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THE WHITE HOUSE
WASHINGTON

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From: The Staff Secretary

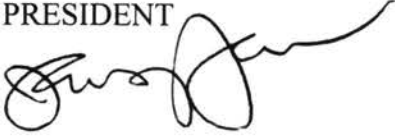
COMMENTS?



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 25, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Jacob J. Lew 

SUBJECT: Presidential Transmittal of the "Save Social Security and Medicare Lockbox Act of 1999"

I am forwarding to you a legislative proposal – entitled the "Save Social Security and Medicare Lockbox Act of 1999" – for your transmittal to the Congress. This legislation would extend the solvency of Social Security, protect Social Security and Medicare funds in the budget process, lock away Social Security transfers against use for any purpose other than Social Security, and establish a surplus reserve for Medicare. As a result, the bill would help achieve your goals of preserving Social Security and Medicare and reducing the Federal debt held by the public.

This package contains two originals and eight copies of: the Presidential transmittal message to the Congress, the legislative proposal, and a fact sheet on the proposal.

These materials were prepared by the Office of Management and Budget and have been coordinated with concerned agencies and White House offices.

Attachments

TO THE CONGRESS OF THE UNITED STATES:

I transmit herewith for your immediate consideration a legislative proposal entitled the “Save Social Security and Medicare Lockbox Act of 1999.”

The Social Security system is one of the cornerstones of American national policy and has allowed generations of Americans to retire with dignity. The Social Security system, together with the additional protections afforded by the Medicare system, have been an outstanding success for past and current retirees. However, the long-term solvency of the Social Security and Medicare trust funds is not guaranteed. The Social Security trust funds are currently expected to become unable to pay benefits in full on a timely basis starting in 2034. The Medicare system also faces significant financial shortfalls, with the Hospital Insurance Trust Fund projected to become exhausted in 2015. We must protect and strengthen Social Security and Medicare. In addition to preserving Social Security and Medicare, the Congress and the President have a responsibility to future generations to reduce the Federal debt held by the public. Significant debt reduction will contribute to the growth of the overall economy and thereby improve the Government’s ability to fulfill its responsibilities and to face future challenges, including preserving and strengthening Social Security and Medicare.

The enclosed bill would help achieve these goals by extending the solvency of Social Security, protecting Social Security and Medicare funds in the budget process, locking away Social Security transfers against use for any purpose other than Social Security, and establishing a surplus reserve for Medicare. The bill would:

- Make transfers to Social Security from 2011 to 2044 equal to the interest savings from debt reduction achieved by locking away Social Security surpluses from 2000 to 2015.
- Establish a Medicare surplus reserve equal to one-third of any on-budget surplus for the total of the period of fiscal years 2000 through 2009.
- Create a Social Security lockbox to protect Social Security surpluses. The lockbox establishes a point of order against legislation that would cause or worsen an on-budget deficit, with 60 votes required for waiver of the point of order in the Senate.
- Extend the discretionary budget caps to 2009 and adjust for inflation thereafter as a further protection for Social Security and Medicare.
- Extend the pay-as-you-go budget enforcement system to 2014, again to provide protections for Social Security surpluses and for Medicare.

I urge the prompt and favorable consideration of this proposal.

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BOSTON • TUESDAY
 OCTOBER 12, 1999

THE CHRISTIAN SCIENCE MONITOR

Second thoughts Australia keepsers to East Timor but not

Learning Eat lunch - together. faculty-student meals are a

Work&Money A few sector mutual funds slid in the third

UNDOING NATURE?

Scientists play 'Jurassic Park' with mammoths

By Alex Sefcove
 Special to The Christian Science Monitor

IN THE frozen vastness of the Siberian tundra just below the Arctic Circle, the loud chatter of jackhammers and generators crackles through biting sub-zero air. At this cold, dark outpost on the edge of the world, a team of scientists is prospecting not for gold or precious gems but rather for a treasure from the Ice Age: an intact body of a woolly mammoth encased in a block of ice.

From its frozen body, researchers hope to extract invaluable insights about the flora and fauna of a bygone era. More important, though, they hope to find DNA suitable for cloning - to be used to revive an extinct species.

It's a groundbreaking test of the basic theory laid out in the film "Jurassic Park," and, if successful, it could lead to the revival of many extinct species frozen in Siberian ice.

Much remains to be done. The science of cloning remains extremely difficult, and the Siberian winter could destroy the work accomplished so far. Yet many scientists are already questioning the project's ethical implications, wondering whether humans should undo nature's work.

"Some people think it shouldn't be done, that it goes against nature. But mammoths lasted in the Siberian Arctic until 37,000 years ago. At least one theory is that humans made them become extinct," says Larry Agenbroad.

See MAMMOTH page 4

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monitor online:
 www.csmonitor.com

Why world won't aid China

■ Russia's campaign has cr weeks. Aid groups find the

By Minh T. Vo
 Special to The Christian Science Monitor

NEW YORK - The latest war in Chechnya is creating a major refugee crisis - but no international humanitarian response. The Russian military campaign against Islamic rebels in the breakaway Chechen republic has driven 155,000 refugees

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special REPORT

6 billion people and a countertrend

■ Literate women in India's Kerala help hold population growth nearly flat.

By Robert Marquand
 Staff writer of The Christian Science Monitor

COCHIN, INDIA - As the world hypothetically tops 6 billion people today, about 4.8 billion of them live in developing countries. India alone reached 1 billion last August and is expected to pass China as the world's most populous nation within 50 years.

Yet in the southwestern Indian state of Kerala, something remarkably different is happening. In this place of palm-tree thickets, jasmine scents, and a library in every town, the population growth rate is nearly flat.

Partly Kerala's rate is due to a history of Christian missionary schooling for all castes, and partly to a progressivist communist government that since 1957 has pushed land reform and education as an answer to every ill.

But mainly, say experts, it is a self-conscious awareness of the value and role of women, and their rights within the family - even in rural areas, where women usually have the least power.

Talk to almost any young woman here, single or married, and the answer is the same: "If you have too many kids, you can't spend enough time educating them," says A. Kumari, who will be wedded on Oct. 20. "I don't want a big family."

"I like children but I only want two," says N.P. Asa, a young lawyer whose parents are coconut and nutmeg farmers. "The man I marry will

See POPULATION page 9



RAGHU RAI

INDIA, MOTHER OF 1 BILLION: Growth rates are still slowing, but world population has doubled since the 1960s. Developing nations contribute the highest numbers. On page 8, a look at how some countries are handling the changes.

Special REPORT

Small families, high literacy in Kerala

POPULATION from page 1

understand this."

Such views explain why Kerala in 1999 has achieved a birth rate that the World Health Organization set for it years ago as a target for 2015.

The contrast with much of India could not be greater. In the feudal northern state of Rajasthan, for example, where village girls are often married at age 14, the birth rate is about six children per family. In Kerala, where women now marry in their 20s, the birth rate is about 2.4. The literacy rate for Rajasthan village girls is less than 10 percent according to the United Nations. In Kerala, which educates all classes and castes, about 85 percent of even village girls can read and write, the highest rate in India; it is not unusual to see women laborers reading newspapers on the porch before they head to the fields.

Kerala also has the lowest rates of female infanticide in India, and today women here outnumber men by a factor of roughly 10 to 7.

Kerala women activists point to many problems in the state — rising prostitution, ongoing violence against women, and a general conservatism that limits their mobility. Women, for example, (as in many parts of India) will not freely travel outside after dark.

Yet the "culture of learning" has also led to an anomalous number of "firsts" in India among Kerala women: the first woman Indian Supreme Court justice, the first female head of the stock market, the first state chief engineer, the first surgeon general, the first female international literary figure (Arundhati Roy).

In commercial centers like New Delhi and Bombay, moreover, employers advertise for Kerala women — their skill levels and independence are highly valued. Unusually for India as well, Kerala women are willing to travel to distant cities to work, whether or not they are married.

Change the culture, or deliver the goods?

For years, debates on population control have swung between "cultural" and "delivery" factors. Is it more important to focus on education, infrastructure, and building a social agreement of low growth? Or should emphasis be on contraceptive distribution, family-planning clinics, and word-of-mouth programs?

"In 1974, people were saying 'Development is the best contraceptive,' and even today you have leaders saying that just educating women is enough," says Michael Vlassof, a demographer with the UN Population Fund in New Delhi. "Today we know that strategy by itself works only very slowly. If a woman has to slog through muddy roads all day to get contraceptives, it doesn't matter how much education she has."

In some ways, Kerala is an example of both factors at work. The isolated coastal state has a long history of trade and interaction with African and European cultures and thinking. There is an in-built assumption of progress and openness. The state is 20 percent Muslim, 20 percent Christian, and 60 percent Hindu. Last year a Muslim girl, for the first time, scored the highest of all students on the state high school exam.

"In north India, there is a strong belief in fate, and the passive acceptance of fate, that you don't

find here," says Ignatius Gonsalves, bureau chief of the state newspaper Malayala Manoram.

Mr. Gonsalves, whose ancestors were Portuguese missionaries, says in Kerala "People have dreams and believe they can achieve them — it is an atmosphere of progress and cultural diversity. Our last communal riot was in the early 1970s." (Muslim-Hindu riots were common during much of the 1990s, and the past 15 months have seen a rise of Hindu-fundamentalist violence against Christians in India.)

In the 1960s, when the local communist government decided early to make population an issue, partly to create an educated class for economic value, there was an agreement to widely distribute contraceptives. The road system in Kerala was helpful; most people here live on the narrow stretch of land between the coast and the Western Ghats mountains. Most villages, also part of the land reforms of the 1950s, have populations of about 5,000, and unlike smaller villages in other parts of India, have post offices, schools, and other municipal buildings.



Women activists' role

The low-growth program was widely successful, appealing to the state's "rationalist" traditions: If Kerala goes the way of the rest of India, it will be poorer and poorer, and the living standard will fall.

"Look, everyone believes that now," says Gonsalves. "It has been internalized, and today no one has to run around preaching about population."

At about the same time, women activists also took up the challenge. Many women over 50 here have three to five children. But a word-of-mouth campaign, and free health services, changed the dynamics. Today, most women, particularly if their husbands don't use condoms, elect sterilization after the second or third child. Both women and men in Kerala are offered a small sum for being sterilized, though the procedure is voluntary. A forced sterilization program for men in the late 1970s, under the sway of Prime Minister Indira Gandhi's son Sanjay, is considered to be one of modern India's darkest hours.

Typical of the Kerala female education is a learning festival held each semester at the women's St. Teresa's College. Women age 15 to 22 would compete for the best performance, art, or essay on subjects such as population growth, women's exploitation, female infanticide, pollution, and resource depletion in India.

"One of our biggest areas of real learning are the youth festivals that take up issues of women, antidrug use, and child labor," says Maggie Artchaser, a quick-witted English instructor at St. Teresa's, which has been one of the most respected women's colleges in Cochin since it was founded in the early 1920s. About 20 percent of St. Teresa's students are tribals or Dalits ("untouchables"), about 20 percent are Christians, and the rest tend to be Hindus of other castes.

"Keralites as a whole tend to be people who cross borders and boundaries and come home with a very wide perspective," says Ms. Artchaser. "We open up and go around the world, and bring home the lessons we've learned. It's one of the reasons the women here are more aware."

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Fumble on the Test Ban Treaty

The rejection of the Comprehensive Test Ban Treaty is indeed a debacle for American foreign policy, but the blame lies with the Clinton administration rather than with the Republican-led Senate.

This is the first time in modern history that the United States has failed to ratify a major arms control agreement, a development that has unsettled allies in Europe and Asia, while making Washington an easy target of criticism for Moscow and Beijing.

While President Clinton has already claimed that isolationists in the Senate are responsible for the outcome, there is more than enough blame to go around. Indeed, the vote is principally the product of two major mistakes committed by Clinton and his senior advisers.

The first is the administration's failure to methodically build a bipartisan consensus for the complicated and controversial treaty.

While U.S. administrations going back to the Eisenhower era have given lip service to the goal of a negotiated ban on all nuclear testing, in practice they proceeded cautiously in trying to achieve this goal. This is because a test ban raised some difficult technical challenges that needed to be surmounted before Senate approval.

One such challenge was whether the United States, with a military strategy based on credible nuclear deterrence, could maintain a highly reliable stockpile of nuclear weapons indefinitely without testing. Another challenge was how to ensure that a test ban could be verified and enforced: Could we catch cheaters, and if so, how would they be penalized by the international community?

In last week's debate, these questions were still at the forefront of the debate, and it was clear that many senators had doubts about the administration's answers.

The outcome might have been different had the administration paid attention to how the Senate was handled during the Reagan-Bush era, when three major arms control treaties were negotiated and ratified, including the 1991 accord reducing U.S. and Russian strategic forces by half.

The lesson from this period was simple but important: In any arms negotiation, if you want Senate support at the landing, you had better arrange for heavy Senate involvement at the takeoff.

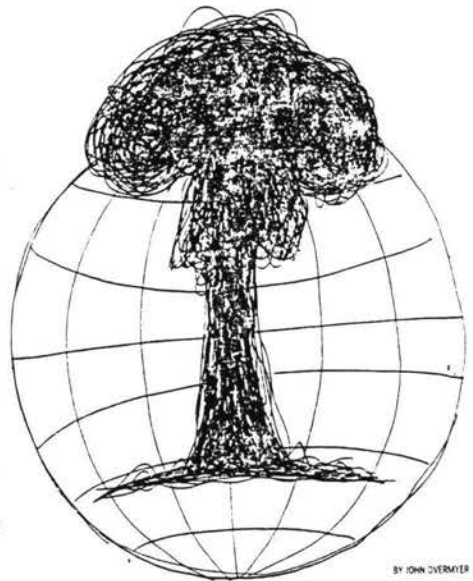
Accordingly, bipartisan teams of Senate "observers" regularly visited key arms control negotiations during the 1980s, consulting with not only American negotiators but also with diplomats across the table. Between these visits, Reagan and Bush aides kept senators informed on the course of the talks.

Of course, this intensive process sometimes complicated—and even prolonged—negotiations. For example, during negotiations covering strategic arms reductions, it became apparent that several senators had doubts about the adequacy of the evolving plan for missile inspections. Accordingly, U.S. negotiators were instructed to upgrade the accord's procedures for verification.

Strangely, the administration ignored this experience in the case of the test ban treaty. Potential Senate critics were shut out of the negotiations, and treaty proponents were given only last-minute support. For a White House supposedly adept at political management, it was an episodic and halfhearted effort at best.

The second key mistake was conceptual. The administration failed to provide a compelling rationale for a test ban in the changed circumstances of the post-Cold War era.

With the collapse of the Soviet Union, nuclear competition



between Washington and Moscow has ceased to be a central concern. At the same time, the spread of nuclear arms to new nations has become an increasingly worrisome trend.

But it is unclear how a test ban would curb nuclear proliferation. In the bipolar international system of the Cold War, nations took their cue on nuclear matters from the two superpowers. In the increasingly fragmented and decentralized world of the 21st century, nations such as Iraq and North Korea refuse to follow Washington's lead. Pakistan and India, which have acquired nuclear arsenals despite concerted opposition by the United States and others, are cases in point.

Like some earlier accords, such as the 1972 American-Soviet agreement curbing antimissile defenses, the test ban treaty represents an anachronistic approach to arms control. Despite numerous complaints, however, the Clinton administration has insisted on pursuing an outmoded agenda unsuited to a new security environment.

Last week's fiasco in the Senate underscores that effective arms control requires both political commitment and policy coherence. In the case of the test ban treaty, the administration has demonstrated little of either.

The writer was the chief U.S. negotiator in the Strategic Arms Reduction Talks during the Bush administration.

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House Whip Wields Fund-Raising Clout

Network of Lobbyists Helps DeLay Gather Millions for GOP Campaigns

Second of two articles
By JULIET EILPERIN
Washington Post Staff Writer

When House Majority Whip Tom DeLay went to dinner one night last spring with lobbyist Ed Buckham, his former chief of staff, the subject naturally turned to money.

Buckham, an evangelical minister whom DeLay once introduced at a fund-raiser as his pastor, told his former boss there was a huge reservoir of conservative wealth that could help Republicans neutralize the money that unions were expected to spend on Democratic congressional candidates, and he knew how to tap it. And so over their table at the 701 restaurant, they fleshed out some of the details of something called the Republican Majority Issues Campaign.

It would be, DeLay and Buckham agreed, an independent get-out-the-vote campaign that would target conservatives in roughly two dozen races across the country. By soliciting hundreds of thousands of dollars from individual donors, the group would be able to test which

issues energized conservatives the most and then run ads and phone banks aimed at drawing those voters to the polls. And as long as the Republican leadership wasn't directly controlling the group, the names of the donors would not have to be disclosed.

It was a novel idea because of its potential to raise huge amounts of money virtually in secrecy. It was audacious in its willingness to push the boundaries of campaign finance law. And it reflected the fundamental belief of DeLay that Republicans and their allies can always tap new sources of wealth to help their party.

"Tom thinks in big terms," Chief Deputy Whip Roy Blunt (R-Mo.) explained. "Tom thinks there's no finite amount of money out there to be raised. There's an infinite amount of money to be raised."

"He is the Nike fund-raiser," said former representative Bill Paxton (R-N.Y.). "He just does it."

With the House up for grabs in the 2000 election, DeLay's prodigious fund-raising ability makes him the key figure in the battle by Republicans to keep their majority just as it has established him as the House's most powerful figure, eclipsing both Speaker J. Dennis Hastert (R-Ill.) and Majority Leader Richard K. Armey (R-Tex.).

So far this year, according to GOP officials, DeLay has personally collected more than \$15 million for Republican congressional candidates. Not only has DeLay raised roughly a million dollars for his own reelection campaign and political action committee, he also is responsible for collecting \$12.7 million for the National Republican Congressional Committee, nearly half its total. And he raised more than \$1.3 million in a special effort to help 10 vulnerable GOP incumbents.

DeLay fully intends to increase the traditional Republican money advantage in congressional races, but this year he faces a newly energized fund-raising effort by House Democrats, led by Minority Leader Richard A. Gephardt (Mo.), who are convinced that they can overcome their five-seat deficit and regain control of the House.

But in the relentless quest for money, DeLay is unmatched in his tenacity and effectiveness. More than the strong-armed tactics that have earned him his moniker "The Hammer," more than the combative rhetoric that has made him a favorite of the GOP right, it is the money he raises that has allowed him to move into the vacuum created by the resignation of Speaker Newt Gingrich.

'DeLay Inc.' Offers a Deal

Like Gingrich, DeLay has created an elaborate fund-raising mechanism—DeLay Inc.—that has harnessed the city's business community, tapping trade association executives and private lobbyists to support the Republican legislative agenda as well as pour millions into GOP candidates' coffers. The seven-term Houston congressman offers key Washington power brokers a straightforward deal: a seat at the table to plot legislative and political strategy in exchange for help in passing the Republicans' agenda and financial support for GOP candidates.

DeLay also helps these lobbyists achieve their own legislative goals in the process, knowing this only will heighten their ability to appeal to clients and trade association members for campaign contributions.

While members of both parties include lobbyists among their closest advisers, DeLay's trademark is the seamless integration of K Street into the fabric of a party's legislative, political and fund-raising operation. It provides the GOP with vast new resources, and its chosen confidants with unparalleled access.

DeLay is unabashed about his dealings with the lobbyists. "It's in their interest to keep a Republican majority; and it's a way to keep a Republican majority and get our job done," he said. "It's sort of, 'Scratch my back, I'll scratch yours.'"

And he has little patience for those, especially Democrats, who find such relations unseemly or even unethical. "People in glass houses shouldn't throw stones," he said. "All you have to do is look them in the eye and ask: Have you ever talked to a lobbyist?"

"We do it for the good of mankind, but DeLay does it for money," he mimicked the Democrats. "I'm doing it for the good of mankind. I'm trying to undo everything they've done."

While Gingrich used his money network to toy with presidential visions, DeLay is single-minded in his goal to preserve GOP control of the House. This helps explain why he gives as generously to moderates as conservatives, and is willing to take up what others in his party view as an unpleasant task.

Indeed, many Republicans are willing to accept DeLay's tactics because of the results. As Rep. Peter T. King (R-N.Y.) puts it: "There are a good number of Republicans who are bothered by his lack of subtlety. The bottom line is they're willing to accept his lack of subtlety because the money is going to come in."

But some are more skeptical. Rep. Christopher Shays (R-Conn.), who has publicly feuded

with DeLay over campaign finance reform, said he would have no comment about DeLay's methods. When asked whether the whip's relationship with lobbyists concerned him, Shays simply responded, "Yes, I'm concerned. That's my answer."

Others are more openly critical. "What concerns me is that because of the magnitude of money that is now in modern politics, the power that Tom DeLay wields takes on a different flavor," said Common Cause legislative director Meredith McGehee. "When you're in the middle of the mix, with the ability to dole out legislative favors, the ability to dole out money, and the ability to connect with K Street, which controls even more purse strings, that's a pretty powerful cocktail."

Fund-Raising's Many Names

DeLay employs a number of vehicles to direct money to candidates: his own reelection campaign fund; his leadership political action committee, Americans for a Republican Majority; the National

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Republican Congressional Committee, the GOP's House campaign committee; the Restore Our Majority Program, a fund designed to funnel money to endangered incumbents; and in a more indirect way, the Republican Issues Majority Campaign.

Although the NRCC is run by Rep. Thomas M. Davis III (Va.), DeLay is now its single largest fund-raiser, his name replacing that of Gingrich on much of the committee's direct mail, and he personally solicits many of the big "soft money" checks that the parties increasingly rely on.

To the K Street lobbyists who control business giving, there is little distinction. Asked to differentiate between the DeLay team and that of the NRCC, one lobbyist close to the majority whip said simply, "It's one and the same."

DeLay, in fact, played a key role in Davis's securing the NRCC post. Within days of last fall's unexpected election debacle, Davis decided to run for the job against Gingrich's handpicked chairman, Georgian John Linder. DeLay supported him and "loaned" Davis his chief floor assistant, Scott Hatch, to run his campaign. "We were able to defuse conservatives' concerns about Davis," said Hatch, who went on to become the NRCC's executive director after Davis won.

Stepping into a Vacuum

DeLay emerged on the national scene during the impeachment crisis in the House last year. Stepping into the GOP leadership vacuum created by Gingrich's surprise resignation, DeLay unified the GOP caucus, even most moderates, behind the drive to impeach President Clinton, while Democrats vilified him as a symbol of right-wing animus.

Elected to Congress in 1984, DeLay learned how to maximize the influence he could wield in the Republican caucus. As head of the Republican Study Committee, DeLay marshaled conservative outrage, publishing critiques of legislative initiatives and even confronting other GOP leaders like President George Bush when he agreed in 1990 to raise taxes as part of a deal with Democrats. He also used his position on the House Appropriations Committee to maximum effect, mastering a process that delivered pork both to his own district and to other, more vulnerable lawmakers.

And he lost no time in establishing ties with Washington interest groups. Just a few yards away from the popular Hill hangout Bullfeathers, DeLay and little-known Rep. Paul E. Gillmor (R-Ohio) used the Independent Insurance Agents of America's conference room as a place to bring together family values and corporate lobbyists on Tuesday to grab lunch and mull over legislative tactics.

Lacking the legislative muscle of the Democrats, DeLay chose people who could provide him with the information he needed to torpedo the majority's agenda: Christian Coalition legislative director Marshall Wittmann, Dutko Group vice president Gary J. Andres, Eagle Forum executive director Susan Hirschmann (who later became DeLay's chief of staff), Heritage Foundation vice president for government relations Kate O'Beirne, and others. IIAA executive vice president Bob Rusbuldt, who hosted the lunches, was instrumental in lining up lobbyist support for DeLay in his whip race in 1994.

In DeLay's eyes, he was simply copying the Democrats.

"The Democrats are much better than us in getting people to stick together in a coalition when they're not necessarily paid to do it," he said. "They have the pro-abortion people working with the labor people. They'll have the labor people do anything, they'll work on the environment."

After the GOP takeover in 1994, DeLay worked with Gingrich in monitoring interest groups' contributions to Republicans, but it was only at the beginning of the 106th Congress that he formalized his relationship with lobbyists. House GOP Conference Chairman John A. Boehner (Ohio) had been the official liaison with business interests, and after his defeat DeLay took over his duties, organizing K Street on his own terms—he calls it "a mirror whip operation"—in order to pass legislation.

D.C.'s Lobbying Community

The nearly 20 men and women who gather in DeLay's conference room on Wednesday morning provide a broad cross-section of D.C.'s lobbying community. There are representatives from large trade groups, such as the National Restaurant Association's Elaine Graham and the American Trucking Associations' Jim Whittinghill. There are individual lobbyists with a wide array of clients, such as Andres or Rick Kessler, who is as well known for his ties to moderate Republicans as to pharmaceutical companies.

While these individuals can boast that they have a seat at the table when the leadership is plotting its overall legislative strategy, a broader group is called in to push specific bills. These coalitions, which consist of "steering committees" and then a wider group of supporters, are fully activated once the bill in question is approaching the floor.

Their composition changes depending on the issue at stake: Bakers and manufacturers focused on a measure blocking new federal ergonomics regulations, while defense industry officials pushed for passage of emergency funds for the war in Kosovo. While some lobbyists may not be hired to work on the specific bill they are enlisted to support, they often count on DeLay's office for aid later on when a provision they care about is in jeopardy.

"If he can't help them, they're not able to go back home and lobby their companies to give money for Republicans," Buckham argued. "They have to go back to their people and say they're effective so they can continue to advocate for Republicans."

Buckham knows how the system works firsthand. As a lobbyist for the Texas energy giant Enron, he alerted DeLay this year that the company lost out to a Japanese firm in a contest to build a power plant in the Commonwealth of Northern Mariana Islands, a U.S. territory in the Pacific whose controversial immigration and labor policies DeLay has personally championed. Rumors had surfaced that the bidding was rigged, so DeLay, whose district is home to Enron, wrote officials in the Marianas to reopen the competition. The officials relented, and bidding process will now begin again.

As DeLay and his staff began to focus on the 2000 elections in the aftermath of the impeachment battle, they assigned a key role to

their lobbyist allies. "We must for the moment put aside the mystery of the possibility of losing the majority in two years and really focus on what it is we intend to do to ensure victory today, victory tomorrow and victory in 2000," DeLay spokesman Michael Scanlon wrote in a memo last February. "In essence, we have the talent, ability, and resources to fight and win. We must now ignore others and focus solely on what we can directly control."

What DeLay controlled was his whip operation and his K Street allies, and those were the soldiers he enlisted to implement the first part of his 2000 strategy, which he named the Retain Our Majority Program, or ROMP. The idea was to get money early in the election cycle to a group of 10 endangered GOP incumbents such as California Rep. James E. Rogan, a manager in the Clinton impeachment trial, and at the same time broaden their base of contributors.

Lobbyists such as Andres, who raised \$20,000, went to their clients or industries. House members, such as Rep. W. J. "Billy" Tauzin (R-La.), chairman of a key subcommittee with jurisdiction over the telecommunications industry, held fund-raisers and invited their key donors.

DeLay was an enthusiastic impresario, and at a climactic lunch at the Capitol Hill Club in June that began with lobbyists trooping in and handing over their checks to individual staff members, DeLay called up each of the targeted Republicans to his side, as if they were the starting lineup for an

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NBA team. As he prepared to announce the grand total the lawmakers had received as part of the ROMP program, someone in the crowd called out "Drumroll!" and a room full of lobbyists responded giddily with their own version.

At DeLay's signal two female staffers flipped around an oversized check on an easel, à la Vanna White, to reveal the number they had just scribbled in: more than \$1.3 million.

In ROMP DeLay employed the same strategy he pioneered several years ago, directing money to other Republicans rather than simply doling it out himself. While a leadership or corporate PAC could only donate a total of \$10,000 over the course of an election, for example, these same lawmakers and industry representatives could use their connections to steer much greater sums to threatened members.

DeLay uses his popularity with rank-and-file conservatives and big donors to aid the NRCC. Most of the \$12.7 million he has raised for the committee came from national direct-mail and telemarketing appeals, where his signature and recorded message is enough to spur donations. Other times DeLay goes to an assigned booth and calls \$100,000 donors.

When Hatch, the intense young DeLay aide who is now the executive director of the committee under Davis, first worked at the NRCC in 1994, the program for major business givers was taking in about \$500,000 a year. Teamed up with DeLay, Hatch made an aggressive effort to give K Street more of what it wanted from the party: "customer service."

In less than a year, the business givers had anted up \$1.4 million, Hatch said, and that was when Republicans were still in the minority. Today the program brings in more than \$4 million a year.

While the Republican Issues Majority Campaign is separate from the NRCC, it may play a critical role in the upcoming election. The group already has collected between \$3 million and \$5 million in pledges, and aims to raise more than five times that by the end of next year to identify conservatives and get them to vote. Just this month, its organizers are holding a fund-raiser in Nashville complete with prominent recording artists.

Former DeLay fund-raiser Karl Gallant, who heads the operation, said its activities in roughly two dozen districts across the country will be modeled on those of organized labor and it is therefore shielded from federal campaign disclosure requirements. Democrats have challenged this assertion and appealed to the Justice Department. On Friday Sen. Russell Feingold (D-Wis.) used DeLay's ties to RIMC as an example of what is wrong in the current

campaign finance system, saying, "We are making sure in our bill that it is a crime to do this sort of thing."

DeLay has kept a careful distance from the group—he says it "ain't mine"—but has lent his fund-raising talent to the effort on occasion. This summer, for example, he flew to Texas to meet with a donor and garnered more than \$200,000 for RIMC as a result.

10 Events a Week

DeLay's fund-raising is tireless, raising money not just for Republican candidates but conservative groups such as Americans for Tax Reform. His aides estimate he drops in on roughly 10 events a week, and Paxon says the whip often shows up at his home in suburban Virginia at 9 or 10 at night, having attended three fund-raisers and barely eaten.

DeLay says he prefers small fund-raising dinners like the one he holds in the pricey Capital Grille steak house, and attends about three a month for his leadership PAC when Congress is in session.

"I hate those big cattle calls. I feel very uncomfortable when people just shake your hand and keep moving after they've given you a lot of money," he said. "I like the more personal touch. It allows me to have a closer relationship with people supporting me, and I think they like it more too."

DeLay's effectiveness is based on equal parts backslapping, solicitude and blunt talk—what lobbyist Mark Isakowitz called "being loved and feared." In March this year Isakowitz and his partner Donald Fierce brought their clients from the hospital, construction and fast-food industries to a private room at the Capital Grille, where they gently mocked his legendary reputation.

"You are known as The Hammer," Isakowitz said, "but with a six-seat majority we thought it might require a bit of a softer touch."

And with that, Isakowitz handed over a hammer he had picked up at Hechinger's—encased in royal blue velvet. After the laughter died down, DeLay was ready with a rejoinder.

"This is good, because you can still hit hard, but it just doesn't leave any marks," he replied.

But more than anything else his success is based on dogged determination.

"My daddy, if he taught me anything, and he taught me very little, is I never could quit," he said. "I have a basic political philosophy: Hard work wins every time. I have always won by outworking my opponents."

Staff writer Susan B. Glasser and staff researcher Madonna Lebling contributed to this report.

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Staff Sec.

Former Member of Congress
1983-1995

1776 K Street, N.W.
Washington, D.C. 20006
(202) 719-7000

Jim Slattery
(202) 719-7264
jsslatter@wrf.com

Fax: (202) 719-7049
www.wrf.com

October 21, 1999

10/26/99

Send to Burkhardt?

Yes

No

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

Dear Mr. President:

I am writing on behalf of the petitioners in the Wire Rod "201" case to urge your favorable action on their petition to assist the domestic industry and its workers. By acting decisively in this case, you have the opportunity to demonstrate your commitment to strong and effective WTO-legal trade remedies, and to reaffirm to all American workers and industry that our trade laws do provide effective safeguards where they can demonstrate serious injury due to imports. Such action can only strengthen support for U.S. goals in the upcoming Seattle ministerial – among Members of Congress, working families, and our nation's manufacturing sector.

I know you are committed to launching a new round of WTO negotiations which will expand opportunities for the U.S. and all other nations, rich and poor, on a fair basis. In recent days, you have set out your vision of what the new round can create – a world economy that is more prosperous, more open and more equitable than today's. I share your vision, and firmly believe that favorable action in the wire rod case is entirely consistent with what you are trying to achieve.

As the recent steel crisis demonstrated, a surge in imports can provoke resistance to more liberalized trade. The safeguards clause of the WTO, embodied in Section 201 of our nation's trade law, allows countries to address import surges that seriously injure domestic industry while promoting adjustment. If we expect American industry and workers to support additional new trade agreements, they need to know that existing trade remedy laws work and will be vigorously enforced by their government. This is one of the reasons it is important for you to act favorably on the domestic wire rod industry's "201" case.

The Honorable William J. Clinton

October 21, 1999

Page 2

The wire rod industry and its steelworkers have received tremendous bipartisan support from Capitol Hill throughout this case in part because Members of Congress respect them for joining together and pursuing a remedy that is consistent with our world trading rules. For example, Cargill is one of the petitioners, as are their workers in the United Steelworkers of America. Cargill lobbied vigorously against the steel quota legislation because they believed it threatened the integrity of our world trading rules. Yet Cargill is joining the Steelworkers Union in seeking relief under Section 201 for its North Star Steel division because this law is consistent with the WTO and offers a temporary period for the industry to recover. So the petitioners are not demanding new legislation. They are using the trade laws on the books that were designed for circumstances just like this. That's why over 100 Members of Congress from 28 different states signed a letter to you supporting relief.

One additional point. You recently indicated concern about the 3-3 tie vote by the International Trade Commission ("ITC"). As you review the facts, I urge you to keep in mind that the Commissioners who found no injury stated that they thought the industry suffered a temporary one-year downturn and that things were starting to improve. But their factual record closed December 31, 1998. When you received the ITC recommendation in July, you were wise to ask the ITC to collect more up-to-date information on how the industry is doing now, in 1999. That data, through June 30th, conclusively proves that the 3 negative Commissioners were mistaken. Every indicator of injury is worse in 1999 than in 1998: imports are at an all-time high, financial losses are greater, there have been more layoffs and shift reductions, there is substantial unused capacity in the U.S. industry, and prices are lower. You have the benefit of this up-to-date information; the ITC did not. This new information makes the case for an effective remedy even more compelling.

I appreciate your consideration of these points as you decide whether to grant import relief to the wire rod industry and its steelworkers. There are thousands of families across America who anxiously await your decision.

Sincerely,



Jim Slattery

Slattery
N & FIELDING
STREET, N.W.
TON, D.C. 20006

X-RAYED



BY HAND

**MS. ANN MC COY
THE WHITE HOUSE
EAST WING, ROOM 214
WASHINGTON, DC 20500-2000**

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JIM SLATTERY

1776 K Street, N.W.
Washington, D.C. 20006

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

JIM SLATTERY
Attorney at Law
(202) 719-7264
jslattery@wrf.com

*Wiley, Rein
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1776 K Street, N.W. • Washington, D.C. 20006 • Fax: (202) 719-7049
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FALLOUT FROM THE TEST BAN VOTE

Another Versailles? Yes, but...

By FAREED ZAKARIA

Suddenly last Wednesday it seemed that the world became very unsafe. The day after the Senate refused to ratify the Comprehensive Test Ban Treaty, the New York Times headline thundered that the vote "Evokes Versailles Pact Defeat." In a front-page "news analysis," staff writer R.W. Apple continued the history lesson, explaining that the Senate's spurning of the League of Nations in 1919 had made World War II more likely.

Last Thursday President Clinton picked up the theme, railing against "the new isolationists" who are saying to the world: "Go take a hike." He painted the specter of a "bleak, poor, and less-secure world" in which countries will stop worrying about poverty and infant mortality and start spending money on nuclear, biological and chemical arms races. Wow! All this because the Senate would not approve an arms-control treaty?

These grim analogies distort the facts not only about the CTBT but also about Versailles.

Marginal Effect

Had the Senate voted "aye" last week, the result would have been—precisely nothing. The treaty would only go into force if 44 specific "nuclear capable" countries signed on; 21 have not, including Iran, North Korea, India and Pakistan. So it's fair to say that CTBT was not likely to move anytime soon, whatever the Senate did. Like most arms-control documents, this one would have had a marginal effect on the problem it hoped to solve.

Meanwhile the U.S. remains committed—with strong bipartisan support—to maintain the freeze on its own testing and to bring considerable pressure on other countries to follow suit. The real engine of global nonproliferation—American power, not pieces of parchment—remains alive and well. Men like Henry Kissinger, Brent

Scowcroft and John Deutch (President Clinton's former CIA chief) were concerned that the treaty might impair America's ability to continue monitoring and deterring proliferation.

Just as the Senate's rejection of the test-ban pact wasn't so disastrous, neither was its refusal in 1919 to ratify the Versailles Treaty. Although Versailles has become a catchword to describe the rise of American isolationism in the 1920s, the historical



Woodrow Wilson, like Bill Clinton, was committed to a vast multilateral treaty that might never be enforced. Republicans favored more practical measures to secure peace.

record is more complex. The Versailles Treaty was a deeply flawed document that should have been amended precisely as leading Senate Republicans suggested. The treaty's defeat in 1919 owed more to President Wilson's grandiose proposal and uncompromising nature than to Republican objections.

The debate over Versailles was not between Democratic internationalists and Republican isolationists. The Democratic Party, with the important exception of Wilson, was not particularly outward-looking. By contrast, the leading Republicans at the time—Elihu Root, Henry Cabot Lodge, Charles Evans Hughes and Theodore Roosevelt—were committed to a much greater American role in the world. In fact, these Republicans had urged greater "war preparedness" in 1916, for which they had suffered at the polls. In any event, both Wilson

and the leading Republicans shared a belief in an open world economy and in America's duty to help liberalize the world. They differed on the specific matter of the terms of American entry into the League of Nations.

Wilson's vision was of a universal, law-based system of collective security in which all countries—or at least all the members of the League of Nations—would act against aggression, wherever and whenever it took place. The crux of the debate was Article 10 of the Versailles Treaty, the triggering clause that guaranteed the integrity and security of all states. Almost all internationalist Republicans had serious reservations about the open-ended nature of this commitment. They also believed that such an elaborate and legalistic scheme was bound to be worthless in practice because nations would not respond equally to every act of aggression. And they worried that this would reduce America's flexibility to protect itself in its own hemisphere.

The Republicans had a more tangible goal than universal peace—peace in Europe. For this, they believed, the U.S. should enter into a straightforward alliance with France and Britain. After making a specific commitment to its European allies, Washington could certainly enter the League of Nations, as long as this involved no further ongoing military commitments.

Root, a former secretary of state and of war, summarized the Republican proposal: "If it is necessary for the security of

Western Europe that we should agree to go to the support of France if attacked, let us agree to do that particular thing plainly, so that every man and woman in the country will understand that. But let us not wrap up such a purpose in a vague and universal obligation, under the impression that it really does not mean anything is likely to happen."

The Republican plan would have been far more effective at preventing World War II than the League of Nations, even with American participation. Germany needed to be deterred; the league could not do it.

But for Wilson, this Republican proposal gave up the visionary and idealistic nature of his League of Nations. He would rather have nothing. Once his plan failed to garner even a simple majority in the Senate, he could have thrown his support behind the Republican plan for U.S. entry into the league. Instead Wilson urged his supporters to oppose it. Thus even though most senators were comfortable with the Republican plan, it failed to get the necessary two-thirds vote on March 19, 1920. With Wilson having framed the debate between his plan and isolationism, the Senate chose isolationism.

False Choice

In 1919 as in 1999 a serious question remains to be resolved: Is global peace best secured through practical measures backed by American power or by vast multilateral treaties that may never be enforced? Mr. Clinton has none of Wilson's obsessive idealism—mercifully. But in the hope of gaining political advantage, he too has begun framing the foreign-policy debate as between his policies and isolationism. It is a false choice and a dangerous one.

Mr. Zakaria is managing editor of Foreign Affairs.



YUKON-KUSKOKWIM HEALTH CORPORATION

"Fostering Native Self-Determination in Primary Care, Prevention and Health Promotion."

VIA FACSIMILE
(202) 456-6703

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue Northwest
Washington, D.C. 20500

Re: FY 2000 Interior Appropriations Bill

Dear Mr. President:

I write to strongly urge you to veto HR 2466, the FY 2000 Appropriations Bill.

Although there are many objectionable provisions in the bill, our Tribe is particularly concerned with the failure of the bill to properly address the "contract support cost crisis" that is undermining the success of your Indian self-determination policy. The bill leaves a shortfall of nearly \$100 million in contract support costs owed to tribal contractors administering Bureau of Indian Affairs programs. Finally, the bill stops the self-determination initiative dead in its tracks, by imposing an absolute moratorium on transferring any further IHS and BIA programs to local tribal operation.

We respectfully but very strongly urge you to veto this bill and to advocate for changes on these issues in your continuing discussions with congressional leadership.

Sincerely,

Yukon-Kuskokwim Health Corporation

By


Gene Peltola, President/CEO

Cc: Mr. Jacob J. Lew, Director
Office of Management and Budget
(via facsimile (202) 395-3888)

10-26-99
Send to Beerscheidt -
Yes ☒
No ☐



YUKON-KUSKOKWIM HEALTH CORPORATION

"Fostering Native Self-Determination in Primary Care, Prevention and Health Promotion."

FAX COVER SHEET

DATE: October 25, 1999

TO: President Clinton

AT: The White House

PHONE: _____

FAX: (202) 456-6703

RE: FY 2000 Interior App. Bill

FROM: Gene Peltola

AT: Yukon Kuskokwim Health Corporation

PHONE: (907) 543-6020

FAX: (907) 543-6006

TOTAL NUMBER OF PAGES (INCLUDING THE COVER SHEET): 2

ORIGINAL TO FOLLOW: YES () NO ()

MESSAGE: _____

IF YOU DO NOT RECEIVE ALL PAGES PLEASE CALL: Minnie Steven

AT: (907) 543-6020

*cc: Bruce
Linda
Zachary
Amanda
Drew
Congrats to
them*

~~Jack~~ Gill - In 1993, he told you of plans to work with USDA to turn Agricultural Extension Offices into Internet access points, and set about doing it with the help of his friends, Americans Communicating Electronically. He writes about Congressional award as Pioneers of Public-Private Partnership received by Tom Tate and Glynis Long for their work in ACE. He looks forward to seeing you October 22. Sophie's boat was the fastest women's boat in recent crew races. Amanda is having a great time at Princeton and is applying for a Rhodes. Rosie is rowing at Brown and loving the College. He and Johanna putter along.

10-26-99

Send to Burkhardt?

Yes ☒

No ☐

(Received from Bruce Reed.)

card