pains in her lungs from inhaling hour after hour of biting winds.

Yet Kim Denmark — with a sandwich board sign, fluorescent orange sweatshirt and well-worn tennis shoes — continues to make

will be a face-to-face meeting with President Clinton.

Denmark owns Performance Temporary Services in Dayton, a business that hires former welfare recipients and provides them with transportation and clothing.

"I have pictures of mothers who I have gotten off welfare," Denmark said.

Of the 22 mothers Denmark said she has helped escape welfare, two

several financial institutions to keep her business up and running.

"There was nothing wrong with my proposal," Denmark said.

And the push to limit welfare benefits also has pushed Denmark on in her walk, so she can help more find work. "I want to get as many off as possible," she said.

She kicked off her walk on Jan. 5 in the middle of a snowstorm so severe police were prohibiting

cool," Denmark said.

In addition to the physical pains that result from endless hours of walking, Denmark said she has endured jeers from Ku Klux Klan members, who followed her in Ohio shouting "You'll never get off welfare" from their pickup.

Teen-agers have spit at her and cars have come close to ending her journey, she said.

Yet Denmark also has seen the

News

Moving Women from Welfare to Work

Dayton woman walks over 500 miles to Washington D.C. to raise support for business and welfare reform

Shelley M. Shockley
Cleveland Life

on a mission. Kim Denmark, owner of Performance Temporary Service (PTS) in Dayton, OH, has launched her own walkathon to move women from the welfare rolls to the payroll. Last week Denmark stopped in Cleveland as she makes her way to the nation's capital in hopes of meeting with President Bill Clinton.

The 36-year-old mother of four started walking Jan. 5, to garner support for her business which is in danger of closing, as well as to spur women throughout the country to move from welfare to work.

On the first leg of her trek, Denmark encountered a Level 3 emergency stranding her on the campus of Central State University. The delay proved to be very fruitful. Denmark said the students in Anderson Hall greeted her with open arms and were very supportive of her cause. These students also prompted her visit to Cleveland. She said that as she explained to them her mission, many from the Cleveland area said, "You must go to Cleveland," so she altered her route and headed north.

Why Embark On Such an Adventure

Denmark started PTS after working for a temporary service. Seeing management potential in his employee, her boss asked her to take over a new branch of his business. Seeing the confidence of her former boss in her abilities, Denmark declined and set up her own shop across town.

Having heard a lot about welfare reform, Denmark had a vision of helping women make the transition from welfare to work. Using her own funds, this mother of four purchased a van and went into the projects to recruit her clients.

With the van, not only would



Walking to Washington D.C.: Kim Denmark, center, is flanked by Boogie Nikke (l) and Tony Tone as she heads down Euclid Ave. seeking to garner support for her struggling business in Dayton, Ohio. She passed through Cleveland last week.

Despite the success, PTS will close without additional revenue. When she started Denmark worked with small "Mom and Pop" companies who agreed to pay her at the end of the week. As the business has grown, she finds herself contracting with larger companies thus waiting the normal 30-60 days for payment.

Quitting is not an option, so earlier this year Denmark started her awareness campaign by walking from Dayton to Chicago with the hope of meeting Oprah Winfrey. After two treks to Chicago Oprah has been elusive, but this activist is not daunted only saying it "was bad timing."

Unable to have an audience with Oprah, she set her sights higher — William Jefferson Clinton, president of the United States.

When asked why she chose to walk, Denmark said, "being on foot was more personalized, a way to let the community know

partner Rose Patton met rappers Tony Tone and Boogie Nikke of Bottom Up Wreckords.

Tone said of his meeting with Denmark, "We instantly felt the vibe, like it was heaven sent." Personalizing Denmark's cause he said, "We have women, mammas. Everybody knows what's going on in the system."

To show their support Tone and Nikke sponsored a portion of Denmark's stay in Cleveland, paying for her hotel and walking from the studios to City Hall with her.

The physical show of support was overwhelming to Denmark. She had nothing but praise for the young rappers enthusiastically stating, "These brothers are awesome. They did not have to do this, but they walked over 10 blocks in the snow."

While at City Hall, Denmark received a welcome surprise. Planning to only stop and take a few pictures, she had the good fortune to meet Cleveland

Rap Artist's Poetic Bustle (Bone Thug Family) walk a few miles to downtown City Hall, community also came out and walked.

WALK TO WASHINGTON
continued from page 7

said, "I am very encouraged by somebody willing to commit to such an arduous task, to give some visibility to an issue that is hugely important to all of us." Patmon also said that with the possibility of a Y2K disaster, welfare reform ranks second as we rate disasters in our upcoming future. Yet he further stated pointedly, "Y2K is rumored, welfare reform is real."

So impressed was Patmon, he introduced Denmark to his colleagues who showed their support by digging into their pockets raising over \$100 to assist her.

State Senator C.J. Prentiss was unaware of Denmark's journey when contacted by a reporter, yet said the young woman's plight raises a number of issues. Although she's not very supportive of temporary services as a means of welfare reform, she said Denmark brings to the forefront issues many small businesses face.

As to temporary services, Prentiss said, "It does not deal with livable wages and health-

care." But in terms of small business and the barriers they face she said that just as Denmark has been denied start-up or operating capital by conventional sources this is a growing concern. She said, "Start up money is a problem," but it is a problem that the Ohio Black Legislative Caucus is looking into. "We're looking at developing the self-sufficiency of small businesses. The problems of 'how to market' a small business and possibly coming together to form a black community consortium."

The Trek Continues

After an extended stay in Cleveland, Denmark is back on the move. She stopped in Akron after leaving Cleveland, and from there she will get back on her original route with the next stop being Wheeling, WV.

Denmark begins each day at 7 a.m. and walks until 3 p.m. In the past she has just passed through a town, but Cleveland has been a new experience and she may increase her stay in other cities along the way. She said, "I was told I wasn't giving the cities time to meet with

me, that no one can help your effort if they don't see you." Now she's trying to make contacts before she gets there in order to broaden her audience.

Over the next 60 or so days, Denmark will go through several pairs of boots as she continues her journey. Undaunted she said she hopes to reach D.C. by April 30, but the actual target date is May 5.

She said the journey is worth it because "I care about the reform, and I'm doing something." What does she want to achieve, "Contributions, donations. Any tangible contribution to keep it alive." She would also like to have the company monitored so that the results can be shared with others. **ca**

If you would like to support Denmark's efforts, contributions can be sent to:

Kim Denmark
Walk for 99

P.O. Box 296

Dayton, Ohio 45406

or call: 1-888-859-1023

Cranberry

A Gateway Publications Newspaper

Volume 13, Issue 19

Wednesday, April 28,

Journal

This newspaper is printed
on recycled paper



9

25 cents

berry making a statement



KIM DENMARK takes a water break in Cranberry Township on the way to Washington, D.C.

CHARLES S. ROBB
VIRGINIA

WASHINGTON OFFICE:
Russell Senate Office Building
First and Constitution Avenue, NE, Room 154
Washington, DC 20510
(202) 224-4024
Email: senator@robb.senate.gov
http://robb.senate.gov

United States Senate

WASHINGTON, DC 20510-4603

COMMITTEES:
ARMED SERVICES
FINANCE
INTELLIGENCE
JOINT ECONOMIC COMMITTEE
Democratic Policy Committee

99 SEP 20 AM 7:45

September 17, 1999

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

Dear Mr. President:

I wanted to thank you for making an emergency declaration for Virginia to help respond to the devastation left by Hurricane Floyd. Given the magnitude of the crisis, I'm pleased with the efforts being expended by the Federal Emergency Management Agency in coordination with state and local officials. The best of America always seems to emerge in times of greatest need.

I urge you, however, to also move quickly to make a major disaster declaration for the region. I have no doubt that communities and families will recover from the storm, but they will need our help. I believe the sooner we can begin to provide that help, the sooner people will be able to get on with their lives.

I thank you for your attention to the people of the Commonwealth, and I look forward to your quick action in making a major disaster declaration.

Sincerely,

Chuck Robb

Charles S. Robb

*I called
Kris Bulderston
& Sean O'Shea
disaster declaration
peeps.
doing tomorrow.
mm*

Done 9/18/99

DS.

*to Lea Affairs?
ok?*

State Office:

The Ironfronts, Suite 310
1011 East Main Street
Richmond, VA 23218
(804) 771-2221

Regional Offices:

Domination Towers, Suite 107
999 Waterside Drive
Norfolk, VA 23510
(757) 441-3124

First Union Bank Building
Main Street
Chesapeake, VA 23026
(804) 328-4104

First Citizens Bank Building
530 Main Street
Danville, VA 24041
(804) 791-0330

A. R. & T. Bank Building
210 First Street, SW, Suite 102
Roanoke, VA 24011
(804) 995-0103



TB C Burson 9-20-99
Row BC

Paul Hawken, Amory Lovins,
and Hunter Lovins ~~Burson~~

I'm sure Lovins
has a hand
copy. B. Burson
wanted relevant
passages - some great stuff
in here — BS

Natural Capitalism

CREATING THE
NEXT INDUSTRIAL
REVOLUTION

UNCORRECTED ADVANCE PROOF FROM LITTLE, BROWN

PUBLICATION DATE September 30, 1999 PAGES 416T
PRICE \$26.45/26.95 ISBN 0-316-35316-7

The following, if so indicated, will appear in the finished book:

ILLUSTRATIONS charts / graphs APPENDIX _____
INDEX yes GLOSSARY _____
ES yes

will send copy of POTUS
note & book to Burson



ALSO BY PAUL HAWKEN

The Ecology of Commerce

Growing a Business

The Next Economy

ALSO BY AMORY AND HUNTER LOVINS

Energy/War: Breaking the Nuclear Link

Least-Cost Energy: Solving the CO₂ Problem *(with Florentin Krause & Wilfrid Bach)*

Brittle Power: Energy Strategy for National Security

The First Nuclear World War *(with Patrick O'Heffernan)*

Energy Unbound: A Fable for America's Future *(with Seth Zuckerman)*

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Eryri, the Mountains of Longing *(author/cophotographer)*

Openpit Mining

The Stockholm Conference: Only One Earth

World Energy Strategies: Facts, Issues, and Options

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Soft Energy Paths: Toward a Durable Peace

The Energy Controversy: Soft Path Questions and Answers *(edited by Hugh Nash)*

At Home in the Wild: New England's White Mountains *(cophotographer only)*

ALSO BY HUNTER LOVINS

Green Development: Integrating Ecology and Real Estate *(with RMI colleagues)*

Paul Hawken, Amory Lovins,
and Hunter Lovins

Natural Capitalism

CREATING THE
NEXT INDUSTRIAL
REVOLUTION



LITTLE, BROWN AND COMPANY
BOSTON NEW YORK LONDON

In this revolutionary new paradigm for doing business, three leading innovators explain how companies can increase profits, production, and employment through efficiencies that reduce energy and materials consumption by as much as 90 percent.

There are no more respected voices in the environmental movement than Paul Hawken and Amory and Hunter Lovins, true counselors on the direction of twenty-first-century business. With hundreds of thousands of books sold worldwide, they have set the agenda for rational, ecologically sound industrial development.

In this inspiring book they define a superior and sustainable form of capitalism based on a system that radically raises the productivity of nature's dwindling resources. *Natural Capitalism* shows how cutting-edge businesses are increasing their earnings, boosting growth, reducing costs, enhancing competitiveness, and restoring the earth by harnessing a new design mentality. The authors offer dozens of examples of businesses that are making fourfold or even tenfold gains in efficiency, from self-heating and self-cooling buildings to 200-miles-per-gallon cars, while ensuring that workers aren't downsized out of their jobs.

This practical blueprint shows how making resources more productive will create the next industrial revolution.

Paul Hawken was a founder of Smith & Hawken and is the author of the classic book and PBS series *Growing a Business*. His most recent book is *The Ecology of Commerce*.

Amory and Hunter Lovins cofounded and direct the Rocky Mountain Institute, a nonprofit resource policy center leading the resource efficiency revolution, and have received many of the world's top environmental awards.

Publicity Tie-in to authors' extensive lecture tours

Advertising *Fortune*, *Mother Jones*

Promotion Newsletter co-op suggestion

A Corporate Assets suggestion

These are uncorrected advance proofs bound for your reviewing convenience.
Please check with the publisher or refer to the finished book whenever you are excerpting or quoting in

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CIP to come

10 9 8 7 6 5 4 3 2 1

Binder's code to come

Book design by Elizabeth Elsas

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LOAVES AND FISHES

This is not the age of information.

This is not the age of information.

Forget the news,
and the radio,
and the blurred screen.

This is the time
of loaves
and fishes.

People are hungry,
and one good word is bread
for a thousand.

— David Whyte

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Gary L. Ackerman
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CHAIRMAN

July 13, 1999

Mr. Sean Maloney
Special Assistant to the President and Deputy Staff Secretary
The White House
1600 Pennsylvania Ave.
Washington, DC 20512

99 JUL 20 AM 11:59

Dear Mr. Maloney:

Enclosed is the biography of Dr. Henry Viscardi, JR. which I received from one of my constituents. He has requested that Dr. Viscardi be considered for the distinguished honor of being awarded the Presidential Medal of Freedom.

If you need any other information regarding this matter please do not hesitate to contact my district office in Bayside.

Sincerely,

Gary L. Ackerman

GARY L. ACKERMAN
Member of Congress

GLA/bw
Enclosed

7-20-99
Send to Burkhardt?
Yes ☒
No ☐
C
COPY TO
ME 

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Mr. Sean Maloney
Special Assistant to the President and Deputy Staff Secretary
The White House
1600 Pennsylvania Ave.
Washington, DC 20512



DR. HENRY VISCARDI, JR.

BORN IN 1912 HENRY VISCARDI, JR. IS TODAY ONE OF THE WORLD'S MOST HIGHLY RESPECTED FIGURES IN THE FIELDS OF REHABILITATION AND EDUCATION. HE HAS DEVOTED HIS LIFE TO ENSURING THAT SEVERELY DISABLED INDIVIDUALS HAVE THE OPPORTUNITY TO ACHIEVE THEIR FULLEST POTENTIAL AS HUMAN BEINGS.

HE HAS ALWAYS BELIEVED THAT LIVING PROOF IS THE MOST PERSUASIVE. IN 1952 HE FOUNDED THE INTERNATIONALLY FAMED NATIONAL CENTER FOR DISABILITY SERVICES IN ALBERTSON, LONG ISLAND. THROUGH ITS FAMOUS HENRY VISCARDI SCHOOL AND WORK CENTER HE HAS SHOWN THE WORLD THAT THERE REALLY ARE NO DISABLED PEOPLE--ONLY PEOPLE WITH VARYING DEGREES OF ABILITY--NOT DISABILITY.

HENRY VISCARDI HAS BEEN AN ADVISOR TO EVERY PRESIDENT BEGINNING WITH FRANKLIN ROOSEVELT ON THE AFFAIRS OF OUR NATION'S DISABLED. HE HOLDS CITATIONS FROM LEADING INTERNATIONAL SOCIETIES, UNIVERSITIES AND PROFESSIONAL ORGANIZATIONS, AND HAS BEEN AWARDED MANY HONORARY DEGREES, INCLUDING DOCTORATES IN LAW, EDUCATION, SCIENCE, HUMANE LETTERS AND LITERATURE IN ADDITION TO UNIVERSITIES IN AMERICA. THIS INCLUDES UNIVERSITIES IN ENGLAND, JAPAN, KOREA AND CANADA. HE IS A FELLOW OF THE ROYAL SOCIETY OF ARTS, AND IS A RECIPIENT OF THE AMERICAN EXEMPLAR MEDAL FROM THE FREEDOM FOUNDATION OF VALLEY FORGE. IN 1975, DR. VISCARDI RECEIVED THE NEW YORK STATE BOARD OF REGENTS' JAMES E. ALLEN JR. MEMORIAL AWARD FOR HIS GREAT CONTRIBUTIONS TO EDUCATION. THE NATIONAL REHABILITATION ASSOCIATION PRESENTED HIM WITH ITS HIGHEST

HONOR, THE PRESIDENT'S AWARD MEDAL, AND THE AMERICAN MEDICAL ASSOCIATION IN 1967 PRESENTED HIM WITH THE OUTSTANDING SERVICE CITATION, GIVEN ONLY FOUR TIMES IN ITS ONE HUNDRED AND THIRTY YEAR HISTORY AND NEVER BEFORE AWARDED TO A NON-MEDICAL RECIPIENT.

IN 1983 HE RECEIVED THE HORATIO ALGER AWARD FOR DISTINGUISHED AMERICANS AND WAS APPOINTED BY THE CONGRESS TO THE NATIONAL BOARD OF THE CONGRESSIONAL AWARD. IN 1992 HE RECEIVED THE ANDRUS AWARD FROM THE AMERICAN ASSOCIATION OF RETIRED PERSONS AND THE AMERICA'S AWARD AT THE JOHN F. KENNEDY CENTER IN WASHINGTON, D.C. HE AND HIS WIFE, LUCILE, LIVE IN KINGS POINT, LONG ISLAND AND HAVE RAISED FOUR LOVELY DAUGHTERS. THEY HAVE NINE GRANDCHILDREN AND TWO GREAT-GRANDCHILDREN.

HE IS THE AUTHOR OF NUMEROUS ARTICLES AND EIGHT BOOKS. HIS WORK HAS APPEARED IN READER'S DIGEST FIVE TIMES. IN MARCH OF 1952 HE RECEIVED THE NURNBERGER TRICHTER LITERARY AWARD IN BONN, GERMANY FOR HIS BOOK, "A LETTER TO JIMMY".

HE HOLDS THE DISTINCTION OF BEING THE ONLY LIVING DISABLED PERSON TO MAKE THE "BOOK OF LISTS", WHERE HIS NAME STANDS ALONGSIDE THOSE OF OTHER FAMOUS PEOPLE WHO OVERCAME THEIR DISABILITIES, SUCH AS HOMER, BEETHOVEN AND HELEN KELLER.

STAR OF THE AWARD WINNING TV DOCUMENTARY DRAMA, HE IS A MAN FOR ALL SEASONS, AN AUTHOR, LECTURER, TEACHER, SUCCESSFUL BUSINESSMAN, SAILOR, NEEDLE POINTER, RUG HOOKER AND RESTORER OF ANTIQUE FURNITURE.

THOUSANDS OF SEVERELY DISABLED CHILDREN AND ADULTS HAVE LOOKED TO THIS MAN WHO WAS BORN WITH STUMPS, INSTEAD OF LEGS, FOR GUIDANCE AND INSPIRATION, AND HE HAS RESPONDED TO THEM WITH ALL THE RESOURCES WITHIN HIM. STANDING ON HIS ARTIFICIAL LIMBS HE IS A GIANT AMONG THE GREAT AMERICANS OF OUR TIMES.

Doo.c/spcintro