

THE WHITE HOUSE
WASHINGTON

April 29, 1997

THE PRESIDENT HAS SEEN

5-1-97

MR. PRESIDENT:

Michael Waldman wanted you to see the attached memo about the general direction of your FDR speech on Friday.

He is interested in any comments you might have.

Phil Caplan

*of their Geoff Ward Mours
be consulted
might want to ask Hagg
G. Guleague for recommendation
on him or 2 for the ~~staff~~
Stability man -*

PL

*copied
Waldman
COS*

5-1-97

THE WHITE HOUSE

WASHINGTON

April 29, 1997

rec'd
97 APR 29 PM 2:01

MEMORANDUM FOR THE PRESIDENT

CC: ERSKINE BOWLES, JOHN PODESTA, SYLVIA MATHEWS,
DON BAER, ANN LEWIS, RAHM EMANUEL

FROM: MICHAEL WALDMAN *MW*

SUBJECT: FRANKLIN DELANO ROOSEVELT MEMORIAL
DEDICATION REMARKS

As you know, the dedication ceremonies for the Franklin Delano Roosevelt Memorial on the Mall will be held on May 2. The FDR memorial joins the Washington, Jefferson and Lincoln memorials as the only presidential monuments in our nation's capital.

Your remarks at this ceremony should be brief, stirring, and draw on the story of FDR, Eleanor Roosevelt, and their generation to teach lessons to contemporary Americans. The remarks will seek to inspire the same sense of optimism, confidence and possibility about our time, and our challenges, that FDR and his generation brought to their tumultuous moment in history. We can and must prepare for the next century just as FDR prepared our nation for the second half of this one.

We are working with Doris Kearns Goodwin, Bob Shrum, and Arthur Schlesinger, and are calling historians including Alan Brinkley, Blanche Weisen Cook, Michael Beschloss and others to get their thoughts on how to best memorialize FDR.

PURPOSE

The main thesis will be:

At one of the darkest moments in American history, FDR rekindled our hope. He reestablished our oldest truth: that we are strong when we act with confidence as one nation, one America. The achievements of FDR and his generation, the world they built, have sustained us over half a century.

Now, at a sunlit moment at the edge of a new century, we must summon the same confidence, vigor, and dedication, as we seek to master the challenge of our times. Today, we must write our own history, build our own living monuments for the Americans of the next century.

OUTLINE

1. On this mall, we honor Washington, Jefferson, Lincoln, and now Roosevelt. Each changed forever the way America thinks about itself; each built a strong American nation. Washington created a republic; Jefferson enshrined individual rights; Lincoln rededicated America as one nation, devoted to the principle of equality; Roosevelt fixed forever the idea that a government had a responsibility to stand on the side of ordinary citizens, that America had a responsibility duty to lead the world, and that we all must take responsibility for one another.

2. In a sense, the true memorial to FDR is all around us. Roosevelt said he wanted no memorial. And for years, the idea of a memorial to FDR seemed unnecessary. For the world he built is still the world we inhabit. His achievements are his memorial.

Description of America during Depression, doubts that people had about survival of the country, and the enormous impact he made from his first day in office.

Responsibility for the well-being of Americans -- For the first time, Americans had a president who seemed to care -- who was determined to use government as an instrument on their behalf, and who was willing to call on them to play their part.

They built the modern society that we now take for granted. Social Security, honest financial markets, widespread electric power, an end to child labor, right to organize etc. [concrete discussion of the changes wrought by New Deal]

And responsibility for leadership in the world (WWII, post-war institutions and alliances)

Above all, responsibility in the hands of ordinary citizens -- At a moment when many doubted whether democracy would be strong enough, FDR showed that by summoning the energy and dedication of ordinary Americans, we can meet any challenge. At every critical moment in our history, we have triumphed by returning to this fundamental American virtue.

3. Today, in so many ways, we have come closer than ever to fulfilling FDR's vision.

His legacy has been the basis of our strength and prosperity for half a century: the remarkable postwar prosperity -- the strong military and enduring alliances -- the powerful concept of human rights, which more than anything else toppled communism. Now, we approach time of undivided Europe at peace, American economy continues to lead, etc.

4. As we approach 21st Century, our challenges are harder to see than those of half century ago, yet just as profound as any we have faced. Our challenges today are heralded not by the tumult of a stock market crash or the rumble of bombs at Pearl Harbor.

-- information age/technology, education, old and new global threats, and perhaps above

all, race and the challenge of living and finding common purpose together amid all our diversity.

Our approach to these challenges must not be frozen in time. We must have the flexibility of mind and creativity of purpose to meet the challenges of our moment, not those of somebody else's moment.

5. The true monument to Roosevelt -- and to those generations who came before him -- must be to continue the journey. We cannot know what challenges, what crises, the future will bring. Today our mission must be to prepare America. Our history cannot stop here at the edge of the Potomac, at the end of this century.

ATTACHMENTS

Attached, for your interest, are the remarks that FDR made at the Jefferson Memorial dedication -- the most recent such presidential memorial.

ruary 28, 1943, the remaining borrowing authority under the existing debt limit was 8.160 billion dollars, and it was estimated that by April 12 it would be down to 6 billion dollars. On March 12, 1943, the President had announced a program designed to raise 13 billion dollars of new funds during the month of April in a Second War Loan Drive. At the time, war expenditures were being made at an average rate of more than 200 million dollars a day in excess of the daily revenue from taxes. It was essential that the Treasury be empowered to borrow the money necessary for the huge war expenditures.

The President strongly felt that during a period when wages of

working men and women were being stabilized and men were being drafted into the armed forces at \$600 per year, net incomes after taxes should not be tolerated over \$25,000. Added to this was the President's objection on constitutional grounds to the rider method of legislation, a form of shotgun action on the part of the Congress which forced the acceptance of a manifestly bad bill because it was tacked onto a bill that had to be signed in order to win the war.

The President could not possibly veto the bill. Therefore he issued the foregoing statement, and allowed it to become a law without his signature (57 Stat. 63).

37. *Address at Dedication of the Thomas Jefferson Memorial, Washington, D. C.*

April 13, 1943

TODAY, in the midst of a great war for freedom, we dedicate a shrine to freedom.

To Thomas Jefferson, Apostle of Freedom, we are paying a debt long overdue.

Yet, there are reasons for gratitude that this occasion falls within our time; for our generation of Americans can understand much in Jefferson's life which intervening generations could not see as well as we.

He faced the fact that men who will not fight for liberty can lose it. We, too, have faced that fact.

He lived in a world in which freedom of conscience and freedom of mind were battles still to be fought through — not prin-

37. *Dedication of Thomas Jefferson Memorial*

ciples already accepted of all men. We, too, have lived in such a world.

He loved peace and loved liberty — yet on more than one occasion he was forced to choose between them. We, too, have been compelled to make that choice.

Generations which understand each other across the distances of history are the generations united by a common experience and a common cause. Jefferson, across a hundred and fifty years of time, is closer by much to living men than many of our leaders of the years between. His cause was a cause to which we also are committed, not by our words alone but by our sacrifice.

For faith and ideals imply renunciations. Spiritual advancement throughout all our history has called for temporal sacrifices.

The Declaration of Independence and the very purposes of the American Revolution itself, while seeking freedoms, called for the abandonment of privileges.

Jefferson was no dreamer — for half a century he led his State and his Nation in fact and in deed. I like to think that this was so because he thought in terms of the morrow as well as the day — and this was why he was hated or feared by those who thought in terms of the day and the yesterday.

We judge him by the application of his philosophy to the circumstances of his life. But in such applying we come to understand that his life was given for those deeper values that persist throughout all time.

Leader in the philosophy of government, in education, in the arts, in efforts to lighten the toil of mankind — exponent of planning for the future, he led the steps of America into the path of the permanent integrity of the Republic.

Thomas Jefferson believed, as we believe, in Man. He believed, as we believe, that men are capable of their own government, and that no king, no tyrant, no dictator can govern for them as well as they can govern for themselves.

He believed, as we believe, in certain inalienable rights. He,

as we, saw those principles and freedoms challenged. He fought for them, as we fight for them.

He proved that the seeming eclipse of liberty can well become the dawn of more liberty. Those who fight the tyranny of our own time will come to learn that old lesson. Among all the peoples of the earth, the cruelties and the oppressions of its would-be masters have taught this generation what its liberties can mean. This lesson, so bitterly learned, will never be forgotten while this generation is still alive.

The words which we have chosen for this Memorial speak Jefferson's noblest and most urgent meaning; and we are proud indeed to understand it and share it:

"I have sworn upon the altar of God, eternal hostility against every form of tyranny over the mind of man."

NOTE: As the President pointed out during one of his press conferences (see Item 148, pp. 604-607, 1938 volume), there had been a long delay in the authorization of a memorial for Thomas Jefferson. The delay appeared to have been caused by political reasons. After President Roosevelt's first inaugural in 1933, there arose renewed interest in the project; and the Congress in 1934 authorized the construction of the Thomas Jefferson Memorial on the edge of the Tidal Basin in Washington. The President delivered an address at ground-breaking ceremonies on December 15, 1938 (see Item 159, pp. 645-647, 1938 volume).

The dedication of the Thomas Jefferson Memorial was held on Jefferson's birthday. The entire ceremony, including the President's address, lasted fifteen minutes and was staged with the simplicity which Jefferson himself would have liked.

Two years later, the President had prepared an address for delivery on Jefferson Day, 1945, in which he set forth the hopes of humanity for enduring peace. The President died the afternoon before this Jefferson Day speech was to have been delivered (see Item 148, 1944-1945 volume, for the text of this undelivered address).

THE WHITE HOUSE
WASHINGTON
May 1, 1997

Wrote as usual!
Sylvia Mathews
Sandy Berger
1997
COS

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: SANDY BERGER SYLVIA MATHEWS

FROM: DON BAER - TONY BLINKEN JAB

SUBJECT: MEXICO SPEECH -- OUTLINE AND SCHEDULE

'97 MAY 1 PM 2:38

You will deliver the major speech of your upcoming trip to Mexico, Central America and the Caribbean next Wednesday at the National Auditorium in Mexico City.

The central thesis of the speech is that the powerful forces of integration that are bringing our countries and our hemisphere closer together than ever before are inevitable -- but our reaction to those forces is not. We can throw up our hands and walls of protection. Or we can act together to shape change so that it works for all our people.

The speech will highlight the breadth and depth of our partnership with Mexico to make change work -- including a strong defense of NAFTA; our joint efforts to strengthen education throughout the region and protect the environment; the work we are doing to make our border a source of prosperity; and our alliance against illegal drugs.

Our advance team is working with the State Department to round up several thousand headsets for simultaneous translation. As a fail-safe -- and in order to avoid the need for consecutive translation -- we also will have the speech translated into Spanish for projection onto a screen behind you as you speak. For that reason, we need to provide the translators with a final draft, including your changes, by no later than noon on Monday.

OK (To meet this deadline, we propose to send you a draft of the speech by the end of Friday and request that you give us your mark-up by noon on Sunday (unless your changes are relatively minor, in which case Monday morning is fine.) Please let Sylvia Mathews know if this schedule does not work for you.

cc: Vice President
Chief of Staff

United States Department of Justice

Antitrust Division

ANTITRUST DIVISION

950 PENNSYLVANIA AVE., NW-RM. 3113

WASHINGTON, DC 20530

Fax Number: 202-616-2645

Voice Number: 202-514-2401

'97 MAY 1 PM 12:52



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FAX COVER SHEET

DATE: May 1, 1997
TO: Phil Caplan
of: Deputy Staff Secretary Office
Fax Number: 456-2215
FROM: Joel Klein

Pages Sent (including this sheet):

Jim -

Remarks:

Joel Klein called and asked for a letter he can read at David Turetsky's party, which is on Monday. Can you have someone draft. (AP)
Mark. Phil

DAVID S. TURETSKY

David Turetsky currently serves in the United States Department of Justice as Deputy Assistant Attorney General, Antitrust Division. Among his responsibilities in that position, he supervises the Division's work in the telecommunications and media areas, including investigations, litigation, and the filing of regulatory comments. He has also led the Department's efforts regarding many legislative matters involving antitrust. He spearheads the Department of Justice's participation in an interagency and White House working group led by Vice President Gore to develop, coordinate and present to Congress and the public the Administration's telecommunications and national and global information infrastructure policy. Mr. Turetsky has also been active in international antitrust matters, leading the successful effort to adopt the International Antitrust Enforcement Assistance Act of 1994.

Prior to his appointment in October 1993, and since 1991, Mr. Turetsky was a member of LeBoeuf, Lamb, Leiby and MacRae, and specialized in litigation in the firm's New York City and Newark, NJ offices. He worked as an associate of the LeBoeuf, Lamb firm after graduating from the University of Chicago School of Law in 1982, where he won the Hinton Moot Court competition. Mr. Turetsky has a B.A. in Political Science from Amherst College where he graduated *magna cum laude*. He has also studied at the London School of Economics and Political Science.

Mr. Turetsky serves as Vice-Chair of the Committee on Legislation of the ABA Section of Antitrust Law. He has given numerous presentations and speeches regarding telecommunications and competition issues to government, industry, bar, and academic groups.

Until his appointment in the Department of Justice, Mr. Turetsky was also a prominent participant in New Jersey political and civic affairs.



DEPARTMENT OF JUSTICE
Antitrust Division

DAVID S. TURETSKY
Deputy Assistant Attorney General

April 8, 1997

The Honorable Janet Reno
Attorney General of the United States
Department of Justice
Washington, D.C.

Dear Janet,

I have decided to leave the Antitrust Division early in May to pursue a new challenge in the private sector. I plan to join a new company, headquartered locally, that will compete in telecommunications markets by providing wireless service. It will be very hard to leave public service, which I have truly loved, and the very fine and talented people of the Department and throughout the Administration. But this is the right time for me to do so.

I have greatly enjoyed my work over the past 3½ years here in the Department of Justice under your leadership. The message you have always sent has been to enforce the laws actively, and to do so with integrity. I have always tried to conduct myself by these high standards. You have given your help and support to me and to the Antitrust Division in so many ways, even lobbying Senators to support the International Antitrust Enforcement Assistance Act of 1994 so that we'd have better tools to do our job! You have been an unwavering friend to competition and to American consumers.

I have advised Joel Klein, with whom I have enjoyed working, of my plans and I plan to inform the people of the Antitrust Division, whom I shall miss, tomorrow.

Thank you.

Sincerely,

David
David S. Turetsky

April 27, 1997 97 MAY 1 PM 1:39

Dear Mr. McLarty,

I need to ask your assistance in getting the enclosed letter to President Clinton. I went to junior high and high school with President Clinton in Hot Springs, Arkansas.

Thank you for your help in this matter.

Sincerely,

Doris Bryant Pursell
Hot Springs High School
Class of 1962

5-1-97

Send to Dorisland?

Yes _____

No _____

Maureen Lewis?

Yes ☒ _____

No _____

C.

April 27, 1997

'97 MAY 1 PM 1:39

Dear Mr. President,

I was moved to tears this morning when I saw the picture of you surrounded by children that appeared on the cover of USA Weekend, the supplement to my Sunday Tulsa World newspaper. You looked happy, content, and relaxed. That picture radiated love and caring. I hope that you had your arms around those children and that you told them that you cared about them. I hope you reassured them that there will be a future for them. I hope you had an opportunity to hug each child at that event. Personal, one-to-one attention is the key for a child to grow and thrive. I applaud your leadership in the Presidents Summit for America's Future and your continued push for education of our young people.

Our entire population needs more education on the income and outlays of our federal government. I believe that you as President should educate at every opportunity the American public as to why expenditures (especially entitlements) need to be reduced gradually in order to achieve a balanced budget. Convincing those already receiving federal entitlements that they should accept less money will be hard. They need to be educated to the "big picture" - the continuation of a strong, secure America both militarily and economically. Americans of all ages will need to make sacrifices to ensure the continuation of our democracy. They need to be shown examples of how a reduction of a few dollars per person can make a great difference in the budget.

In twelve or so years, I will be eligible for Medicare and Social Security benefits. I want those benefits to be there for me, but I also want the whole system to be sound financially and not taxing unfairly the younger generation. We must consider those who are coming after us. We must learn to live more economically now so that our children and grandchildren will have a strong base for their future. I believe that, in your role as educator, you can explain to all the different age groups the need to scale back the entitlements in order to achieve a balanced budget. The American people will listen to you.

Sincerely,
Doris Bryant Pursell
Hot Springs High School
Class of 1962

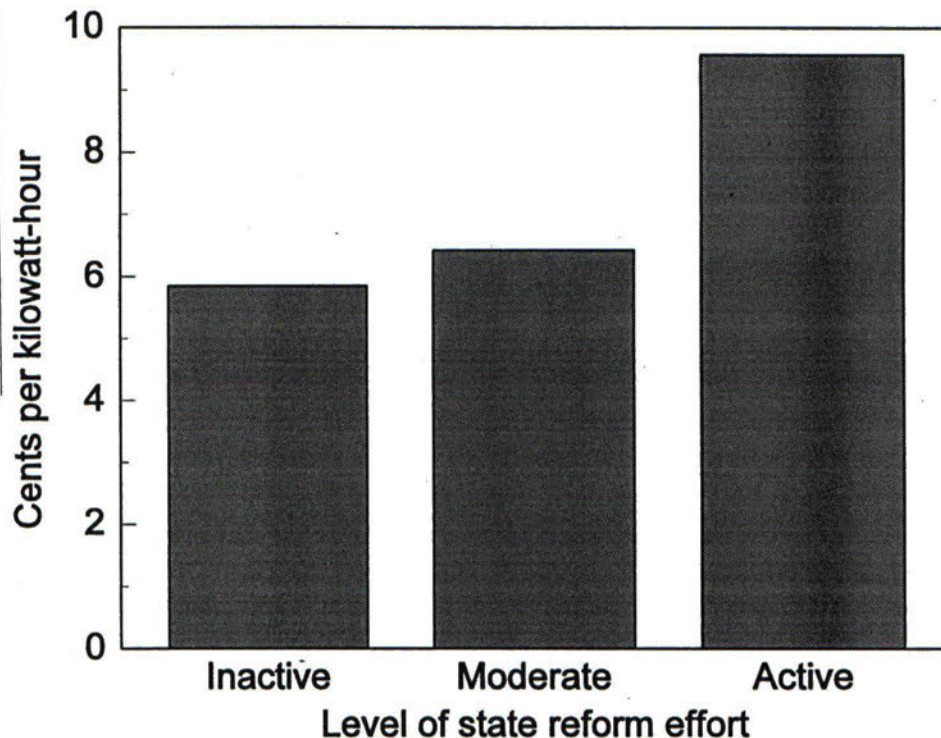
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

April 25, 1997

CHART OF THE WEEK

State Electricity Reform Effort and Average Electricity Rates



The intensity of state efforts to reform regulation of retail electricity is correlated with average electricity rates. States that already enjoy relatively low rates have little incentive for action. States with relatively high rates have reason to undertake active efforts to reform retail electricity regulation. Rates in states with active reform efforts underway are about one-third higher, on average, than rates in states that are inactive. A special analysis in this *Weekly Economic Briefing* examines the diversity of retail electricity prices across states.

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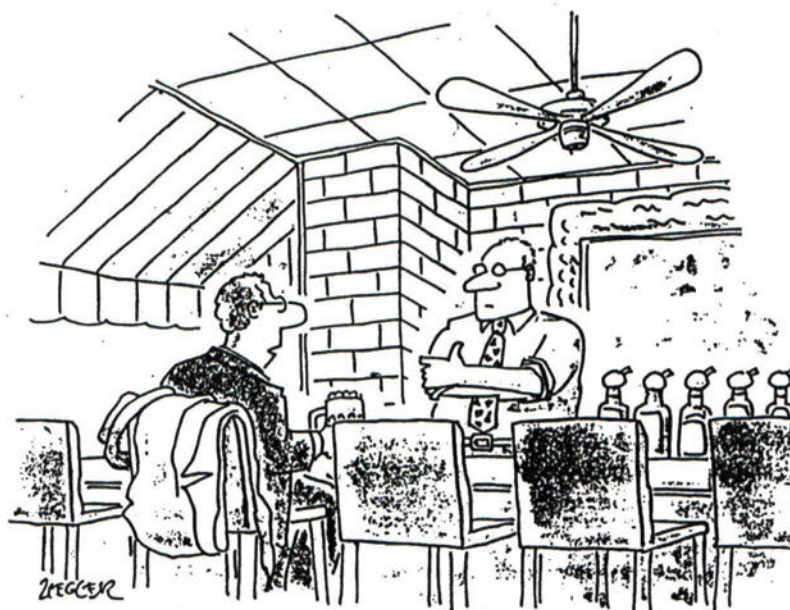
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"Right now we're at a budget impasse. I maintain that you provide an essential service, and my wife feels that you do not."

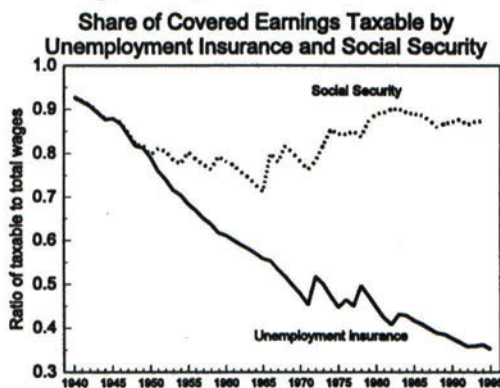
SPECIAL ANALYSIS

Unemployment Insurance Taxes and Low-Skilled Workers

Unemployment insurance (UI) will serve an important safety net role as large numbers of former welfare recipients make the transition from welfare to work (see *Weekly Economic Briefing*, April 18, 1997). Unfortunately, the current structure of UI financing disadvantages low-skilled workers.

The UI taxable wage base. Employers are assessed a UI tax on each worker's earnings up to a specified maximum. The Federal Government sets the minimum cap, currently \$7,000, but states have the option of setting a higher amount. Although many states have set their maximum taxable earnings amount for UI

somewhat above the Federal minimum, many have not—including large states such as New York, California, and Florida.

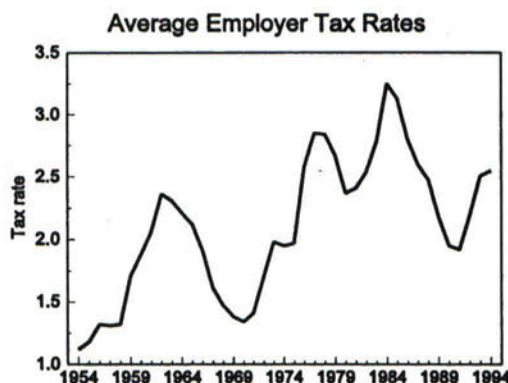


In 1940, the maximum taxable earnings for both UI and Social Security was \$3,000 (about \$35,000 in 1996 dollars) and covered virtually all earnings at that time. Since then, a series of ad hoc adjustments, and indexation implemented

in 1972 legislation, has kept the Social Security maximum roughly constant in real dollars. But most states do not index the UI taxable wage base or make frequent adjustments. As a result, the maximum taxable earnings for UI has fallen dramatically relative to that for Social Security (see upper chart).

Implications. As a share of earnings, the UI tax for a full-time, year-round minimum wage worker is currently five times as great as it is for someone making

\$40,000 in a year. To the extent that employers absorb the tax, they are discouraged from hiring relatively less-skilled workers. To the extent that the tax is passed on to workers, less-skilled workers see a larger proportional reduction in their wage.



This regressivity of the UI tax is likely to become more severe over time if the taxable wage base remains fixed in nominal dollars and the financing needs

of the system are met by raising the tax rate. Unlike the taxable wage base, UI benefits generally are indexed for inflation, or at least adjusted frequently. And the tax rate does display a general upward trend (see lower chart).

SPECIAL ANALYSIS

State Reform of Electricity Regulation: The Role of Prices

One measure of how regulation has inhibited retail competition in electricity is the wide range of prices that can be observed across states. Unsurprisingly, efforts to encourage retail competition tend to be stronger in states with higher rates.

An astounding divergence. In competitive markets, large price disparities normally encourage suppliers in areas where prices are low to divert their output to areas where prices are high. This would drive up the price in low-price areas and drive down the price in high-price areas until those prices are approximately identical (taking into account transportation costs). In electricity, however, average retail prices range from about 4 cents per kilowatt-hour (kWh) in Washington, Idaho, and Kentucky to over 11 cents per kWh in Hawaii, New York, and New Hampshire. Nor is this disparity unique to a few states. Average retail rates are below 6 cents per kWh in 18 States, and over 9 cents per kWh in 11 States.

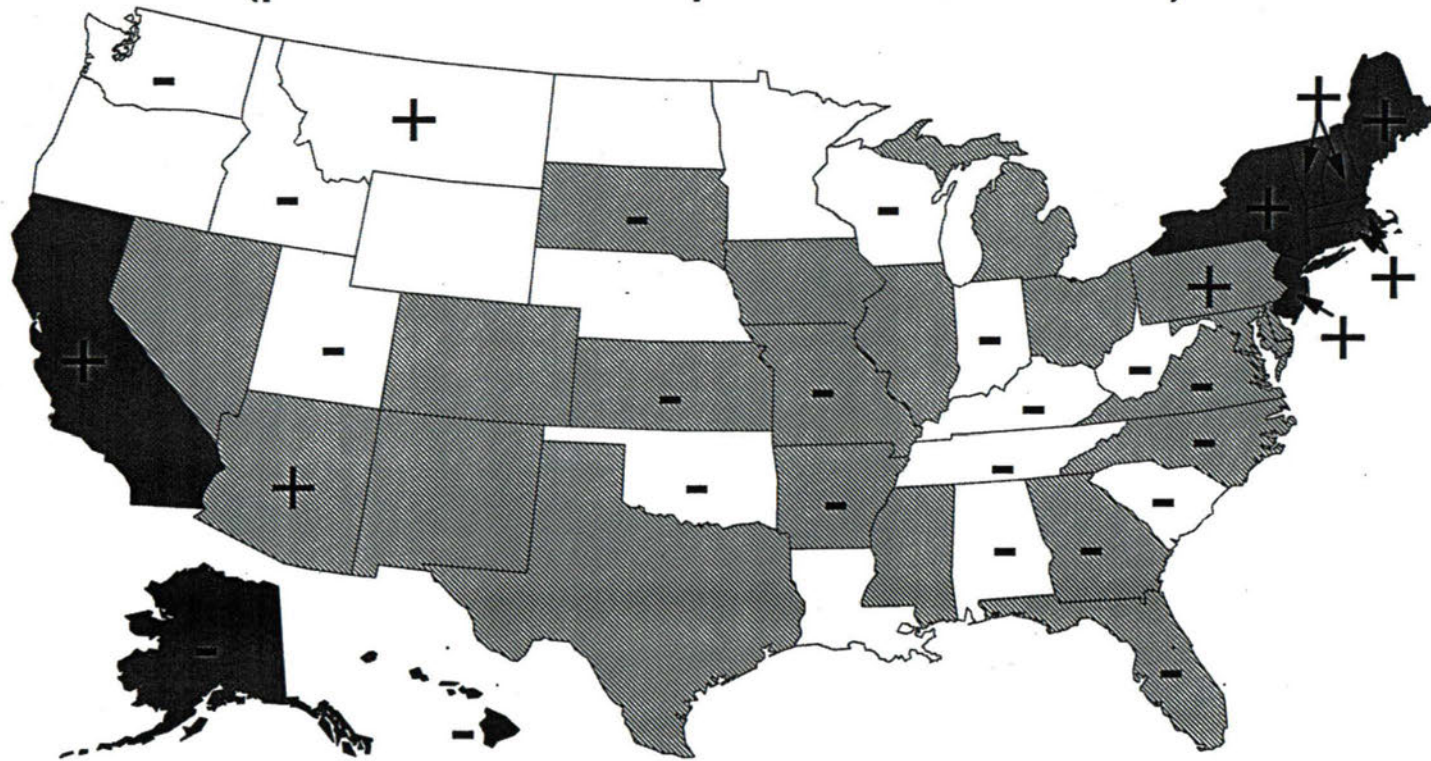
Why are electricity rates so different? Geographic factors play a role. States with utilities that have access to relatively inexpensive hydroelectric power or those located close to coal mines or other fuel sources have relatively low rates. But decisions by utilities and their regulators matter as well. For example, construction difficulties and tighter safety standards following the 1979 Three Mile Island mishap made nuclear power extremely expensive, raising costs for utilities that had gone that route. Differences across states in implementing the 1978 Public Utility Regulatory Policies Act (PURPA) have also contributed to rate disparities. Many states imposed long-term obligations on utilities to buy what has turned out to be relatively high-cost power produced either by renewable sources or by "cogenerators" that generate electricity in the course of their industrial operations.

Big buyers get cheaper power. The average electricity price for industrial customers (4.7 cents per kWh) is almost one-third lower than the average retail price nationwide (6.9 cents per kWh). Industrial customers benefit both from potential scale economies in serving large customers and from increased competition, in that they can threaten to relocate to other States or produce their own electricity if local utilities do not offer favorable rates. Retail competition could bring these lower industrial prices to residential and commercial users as well.

High-cost states respond as expected. States with high electricity rates have an incentive to reform a regulatory system that insulates local utilities from low-cost entrants and power producers across the country. As the map on the following page illustrates, the states that have been most active in changing laws or regulations to open retail markets are, by and large, the same ones with prices over 9 cents per kWh. It is an open question whether the momentum toward retail competition in these states will eventually carry over to areas of the country where electricity prices are only about half as high.

Electricity Prices and Retail Competition

(prices in cents per kilowatt-hour)



More than 9 cents
 6 - 9 cents
 Less than 6 cents

+ Most active states
 - Least active states

SPECIAL ANALYSIS**Is the Dairy Program Feeling Its Age?**

Many key provisions of today's convoluted dairy policy are a legacy of conditions prevailing in the dairy industry earlier in the century (see box on next page). The program aims to increase and stabilize farmers' incomes. But in so doing, it transfers income from consumers to producers, burdens taxpayers, and harms the environment.

Current policy. Important features of the current program include the following:

- The Federal dairy program maintains a distinction between milk for fresh-market consumption and that which is used to make manufactured products such as cheese, butter and powdered milk.
- The program sets a floor under the price of processed milk and purchases surplus output, mainly cheese and butter, in order to maintain the price.
- A set of 32 regional marketing orders specify the increment in the price of fresh milk over that of processed milk. The increment is based on the distance between the geographical center of the region and Eau Claire, Wisconsin.
- Farmers receive a price that is a "blend" of the price of fresh milk and the price of processed milk, irrespective of the actual use of their milk.
- Individual states are free to opt out of the Federal program. California, which produces about 15 percent of all milk in the country, maintains its own dairy program. (The Northeast Interstate Dairy Compact, which raises the price of fresh milk above what it would be under the Federal program, is another prominent exception to the basic national system.)

Economic effects. Three important effects can be identified:

- Higher prices for fresh milk. A recent study found that the Federal dairy program has increased the price of fresh milk by 6.5 percent and transferred an average of over \$1 billion from consumers to producers each year since 1949; this amounts to over \$500 per month for an average dairy farmer. In some years the cost to consumers has been much higher. In 1980, for example, the Federal dairy program cost consumers nearly \$5 billion. Because milk is an important part of children's diets for which relatively few substitutes exist, low-income families are most seriously harmed by an increase in fresh milk prices.
- Costs to taxpayers. The blend price paid to farmers is generally above the incremental value of milk in processed markets, resulting in overproduction. Taxpayers must pay to remove surplus dairy products from the market. The cost of these removals has varied widely from year to year as production has fluctuated in response to changes in demand and farm input prices. In the 1980s, the USDA actually paid farmers not to produce milk to keep its stocks from growing out of control. In 1983 direct taxpayer costs of milk removals peaked

5-1-97

at \$2.6 billion. Recently, taxpayer costs have fallen sharply as domestic demand for cheese and butter has increased. Chronic surpluses may well re-emerge, however, as farmers increase production.

- Environmental damage. Water pollution from dairy farm runoff is a significant concern in many parts of the country. This public health problem is especially serious in rural areas where a large majority of residents rely on groundwater for their drinking water supplies. Policies that increase dairy production also increase this environmental damage.

Implications. To a large extent, the original motivations for Federal dairy supports have disappeared (although many economists would argue that they were never compelling). Advances in storage technologies and lower transportation costs have broken down regional barriers to milk marketing. Many industries in the United States plan production and marketing on a daily basis, and the rapid adoption of just-in-time inventory management is a good example of this trend. Furthermore, it is no longer more expensive to produce fresh-market milk, and as a result nearly all U.S. milk meets Grade-A standards.

The 1996 Farm Act overhauled much of American agricultural policy, replacing numerous government controls with a more market-based system. Federal dairy policy was largely untouched by that legislation, but will have to be addressed before the current policy expires in 1999.

Origins of the Dairy Program

Federal dairy programs date back to the 1930s, when farmers demanded that the government ensure "orderly" dairy marketing. At that time, milk was difficult to store and expensive to transport. Farmers were thus susceptible to price fluctuations in the local market. The price support feature of the Federal program was intended to insulate dairy farmers from these price changes. The differential price paid for fresh milk was motivated by the higher cost of producing more sanitary milk for the fresh market. Varying the fresh market price according to the distance from Wisconsin was intended to reflect transportation costs from the main dairy-producing region.

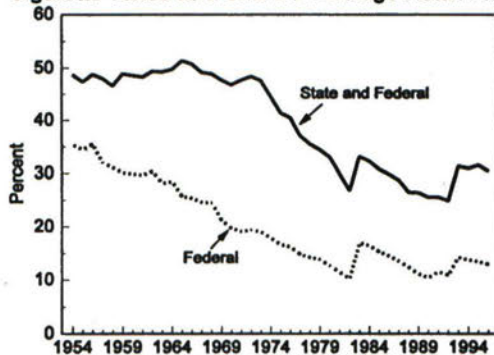
5-1-97

ARTICLE**Cigarette Prices and Smoking Behavior**

The Federal Government has raised the excise tax on cigarettes only three times in the last 45 years. Recently, however, a number of states have hiked their cigarette taxes, and the Kennedy-Hatch health care proposal would increase the Federal tax by 43 cents per pack. Moreover, some observers have speculated that the tobacco companies might raise prices to pay for any settlement coming out of current negotiations. How would higher prices affect smoking behavior?

Cigarette taxes. Federal and state taxes together used to represent about half the retail price of cigarettes. Now, as their value has been eroded by inflation, they represent less than a third (see chart). A 43-cent-per-pack increase in Federal taxes

Cigarette Taxes as a Share of Average Retail Price



would, if passed on fully to consumers, raise the price of cigarettes by about 23 percent, from \$1.85 to \$2.28 per pack. The combined Federal and state taxes would still be a smaller percentage of the price of cigarettes than they were in 1974.

Do prices affect smoking behavior? A substantial body of research indicates that higher cigarette prices discourage smoking. A reasonable estimate is that a

23 percent increase in the price of cigarettes would cut smoking by about 9 percent in the short run and by almost twice as much over a longer period of time. It takes time for the full effect to be felt because cigarettes are addictive and many people do not curtail or stop smoking immediately. In addition, a tax increase gradually reduces the prevalence of smoking by discouraging persons from taking up the habit.

Health benefits. Higher cigarette taxes are likely to improve public health. One recent study implies that a 23 percent increase in the price of cigarettes would save around 14,000 lives per year, due to reduced cardiovascular disease and respiratory cancers. Another study finds that increases in cigarette taxes reduce the incidence of low birth weight, an important indicator of infant health.

Are cigarette taxes regressive? The poor are more likely to smoke than the affluent, which implies that cigarette taxes are regressive. This does not mean, however, that increases in cigarette taxes necessarily impose a disproportionate burden on the less well-off. It appears that less-educated and lower-income smokers are more responsive to price increases than those with higher education and income. Moreover, the combination of higher initial rates of smoking and possibly greater responsiveness to price means that the health benefits of higher cigarette taxes will also tend to accrue disproportionately to the poor. Finally, taxation appears to be a

particularly effective way of deterring young people from smoking (in part because of their low incomes) and is therefore likely to have particularly long-lasting health benefits.

Could Cigarette Prices Become Too High?

The short answer is probably not, given the size of likely increases and the health benefits from reduced smoking. But two issues deserve mention.

Do smokers pay their way? One study finds that cigarette taxes are currently at about the right level to cover the economic costs smokers impose on non-smokers. In particular, although smokers require additional medical care, most of the extra cost is offset by lower expenses for retirement pensions and nursing home care resulting from smokers' shorter life expectancies. However, the study did not fully account for some costs imposed by smoking (such as the costs of second-hand smoke or of smoking by pregnant women). Of course, even if smokers do "pay their way," other economic and social factors play a role in setting tax rates. For example, nicotine addiction typically begins at young ages when people may be ill-equipped to understand the long-term implications of their decision to take up smoking. And society may value the health and longevity benefits achieved through reduced smoking.

Smuggling. The Canadian government substantially increased cigarette taxes during the 1980s and early 1990s. (In Canadian dollars, the Federal tax rose from 42 cents per pack in 1984 to \$1.93 in 1992.) This led to higher prices and reduced smoking. However, partly out of concern that the high prices were encouraging smuggling, the taxes were sharply reduced in 1994. Three factors promoted smuggling prior to the "roll-back:"

- the large differential between cigarette prices in the United States and Canada
- the relative ease of transporting cigarettes between the two countries
- what some claim was an active effort by Canadian tobacco companies to encourage smuggling.

Although the decrease in tobacco taxes may have reduced smuggling, the evidence suggests that the price reduction is encouraging more Canadians to smoke.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Private School Vouchers and Student Achievement. Results from Milwaukee's experiment with private-school vouchers have been controversial, partly because of an inadequate experimental design (see *Weekly Economic Briefing*, September 27, 1996). Those enrolled in private schools differed from their comparison group in ways that are likely to be related to educational outcomes, making a direct comparison inappropriate. A recent study reexamining the data from this experiment attempted to correct for the design flaws. It found some evidence of a positive effect from vouchers. Estimates indicate that math scores of school-choice enrollees rose more than those of similar students who remained in the Milwaukee public schools (1.5 to 2 percent higher for each year of private school enrollment)—although reading scores were no higher. Still, these results should be interpreted cautiously. Although these statistical corrections may have reduced the potential biases introduced by an imperfect experimental design, it is unlikely that the flaws have been eliminated.

IRS Releases Report on EITC Error Rates. An Internal Revenue Service study analyzing non-compliance rates associated with the earned income tax credit (EITC) estimates that 25.8 percent of EITC claims for the 1994 tax year (returns filed between January and April 1995) exceeded the amount to which taxpayers were entitled. Improved IRS enforcement practices and tighter procedural rules enacted in 1996 would have reduced the error rate by an estimated 5 percentage points, had they been in place for the 1994 tax year. The results from this study should be compared to error rates in excess of 35 percent the last time the IRS conducted a study of a comparable group of taxpayers (for the 1988 tax year). The EITC error rates reported in this year's study are still viewed as too high (even though non-compliance in other areas, such as the reporting of business income, are substantially higher). In response to the study's findings, the Treasury Department announced a set of legislative and administrative proposals designed to ensure that the EITC goes only to taxpayers who are eligible.

Immigrants Have Little Effect on Native Migration. One of the most convincing pieces of evidence suggesting that immigrants do not displace natives in the labor market was Miami's experience with the 1980 Mariel boatlift. One influential study found no discernible effect from the large inflow of these Cuban refugees on the employment and wages of native-born residents of Miami. The main criticism of this study has been that immigrant inflows into particular areas may lead to an exodus of natives that would dampen any displacement effects. A new study finds that outflows of older immigrants and natives of the same skill level in response to heightened immigration were much smaller than the inflow of new immigrants. Cities that received large inflows of recent immigrants had sharp increases in the relative share of their labor force that is low-skilled. The study also concludes that immigration does have small effects on the level of employment and wages earned by natives and older immigrants.

INTERNATIONAL ROUNDUP

United States May Pass Japan as World's Largest Aid Donor. Due to a combination of unusual factors, the OECD may determine that the United States was the world's largest contributor of official development assistance (ODA) in 1996. The value of U.S. donations for 1996 will be bolstered by the OECD's decision to include 2 years of U.S. annual aid to Israel in the 1996 total, because the disbursement originally designated for 1995 was delivered too late to count for that year. On the Japanese side, a combination of a weaker yen and fiscal tightening in Japan have contributed to a 35 percent decline in Japanese aid measured in dollars. Preliminary estimates indicate that the value in 1996 will be close to \$9.6 billion. In addition, delays in negotiations to replenish the International Development Association (part of the World Bank) and the Asian Development Bank have led to a temporary drop of 70 percent in Japan's contributions to multilateral organizations. Japan first surpassed the United States in levels of ODA in 1989. In terms of contributions as a share of GDP, the United States still ranks below Japan, and, since 1990, it has contributed a smaller share of its GDP to ODA (about 0.16 percent, on average) than nearly any of the 21 major contributing nations.

Western Hemisphere Regional Trading Arrangements Progress—Without U.S.

A series of meetings this week between the Andean Community (Venezuela, Colombia, Ecuador, Peru, and Bolivia) and the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) will reportedly conclude with a declaration that could pave the way for a gradual merging of the two largest trading blocs in South America. Ties between the two are already fairly strong. Bolivia, for example, was a founding member of the Andean Pact but already enjoys associate membership in Mercosur. Peru, which this week expressed frustration with the structure of the Andean Community, has also approached Mercosur concerning associate membership. Meanwhile, closer cooperation between the two Americas is being pressed by Canada as it begins negotiations with Mercosur countries. The Canadians are meeting with the Brazilians this week and hope to negotiate a trade and investment agreement between Canada and Mercosur. Canada has already concluded a trade agreement with Chile, an associate member of Mercosur.

The Brussels EMU Forecasts—A Leap of Faith? According to the European Commission's latest forecast, all EU countries except for Greece and Italy will meet the EMU public deficit target of 3 percent of GDP. The IMF forecasts, however, were strikingly less optimistic. According to the IMF, only 9 of the 15 EU countries will meet the deficit criterion for EMU, and, significantly, France and Germany are not among this elite group of nine. Unsurprisingly, a number of analysts regard the European Commission's forecasts as tainted by politics. Others believe that the European Commission's forecasts have better accounted for the extraordinary measures that some countries (like Germany) are willing to undertake in order to meet the 3-percent target. In any case, slow growth and high unemployment in France, Germany, and in other European countries will require that painful fiscal measures be adopted if the Commission's predictions are to be realized.

RELEASES THIS WEEK

U.S. International Trade in Goods and Services

****For release at 10 a.m., Friday, April 25, 1997****

As reported last week, the goods and services trade deficit declined to \$10.4 billion in February from \$12.3 billion (revised) in January.

MAJOR RELEASES NEXT WEEK

Employment Cost Index (Tuesday)
Advance Durable Shipments and Orders (Tuesday)
Consumer Confidence—Conference Board (Tuesday)
Gross Domestic Product (Wednesday)
NAPM Report on Business (Thursday)
Leading Indicators (Friday)
Employment Situation (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1996	1996:2	1996:3	1996:4
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	3.1	4.7	2.1	3.8
GDP chain-type price index	5.3	2.1	2.2	2.0	1.9
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.5	0.9	0.6	0.0	1.1
Real compensation per hour:					
Using CPI	0.6	0.4	0.5	0.7	0.2
Using NFB deflator	1.3	2.2	2.0	2.0	2.7
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.4	10.3	10.6	10.6
Residential investment	4.5	4.1	4.2	4.1	4.1
Exports	8.2	11.3	11.3	11.1	11.5
Imports	9.2	12.6	12.6	12.7	12.6
Personal saving	5.1	3.6	3.2	3.9	3.8
Federal surplus	-2.7	-1.7	-1.7	-1.6	-1.4
	1970- 1993	1996	Jan. 1996	Feb. 1997	Mar. 1997
Unemployment Rate	6.7**	5.4**	5.4	5.3	5.2
Payroll employment (thousands)					
increase per month			259	293	175
increase since Jan. 1993					11926
Inflation (percent per period)					
CPI	5.8	3.3	0.1	0.3	0.1
PPI-Finished goods	5.0	2.8	-0.3	-0.4	-0.1

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

FINANCIAL STATISTICS

	1995	1996	Feb. 1997	Mar. 1997	April 24, 1997
Dow-Jones Industrial Average	4494	5743	6917	6901	6792
Interest Rates					
3-month T-bill	5.49	5.01	5.01	5.14	5.18
10-year T-bond	6.57	6.44	6.42	6.69	6.93
Mortgage rate, 30-year fixed	7.95	7.80	7.65	7.90	8.08
Prime rate	8.83	8.27	8.25	8.30	8.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level April 24, 1997	Percent Change from Week ago	Year ago
Deutschemark-Dollar	1.717	-0.5	12.8
Yen-Dollar	126.0	-0.1	18.0
Multilateral \$ (Mar. 1973=100)	96.60	-0.3	9.9

International Comparisons	Real GDP growth (last 4 quarters)	Unemployment rate	CPI inflation (last 12 months)
United States	3.1 (Q4)	5.2 (Mar)	2.8 (Mar)
Canada	2.3 (Q4)	9.7 (Feb)	2.2 (Feb)
Japan	3.1 (Q4)	3.4 (Feb)	0.7 (Feb)
France	2.1 (Q4)	12.8 (Dec)	1.6 (Feb)
Germany	2.2 (Q4)	7.6 (Dec)	1.7 (Feb)
Italy	0.1 (Q4)	12.3 (Jan)	2.4 (Feb)
United Kingdom	2.0 (Q4)	7.2 (Feb)	2.7 (Feb)

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5-1-97

THE WHITE HOUSE
WASHINGTON

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April 26, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED

SUBJECT: DPC WEEKLY REPORT

1. Crack Cocaine Sentencing: The Sentencing Commission is scheduled to announce on Tuesday a unanimous recommendation to Congress to amend federal law to reduce the disparity between sentences for crack cocaine and powder cocaine. The proposal is to reduce crack cocaine penalties while increasing powder cocaine penalties, thus "pinching" (but not eliminating) the disparity. Specifically, the Commission will recommend that the trigger for a five-year mandatory minimum sentence for crack distribution be raised from 5 grams to between 25 and 75 grams (with Congress to pick some number in between) and that the trigger for a mandatory minimum for cocaine distribution be lowered from 500 grams to between 125 and 375 grams. Depending on what number within these ranges is chosen, congressional action according with this recommendation would reduce the current 100:1 ratio between crack and powder sentencing to a ratio of between 5:1 and 15:1. Also next week, the Commission will change its own sentencing guidelines to increase penalties on methamphetamine.

As you will recall, the Attorney General and General McCaffrey strongly favor reducing the disparity between crack and powder sentencing. And you stated that "some adjustment is warranted" when you signed legislation disapproving the Sentencing Commission's prior action in this area (a simple reduction in crack sentences to the level of powder sentences). At that time, you called on the Commission to undertake additional review and report back with new recommendations.

agreed
Rahm and I both agree that you should respond in a generally positive way to the Commission's new and much better recommendation -- not on grounds of race, but on grounds of criminal justice policy. You should stress that a rational sentencing structure targets mid- and high-level dealers of the most dangerous emerging drugs, rather than low-level dealers of drugs posing less present danger. The Commission's action on methamphetamine will help you to make this argument. We think you should ask the Attorney General and General McCaffrey to review the Commission's report and make a specific recommendation on appropriate sentencing changes in 30 or 45 days.

2. Tobacco: In light of Friday's decision on tobacco, we will work with HHS and DOJ to evaluate other actions you might take to limit or otherwise respond to the advertising of tobacco products to children. Alternative approaches may seem smaller than the advertising restrictions in our rule, but we should attempt to advance our goal in any way possible while we

seek to reinstate those restrictions. In addition, we will work with Bruce Lindsey, as you requested, to ensure that as settlement talks proceed, you are in a good position to evaluate the effects of any possible settlement on public health.

3. Food Safety Report: Secretaries Glickman and Shalala and Administrator Browner will forward to you next week the report on food safety that you requested 90 days ago in a radio address. The report announces, among other things, that the agencies will: (1) develop ways to test for hepatitis A and other hard-to-detect contaminants; (2) issue new regulations for fruit juice and egg products; and (3) establish a new public-private partnership with industry and consumer groups (funded by a \$1 million contribution from industry) to develop and publicize simple food-safety messages. We currently plan to release the report at an event attended by Glickman, Shalala, and Browner on May 4.

4. Teen Pregnancy: The National Campaign to Prevent Teen Pregnancy will hold a conference on May 2 to mark its first anniversary. At a White House reception that day, the First Lady will give awards to 10 pioneers in the effort to reduce pregnancy, including Elaine Bennett. Concurrently, HHS will release a report showing that teen sexual activity has decreased 10% since 1990 (from 55% of girls ages 15-19 in 1990 to 50% today). The report also shows that condom use has tripled among teenagers since 1972. The combination of decreased sexual activity and increased condom use among teenagers appears to be primarily responsible for the 8% drop in the teen pregnancy rate over the last four years.

5. Narcotics Money Laundering: Last summer, the Treasury Department issued a Geographic Targeting Order (GTO) -- an order to financial institutions within a particular area to comply with special reporting or recordkeeping obligations -- that required 22 licensed money transmitters in New York to report information on any cash transmission to Columbia of more than \$750. The GTO has caused a dramatic reduction in the flow of narcotics proceeds through New York. The Treasury Department is almost ready to release a proposed rule to apply these reporting requirements to money transmitters across the nation. We recommend that you announce, within the next few weeks, this important effort to crack down on narcotics money laundering.

6. Peace Officers Memorial Event: On May 15, you will attend the Annual Peace Officers' Memorial Event organized by the Fraternal Order of Police. We recommend that your main policy announcement focus on the Deegan law, which provides educational scholarships to the children of federal officers killed in the line of duty. You can announce \$1.2 million in new money for these scholarships and new legislation to make these scholarships available to the children of slain state and local officers. You also can announce the completion by the National Institute of Justice of a prototype "smart gun" which will help protect police officers from death and injury.

8-1-97

THE WHITE HOUSE
WASHINGTON

April 25, 1997

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MEMORANDUM TO THE CHIEF OF STAFF
FROM RAHM EMANUEL
SUBJECT WEEKLY REPORT

CRIME/DRUGS: The House Judiciary Committee began yesterday to mark-up the juvenile legislation. They plan to finish next week and take it to the floor before the recess. We will begin to negotiate with the Republicans between committee action and floor action. I think we can have a real impact on funding for gang prosecutors and after school funding, but the real fight will be on child safety locks.

ag
I am trying to convince the Democrats to push the child safety lock vote as a way to force moderate GOP members to address this issue. We want moderate GOP members to vote on mandatory child safety locks. It is good policy and good politics.

ag
I am working to have the President release or announce the new Brady forms at the Law Enforcement Memorial event May 15th. We want to use that speech to establish our policy of "no background check- no gun." This policy lays the ground work for the courts Brady decision.

The following list details the upcoming reports for the President or Administration to release over the next two months.

- ag
* One year review of our fight against "Meth"
* Community Policing and the Drop in Crime
* One year review of the Federal Drug Testing initiative
* One year report of the Youth Hand-Gun Tracking project.
- BS
RC
Emanuel
Gandy

ag
I would like to have the President sign the Executive Order on Sexual Predators in the Oval. We do not need an event, a photo is sufficient. I believe the sooner the better.

I am having a meeting later today on the Sentencing Commission guidelines on Crack and Powder.

Murphy
for change

5-1-97

CAMPAIGN FINANCE: Senator Feingold and I are planning on talking later today about timing on the legislation and our executive actions. On the Executive front, I think we should file the petition with the FEC while the President is in Mexico. We should announce the Free TV Commissioners by the end of May. We should also announce our intention to file an amicus brief in the spending limits case in Cincinnati. The Justice Department has agreed to file an amicus brief in the case when it reaches the Supreme Court. It is important that all these actions happen prior to July 4. I do not see any action in the Senate prior to July 4, and we need to establish Presidential credibility on the issue.

Two side notes -- the Free TV commission is important for a variety of reasons. One side bar is that Norm Ornstein and Paul Taylor are very supportive of the idea and can become validators on the issue of reform. The court case allows us to finally have the Justice department agree that spending limits are legal.

FAMILY: The tobacco decision out of North Carolina was a big victory. I called David Kessler and asked him to go to CNN and ABC to push the Administration's line.

I have been trying to hold off Safire from writing a negative column on the Gambling Commission. He is writing for Sunday, and I am trying to write to convince to write on Foreign Policy. We need to announce the members of the Gambling Commission the moment they are ready. We need to give it to a reporter who will frame the story our way.



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

1997 APR 25 PM 9:24

April 25, 1997

THE PRESIDENT HAS SEEN
5-1-97

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY *Callahan for*

CC: ERSKINE BOWLES

RE: CEQ WEEKLY REPORT

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RIGHT-TO-KNOW EXPANSION

On Earth Day, you announced the Environmental Protection Agency's (EPA) major expansion of the number and types of facilities subject to the Toxic Release Inventory (TRI). The announcement was well-received. However, we were disappointed that scant attention was paid to the proposal to "reinvent" the TRI reporting process to ease the burden and cost of TRI reporting while enhancing the information available to communities.

CHILDREN'S HEALTH EXECUTIVE ORDER

On Monday, April 21, the Vice President announced your Executive Order on children's health at the National Children's Medical Center. The Executive Order, which directs agencies to enhance their efforts to protect children from environmental health and safety risks, served as a follow-up to the First Lady's conference on early childhood development and a curtain-raiser for Earth Day the following day. The order was well-received by children's health advocates and environmental and citizens' groups, and the event received good coverage by CNN and NBC.

ENVIRONMENTAL BUDGETS

A number of bills with implications for environmental budgets are beginning to move through the House.

For example, the authorization bills for DOE and EPA by the Science Committee raise a number of environmental concerns. Although the current form of the DOE bill provides funding for energy efficiency and renewables programs related to climate change which is slightly above the FY 1997 level, this level of funding provides only about a fourth of the increase requested by the Administration. The EPA authorization bill provided a better share of the requested increase sought by the Administration for FY 1998 (about two-thirds), but no specific funds were provided for a research initiative related to right-to-know that was part of the Kalamazoo

announcement on toxics. Both the EPA and DOE authorization bills have been referred sequentially to the Commerce Committee, and their future progress is uncertain.

WEST COAST COHO

The National Marine Fisheries Service negotiated an innovative agreement with the Governor of Oregon, John Kitzhaber, this week concerning protection of coho salmon. Badly depleted coho populations along the far southern coast of Oregon and northernmost coast of California will be listed as "threatened" under the Endangered Species Act. But coho populations along the majority of the Oregon coast will not be listed, in exchange for commitments from the State to improve harvest, hatchery, and habitat management practices. The agreement marks one of your Administration's most ambitious efforts to date to stimulate environmental leadership by state government in lieu of federal intervention. Governor Kitzhaber's serious commitment to this issue deserves strong praise and stands in stark contrast to the much less proactive approach taken by California. The attached article from today's Los Angeles Times provides additional detail.

APPLIANCE EFFICIENCY STANDARDS

Ending several years of acrimonious debate between the environmental community and the appliance industry (which was itself divided), DOE this week published a consensus standard that will require a 30% improvement in the energy efficiency of refrigerators beginning in July 2001. By 2010 the standards are expected to save consumers \$1.1 billion per year and .81 quads of energy (the amount generated by 7 power plants and used by 7 million households in one year). Secretary Federico Pena referred to the achievement as "building a fridge for the 21st century."

DOE is required by law to conduct periodic reviews of appliance efficiency standards to achieve the maximum improvement that is technically and economically justified. During this rulemaking process, DOE came under significant pressure from the Hill, including an appropriations rider precluding work on the rule for one year. Achievement of the consensus rule was possible because of good technical work by DOE, and the willingness of DOE and White House policy offices to hang tough under pressure to find a way to achieve energy efficiency results that were economically feasible. Although several major industry players held out for many months, ultimately agreement was reached. This standard sends an important signal about the Administration's belief in the importance of energy efficiency as a tool to address air pollution and climate change; and about the potential for policies that serve both the environment and the economy.

CLIMATE CHANGE

This week, the White House Climate Change Task Force organized economics and science briefings for congressional staff and outside groups. The briefings presented background on our economic modeling efforts, laying a foundation for follow-up briefings on the economic impacts of action to limit greenhouse gas emissions. In addition, Tom Karl of NOAA gave a presentation

based on his article in the current issue of Scientific American, which describes the evidence linking increases in severe weather events to the buildup of greenhouse gas emissions in the atmosphere. This article strongly supports your remarks about climate change on Earth Day (article attached).

WHALING

Attached for your information is a letter received yesterday from 16 members of Congress (10 Democrats and 6 Republicans) Japan's whaling with Prime Minister Hashimoto.

April 25, 1997

U.S. to Add State Coho Salmon to Threatened List

By JAMES GERSTENZANG
TIMES STAFF WRITER

WASHINGTON—In one of the most far-reaching decisions ever made under the controversial federal law protecting endangered species, the Clinton administration will declare the Northern California coho salmon a creature threatened with extinction, administration officials said Thursday.

By forcing potentially sharp restrictions on logging, agriculture and building along the crucial salmon-supporting streams of the northern coast, the action is intended to protect a fish lionized as the spirit of the Pacific Northwest. The coho's numbers have plummeted because of

Please see COHO, A7

Continued from A1
over-harvesting, damage to the streams where they spawn, construction of dams that restrict their migration between freshwater tributaries and the ocean, and competition with hatchery-raised fish.

But officials, who plan to announce the expanded protection of the coho today, say the populations along much of the Oregon coast, which face similar assaults, will not be listed as threatened primarily because Oregon has established a protection plan approved by the National Marine Fisheries Service.

By easing restrictions in Oregon even as the federal government applies the full force of the Endangered Species Act to the Northern California coast, federal officials said the decision is intended to encourage states to act independently to protect wildlife and plants and avoid sometimes onerous federal rule-making.

"Our goal is to send a wake-up call to California that says, 'Look at what Oregon has done,'" said one administration official.

The decision also reflects an effort to defuse angry opposition to the species protection law in Congress, where opponents complain that it unfairly limits the way

property owners can use their land.

"What we are seeing here is the vast and largely untapped flexibility under the Endangered Species Act to incorporate state conservation plans into endangered species recovery," said William Stelle, regional administrator of the National Marine Fisheries Service in Seattle. "We are plowing new ground here in terms of salmon recovery. This is good for the fish and good for the endangered species program."

Coho salmon, a shimmering fish silvery blue in the ocean and often red-sided as it swims upstream to spawn and die, once provided abundant harvests for commercial fishing fleets—now banned from catching coho anywhere along the U.S. West Coast. The fish still offers a sporting challenge for anglers working rocky stream beds.

Historically it numbered as many as 1.4 million along the central and northern Oregon coast; now 80,000 native coho salmon are there, according to the fisheries office. Along the southern Oregon and Northern California coasts, where there used to be 150,000 to 400,000 coho salmon, now there are fewer than 10,000 native coho.

According to federal officials, California is being treated more

harshly than Oregon for two reasons: First, Oregon prepared a 2,700-page document outlining its salmon-protection plan while California, despite last-minute efforts, did not.

Second, stream conditions along the central and northern Oregon coast are less degraded than those to the south and, as a result, "the fish are better off there," one environmental official in California said.

The conservation action, taken in response to a federal court order, is part of a larger campaign to protect the diversity of fish in the cold, fast-running streams of the Northwest and in the northern Pacific Ocean.

In October, federal officials declared that coho salmon spawning in streams along a relatively narrow, 300-mile-long stretch of California coastline from Santa Cruz to Punta Gorda are heading toward extinction.

Today's action, however, covers a wider area—about 700 miles of shoreline and waterways up to nearly 150 miles inland—and, as a result, will have a greater economic impact on the region. Fisheries service officials said they had not determined a dollar amount.

And with the exception of restrictions protecting whales that migrate the length of the Pacific

Ocean and perhaps a decision covering owl habitat throughout the Northwest, it affects more territory than any previous measure taken under the 1973 Endangered Species Act.

Oregon's timber industry, largely exempt from the stricter limits that a "threatened" listing would bring, praised the decision. A Sierra Club staff member in California, Elyssa Rosen, however, was displeased that the California limitations would not take effect for four months.

Within the California state government, there was disagreement: Michael Kahoe, the deputy secretary of the state Environmental Protection Agency, complained that California already has a stronger conservation plan, covering more species and spending more money, than Oregon, and said Oregon's plan is based on promises of future action.

But Douglas P. Wheeler, the state Resources secretary, said the federal declaration's impact will be softened by an anticipated state-federal agreement seeking collaboration in preserving the salmon and giving the state a leading role in salmon-related timber issues.

As the reach of the Endangered Species Act continues to grow, it

has become one of the touchiest issues facing government officials.

Once a species is listed as threatened or, more severely, endangered, no federal agency can take actions that would harm it.

Thus, the U.S. Forest Service cannot allow logging that would fill stream beds with erosion-produced silt and choke its native creatures; the Army Corps of Engineers must limit the use of water if reduced stream flow would hurt the fish, and mining permits can be withheld if leaching acid would pollute a creek.

Similarly, private land owners can be prohibited from taking actions that would harm a species facing extinction. Companies cannot mine gravel from stream beds where fish spawn, and ranchers cannot graze their cattle near streams if the animals might trample through the waterways, disturbing deposited fish eggs. And communities cannot build roads that might let sediment flow through riparian areas.

However, the precise impact of the federal action on California is not immediately clear.

Under the salmon decision, the federal fisheries agency decided that Oregon's salmon-protection plan was sufficient to avoid listing as threatened the populations of

salmon from Cape Blanco near Coos Bay north to the Columbia River, which forms Oregon's border with Washington.

The agency is listing as threatened the salmon along the Northern California and southern Oregon coasts. But it will not apply most provisions of the Endangered Species Act to the southern Oregon segment because, Stelle said, Oregon has established "very solid" protection programs.

He said in an interview that Oregon's governor, Democrat John Kitzhaber, had conducted weekly meetings for nearly two years to develop a plan intended to bring the salmon back to health. In California, he said, Gov. Pete Wilson "started with an initiative and it petered out."

Stelle said California officials were working on the outline of an agreement with the federal agency, which could be finished as early as today. It would be the first step toward allowing California to operate its own salmon-conservation plan rather than having one imposed by the federal government.

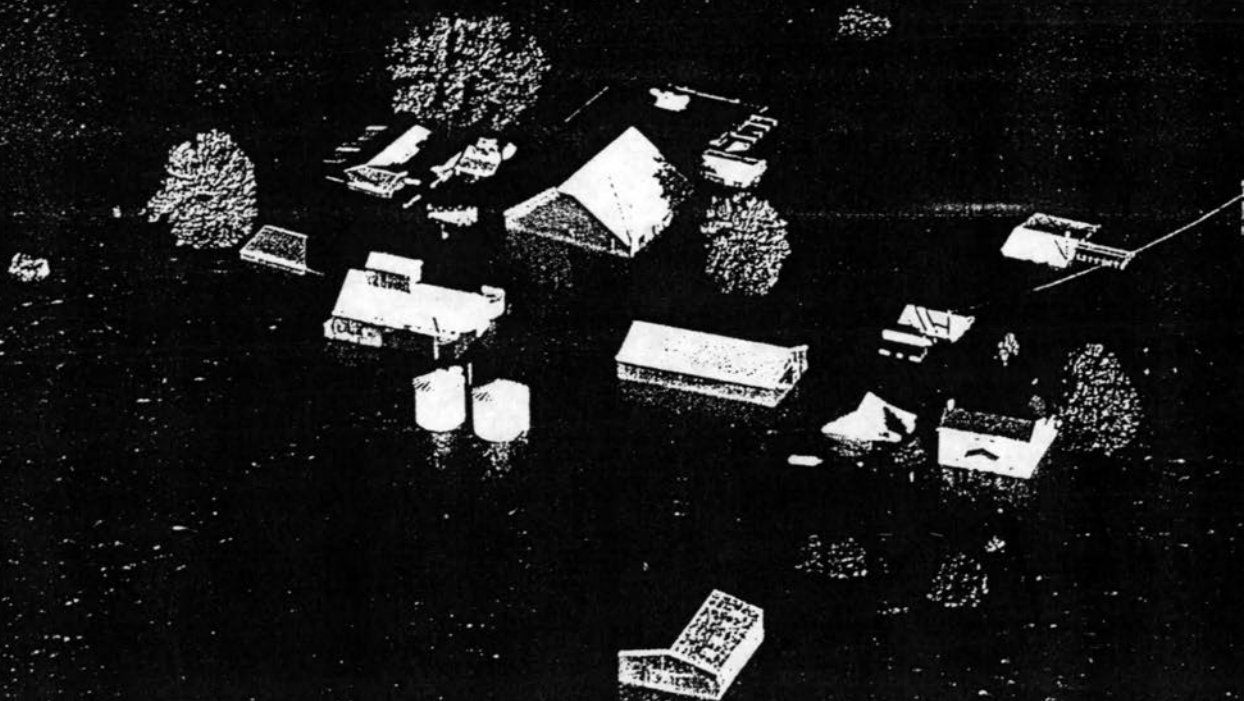
The decision takes effect 60 days after it is announced, but enforcement of its restrictions will be delayed an additional 60 days.

Times staff writer Maria Cone in Los Angeles contributed to this story.

The Coming Climate

Meteorological records and computer models permit insights into some of the broad weather patterns of a warmer world.

by Thomas R. Karl, Neville Nicholls and Jonathan Gregory



Human beings have in recent years discovered that they may have succeeded in achieving a momentous but rather unwanted accomplishment. Because of our numbers and our technology, it now seems likely that we have begun altering the climate of our planet.

Climatologists are confident that over the past century, the global average temperature has increased by about half a degree Celsius. This warming is thought to be at least partly the result of human activity, such as the burning of fossil fuels in electric power plants and automobiles. Moreover, because populations, national economies and the use of technology are all growing, the global average temperature is expected to continue increasing, by an additional 1.0 to 3.5 degrees C by the year 2100.

Such warming is just one of many consequences that climate change can have. Nevertheless, the ways that warming might affect the planet's environment—and, therefore, its life—are among the most compelling issues in earth science. Unfortunately, they are also among the most difficult to predict. The effects will be complex and vary considerably from place to place. Of particular interest are the changes in regional climate and local weather and especially extreme events—record temperatures, heat waves, very heavy rainfall, or drought, for example—which could very well have staggering effects on societies, agriculture and ecosystems.

Based on studies of how the earth's weather has changed over the past century as global temperatures edged upward, as well as on sophisticated computer models of climate, it now seems probable that warming will accompany changes in regional weather. For example, longer and more intense heat waves—a likely consequence of an increase in either the mean temperature or in the variability of daily temperatures—would result in public health threats and even unprecedented levels of mortality, as well as in such costly inconveniences as road buckling and high cooling loads, the latter possibly leading to electrical brownouts or blackouts.

FLOODED FARM near the Mississippi River in 1996 illustrates one likely consequence of warming trends. Rainfall will not only increase overall, but individual events will become more intense.

Climate change would also affect the patterns of rainfall and other precipitation, with some areas getting more and others less, changing global patterns and occurrences of droughts and floods. Similarly, increased variability and extremes in precipitation can exacerbate existing problems in water quality and sewage treatment and in erosion and urban storm-water routing, among others. Such possibilities underscore the need to understand the consequences of humankind's effect on global climate.

Two Prongs

Researchers have two main—and complementary—methods of investigating these climate changes. Detailed meteorological records go back about a century, which coincides with the period during which the global average temperature increased by half a degree. By examining these measurements and records, climatologists are beginning to get a picture of how and where extremes of weather and climate have occurred.

It is the relation between these extremes and the overall temperature increase that really interests scientists. This is where another critical research tool—global ocean-atmosphere climate models—comes in. These high-performance computer programs simulate the important processes of the atmosphere and oceans, giving researchers insights into the links between human activities and major weather and climate events.

The combustion of fossil fuels, for example, increases the concentration in the atmosphere of certain greenhouse gases, the fundamental agents of the global warming that may be attributable to humans. These gases, which include carbon dioxide, methane, ozone, halocarbons and nitrous oxide, let in sunlight but tend to insulate the planet against the loss of heat, not unlike the glass of a greenhouse. Thus, a higher concentration means a warmer climate.

Of all the human-caused (anthropogenic) greenhouse gases, carbon dioxide has by far the greatest impact on the global heat budget (calculated as the amount of heat absorbed by the planet less the amount radiated back into space). Contributing to carbon dioxide's greenhouse potency is its persistence: as much as 40 percent of it tends to remain in the atmosphere for centuries. Accumulation of atmospheric carbon dioxide is promoted not only by combus-

tion but also by tropical deforestation.

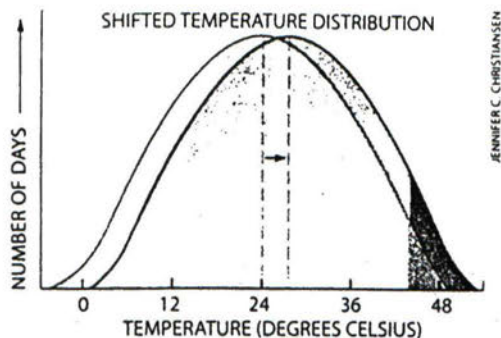
The second most influential human-caused effect on the earth's radiation budget is probably that of aerosols, which are minute solid particles, sometimes covered by a liquid film, finely dispersed in the atmosphere. They, too, are produced by combustion, but they also come from natural sources, primarily volcanoes. By blocking or reflecting light, aerosols tend to mitigate global warming on regional and global scales. In contrast to carbon dioxide, aerosols have short atmospheric residence times (less than a week) and consequently are concentrated near their sources. At present, scientists are less certain about the radiative effects of aerosols than those of greenhouse gases.

By taking increases in greenhouse gases into account, global ocean-atmosphere climate models can provide some general indications of what we might anticipate regarding changes in weather events and extremes. Unfortunately, however, the capabilities of even the fastest computers and our limited understanding of the linkages among various atmospheric, climatic, terrestrial and oceanic phenomena limit our ability to model important details on the scales at which they occur. For example, clouds are of great significance in the atmospheric heat budget, but the physical processes that form clouds and determine their characteristics operate on scales too small to be accounted for directly in global-scale simulations.

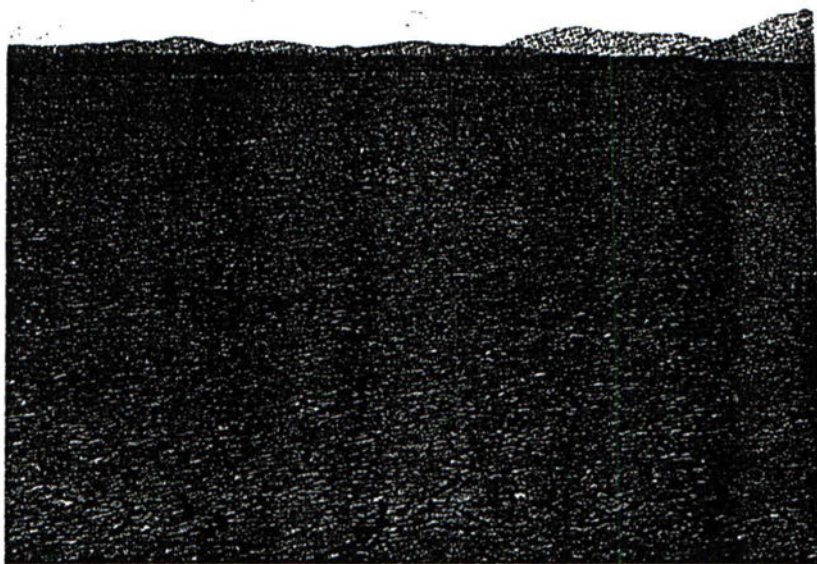
How Hot, and How Often?

The deficiencies in computer models become rather apparent in efforts to reproduce or predict the frequency of climate and weather extremes of all kinds. Of these extremes, temperature is one of the most closely studied, because of its effect on humanity, through health and mortality, as well as cooling loads and other factors. Fortunately, researchers have been able to garner some insights about these extremes by analyzing decades of weather data. For statistical reasons, even slight increases in the average temperature can result in big jumps in the number of very warm days [see top illustration on next page].

One of the reasons temperature extremes are so difficult to model is that they are particularly sensitive to unusual circulation patterns and air masses, which can occasionally cause them to



SMALL SHIFTS in the most common daily temperature cause disproportionate increases in the number of extremely hot days. The reason is that temperature distributions are roughly Gaussian. So when the highest point in the Gaussian "bell" curve moves to the right (*above*), the result is a relatively large increase (*yellow area*) in the probability of exceeding extremely high temperature thresholds. A greater probability of high temperature increases the likelihood of heat waves (*right*).



follow a trend in the direction opposite that of the mean temperature. For example, in the former Soviet Union, the annual extreme minimum temperature has increased by a degree and a half, whereas the annual extreme maximum showed no change.

The National Climatic Data Center, which is part of the U.S. National Oceanic and Atmospheric Administration (NOAA), has developed a statistical

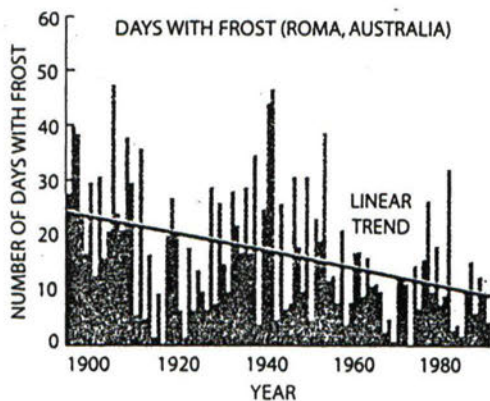
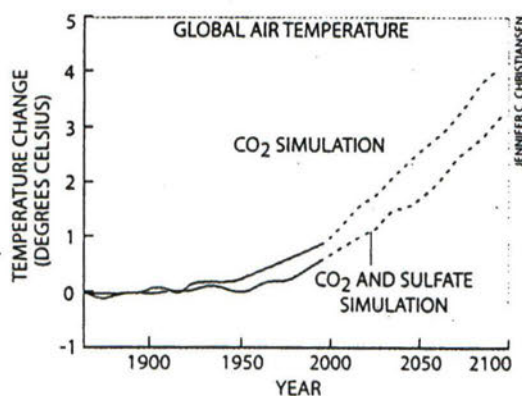
model that simulates the daily maximum and minimum temperatures from three properties of a plot of temperature against time. These three properties are the mean, its daily variance and its day-to-day correlation (the correlation is an indication of how temperatures persist—for example, how often a hot day is followed by another hot day). Given new values of mean, variance and persistence, the model will project the duration and severity of extremes of temperature.

Some of its predictions are surprising. For example, Chicago exhibits considerable variability of temperature from week to week. Even if the mean January temperature went up by four degrees C (an occurrence that may actually take place late in the next century) while the other two properties remained constant, days with minimum temperatures less than -17.8 de-

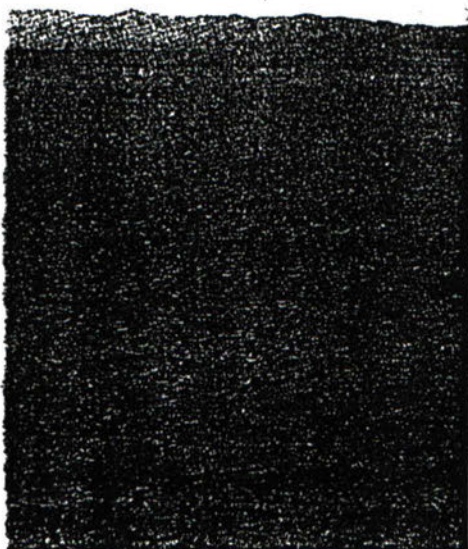
grees C (zero degrees Fahrenheit) would still occur. They might even persist for several days in a row. There should also be a significant reduction in the number of early- and late-season freezes. And, not surprisingly, during the summer, uncomfortably hot spells, including so-called killer heat waves, would become more frequent. With just a three degree C increase in the average July temperature, the probability that the heat index (a measure that includes humidity and measures overall discomfort) will exceed 49 degrees C (120 degrees F) sometime during the month increases from one in 20 to one in four.

Because of their effects on agriculture, increases in the minimum are quite significant. Observations over land areas during the latter half of this century indicate that the minimum temperature has increased at a rate more than 50 percent greater than that of the maximum. This increase has lengthened the frost-free season in many parts of the U.S.; in the Northeast, for example, the frost-free season now begins an average of 11 days earlier than it did during the 1950s. A longer frost-free season can be beneficial for many crops grown in places where frost is not very common, but it also affects the growth and development of perennial plants and pests.

The reasons minimum temperatures are going up so much more rapidly than maximums remain somewhat elusive. One possible explanation revolves around cloud cover and evaporative cooling, which have increased in many areas. Clouds tend to keep the days



GLOBAL AIR TEMPERATURE rise was simulated (*above, left*) by a climate model at the U.K. Meteorological Office's Hadley Center. The blue line is from a simulation based on carbon dioxide only; the yellow line also takes into account sulfate. As the global temperature has increased, the number of days with minimums below zero degrees Celsius has gone down. This example (*left*) shows the annual number of days with frost in Roma, Queensland, in Australia.



WARREN MARR/ANADOLIAN/IMAGET

temperature is complex. In a warmer world, the difference of temperature between the tropics and the poles would most likely cover a smaller range, because greater warming is expected near the poles. This factor would tend to weaken storms. On the other hand, high in the atmosphere this difference would be reversed, having the opposite influence. Changes in storms could also happen if anthropogenic aerosols continue to cool the surface regionally, altering the horizontal temperature contrasts that control the location of the storm tracks.

More Precipitation

The relation between storms and temperature patterns is one of the reasons it is so difficult to simulate climate changes. The major aspects of climate—temperature, precipitation and storms—are so interrelated that it is impossible to understand one independently of the others. In the global climate system, for example, the familiar cycle of evaporation and precipitation transfers not only water from one place to another but also heat. The heat used at the surface by evaporation of the water is released high in the atmosphere when the water condenses again into clouds and precipitation, warming the surrounding air. The atmosphere then loses this heat by radiating it out into space.

With or without additional greenhouse gases, the earth takes in the same amount of solar energy and radiates the same amount back out into space. With a greater concentration of greenhouse gases, however, the surface is better insulated and can radiate less heat *directly* from the ground to space. The efficiency with which the planet radiates heat to space goes down, which means that

the temperature must go up in order for the same amount of heat to be radiated. And as the temperature increases, more evaporation takes place, leading to more precipitation, averaged across the globe.

Precipitation will not increase everywhere and throughout the year, however. (In contrast, all areas of the globe should have warmer temperatures by the end of the next century.) The distribution of precipitation is determined not only by local processes but also by the rates of evaporation and the atmospheric circulations that transport moisture.

For instance, most models predict reduced precipitation in southern Europe in summer as a result of increased greenhouse gases. A significant part of the rainfall in this region comes from local evaporation, with the water not precipitated locally being exported to other areas. Thus, in a warmer climate, increased evaporation in the spring would dry out the soil and lead to less water being available for evaporation and rainfall in the summer.

On a larger scale, most models predict an increase in average precipitation in winter at high latitudes because of greater poleward transport of moisture derived from increased evaporation at low latitudes. Since the turn of the century, precipitation has indeed increased in the high latitudes of the Northern Hemisphere, primarily during the cold season, as temperatures have increased. But for tropical and subtropical land areas, precipitation has actually decreased over the past few decades. This is especially apparent over the Sahel and eastward to Indonesia.

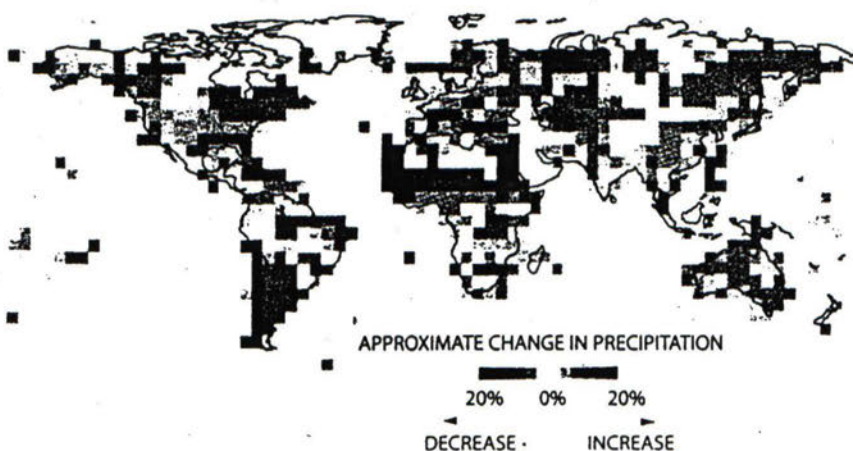
In northernmost North America (north of 55 degrees) and Eurasia, where conditions are normally far below freezing for much of the year, the amount of

cooler by reflecting sunlight and the nights warmer by inhibiting loss of heat from the surface. Greater amounts of moisture in the soil from additional precipitation and cloudiness inhibit daytime temperature increases because part of the solar energy goes into evaporating this moisture. More conclusive answers, as well as a prediction about whether the asymmetry in daytime and nighttime warming will continue, await better computer models.

Projections of the day-to-day changes in temperature are less certain than those of the mean, but observations have suggested that this variability in much of the Northern Hemisphere's midlatitudes has decreased as the climate has become warmer. Some computer models also project decreases in variability. The variability depends on season and location and is also tied to surface characteristics, such as snow on the ground or moisture in the soil. In midlatitudes, changes in the daily variability of temperature have also been linked to changes in the frequency and intensity of storms and in the location of the paths commonly taken by storms. These storm tracks are, in effect, a succession of eastward-moving midlatitude depressions whose passage dominates the weather.

The relation between these storms and

PRECIPITATION TRENDS between 1900 and 1994 reveal a general tendency toward more precipitation at higher latitudes and less precipitation at lower ones. Green indicates more rain; brown less.



LAURIE GRACE

snowfall has increased over the past several decades. Further increases in snowfall are likely in these areas. Farther south, in southern Canada and the northern U.S., the ratio of snow to rain has decreased, but because of the increase in total precipitation there has been little overall change in the amount of snowfall. In the snow transition belts, where snow is intermittent throughout the cold season, the average snowfall will tend to diminish as the climate warms, before vanishing altogether in some places. Interestingly, areal snow cover during spring and summer abruptly diminished by nearly 10 percent after 1986. This decrease in snow cover has contributed to the rise of spring temperatures in the middle and high latitudes.

Besides the overall amounts of precipitation, scientists are particularly interested in the frequency of heavy downpours or rapid accumulations because of the major practical implications. Intense precipitation can result in flooding, soil erosion and even loss of life. What change do we expect in this frequency?

Whether precipitation occurs is largely determined by the relative humidity, which is the ratio of the concentration of water vapor to its maximum saturation value. When the relative humidity reaches 100 percent, water condenses into clouds, making precipitation possible. Computer models suggest that the distribution of relative humidity will not change much as the climate changes.

The concentration of water vapor needed to reach saturation in the air rises rapidly with temperature, however, at about 6 percent per degree Celsius. So in a warmer climate, the frequency of precipitation (which is related to how often the relative humidity reaches 100 percent) will change less than the amount of precipitation (related to how much water vapor there is in the air). In addition, not only will a warmer world be likely to have more precipitation, but the average precipitation event is likely to be heavier.

Various analyses already support the notion of increased intensity. In the U.S., for example, an average of about 10 percent of the total annual precipitation that falls does so during very heavy downpours in which at least 50 millimeters falls in a single day. This proportion was less than 8 percent at the beginning of this century.

As incredible as it may seem with all this precipitation, the soil in North America, southern Europe and in sever-

HURRICANES, a kind of tropical cyclone, will probably occur in different global patterns as a result of warming; their overall incidence, however, may not change. Hurricane Andrew, shown raging here in Miami, struck the southeast coastal U.S. in 1992, causing \$30-billion worth of damage.

al other places is actually expected to become drier in the coming decades. Dry soil is of particular concern because of its far-reaching effects, for instance, on crop yields, groundwater resources, lake and river ecosystems and even on down to the foundations of buildings. Higher temperatures dry the soil by boosting the rates of evaporation and transpiration through plants. Several models now project significant increases in the severity of drought. Tempering these predictions, however, are studies of drought frequency and intensity during this century, which suggest that at least during the early stages of global warming other factors have overwhelmed the drying effects of warmer weather. For example, in the U.S. and the former U.S.S.R., increases in cloud cover during the past several decades have led to reduced evaporation. In western Russia, in fact, soil moisture has increased.

Stormy Weather

Great as they are, the costs of droughts and heat waves are less obvious than those of another kind of weather extreme: tropical cyclones. These storms, known as hurricanes in the Atlantic and as typhoons in the western North Pacific, can do enormous damage to coastal areas and tropical islands. As the climate warms, scientists anticipate changes in tropical cyclone activity that would vary by region. Not all the consequences would be negative; in some rather arid regions the contribution of tropical cyclones to rainfall is crucial. In northwest Australia, for example, 20 to 50 percent of the annual rainfall is associated with tropical cyclones. Yet the damage done by a single powerful cyclone can be truly spectacular. In August 1992 Hurricane Andrew killed 54 people, left 250,000 homeless

and caused \$30-billion worth of damage in the Caribbean and in the southeast coastal U.S.

Early discussions of the possible impacts of an enhanced greenhouse effect often suggested more frequent and more intense tropical cyclones. Because these storms depend on a warm surface with unlimited moisture supply, they form only over oceans with a surface temperature of at least 26 degrees C. Therefore, the reasoning goes, global warming will lead to increased ocean temperatures and, presumably, more tropical cyclones.

Yet recent work with climate models and historical data suggests that this scenario is overly simplistic. Other factors, such as atmospheric buoyancy, instabilities in the wind flow, and the differences in wind speed at various heights (vertical wind shear), also play a role in the storms' development. Beyond enabling this, rather broad insight, though, climate models have proved of limited use in predicting changes in cyclone activity. Part of the problem is that the simulations are not yet detailed enough to model the very intense inner core of a cyclone.

The historical data are only slightly more useful because they, too, are im-



WARREN E. FADLEY/Weatherstock



perfect. It has been impossible to establish a reliable global record of variability of tropical cyclones through the 20th century because of changes in observing systems (such as the introduction of satellites in the late 1960s) and population changes in tropical areas. Nevertheless, there are good records of cyclone activity in the North Atlantic, where weather aircraft have reconnoitered since the 1940s. Christopher W. Landsea of the NOAA Atlantic Oceanographic and Meteorological Laboratory has documented a decrease in the inten-

sity of hurricanes, and the total number of hurricanes has also followed suit. The years 1991 through 1994 were extremely quiet in terms of the frequency of storms, hurricanes and strong hurricanes; even the unusually intense 1995 season was not enough to reverse this downward trend. It should be noted, too, that the number of typhoons in the northwestern Pacific appears to have gone up.

Overall, it seems unlikely that tropical cyclones will increase significantly on a global scale. In some regions, activity may escalate; in others, it will lessen. And these changes will take place against a backdrop of large, natural variations from year to year and decade to decade.

Midlatitude cyclones accompanied by heavy rainfall, known as extratropical storms, generally extend over a larger area than tropical cyclones and so are more readily modeled. A few studies have been done. A recent one by Ruth Carnell and her colleagues at the Hadley Center of the U.K.

Meteorological Office found fewer but more intense storms in the North Atlantic under enhanced greenhouse conditions. But the models do not all agree.

Analyses of historical data also do not give a clear conclusion. Some studies suggest that since the late 1980s, North Atlantic winter storm activity has been more extreme than it ever was in the previous century. Over the past few decades, there has also been a trend toward increasing winds and wave heights in the northern half of the North Atlantic Ocean. Other analyses by Hans von

Storch and his colleagues at the Max Planck Institute for Meteorology in Hamburg, Germany, found no evidence of changes in storm numbers in the North Sea. In general, as with the tropical cyclones, the available information suggests that there is little cause to anticipate global increases in extratropical storms but that regional changes cannot be ruled out.

The Future

Although these kinds of gaps mean that our understanding of the climate system is incomplete, the balance of evidence suggests that human activities have already had a discernible influence on global climate. In the future, to reduce the uncertainty regarding anthropogenic climate change, especially on the small scales, it will be necessary to improve our computer modeling capabilities, while continuing to make detailed climatic observations.

New initiatives, such as the Global Climate Observing System, and detailed studies of various important climatic processes will help, as will increasingly powerful supercomputers. But the climate system is complex, and the chance always remains that surprises will come about. North Atlantic currents could suddenly change, for example, causing fairly rapid climate change in Europe and eastern North America.

Among the factors affecting our predictions of anthropogenic climate change, and one of our greatest uncertainties, is the amount of future global emissions of greenhouse gases, aerosols and other relevant agents. Determining these emissions is much more than a task for scientists: it is a matter of choice for humankind. ■

The Authors

THOMAS R. KARL, NEVILLE NICHOLLS and JONATHAN GREGORY were all members of the Intergovernmental Panel on Climate Change, which assessed and reported on the human impact on global climate. Karl is a senior scientist at the National Oceanic and Atmospheric Administration's National Climatic Data Center. Nicholls is a senior principal research scientist at the Australian Bureau of Meteorology Research Center. Gregory is a climate modeler at the Hadley Center of the U.K. Meteorological Office.

Further Reading

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INDICES OF CLIMATE CHANGE FOR THE UNITED STATES. T. R. Karl, R. W. Knight, D. R. Easterling and R. G. Quayle in *Bulletin of the American Meteorological Society*, Vol. 77, No. 2, pages 279-292; February 1996.

APR 24 1997

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

April 23, 1997

The Honorable William Jefferson Clinton
President
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to urge you to take immediate action on behalf of the world's great whales. For the first time since the onset of the global ban on commercial whaling, the threat of a large scale resumption is at hand. U.S. leadership has never been more important in reversing this alarming trend.

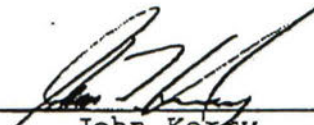
We believe you have a critical opportunity to address this issue during the visit of Japanese Prime Minister Hashimoto this week. Japan's refusal to cease whaling within the Antarctic Sanctuary resulted in your certification of Japan under the Pelly Amendment in 1995. Your subsequent report to Congress ordered a high-level diplomatic engagement aimed at ending Japan's lethal "scientific" whaling instead of economic sanctions. However, the Japanese Foreign Minister's dismissive response to an appeal by Secretary Christopher last year points to the need for direct presidential intervention.

Since 1992, global whaling has almost tripled in spite of the International Whaling Commission moratorium. In the face of inaction by the United States, Japan and Norway are now seeking to re-open the international trade in whaling products, an action that would all but guarantee an increase in pirate whaling on the high seas.

To prevent a resumption of large-scale commercial whaling, the United States must demand an immediate reduction in and subsequent phase-out of Japan's "scientific" whaling program. Accordingly, we urge you to use this opportunity of the Prime Minister's visit to address this important conservation issue.

Thank you for your attention to this urgent matter.

Sincerely,



John Kerry



Curt Weldon

James Greenwood George E. Brown, Jr.

Lonnie Murrell Pete A. Taylor

Geri Schubert Sam Fann

Frank Pallone Lane Evans

Jack Metcalf Howard L. Berman

Red Engle Wayne T. Gilchrist

Elizabeth Juse

Paul Leahy

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THE WHITE HOUSE

WASHINGTON

April 25, 1997

THE PRESIDENT HAS SEEN

5-1-97

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MEMORANDUM FOR THE PRESIDENT

FROM: JOHN HILLEY

John Hilley

SUBJECT: WEEKLY LEGISLATIVE REPORT

House of Representatives

1. **Patent System Improvement:** On Wednesday, April 23, the House passed by voice vote the 21st Century Patent Improvement Act (HR 400). This legislation brings American patent laws in line with other industrialized nations. Opponents argued that the measure would infringe on U.S. intellectual property rights and were able to win approval of one key amendment to prevent earlier publication of patent applications:

- a. The House adopted (220--193) an amendment by Rep. Marcy Kaptur (D-OH) exempting small businesses, universities and independent inventors from the bill's provisions requiring that patent applications be made public after 18 months, regardless of whether the patent has been granted. The amendment retains current law for the exempted groups which does not require publication of the patent until the patent is issued.

The Administration supported House passage of HR 400 and is well-positioned to seek further amendments to the legislation in the Senate.

2. **Civilian Space Authorization:** On Thursday, April 24, the House passed by voice vote the Civilian Space Authorization Act (HR 1275). This measure would authorize \$13.8 billion for fiscal 1998 and \$13.9 billion in fiscal 1999 for the National Aeronautics and Space Administration; \$376 million above the President's Budget request for fiscal 1998 and \$516 million above the Budget request for fiscal 1999.

- a. The House rejected (112--305) an amendment by Reps. Roemer (D-IN) and Ganske (R-IA) to eliminate the bill's \$2.1 billion authorization for the space station in each of fiscal years 1998 and 1999, and to authorize \$500 million in FY 1998 for termination costs.

The Week Ahead

The House is expected to consider several Suspension bills and the Federal Aviation Administration Authorization Act (HR 1271). Other legislation likely to be considered includes: the Adoption Promotion Act (HR 867); a Supplemental Appropriations bill; and a Committee funding resolution.

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The House may also begin consideration of the Housing Opportunity and Responsibility Act of 1997 (HR 2). This legislation proposes to overhaul public housing by shifting more control of the nation's public housing to local public housing authorities.

Senate

1. Chemical Weapons Convention: On Wednesday, April 23, under the provisions of the previous unanimous consent agreement reached, the Senate rejected S. Res. 75, which included all 33 conditions, by voice vote. The Senate then modified S. Res. 75 to include only the agreed to 28 conditions and proceeded to pass the resolution, as amended, by unanimous consent. On Thursday, April 24, during consideration of the 5 remaining "killer amendments":

- a. The Senate passed (66--34) the motion to strike condition 29 to the Resolution of Ratification precluding the United States from joining the Convention until Russia ratifies the pact;
- b. The Senate passed (71--29) the motion to strike condition 30 to the Resolution of Ratification prohibiting the United States from joining the Convention until countries that have been determined to have offensive chemical weapons programs have ratified;
- c. The Senate passed (66:34) the motion to strike condition 31 to the Resolution of Ratification denying nationals from a number of countries (including Cuba, Iran, Iraq, and Syria) from entering the United States as part of CWC inspection teams;
- d. The Senate passed (66:34) the motion to strike condition 32 to the Resolution of Ratification prohibiting the United States from joining the CWC until the Convention has been amended by striking Article X and rewriting Article XI to strike any provision that states or implies disapproval of trade restrictions; and
- e. The Senate passed (66--34) the motion to strike condition 33 to the Resolution of Ratification prohibiting the United States from joining the Convention unless we can certify that United States intelligence agencies have "high confidence" that we can detect any production anywhere of one ton of chemical weapons agent.

Finally, the Senate ratified (74--26; with 29 Republicans joining all Democrats in voting for ratification) the Resolution of Ratification of the Chemical Weapons Convention Treaty.

2. Republican Agenda: On Wednesday, April 23, the Senate Republican leadership unveiled their legislative agenda for the next six weeks leading up to the Memorial Day recess. In chronological order, the tentative agenda is as follows:

- a. Supplemental Appropriations: Initial floor action on the FY97 supplemental appropriations bill is expected around April 30. The legislation grew to \$8.4

billion on Thursday, April 24, as the House Appropriations Committee added the \$200 million in contingency funding you requested for North and South Dakota and Minnesota; however, the Committee did not include your request for \$100 million for the Community Development Block Grant. The budget authority is paid for, but the outlays will increase the deficit.

b. Late-term abortion: Action on this legislation (S. 6) is expected around May 5.

c. Comp time: The measure (S. 4) would allow businesses to give their workers a choice between receiving overtime pay or compensatory time off. The Senate is expected to turn to consideration of the measure around May 12.

d. Budget Resolution: During the week of May 19, the Senate is expected to turn to consideration of the budget resolution, setting forth spending and taxing policies, including spending caps for the Appropriations committees and providing instructions for congressional action on deficit-reduction legislation.

3. **FDR Memorial:** On Tuesday, April 22, White House Legislative Affairs met with Senator Inouye and Dorann Gunderson, the Executive Director of the FDR Memorial Commission. Senator Inouye agreed to introduce legislation on behalf of the White House which would give the Department of Interior the authority necessary to bring the additional FDR depiction to fruition.

4. **Reverse Mortgage Bill:** On Friday, April 25, the Senate passed S. 562, the Senior Citizen Home Equity Protection Act, by unanimous consent. The Administration-supported measure ensures that a recipient of a home equity conversion mortgage (known as reverse mortgages) is not charged unnecessary or excessive costs for obtaining that mortgage.

5. **Terrorism:** On Thursday, April 24, the Senate passed by unanimous consent H.R. 1225, a technical correction to the Foreign Sovereign Immunity Act. The Administration-supported correction would allow a non-citizen related to a United States citizen who is the victim of a terrorist act to bring a case in a United States court against a terrorist nation. The measure is now cleared for your signature.

6. **Volunteer Liability:** On Friday, April 25, the Senate filed cloture on the motion to proceed to S. 543, the Volunteer Protection Act. This legislation would provide protection from liability suits for volunteers, nonprofit organizations, and government entities in lawsuits regarding the activities of volunteers. While the Administration strongly supports community service and volunteerism, it opposes S. 543 for at least two reasons. First, the development of tort law has traditionally been left to the states in the exercise of their police powers and this tradition has been particularly strong with respect to volunteers, nonprofit organizations, and government entities. Second, the Administration has consistently opposed provisions, such as Section 5 of S. 543, that would abolish joint-and-several liability for noneconomic damages (e.g., pain and suffering). This provision would unfairly discriminate against the most vulnerable members of our society--the elderly, the poor, and children-- whose injuries often involve mostly noneconomic losses.

The Week Ahead

While most of the schedule remain uncertain, the Senate will vote on the motion to invoke cloture on the motion to proceed to S. 543, the Volunteer Protection Act on Tuesday, April 29.

cc: The Vice-President
Erskine Bowles
John Podesta
Sylvia Mathews

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THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5-1-97

April 25, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *for hilly*
SUBJECT: Summary of Cabinet Weekly Reports
April 18-25, 1997

DEPARTMENT OF TREASURY

- **Narcotics Traffickers:** On April 17, Treasury identified 57 Colombian companies and individuals as Specially Designated Narcotics Traffickers (SDNTs), bringing the total number of names on the SDNT list to 416. The new entities are the first designations of firms and their agents who were previously identified as being owned or controlled by the Cali cartel, and had reorganized themselves under new names to avoid the SDNT designation. This action by Treasury will prevent these entities from doing business with U.S. companies or their subsidiaries.
- **Medical Savings Accounts:** On April 22, Treasury issued a new tax ruling regarding MSAs. This ruling states that the traditional family coverage that many insurance companies are currently selling in connection with MSAs fails to satisfy statutory requirements for MSA deductibles. Although Treasury believes this interpretation is consistent with legislative intent, the ruling may be criticized by the insurance industry and other supporters of MSAs.
- **Earned Income Tax Credit (EITC):** On April 23, the IRS released its report on EITC compliance. Its finding -- that the noncompliance rate for the EITC has held steady for the past several years at around 25 percent -- will likely reinvigorate Congressional efforts to eliminate the credit. In conjunction with the release of this report, Treasury announced an eight-step plan to ensure tighter compliance. Treasury will also brief staff of the Tax and Budget Committees, Congressional leadership, and members of the tax processing industry on the report and our proposal. Treasury will also work with the Center on Budget and Policy Priorities.
- **Savings Bonds:** On April 29, Secretary Rubin will announce changes to the interest rate structure for U.S. Savings Bonds. These changes are designed to make the Savings Bonds more attractive to investors.

- **150 Account:** On May 6, Deputy Secretary Summers will address an executive session of the House Banking Committee to encourage support for the Multilateral Development Banks (MDBs) and the IMF agenda. On May 8, Representative Castle plans to mark up the MDB funding bill. Treasury is planning a series of events to build support for the 150 Account.
- **D.C. Initiative:** On April 25, HHS officials will testify at a hearing before the House Subcommittee on D.C. on the Medicaid and deficit borrowing segments of the Administration's D.C. Initiative.
- **Secretary's Schedule:**
 - ▶ **April 21** - Secretary Rubin spoke to the Corporate Council on Africa.
 - ▶ **April 27** - Secretary Rubin will host the G-7 Finance Ministers and Central Bank Governors Meeting.

DEPARTMENT OF JUSTICE

- ✓ **Police Hiring Grants:** On April 23, the COPS Office announced grant awards of over \$47 million to 257 law enforcement agencies. These awards will fund the hiring of approximately 664 full-time and 53 part-time officers and deputies in 32 states.
- **OK Bombing Victims:** By April 18, 624 additional victims presented multimillion-dollar administrative claims against the federal government for allegedly failing to warn of a possible terrorist attack against the Alfred Murrah Federal Building on April 19, 1995. The victims are family members of federal employees who perished or were injured in the bombing and allege that the government knew or should have known that federal buildings could be targeted for violent acts on April 19. DOJ, Treasury and GSA are the named agencies. A total of 652 administrative claims have now been presented.
- **Nixon Tapes:** On March 31, Judge Norma Holloway Johnson ordered the Archivist of the U.S. to provide the Nixon estate "forthwith" with all private or personal conversations identified to date on the original White House tape recordings and any copies in the Archives' possession, as well as to destroy or return all portions of the draft tape log that contain descriptions of private or personal material. A partial settlement agreement, which was signed by all parties on April 12, 1996, provides procedures for the staged public release of the as yet unreleased Nixon White House tape recordings. The first set of "Watergate" tapes were made public in November 1996. Under the Settlement Agreement, however, one issue -- the retention by the Archives of "private or personal" communications on the original tape recordings and one master preservation copy -- was unresolved, and the parties agreed to litigate this issue separately. On April 10, DOJ filed a Notice of Appeal and a Motion for Stay. The estate of Richard M. Nixon has filed an opposition saying a stay is unnecessary. DOJ will reply to that opposition.

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• **Legal Aliens and Welfare Reform:** On March 26, a nationwide class action suit alleging that the welfare reform act violates the Equal Protection Clause of the Constitution was filed. Sutich v. Callahan (N.D. CA). The act, among other things, denies SSI benefits to legal aliens. Plaintiffs claim that it was irrational for Congress to deny these benefits to legal aliens, and, accordingly, that plaintiffs' equal protection rights have been violated. On April 17, the plaintiffs moved for a preliminary injunction. DOJ's opposition is due on May 13.

• **GA Political Candidates Drug-Testing:** Chandler v. Miller. The Supreme Court held, 8-1, that drug testing of candidates under this statute violates the Fourth Amendment. In striking down the statute, the Court noted that while the drug testing is relatively noninvasive, the state had not made a showing of "special need" sufficient to support its program. The Court concluded that GA's drug testing program was based on mere symbolism and, since public safety was not in jeopardy, the Fourth Amendment prevents this suspicionless search.

• **Child Support:** Linda J. Blessing v. Freestone. This class action suit challenged whether AZ is fulfilling its obligations under the Child Support Enforcement Act. The Act requires, as a condition of federal funding, that states be in "substantial compliance" with a variety of federal requirements, including establishment of paternity, location of absent parents, establishment and enforcement of child support orders, and collection of child support arrears. The courts of appeals are in conflict as to whether the Act creates judicially enforceable rights within the meaning of federal statutes. The Supreme Court agreed with DOJ's *amicus* argument that enforceable rights may exist and accepted the invitation to remand to decide what specific provisions are enforceable.

• **CA Proposition 209:** On April 22, in Coalition for Economic Equity v. Wilson, DOJ filed an *amicus* supporting the plaintiffs' request that the Ninth Circuit Court of Appeals review a ruling by a panel of that court earlier this month that upheld California's Proposition 209. DOJ contends that, under the Supreme Court's 1982 decision in Washington v. Seattle School District No. 2, Proposition 209 is unconstitutional because it alters the normal political process in California along racial and gender lines by imposing unique obstacles to the ability of minorities and women to press for laws and programs that benefit them.

• **LA Police Beatings:** On April 17, a federal grand jury returned a four count indictment in United States v. Chandler and Gailey, charging two officers with the police department in Adelanto, CA, a suburb of Los Angeles, with violating federal civil rights laws in connection with two beating incidents: a May 1994 beating of an Hispanic suspect at the Adelanto police station, allegedly in an effort to coerce a confession, and an October 1994 beating of a handcuffed, arrested African-American suspect allegedly in retaliation for an altercation at the time of arrest in which the suspect spat on another officer. The two indicted officers previously were acquitted on state charges.

- **Line Item Veto:** On April 18, the Acting Solicitor General filed an appeal in the Supreme Court in Raines v. Byrd, the case involving the Constitutionality of the Line Item Veto Act and whether individual Members of Congress have standing to challenge the Act. DOJ argued that the Act represents an exercise of Congress's long-standing and well-settled power to vest the Executive Branch with discretion over the expenditure of appropriated funds.
- **WI Youth Crime Gun Initiative:** In a case resulting from the Youth Crime Gun Interdiction Initiative (YCGII), known locally as Project Leads, Lawrence Shikes was indicted for selling firearms without a license, selling firearms to felons, making straw purchases of firearms, and making false statements on firearms purchase forms. In the YCGII process, data tracing the ownership of all guns recovered by the police is entered into a computer by the Milwaukee Police and ATF. The data showed that police recovered 11 guns sold by Shikes after they had been used in drug crimes, robberies, and in one case, murder. A second computer search identified 26 guns purchased by Shikes. Following the computer identification, ATF made several undercover weapons purchases from Shikes.
- **Press Activities:**
 - ▶ This week, Larry King will interview Inspector General Bromwich on the FBI lab report.
 - ▶ The *Washington Post* is working on a story about the relationship among the FBI, DOJ and White House.

DEPARTMENT OF COMMERCE

- **Gross Domestic Product:** On April 30, DOC will release the data for Gross Domestic Product in the first quarter. This will be the first look at economic growth in the first quarter of 1997. It will receive significant media coverage. A press conference to announce the numbers will be held at either the White House or DOC.
- **Fastener Regulations:** On April 18, the National Institute of Standards and Technology (NIST) announced in the *Federal Register* a 1-year extension in the implementation of the Fastener Quality Act. NIST determined that there were not enough accredited laboratories to perform the required inspection and testing by May 17, as specified by law. The law authorizes the NIST director to make an extension if needed. On April 22, the *Washington Post* ran a story detailing the various delays which have prevented implementation of the act.
- **Census 2000:** On April 28, the House Government Reform and Oversight Subcommittee on National Security, International Affairs, and Criminal Justice will hold a hearing on Census 2000 outreach and promotion efforts. Census Director Riche has tentatively been invited to testify.

- **The following economic indicators will be released during the next two weeks:**

Gross Domestic Product (1st Q)	April 30
Personal Income and Outlays (March)	May 1
Value of New Construction Put in Place (March)	May 1
Housing Completions (March)	May 5
Manufacturers' Shipments, Inventories and Orders (March)	May 6
Wholesale Trade (March)	May 7
- **Weather Service Reductions:** On April 28, the Senate Commerce, Science, and Transportation Subcommittee on Science, Technology, and Space has scheduled a hearing on proposed budget cuts for the National Weather Service and its National Centers for Environment Prediction. The Subcommittee is expected to invite Under-Secretary Baker to testify. Senators Sarbanes and Mikulski may testify.

DEPARTMENT OF LABOR

- **Steelworker/Goodyear Tire and Rubber Strike:** On April 20, more than 12,000 Steelworker employees struck nine plants of the Goodyear Tire & Rubber Company in AL, KS, NE, OH, TN, VA and WI, after negotiators failed to come to terms on a new contract prior to the expiration of their master agreement at midnight, April 19. Goodyear is continuing production at eight other plants where 8,000 workers are employed under different contracts. The union is seeking a common expiration date of April 23, 2000, for all tire industry contracts, and improvements in wages, benefits, and employment security. After a one-day break, negotiations resumed on April 21.
- **Steelworker/Uniroyal Goodrich Strike:** Approximately 4,000 Steelworker-represented employees at Uniroyal Goodrich remained at their jobs following the expiration of their contract at midnight on April 19. Talks are in recess pending developments in the Goodyear negotiations.
- **Steelworker/Wheeling-Pittsburgh Strike:** Talks that began on April 15, between the Wheeling-Pittsburgh Steel Corporation and the Steelworkers ended soon after they began. According to the union, company representatives left the meeting without even responding to a proposal presented by the Steelworkers. No activity, actual or planned, has been reported since then. Thus, the strike by 4,500 workers in OH, PA and WV nears the end of its seventh month with no apparent movement toward a settlement.
- **GM OK City Strike:** At General Motors, talks continued in the 18-day strike at the company's auto assembly plant in Oklahoma City, OK, and efforts were being made to avert a threatened walkout at its truck assembly plant in Pontiac, MI. The stoppage by some 3,500 UAW-represented workers began on April 5 and centers around job cuts and outsourcing.

- **UAW/Chrysler Strike:** The impact of a nearly two-week strike by 1,800 UAW members at Chrysler's Mound Road engine plant in Detroit, MI, continued to spread as more than 20,000 additional workers at assembly and parts plants in the U.S., Canada and Mexico have been idled by the stoppage. Some 5,000 workers in Mexico and nearly 2,400 in IN were among the latest to be affected. The strike began on April 10 after negotiators failed to reach agreement on a local contract, with the outsourcing of about 300 jobs reportedly the key issue in dispute. Contacts between the parties are continuing, but no formal negotiations are scheduled.
- **CNA Strike:** On April 16, approximately 7,500 registered nurses represented by the CA Nurses Association (CNA) engaged in a 24-hour strike at 45 Kaiser Permanente hospitals and clinics in northern CA. Also participating in the walkout were members of five unions representing most of the other employees at those facilities. The CNA's contract with Kaiser expired January 30. No talks have been held since April 9, and none are scheduled.

DEPARTMENT OF TRANSPORTATION

- **Service Summit:** On April 28, Secretary Slater will join you in Philadelphia, PA, for the Presidents' Summit for America's Future. DOT's commitment to the Summit is to establish the Garrett A. Morgan Technology and Transportation Futures Program. The goals of the initiative are to build a bridge between America's youth and the transportation community, and to coordinate public and private transportation, technology and education resources to better use the nation's human capital while meeting the country's transportation needs. By the end of the year 2000, DOT commits to reach one million students through tutoring, mentoring and education curricula.
- **Aggressive Driving:** On April 29, Secretary Slater will participate in an event with Fairfax County officials aimed at combating aggressive driving and promoting traffic safety at the Belle Haven Marina along the George Washington Parkway in Alexandria, VA.
- **D.C. Seat Belt Law:** On April 30, Secretary Slater will host a news conference with Administrator Martinez and D.C. Police Chief Soulsby concerning D.C.'s primary seat belt law, which takes effect October 1.
- **OH Train Derailment:** On April 21, a Conrail train consisting of 2 locomotives and 144 cars derailed 31 cars. There were no injuries. Nine hazardous material residue cars, 8 containing sodium hydroxide and 1 chlorine, were involved in the derailment. One sodium hydroxide residue tank car and one sodium carbonate residue covered hopper car landed in the Sandusky wetlands. There was no reported release into the environment, although a small fish kill has been reported. The evacuation was lifted on April 22. Federal and state officials responded to the accident.

- **Chinese Negotiations:** Last week, FAA officials met with the Chinese in Beijing on a renewal/continuation of civil/military air traffic control cooperation between the U.S. and China. FAA presented the U.S. position. The Chinese replied that they were generally in favor of continued cooperation. They will evaluate the proposal and respond within three months.
- **Korean Airspace:** FAA published a final rule that prohibits certain flight operations within the airspace controlled by the Democratic People's Republic of Korea by any U.S. air carrier or commercial operator, by any person exercising the privileges of an airman certificate issued by the FAA, except such persons operating U.S.-registered aircraft for a foreign air carrier, or by an operator using an aircraft registered in the U.S. unless the operator of such aircraft is a foreign air carrier. The rule was issued because there could be a potential threat to civil aircraft in certain areas of Korean airspace.
- **Pegasus Launch:** On April 21, a Pegasus air-launched vehicle, with a drop point southeast of the Canary Islands over the Atlantic, was launched. This is the first FAA-licensed launch to take place from a foreign country. The Pegasus carried a Spanish scientific satellite, MINIS AT 1, and a second payload owned by a U.S. company, Celestas, Inc., consisting of cremated remains. This launching received widespread press coverage.
- **777 Airworthiness Directives:** Next week, the FAA plans to issue several airworthiness directives regarding the 777. A separate memo on the specifics will follow. The 777, a new plane, has been the subject of media and congressional interest. The 777 certification process is also the subject of a forthcoming IG report.
- **ValuJet Service:** On May 15, ValuJet is planning to add Charlotte, NC, and Flint, MI, to their service. FAA is expecting ValuJet's audits on both cities by the end of April and FAA will do station and facility inspections the first week of May. FAA inspectors will be on the first flights for each of these destinations.
- **In-flight Icing:** This week, FAA will release the FAA In-flight Aircraft Icing Plan, the result of our 1996 International Aircraft Icing Conference. The plan describes activities which will improve the safety of operations in icing conditions currently defined by the Federal Aviation Regulations. The plan is one of many international efforts to improve the safety of aircraft operated in icing conditions.
- **New Aviation Control System:** This week, the FAA will sign a \$100 million contract to provide a new computerized monitoring and control system that will increase safety by helping to boost the reliability of FAA's 30,000-plus facilities and pieces of equipment across the U.S.

- **1996 Airline Financial Results:** For 1996, the combined major airlines, as a group, reported the highest operating profit, \$6 billion, and net income, \$2.8 billion, in airline history. The 10 major passenger airlines, as a group, reported a combined operating profit of \$5.3 billion and a net income of \$2.4 billion during 1996. The 2 major all-cargo airlines, as a group, reported a combined operating profit of \$723 million and a net income of \$349 million during 1996. Except for TWA, every major airline reported an operating and net profit for the year. The 10 major passenger airlines, as a group, reported an operating profit of \$570 million and a net income of \$125 million during the fourth quarter.
- **Grand Canyon Overflights:** The FAA, in coordination with NPS and DOI, is planning to propose changes to the recently adopted rule on overflights of Grand Canyon National Park by air tour operators. The rule works to restore the natural quiet of the Grand Canyon. There are 2 main changes: First, on the west end of the park, the "National Canyon Corridor" route would be moved and opened to all tour operators. FAA and NPS believe that, in the absence of this change, there will be an unacceptable concentration of traffic at another point in the park, which raises some safety concerns. The second change will create an "incentive" route in the east end of the park. This route would be open only to operators of the most noise-efficient aircraft. The hope is that this will encourage operators to switch to quiet technology more quickly than would be required by the recently adopted rule.
- **CA Airport Revenue Diversion:** In late September, 1996, the City of Los Angeles, owner and operator of Los Angeles International, Ontario, Palmdale and Van Nuys airports, transferred \$31 million from its Airports Department to the City's general fund for decades-old claimed unreimbursed expenses. In March, the FAA issued a Director's Determination, finding that \$30.3 million was illegally transferred and suspended AIP grant payments and eligibility for new FAA grants for 180 days or until further notice. On April 9, the City requested a hearing on the Determination, submitted documentation to justify about \$20 million of the transfer, and indicated that it would document the remainder of the transfer by the date of the hearing. On April 15, the FAA issued a Hearing Order, which Counsel reviewed, assigning the matter to a hearing officer and directing him to issue an initial decision by July 7.
- **MT Welfare to Work:** Through DOT's 5-year relationship with the National Rural Development Partnership, located in USDA's Rural Development mission area, contacts within MT DOT were provided so that the MT DOT, MT Human Resources Department, and MT Contractors Association could coordinate efforts to train welfare recipients for transportation-related construction jobs.

- **Commercial Space Authorizations:** On April 16, the House Science Committee approved a 3-year authorization of FAA research programs. The authorization includes an FY98 funding level that is \$17 million over your budget request for FY98. The Committee also approved a two-year authorization of commercial space programs. House floor action is expected later this week.
- **Nominations:** On May 1, the Senate Commerce, Science and Transportation Committee is expected to mark up the nominations of Ken Mead for Inspector General and T.R. Lakshmanan for Director of the Bureau of Transportation Statistics.
- **Airbags and Child Restraints:** On April 29, the Senate Commerce, Science and Transportation Committee has tentatively scheduled a hearing on airbags and child restraints. NHTSA Administrator Martinez will testify.
- **Helicopter Inspections:** On April 15, a German-built helicopter crashed on takeoff from a heliport in New York City. One passenger was killed. Investigators determined that cracks in the tail assembly led to the crash. On April 25, the FAA issued a Priority Letter Airworthiness Directive that ordered the immediate inspection of all 132 of these helicopters in use in the U.S. The directive dictates that none of these helicopters may fly until they are inspected. If cracks are found, they may not be flown. If no cracks are found, the helicopters may be returned to service, but must be inspected every 100 hours of service.

UNITED STATES TRADE REPRESENTATIVE

- **Bingaman Report:** On April 29, the Report of the President's Commission on U.S.-Pacific Trade and Investment Policy (the Bingaman Commission) will be transmitted you. On April 30, the report will be released to the public. The Commission report completes a year of work to assess our trade and investment relations with the Asia-Pacific region, review trade and investment barriers in the region and make recommendations on how to increase U.S. jobs through the expansion of U.S. market access.
- **Special 301:** On April 30, USTR will announce the results of the statutorily-required 1997 special 301 review of intellectual property protection in other countries.
- **Taiwan and WTO:** Beginning May 2, USTR will lead the U.S. delegation to Taiwan for another round of WTO consultations with Taiwan. USTR expects to make progress on services, government procurement and tariff staging issues. On agricultural issues, the two sides remain far apart.

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- **QUAD Meeting:** On May 1-3, Ambassador Barshefsky will attend the 31st meeting of the Quadilateral trade ministers in Toronto, Canada. The focus of the meeting will be the WTO agenda, including financial services and preparations for the OECD and Denver Summit.

SMALL BUSINESS ADMINISTRATION

- **Service Initiative:** Last week, Administrator Alvarez touted your commitment to volunteerism in a laudatory letter to the 12,400 SCORE volunteers and held a press conference recognizing the SCORE program at SBA's office in Washington, D.C.
- **HUBZones:** SBA is preparing a letter to the Senate detailing the Administration's concerns on Senator Bond's HUBZones legislation. The legislation would target a percentage of federal procurement dollars to more than 6,000 historically underutilized business zones. The Administration has concerns that the legislation will adversely affect the 8(a) procurement program for disadvantaged businesses. Bond plans a markup on May 6 or 7.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Smoking Risk:** The risks associated with cigarette smoking are significantly greater today than they were when these risks were presented in the first Surgeon General's Report in 1964, and the risks are especially great for women. On April 23, the National Cancer Institute will release a new report, *Changes in Cigarette-Related Disease Risks and their Implication for Prevention and Control*, which analyzes data from five of the world's largest epidemiological studies on smoking and health. According to the report, the risks for smoking-related causes of death, including lung cancer, other cancers, heart disease, stroke, and chronic obstructive lung diseases have increased significantly, with the greatest increases in female smokers.

*Jose
L. Alvarez
Director
SBA*

Unethical HIV Research: On April 22, Public Citizen held a press conference and wrote to Secretary Shalala, alleging that some HHS-sponsored research on HIV transmission being conducted in developing countries is unethical. The trials, which are supported by international bodies and the host governments, have been reviewed from an ethical standpoint by CDC and NIH institutional review boards and by the host countries. Scientists who are familiar with the research are being made available to answer questions. HHS will respond to the letter within the next few days.

Medicare Trustees Report: On April 24, the Medicare Trustees issued their quarterly report.

- **NY Medicaid Waiver:** HHS continues to negotiate terms of NY's proposed Medicaid waiver. On April 30, HHS officials will meet with NY's principals to present and discuss HHS's offer. In the next few weeks, agreement may be reached and the waiver approved.
- **HMO Appeals Regulation:** Next week, HHS will release its revised Health Maintenance Organization (HMO) appeals regulation. The revised regulations restructure the time HMOs have for reconsidering the denial of an enrollee's request for service. HMOs currently have 60 days in which to make that determination. HHS has concluded that the 60-day time period is unnecessarily long and should be reduced, especially when delays could cause serious harm to the beneficiary. HHS is coordinating a roll-out plan with the White House.
- **Medical Expenditures Report:** On April 24, HHS published data that details the health status, health care use and expenses, and health insurance coverage of individuals and families in the U.S. The survey estimates that 17 percent of non-institutionalized civilians in the United States did not have private or public health insurance at any time during the first part of 1996. Of these uninsured individuals, a disproportionate share are Hispanic or African-American, and reside in the South or West.
- **Medicare Physician Program:** About 80 percent of physicians and other health care practitioners have enrolled in the Medicare participating physician program for 1997. The overall participation rate is now 80.2 percent, up from 77.5 percent last year. Participating providers accept Medicare fee schedules as payments in full. Rising participation rates mean that Medicare beneficiaries can see more providers without concern that they will be charged more than the standard copayment amount. Next week, HHS will issue a press release announcing the data.
- **Lou Gehrig's Disease Treatment:** On May 8, an FDA advisory panel will discuss an application for Myotrophin, a drug to treat Lou Gehrig's Disease (ALS). On June 19, 1996, FDA approved a "treatment protocol" for Myotrophin. This is a mechanism under which a promising investigational drug is made more widely available to patients with serious and life-threatening diseases before the drug receives full marketing approval.
- **Food Safety Initiative:** HHS, USDA, and EPA are completing a report to you on enhancing the safety of the Nation's food supply. As you directed, the agencies have been working with stakeholders to identify additional ways to improve the food-safety infrastructure through government action, private sector action, and public-private partnerships. The report was submitted to you on April 25. HHS is working with the White House on a Food Safety event, possibly with the Vice President, for next week.
- **Welfare to Work:** On April 24, the House Government Reform and Oversight Subcommittee on Civil Service held a hearing on federal hiring of former welfare recipients. No HHS witness has been invited to testify.

- **Medicare Transaction System:** On April 23, HCFA Administrator Vladeck interviewed with *ABC News* concerning the agency's Medicare Transaction System (MTS). He also provided background to the *Associated Press* and the *Wall Street Journal* in response to criticism of the Agency's handling of the MTS project by Chairman Bill Thomas of the House Ways and Means Subcommittee on Health. On April 23, Representative Thomas held a press conference in which he announced his belief that mismanagement of the project has led to significant cost overruns.
- **Tobacco Decision:** On April 25, U.S. District Judge Osteen recognized that "tobacco products fit within Food, Drug, and Cosmetic Act's definitions of 'drug' and 'device' and concluded that the FDA may regulate tobacco products pursuant to the Food, Drug, and Cosmetic Act." The judge also found that FDA lacks authority under the FDCA to regulate promotion and advertising of tobacco products. The provisions regarding youth access to tobacco products went into effect on February 28 will stay in effect, but the FDA may not implement the advertising restrictions that were set to go into effect on August 28. DOJ will appeal the ruling regarding advertising, and HHS, FDA and DOJ lawyers will meet early next week to discuss the process.
- **Advisory Board on Welfare Indicators:** On April 30, the Advisory Board on Welfare Indicators will meet to discuss the first annual report to Congress from Secretary Shalala on indicators of welfare receipt and dependence, due October 31. The Welfare Indicators Act of 1994 established the Advisory Board and requires annual reports analyzing families and individuals receiving Aid to Families with Dependent Children, Food Stamps and Supplemental Security Income, or general assistance under programs administered by state and local governments. An Interim report on Welfare Dependence and Well-Being was submitted to Congress in November 1996.
- **Secretary's Schedule:** Secretary Shalala will participate in the following events:
 - ▶ **April 28** - Attend the Opening Ceremony of the Volunteer Summit in Philadelphia, PA.
 - ▶ **May 1** - Speak on Girl Power! to Children NOW and the Hollywood Political Center in Los Angeles, CA.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Child Immunization:** On April 21, HUD and local officials kicked off a child immunization program at the Fulton County Child Development Center in Roswell, GA. The immunization initiative is a partnership between HUD, HHS, the Centers for Disease Control, and AmeriCorps.

- **Excessive Subsidies Initiative:** HUD Secretary Cuomo and Treasury Secretary Rubin announced legislation to end excessive taxpayer subsidies to landlords and bring back into line rents for assisted housing that are often more than twice as high as fair market rates. The Housing 2020 legislation ends excessive rent subsidies by renegotiating and reducing HUD-insured mortgages with owners of housing developments and helping them avoid adverse tax consequences that result from the mortgage restructuring. The legislation also ensures affordable housing for families and generates a savings to taxpayers of \$1.4 billion over five years.
- **Public Housing Reform Bill:** A new HUD legislative proposal will crack down on waste, fraud, and abuse in troubled public housing authorities and allow well-run authorities to operate with less federal oversight and more flexibility. Under the Public Housing Management Reform Act of 1997, public housing authorities performing below acceptable levels would be monitored more closely by HUD, and could lose funding and be placed under court receivership. The legislation would help more public housing residents move from welfare to work, make it easier for low-earning working families to live in public housing, promote home ownership by low-income families, and give residents greater protection from crime, drugs, and violence. The measure would also give public housing and Section 8 residents who get jobs after being unemployed for at least one year an 18-month exemption from higher rents. Adults in public housing would be required to perform eight hours per month of community work, unless they are in an exempt category.
- **Enforcement Actions:** The FHA initiated debarment actions against ten affiliate companies of Robin F. Williamson, three affiliates of Anthony Swartz and one each for Teresa Warren, Norman Winton, and Donald DalBianco, part of the implementation of Secretary Cuomo's "Get Tough Against Bad Landlords" crackdown. The parties were in a scheme to originate single family loans in violation of HUD requirements. In addition, HUD's Mortgagee Review Board withdrew FHA approval for Eastwood Mortgage Bankers of Jericho, NY, for a variety of violations, including lying about the employment of borrowers and charging borrowers improper fees.

VETERANS AFFAIRS

- **National Cemetery Vandalism:** On April 18, vandals spray-painted niches for cremated remains, grave markers and memorials at the National Memorial Cemetery of the Pacific, known as "The Punchbowl," causing tens of thousands of dollars worth of damage. Secretary Brown dispatched a high-level official from VA's Security and Law Enforcement Service to assist local authorities in the investigation. On April 21, CNN reported on the incident. Secretary Brown has accepted an offer by the Paralyzed Veterans of America to pay for the damage.

- **College Students with Disabilities Recruitment:** On April 18, the Veterans Health Administration (VHA) announced VA's 1997 recruitment program for college students with disabilities. VHA officials announced that VA will participate again this year in the summer program to hire college students with disabilities. The program is co-sponsored by the President's Committee on Employment of People with Disabilities and the Department of Defense. VA strongly supports this program and considers it an approach to help meet VA's temporary staffing needs for the summer months, as well as to provide positive career development opportunities for these students.
- **Gulf War Hearing:** On April 24, the House Government Reform and Oversight Committee's Subcommittee on Human Resources held a hearing on Persian Gulf War veteran issues, focusing on missing logs and medical records and how this has impacted services for Persian Gulf War veterans. Witnesses invited include DoD's Inspector General, CIA, the President's Advisory Committee, and several physicians. VA did not testify.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Carter Center Conference:** On April 28, Director McCaffrey will participate in the Carter Center's Conference "Agenda for the Americas in the 21st Century" as a member of the drug working group. Approximately 125 hemispheric leaders, including five heads of State from Latin America and the Caribbean, will attend. Speakers at the dinner are Mexican President Zedillo and Speaker Gingrich.
- **Mexico:** ONDCP continues to support NSC-led planning for this historic trip. ONDCP is leading the interagency process to develop the counterdrug sections of Heads-of-State delegations to be signed in Mexico, Costa Rica and Barbados. On April 23, Director McCaffrey conducted a closed briefing to the House Permanent Select Committee on Intelligence regarding your trip to Mexico.
- **Reauthorization Hearing:** On May 1, Director McCaffrey will testify before the House Government Reform and Oversight Committee, Subcommittee on National Security, International Affairs and Criminal Justice on ONDCP's Reauthorization Bill.
- **Director's Schedule:** On April 24, Director McCaffrey addressed the Boys and Girls Club in Atlanta, GA.

DEPARTMENT OF INTERIOR

- **FDR Memorial:** The National Park Service will be given management responsibilities once the memorial honoring President Franklin D. Roosevelt is dedicated on May 2 at a ceremony to be attended by you. We are working to create only positive interest from the

disabled community following the resolution of the dispute over depiction of the former President as handicapped. Following the passage of legislation, DOI will head up the planning for an addition to the Memorial.

- **Cook Inlet, AK:** During the week of April 21, Lease Sale 149 (Cook Inlet) was announced in the Federal Register. AK and other stakeholders have already been notified. This lease sale has been controversial. DOI chose a compromise position which substantially reduced the sale size, thus balancing the energy needs of AK with environmental, tourism, commercial fishing and AK Native concerns. The sale is scheduled for June 11.
- **Japanese Internment Remembrance:** On April 26, the National Park Service may announce that it has taken official possession of the land at Manzanar National Historic Site in Independence, CA. April 26 is the day Japanese-Americans make their annual pilgrimage to the site, a World War II Relocation Center which held 10,000 internees of Japanese descent during that war, including over 6,500 U.S. citizens.
- **Secretary's Schedule:**
 - ▶ **April 25** - Secretary Babbitt traveled to Lambertville, NJ, to participate in a round table on the Delaware River Restoration. He was also interviewed by *ESPN*.
 - ▶ **April 28** - The Secretary will travel to Philadelphia, MS, to address the National Tribal Environmental Council.
- **National Park Service:** *U.S. News and World Report* is planning a major article this summer on issues facing the National Park Service, with the 125th anniversary of Yellowstone National Park as the centerpiece.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Civil Rights Update:** On April 23, the National Black Farmers Association held a rally at USDA headquarters. Secretary Glickman participated in a hearing conducted by the Congressional Black Caucus following the rally. The week of April 21, USDA fielded 33 subteams to address the Civil Rights Action Team's (CRAT) recommendations. The new Office of Civil Rights is dealing with the backlog of complaints, many of which are expected to be resolved by June 6. USDA agreed to two major financial settlements with farmers who were found to have been discriminated against by the former Farmers Home Administration. Last week, the USDA issued policy to temporarily stop all steps in the foreclosure process until an independent review is completed.
- **Hepatitis A Outbreak Update:** On April 23-24, USDA Acting Under Secretary for Food, Nutrition, and Consumer Services Keefe traveled to MI, where she met with the *Detroit Free Press* editorial board to discuss the hepatitis A outbreak and the possible link to USDA commodity strawberries. USDA plans to suspend Andrew and Williamson

(A&W), the CA firm that processed the strawberries, from contracting with federal government programs pending the outcome of an investigation by USDA, HHS and DoD. The number of hepatitis A cases in MI has risen to 214, the only location where cases have been epidemiologically linked to frozen strawberries. USDA frozen strawberries that originated at A&W remain on hold in 17 states. The hepatitis outbreak has reduced the amount of Mexican fresh strawberries coming into the U.S. On April 12, volume was 38,400 trays compared to 489,200 trays a year ago.

- **Trade Developments:** On April 4, China notified USDA that it lifted its ban on poultry and poultry products from OK and MO. On April 10-13, U.S.-China bilateral discussions brought progress toward eliminating China's phytosanitary based import barriers to U.S. fruits. USDA and Chinese officials reached a tentative agreement for the export of table grapes from Fresno, Kern, Madera, and Tulare counties in CA. USDA has resolved animal health requirement issues concerning exportation of livestock genetics to South Africa, and shipments of embryos and semen have resumed. The Netherlands continues to be plagued with hog cholera, but it is expected to have minimal effect on pork trade outside of the EU.
- **Secretary's Schedule:** Secretary Glickman will participate in the following events:
 - ▶ **April 28** - Address National Association of Farm Broadcasters, Washington, DC.
 - ▶ **April 30** - Visit food dehydration plant in Lubbock, TX.
 - ▶ **May 2** - Town meeting with Hog Roundtable in NC.
- **Press Inquiries:** ABC 20/20 requested a copy of a videotape of Electronic Benefits Transfer trafficking at the Shop and Save Meats, Baltimore, MD.

DEPARTMENT OF ENERGY

- **New Refrigerator Efficiency Standard:** On April 23, Secretary Peña announced a new efficiency standard crafted by DOE that will enable refrigerators manufactured after July 1, 2001, to use up to 30 percent less energy. This new generation of refrigerators will cost less to operate, saving consumers \$1.1 billion annually by 2010 without sacrificing size, features or convenience. This standard reflects a consensus among a broad coalition of appliance manufactures, environmentalists, states, utilities, and consumer groups.
- **Brookhaven, NY, Tritium Contamination:** The research reactor at Brookhaven National Laboratory on Long Island, NY, remains shut down during the investigation of tritium groundwater contamination near the reactor. Sample results obtained from temporary wells have defined the tritium plume to be approximately 1900 feet long and 200 feet wide at its widest point. Horizontal wells under the reactor have been completed, and initial sample results have been reviewed. The initial results were

inconclusive with respect to confirming the spent fuel pool as the source of the tritium contamination. DOE has developed a remediation plan to pump contaminated groundwater from the leading edge of the plume, and the plume remediation system is ready for operation.

- **Yucca Mountain:** The experimental tunnel which is being excavated at Yucca Mountain to determine the suitability of the site as a repository for nuclear waste is near completion. Excavation is 23 days behind schedule. On April 25, "Daylighting," or the emergence of the machine from the mountain, is expected to occur. The completion of this test represents a significant milestone toward a comprehensive solution to the nuclear waste disposal question.
- **Spent Fuel:** On May 1, DOE senior officials will attend a public meeting to be held in San Francisco, CA, to discuss opposition to the shipment of foreign research reactor spent fuel through the Bay area via the Concord Naval Weapons Station.
- **Moler Nominated:** On April 22, Federal Energy Regulatory Commission Chair Elizabeth Moler was formally nominated as Deputy Secretary.

DEPARTMENT OF EDUCATION

- **CA IDEA Issues:** On April 18, Governor Wilson wrote Secretary Riley to ask that he promulgate regulations to eliminate the requirement under the Individuals with Disabilities Education Act that states provide a free appropriate education to students with disabilities who are detained in adult prisons. DOEd's position is that the requirement is statutory and cannot be waived by regulation. CA could lose a large sum of federal funding if it fails to comply with the requirement.
- **Athletics Gender Discrimination Case:** On April 21, the Supreme Court declined to hear Brown University's appeal in Cohen v. Brown University, a collegiate athletics case under Title IX of the Education Amendments of 1972. On November 21, the First Circuit upheld DOEd's three-part test to determine whether a school is providing nondiscriminatory athletic opportunities for men and women. The First Circuit found that the test does not rely entirely on statistical balancing of men's and women's participation but involves other factors, and thus is not an unconstitutional quota system.
- **Title I Funding Reallocations:** This week, DOEd released informally the decision on the use of updated poverty concentration data in allocation of Title I remedial instruction funds. The decision will affect some states' federal aid under the program by tens of millions of dollars. Until now, Title I funds have been allocated based on poverty concentration data obtained from the most recent decennial census. In 1994 Congress required that DOEd use updated poverty concentration estimates in allocating the funds unless the estimates are determined to be unreliable. Under a Congressionally mandated

process, the National Academy of Sciences (NAS) found that the estimates are a significant step toward the provision of more up-to-date estimates, but that they have not been sufficiently evaluated to serve as the sole basis for allocating Title I funds. Secretaries Riley and Daley accepted NAS's recommendation to apply an average of the 1990 and 1994 poverty rates to the 1994 school age population. The overall increase in Title I appropriations reduced the impact of the change in some instances.

- **Education and the Economy:** On April 24, Secretary Riley held a press conference to release "Education and the Economy: An Indicators Report," prepared by the National Center for Education Statistics. The report will examine a variety of statistics regarding the impact of education and vocational training on worker productivity.
- **Science Report:** On May 2, Secretary Riley will announce the release of the National Assessment of Educational Progress report on student performance in science.
- **Secretary's Schedule:**
 - ▶ **April 29** - Secretary Riley will address the Cable Television Association in Philadelphia, PA.
 - ▶ **April 30** - The Secretary will address the NY State Standards and Technology Conference in Albany, NY.
 - ▶ **May 8** - Secretary Riley will be honored with a NY Academy of Public Education award in New York, NY.
 - ▶ **May 17** - The Secretary will receive the John Dewey Award of the United Federation of Teachers in New York, NY.

ENVIRONMENTAL PROTECTION AGENCY

- **Flood Response:** EPA is monitoring pesticide, water, and waste treatment facilities in ND and MN and is sending personnel to assist with the response. As the flood waters begin to recede, we anticipate the need for additional support, including addressing damaged drinking water systems, waste water treatment facilities, Superfund toxic waste sites, and hazardous waste facilities that are likely to have been impacted by the flooding.
- **Administrator's Schedule:** The Administrator will participate in the following events:
 - ▶ **April 28** - Attend Stakeholder Meeting regarding American Heritage Rivers and meet with Mayor Campbell, Atlanta, GA.
 - ▶ **May 4-6** - Attend G-7 Environmental Leaders' Summit, Miami, FL.
 - ▶ **May 28** - Attend New England Circle, Boston, MA.

GENERAL SERVICES ADMINISTRATION

- **Silver Spring Metro Center Building:** On April 23, *ABC World News Tonight's "Your Money"* highlighted the Silver Spring Metro Center building that housed NOAA employees from 1988 to 1993. The building was bought in 1987 for \$21.8 million and was later found to have latent structural defects. A 1986 GSA inspection/evaluation had expressed structural concerns. NOAA employees were relocated in August, 1993, for public health concerns related to a chemical reaction. GSA has consulted with experts to find a solution. Recent tests are positive and GSA hopes to have all repairs completed by August, 1997. The 10-year cost is \$4.7 million. The *Washington Post* ran a story on the building on April 24.

SOCIAL SECURITY ADMINISTRATION

- **Nazi War Criminals:** On April 23, SSA received a FOIA request from CBS affiliate WTFP in Tampa Bay, FL, regarding information about 49 individuals who have been identified by the U.S. government as Nazi war criminals and were deported or voluntarily left the country.
- **Grand Forks Office Closed:** Due to the flooding in ND, SSA's Field office in Grand Forks, ND, will be closed for at least 30 days.

OFFICE OF PERSONNEL MANAGEMENT

- **Court Decision:** The U.S. Court of Appeals for the D.C. Circuit has unanimously upheld OPM's position in a suit brought by one of its American Federation of Federal Employees (AFGE) locals, with regard to the union's role in reductions in force, or RIFs. The union wanted to negotiate with OPM over competitive areas. In effect, it wanted to negotiate who would and would not be part of the pool of employees who might be RIFed. The court agreed with OPM that this was not negotiable because it directly implicates and purports to regulate the working conditions of supervisors. The decision has far-reaching implications because it will govern RIFs at other federal agencies. The union has not appealed the decision.
- **Comp Time Provisions:** OPM has been asked to brief the staff of the House Committee on Education and the Workforce concerning the rules and regulations governing compensatory time for Federal employees. The committee is considering legislation that would be applicable to comp time in the private sector. Many, although not all, of the provisions of the pending legislation would establish comp time rules for the private sector similar to those in place for Federal employees.

- **FOIA Requests:** On April 21, OPM denied a FOIA request from the *Washington Times* for the amounts of monthly annuity payments -- and total amounts -- to retired Members of Congress. OPM's Office of General Counsel determined that there is no public interest in this data that outweighs the individuals' rights under the Privacy Act.

cc:

The Vice President

Erskine Bowles

Franklin Raines

John Podesta

Sylvia Mathews

Ron Klain

Rahm Emanuel

Maggie Williams

Michael McCurry

Doug Sosnik

Craig Smith

Marcia Hale

Don Baer

Maria Echaveste

John Hilley

Janis Kearney

Craig Smith

Ann Lewis

Bruce Reed

Gene Sperling

Kathleen McGinty

John H. Gibbons

DEPARTMENT OF STATE

Iraq/Hajj No-Fly Zone: On April 21, at least four military helicopters, probably MI-8's, violated the southern No-Fly Zone on to pick up pilgrims returning from the Hajj at the Iraqi-Saudi border near Ar-Ar, Saudi Arabia. The helicopters do not appear to have crossed the border into Saudi airspace, but details of the flights are still sketchy. CENTCOM, which had no aircraft aloft at the time, did not respond.

Iran: Tarnoff suggests Common Approach to EU: Former Under Secretary Peter Tarnoff traveled to The Hague, Bonn, Paris and London to urge a strong response to the Mykonos verdict and to suggest a common U.S.-EU approach toward Iran, seeking agreement to a process that would set benchmarks for Iranian behavior.

DEPARTMENT OF DEFENSE

Operation Pacific Haven: All Kurdish evacuees have departed Guam. The 910 U.S. military personnel remaining on Guam expect to redeploy by April 30.

Bosnia: On April 17, Republika Srpska PM Klikovic committed the Bosnian Serbs to destroy 224 tanks, 46 ACV's and 738 artillery pieces by August 1. This will be carried out under the Article IV arms control agreement in return for \$2 million in U.S. reduction assistance. Given Pale's long history of noncompliance with its Dayton arms control obligations, this is a significant step forward. It remains to be seen, however, whether the military leadership is prepared to implement this civilian decision.

Air Force to Name C-17 in Honor of Bob Hope: On April 22, the Air Force named its newest C-17 after Bob Hope in recognition of a lifetime of dedicated service to American service men and women in war zones and trouble spots around the globe.

Humanitarian Demining for Bosnia: The President's Humanitarian Demining Initiative for Bosnia, which was announced at the G-7 Conference in Lyon, France last June, will conclude this July. The initiative has achieved its objective of establishing an indigenous demining capability in Bosnia. At a cost of approximately \$16 million, over 450 persons from all three former warring factions have been trained in demining techniques.

Secretary Schedule:

- ▶ **April 28:** Address Sam Nunn Policy Forum at University of GA at Athens.
- ▶ **April 29:** Meet with Minister of Defense Victor Babiuc of Romania and Minister Qian Qichen of China and host dinner in honor of Minister of Defense Haekkerup of Denmark.
- ▶ **April 30:** Meet with Minister Haekkerup and Prime Minister Aznar of Spain.
- ▶ **May 1:** Meet with Minister of Defense Kuzmuk of Ukraine and Minister of Defense Dominquez of Argentina and host dinner for Minister Kuzmuk.

FOIA Requests:

- ▶ The *New York Times* has requested all correspondence between employees or officials of DoD and the following individuals: Harold Ickes, Doug Sosnik, Don Fowler, Marvin Rosen, Richard Sullivan, John Huang and Terence McAuliffe, between January 20, 1993 and the present.
- ▶ The *LA Times* has requested any correspondence or other records of contacts from or to Donald Fowler, Marvin Rosen or Terence McAuliffe of the Democratic National Committee, or the Clinton-Gore Committee, and the DoD between January 1, 1994 and January 1, 1997.

UNITED NATIONS

European Anxiety on U.S. Arrearages: On April 17, Ambassador Richardson met with European ambassadors who expressed their mounting anxiety about the prospects for payment of U.S. arrearages. Ambassador Richardson expressed optimism that the U.S. would come up with a package to eliminate arrearages while preserving the prerogatives and mission of the UN and asked for European cooperation during the process.

5-1-97

April 25, 1997

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: Craig T. Smith

'97 APR 25 PM6:29

SUBJECT: Weekly Political Update

ARIZONA

A KAET-TV/Cronkite School at Arizona State University poll of 505 people conducted April 17-20 found that Republican statewide officeholders are perceived as doing a good job. Forty-five percent of those interviewed were Republicans, 41% Democrats, and 13% Independents/Others.

	Approval	Disapproval
Fife Symington, Gov. (R)	37%	63%
Jane Hull, Sec. Of State (R)	90%	10%
Grant Woods, Atty. Gen.(R)	85%	15%
Lisa Keegan, Sup. (R)	77%	23%

CALIFORNIA

Northwest Airlines Chair Al Checchi (D) spoke to the Sacramento Press Club 4/20. Checchi, who is 48, spoke on the age difference between himself and Feinstein who is 63 "There's a generational difference between us, and that probably helps a little bit." Others that have announced: Gray Davis (D), Attorney General Dan Lungren (R). State Controller Kathleen Connell (D) who was originally looking at running for Governor is now considering a run for Lt.Governor.

COLORADO

DNC Chair Governor Roy Romer and RNC Chair Jim Nicholson appeared on a PBS program recently on campaign finance reform. Romer spoke about lowering or eliminating the cost of elections and challenged Nicholson/RNC to support the McCain-Feingold Bill. Nicholson responded by saying that the Democrats are "embroiled in a scandal. There is a law on this and there are limits...but they have not abided by the law."

Governor Romer (D) is in a tough fight this week with the Republican Legislature over welfare reform. He is expected to veto the bill this week. It will require a special session if a compromise is not worked out.

Bill Eggert (R), who ran against Pat Schroeder (D) three years ago, announced that he will challenge Ben Nighthorse Campbell (R) in the Republican primary for Senate. Eggert is conservative but not considered a threat to Campbell.

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FLORIDA

State Senator Rick Dantzler (D) is beginning to sound more and more like a candidate for governor, but will wait until late May or early June to make his final decision. Dantzler, who has been the Senate liaison for Governor Lawton Chiles (D) on several key issues, met with Chiles and announced-candidate Lt. Governor Buddy MacKay (D) earlier in the year to let them know of his gubernatorial interest. Dantzler and MacKay will face each other in a primary if he runs, but so far MacKay is the only candidate in either major party to have opened a campaign account.

Orlando lobbyist Dick Batchelor ended a rancorous political fight on Tuesday when he resigned from the Environmental Regulation Commission rather than face a bruising Senate reconfirmation.

GEORGIA

Rep. Saxby Chambliss (R-08) announced 4/19 that he will seek a third term, ending speculation of a run for governor. Chambliss said, "Although I see light at the end of the tunnel, my job as a U.S. Congressman is not complete."

Attorney General Michael Bowers (R) is expected to formally announce his candidacy for governor within the next 3-4 weeks. GOP leaders are trying to avoid another bruising primary like the negative campaign waged between millionaires Guy Millner and Johnny Isakson in the '96 GOP senate primary. Millner is now considering a third attempt for office, and many GOP leaders fear repeating the same losing pattern. If he does run he will not have some of his '96 consultants. Whit Ayers, Millner's '96 Senate pollster, has already committed to Bowers, and GOP consultant Tom Perdue has said he would not play the same advisory role in a Millner race for governor that he played in '96.

Michael Coles, the millionaire who challenged Speaker Newt Gingrich in 1996 has taken himself out of the Senate race leaving Democrats scrambling for a candidate. Secretary of State Lewis Massey (D) said that he will be taking another look at the race now that Coles is out. Massey says there are family considerations and he wants to talk with other potential Democratic foes to Senator Paul Coverdell (R), such as House Majority Leader Larry Walker. Massey will make his decision in about a month. Polling has shown that Governor Zell Miller would be favored to unseat Coverdell, but he has said he will not run. Leading Democrats are trying to change Miller's mind.

ILLINOIS

Illinois Republicans raised a record \$360,000 at their state party fundraiser on Wednesday with questions still circulating regarding Gov. Jim Edgar (R) potential bid for US Senate against Senator Carol Moseley-Braun. In a Republican campaign poll commissioned by Secretary of State George Ryan of 700 likely voters:

GENERAL ELECTION		FAV/UNFAV		ID
Edgar	65%	Edgar	70%/16%	98%
Mosley-Braun	22%	Ryan	67 / 7%	95%

		Moseley-Braun	28 / 47%	94%
Ryan	62%	Didrickson	14 / 4%	39%
Mosley-Braun	23%			
Didrickson	35%			
Mosley-Braun	32%			

Mayor Richard Daley unveiled an ambitious plan to mend the city's infrastructure during his annual State of the City address Wednesday night. "Neighborhoods Alive" project will focus on fixing the city's crumbling infrastructure; new streets, new alleys, new water mains, and upgrading parks, libraries, expanding community policing, and luring more businesses to city neighborhoods. The project will pump \$1 billion into the city before the year 2000, one year after the next mayoral election. The Mayor promised no new taxes.

Illinois Democratic Party Chair Gary LaPaille announced he will not seek a third term in '98. His decision means he "is avoiding a confrontation" with House Speaker Michael Madigan, who sought to "oust him from party leadership" in '95.

INDIANA

Rep. David McIntosh (R) has created a new state PAC, the Indiana Family & Freedom Committee, which will focus on education, reducing taxes and issues "which secure the God given blessings of liberty and freedom to ourselves and our children." McIntosh already has a federal PAC. He is the only Indiana official to set up a state PAC, which will allow him to take in corporate funds and unlimited personal and PAC funds. McIntosh says that he is not committed to running for the U.S. Senate in 1998. The move to start a state PAC has increased speculation that he will instead run for governor in 2000. State PAC funds can be transferred to a gubernatorial campaign committee.

KENTUCKY

A poll conducted by the *Louisville Courier Journal* 3/24-31 tested potential U.S. Senate candidates. The results follow:

	FAV/UNFAV
Rep. Jim Bunning (R)	31%/7%
Rep. Scotty Baesler (D)	25%/11%
Louisville Mayor Jerry Abramson (D)	24%/6%
Lt. Governor Steve Henry (D)	8%/2%
Louisville businessman Charlie Owen (D)	3%/2%

Reps. Bunning (R) and Baesler (D) are virtually certain to run. The others tested have yet to decide. This week, however, many Democrats began predicting that Mayor Abramson (D) will run. He is term-limited as mayor and has said that he is "50-50" about the Senate race. He is expected to announce his intentions soon after the Kentucky Derby, which will be held next Saturday in Louisville. If Abramson does run, Owen will likely defer to him and stay out.

MARYLAND

Former Governor Harry Hughes announced 4/23 he will step down as Democratic Party Chair next month. Hughes, 70, said the job demanded too much of his time and energy. Glendening tapped Peter Krauser, the party's second vice chair, to succeed Hughes.

MASSACHUSETTS

It is widely rumored that you are poised to offer the hugely popular Governor William F. Weld (R) the ambassadorship to Mexico, a job that Weld has privately indicated he may accept. Should the offer be made and Weld accept, he would abandon his job as governor halfway through his second term. The governor has been indicating he is considering running for a third term in 1998. If he leaves, Lt. Governor Paul Cellucci would become acting governor, giving him a major leg up over his GOP rival, state Treasurer Joseph Malone, who would likely challenge him in the 1998 Republican primary.

This week Rep. Joe Kennedy (D-08) apologized for mistakes he made during his first marriage, in an attempt to address questions raised about his temperament and behavior in a book written by his former wife, Sheila Rauch Kennedy. A WHDH-TV poll, conducted 4/18-19 by Mason-Dixon/PMR, surveyed 437 likely voters showed that Kennedy's annulment controversy has influenced voters.

General Election Match-Ups

Weld	56%	Weld	56%	Weld	66%
Kennedy	37%	Harshbarger	34%	Flynn	24%
Kennedy	45%	Harshbarger	48%	Cellucci	41%
Cellucci	40%	Cellucci	29%	Flynn	26%
Kennedy	42%	Harshbarger	41%	Malone	42%
Malone	37%	Malone	34%	Flynn	24%

Effect of Annulment Controversy on Gov. Vote

Less likely to support Kennedy	28%
More likely to support Kennedy	7%
No effect	62%

The Kennedy family is now facing another controversy involving Michael Kennedy, son of the late Senator Robert F. Kennedy. Kennedy, head of Citizens Energy Corp., the nonprofit group founded by his brother, Rep. Joe Kennedy. Joe ran his uncle, Senator Edward M. Kennedy, 1994 reelection fight, and has himself considered running for Congress or statewide office. Kennedy became involved with a young woman, now a 19-year-old college freshman, when she was 14. The girl was a baby sitter for Michael Kennedy and his wife Victoria Gifford Kennedy for seven years. The continuation of the relationship was apparently the trigger to the Kennedys' announcement last week that they separated after 16 years of marriage. Kennedy did not return several requests for comments.

5-1-97

NEW JERSEY

Senator Frank Lautenberg's (D) '94 campaign agreed to pay \$20,895.40 to the FEC after acknowledging that it accepted illegal campaign contributions, including union and corporate donations. The FEC settlement also includes a \$9,500 civil fine for accepting illegal contributions and violating rules on campaign spending.

NEW MEXICO

New Mexico environmental groups endorsed Corp. Commissioner Eric Serna (D) over Green Party nominee Carol Miller. Leaders from the Sierra Club and the Conservation Voters Alliance (CVA) expressed that Serna's enviro record was "as good or better than Miller's."

NEW YORK

A poll of 917 registered voters surveyed 4/14-20 and conducted by the Quinnipiac College and a poll of 711 likely voters conducted by Zogby International both found D'Amato's job approval rising slightly, and his general election matchups improving also.

General Election

	<u>Zogby</u>	<u>Quinnipiac</u>	<u>3/97</u>
Green	39%	40%	47%
D'Amato	30%	41%	35%

	<u>Zogby</u>	<u>Quinnipiac</u>	<u>3/97</u>
Schumer	37%	39%	43%
D'Amato	31%	40%	36%

	<u>Zogby</u>	<u>Quinnipiac</u>	<u>3/97</u>
Ferraro	46%	54%	55%
D'Amato	27%	35%	34%

	<u>Quinnipiac</u>	<u>3/97</u>
A. Cuomo	48%	--
D'Amato	36%	--

GOP Primary

D'Amato	42%
McCaughey	20%
Not sure/other	39%

D'Amato Job Rating

	<u>Now</u>	<u>3/97</u>
Approve	42%	40%
Disapprove	47%	50%

With Rep. Charles Schumer (D) announcing his run for Senate, two big battles are shaping up. One is the fight within the Democratic Party to replace him. Contenders include

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Assemblyman Melinda Katz, Councilman Anthony Weiner, and two politically conservative Orthodox Jews, Assemblyman Dov Hikind and City Councilman Noach Dear. Both Hikind and Dear are well-known fundraisers, but there is some doubt whether they have enough appeal in a centrist/liberal district. The other big political battle is the court-ordered redrawing of the 12th CD. Schumer's CD, the 9th, borders that of the 12th CD incumbent, Nydia Velazquez (D). With no incumbent to protect the turf, Velazquez could pick up more of Queens without taking anything away from an incumbent.

Lt. Governor Betsy McCaughey Ross (R), who was dropped from Governor George Pataki's (R) '98 reelection ticket, confirmed that she has hired consultant Thomas Slater to help assess her options. Slater was Steve Forbes' political director in his '96 presidential run. Ross says it is unlikely she will try to hold onto the position of Lt. Governor, challenge Rep. Carolyn Maloney (D-14), and all but ruled out a retaliatory run against Pataki. That leaves several options, most notably, a primary challenge to Senator Al D'Amato. *The New York Times* reported Ross said she was more likely to run for a legislative position than a second term as Lt. Governor.

Geraldine Ferraro (D) has not yet announced her plans for the future. Ferraro said, "When candidates get in the race too early, they divert attention from the local elections. If I decide to run [for Senate], the announcement will not be made until after the ['97] elections." Ferraro attributed her '92 senate primary loss to inadequate fundraising which she also believes is one of the federal government's biggest problems.

NORTH CAROLINA

A recent Public Opinion Strategies (R) poll shows Senator Lauch Faircloth (R) with approval ratings 10-15 points higher than a year ago. Faircloth's press secretary, Peter Hans attributes the increase to the fact that he has become more effective, more focused, and more influential. Faircloth claims he has also learned the need to respect the President, rather than continually criticizing the President.

Public Opinion Strategies Poll 4/20/97

Faircloth approval rating	51%
Faircloth disapproval rating	24%

Internal Democratic Poll 12/96

Approval	36%
Disapproval	31%

This week the North Carolina Senate unanimously passed a bill called the "Stand By Your Ad Law," that would require state-wide candidates to more prominently claim responsibility for their ads. This bill would require the candidate to appear in the TV ad, full screen, and say: "I am (candidate's name), a candidate (for office), and I (or my campaign) sponsored this ad." On print ads, the written disclosures would have to take up at least 10% of the ad. There are similar requirements for radio ads and for political mailings of 500 pieces or more. The law would only apply to state-wide candidates. Congressional races are exempt.

OREGON

A Portland OREGONIAN poll, conducted April 1-16 by Davis and Hibbits, surveyed 600 likely voters regarding the favorability rating of their Senators. Senator Wyden is seeking a

second term in 1998.

	Fav/Unfav
Ron Wyden	56%/19%
Gordon Smith	52 / 24

Additionally, the poll tested the favorability of Governor John Kitzhaber (D), and showed a 58% favorable/27% unfavorable.

RHODE ISLAND

Secretary of State James Langevin (D) is holding a fundraiser 4/30, sparking speculation he may be interested in running for something other than reelection, possibly governor. In a letter to lobbyists soliciting money for the event, Langevin gave no hint at what office he might be seeking. From the invitation: "We have revolutionized the Office of Secretary of State. Now it's time to lay the groundwork for the many exciting opportunities we have to look forward to in the future." Governor Lincoln Almond (R) is expected to run for reelection.

TENNESSEE

Millionaire Clayton McWhorter (D) is still "ambivalent" about the idea of challenging Gov. Don Sundquist (R). Other potential Democratic challengers are Nashville Mayor Phil Bredesen, businessman Olan Mills, Representative Bob Clement (D), Representative John Tanner (D), Tennessee Democratic Chair Houston Gordon, ex-state House Majority Leader Bill Purcell.

Jeff Dye, the ED of the Tennessee Democratic Party, died this week of an apparent seizure. He was only 27 years old.

TEXAS

Gephardt. In Austin this weekend, Minority Leader Dick Gephardt is scheduled for a meet and greet discussion with 25-30 key Hispanic electeds and opinion leaders. The purpose of the meeting is to discuss legislative proposals before Congress that are important to the Hispanic community. Minority Leader Gephardt also has a fundraiser in Austin this weekend. Land Commissioner Garry Mauro is on the host committee.

Hispanic Vote. The April 22 *Wall Street Journal* article on the battle between the political parties for the Hispanic vote quotes Alex Castellano, a Cuban-born GOP media consultant who worked for Bob Dole's presidential campaign, stating that if Republicans don't improve their standing with Hispanics, "there's no chance for Texas to remain a Republican state" over the long term. Currently, about 25% of the state's population is Hispanic. The approaches used by Democratic and Republican candidates to court Hispanic voters will play out in the Houston mayoral race.

Houston mayoral race. The *Houston Chronicle* reported that Rob Mosbacher (R), a Spanish-speaking oil executive, raised \$1.1 million at an April 23 fundraiser, the largest amount raised at any single event in Houston's mayoral campaign history. Mosbacher backs

continuation of affirmative action programs. Conservative activists are pushing a petition campaign to place an affirmative action rollback on the November ballot.

New Texas Pac. The Texas League of Conservation Voters (LCV) announced the formation of a new PAC that is modeled after the national LCV. The TX LCV endorses candidates, while the national LCV does not. An honorary steering committee includes rock musician Don Henley and ex-Rep. John Bryant (D).

Primaries. The Texas House voted to move primaries to the second Saturday in May with runoffs in June starting in 1998, not 2000 as previously reported. The bill goes to the Texas Senate where it is also expected to pass. Both parties favor moving the primaries to May, thereby shortening the campaign seasons and campaign costs.

Redistricting. A redistricted Texas map slightly shifting thirteen (13) congressional district seats in Houston and Dallas was passed by a Texas Senate committee. A final vote in the Senate is expected next week.

Bush tax plan. The Texas House approved a measure, 114-35, to place a proposed constitutional amendment on the August 7 statewide ballot for a \$4 billion tax plan that increases sales and business taxes for the next two years, keeping a property tax-relief proposal alive. The Senate must approve the amendment with a 2/3 majority to place it on the ballot. The House considers a companion bill on April 24 to "cut residential school property taxes in half and business property taxes by one-third. (*Dallas Morning News*, 4/24). The Bush tax plan was targeted by three out of state anti-tax groups airing ads on radio on 100 radio stations throughout last weekend.

WASHINGTON

Senator Minority Leader Sid Snyder (D) resigned from office last Saturday after a heated floor budget battle where he felt "the GOP majority manipulated parliamentary rules to suit their needs." Snyder has been a Democratic leader in the Senate for 50 years.

WISCONSIN

Rep. Mark Neumann (R) urged members of Lutherans for Life to sign petitions to recall Democratic Senators Russ Feingold and Herb Kohl to "send a message" on late-term abortions. Neumann said it is "highly likely" that he will challenge Feingold.

HISPANIC VOTE

The ten percent increase in the Hispanic vote reflected in the 1996 elections, the first Hispanic speaker of the California Assembly, and the historic Hispanic voter turnout surpassing African American turnout in the '97 Los Angeles mayoral elections have been making news. An April 22 *Wall Street Journal* article stated how the Democratic and GOP Parties are jockeying for Hispanic voters. Some Democrats and Republicans are intensifying their Hispanic voter outreach programs with political and communications teams. Recently, the Christian Coalition approached a Hispanic DNC staffer with a \$60,000 position to do Hispanic outreach and communications for their urban strategy program. The Wall Street Journal reported that Newt

Gingrich (R) has hired a Hispanic press aide to communicate with Spanish-language media, and Governor Christine Todd Whitman (R) is courting the Puerto Rican key opinion leaders with a trade mission to Puerto Rico.

Additionally, Minority Leader Gephardt's (D) office is considering the addition of a top Hispanic aide to round out their labor (Marta David) and African American (Fred Humphries) outreach efforts. The National Republican Hispanic Assembly--the RNC's Hispanic Caucus--is talking to consultants about a Hispanic voter outreach program in California.

In 1996, Hispanics were energized to vote partly because of Proposition 187. While the Administration signed onto the welfare and immigration legislation and called for a restoration of benefits for legal immigrants, many liberal and Hispanic elected officials are closely watching the Administration's follow through. Gephardt voted against the legislation cutting benefits from legal immigrants.

DLC

Linda Moore and I met with DLC and PPI senior staff members and the Administrative Assistants to DLC members in the House to discuss the political landscape and the Administration's legislative agenda. The DLC will hold it's annual retreat next weekend in Charleston, South Carolina. Linda Moore, Bruce Reed, Elaine Kamarck, David Strauss, Doug Sosnik, Gene Sperling, Mark Penn and I plan to attend.

cc: The First Lady
Mrs. Gore
Erskine Bowles
John Podesta
Sylvia Matthews
Doug Sosnik
Rahm Emanuel
Maria Echaveste
Kitty Higgins
Marcia Hale
Bruce Reed
Gene Sperling
Mike McCurry
John Hilley

5-1-97

'97 APR 25 PM3:51

THE WHITE HOUSE

WASHINGTON

April 25, 1997

Copied
Echaveste
Hilley
COS

MEMORANDUM FOR THE PRESIDENT

FROM:

MARIA ECHAVESTE

JOHN HILLEY *John Hilley*

SUBJECT:

PROGRESS ON FDR MEMORIAL CONTROVERSY

On May 2, you will speak at the FDR Memorial dedication ceremony. In a March 24 decision memorandum, you decided to call upon the FDR Memorial Commission to incorporate into the Memorial an additional sculpture of FDR in his wheelchair. Given the disability community's intention to stage a protest at the dedication ceremony, we have taken several steps to communicate your decision in an effort to minimize the disability protest.

Erskine Bowles called Senator Inouye to inform him of your decision to support an addition to the Memorial. In a subsequent conversation, Erskine informed the Senator that legislation would be needed to modify the Memorial. On Tuesday, April 22, White House Legislative Affairs met first with Inouye's staff and the Executive Director of the FDR Memorial Commission and later with Inouye. As a result of these conversations, Senator Inouye preferred to have the FDR Memorial Commission end, but agreed to introduce legislation on behalf of the White House. This legislation would authorize the Department of the Interior to modify the FDR Memorial. Senators Cleland and Harkin have expressed their intention to co-sponsor the legislation. Senator Inouye plans to "drop the bill" today.

Yesterday, we met with leaders in the disability community to communicate our intention to send legislation to Congress that would instruct the Secretary of the Interior to formulate plans for the design and construction of an additional statue, bas relief, or similar sculpture of President Roosevelt in his wheelchair at the Memorial. Those leaders attending the meeting welcomed the announcement, and their statements to the press have been generally favorable. A few of the leaders commented that the legislation should be enacted before May 2. Additionally, most of the leaders, including Justin Dart, urged that the specific addition to the Memorial be a free standing statue of FDR in his wheelchair. We are working to address these and other concerns of the disability community. We also consulted with the Roosevelt grandchildren, the majority of whom praised our action.

We will continue to work with the disability community so that the May 2 ceremony is remembered as an historic celebration of our 32nd President.

THE PRESIDENT HAS SEEN
5-1-97

THE WHITE HOUSE
WASHINGTON

April 26, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: HELEN HOWELL *HH*

SUBJECT: Recent Information Items

Tab A -
copied Echaveste/Hilley /
COS
Tabs D - G not
returned.

We are forwarding the following recent information items:

(A) **Echaveste/Hilley follow-up on FDR memorial controversy.** They've been working to communicate your call upon the FDR Memorial Commission to incorporate an additional sculpture of FDR in his wheelchair, and to minimize disability protests. **Sen. Inouye.** Erskine called Sen. Inouye to inform him of your decision and of the need for legislation to modify the memorial, and Leg Affairs met with Sen. Inouye's staff and the Executive Director of the FDR Memorial Commission. As a result, Sen. Inouye preferred to have the Commission end, but agreed to introduce legislation authorizing Interior to modify the memorial. Sens. Cleland and Harkin agreed to co-sponsor the legislation. **Disability community.** Maria and John met with disability community leaders about your intention to send legislation to Congress and the response was favorable. Most leaders suggested that the addition be a free standing statue of FDR, and some suggested that the legislation should be enacted before May 2. *The Roosevelt grandchildren were also consulted, and the majority praised your action.*

(B) **Sally Katzen follow-up on PCB contaminated vessels.** She notes that contrary to the impression given by a recent Cabinet Weekly Report, the Navy, Maritime Administration and the EPA are all sensitive to the fact that Federal facilities should meet or exceed environmental standards applicable to the private sector unless there is a compelling reason for special treatment. OMB has pulled together an interagency process to facilitate prompt resolution of these issues.

(C) **Janet Yellen follow-up on OECD cryptography guidelines.** You asked about Silicon Valley's concerns. CEA consulted with OMB and concluded that Silicon Valley's concern is that our export controls are affecting their market share. In response to that concern, we have relaxed controls in exchange for commitments from companies to build key recovery encryption products. To date, 18 firms have requested licenses under this policy, and 10 have been approved. While OECD did not endorse key recovery per se, it did recognize government's need for lawful access to encrypted information. This action is the first fruit of our international effort to promote a market-driven, global key recovery system.

THE PRESIDENT HAS SEEN

5-1-97

✓(D)

Recommendation by S. M. Miller of the Commonwealth Institute on how to frame the race relations issue. Via Rahm. Miller suggests drawing on the theme of respect and forwards an article by him on that topic.

✓(E)

"Lesson from a Small Country," Thomas Lovejoy, The Washington Post, 4/22/97. Via Mack, the article focuses on Costa Rica's "unparalleled" effort to move toward sustainable development.

✓(F)

Analysis of Elizabeth Drew's book, Whatever It Takes, on coordination between the NRCC and outside groups, and an April 21 AP story, "Senate Democrat Wants Probe of Big GOP Contributor." Via Rahm.

✓(G)

Sherwood Boehlert letter. He and Marianne are concerned that during your recovery you are not able to participate in meaningful recreational activity. So, they challenge you and Hillary to a Hearts competition when you have a few free hours.

We also received the following items:

Thank you note from Ron Scheman of the Inter-American Development Bank.

"You were terrific today with my parents on their 67th anniversary. They were ecstatic and said it was the high point of their long lives. Many, many thanks."

215877

'97 APR 24 AM 11:11

April 24, 1997

MEMORANDUM TO THE PRESIDENT
 SYLVIA MATHEWS

FROM RAHM EMANUEL

SUBJECT RACE RELATIONS

Attached is a memo from S.M. Miller on how to frame the issue of race relations that I think you will find interesting.

 JIM DORSKIND:

Please coordinate
the reply.

The Commonwealth Institute

186 Hampshire Street, Cambridge, MA 02139-1307. (617) 547-4474

April 15, 1997

Mr. Rahm Emanuel
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. Emanuel,

In President Clinton's quest for a productive way of framing race relations, he might draw on the theme of respect.

I enclose a brief note on respect that draws on other writings of mine. The issue of respect extends to issues of gender and class as well and could cast race relations as a broader question of the quality of American life.

Sincerely,



S.M. Miller
Senior Fellow

Research Professor of Sociology
Boston College

Encl.

Poverty & Race

POVERTY & RACE RESEARCH ACTION COUNCIL

January/February 1996

Volume 5: Number 1

RESPECT!

by S.M. Miller and Karen Marie Ferroggiaro

The ultimate test of a society is not only how well its citizens live but how they feel about themselves and others. The basic (though not exclusive) standard of a society is that people feel good about themselves, that they are respected, respect others and have self-respect. Respect and self-respect shape what happens to people, politically and economically as well as socially.

Respect and self-respect are now burning questions of inequality, policy and politics. They share the public spotlight with the distribution of income and wealth as our society's central stratification worries.

At a time of widespread unemployment, declining real wages, welfare state tightening and profound fears about the economic future, it may

appear strange to point to these terms of social appraisal and personal feelings as the cutting edge of policy and understanding inequality. But economic difficulties have fed rather than undermined the significance of respect. Emphasizing respect and self-respect as questions of inequality does not downgrade the importance of poverty and economic inequalities or concerns with the level and distribution of income and wealth, for the adverse consequences of these pressing issues are most manifest among those who are disrespected. Low respect leads to low income, as

(Please turn to page 2)

A few weeks ago we received an end-of-the-year contribution of \$1,000 from an old friend of progressive causes. An accompanying note said: "I am somewhat confused by your notice on page 14 [of the November/December *P&R*] asking for contributions. . . . We had the impression that you had sufficient funding from somewhere. . . ."

It's perhaps understandable that we give that impression, since we ourselves give out small grants for social science research that supports advocacy work and distribute *P&R* without charge.

But the reality is quite different. We have a staff of four persons and are stretched pretty thin financially. One of our two major funders, after four years of support, has decided to turn its attention elsewhere. Unless we can come up with some significant additional funds, we will have to cut back on our activities in 1996.

The most promising source of additional funds is you folks who read *Poverty & Race* and from all the comments we get, we know you value it. Less than 10% of you have responded to our several pleas for voluntary contributions ("subscriptions"). If even half the readers sent in an average of \$25, we'd have 1/3 of our budget covered. If you all did, and even made some larger contributions (a bunch of \$50, \$100 and larger contributions have come in, we're delighted to say), we'd be able to fund and commission many more research projects and the effective advocacy work that follows.

PLEASE USE THE CONTRIBUTION FORM ON PAGE 22 AND BE AS GENEROUS AS POSSIBLE. CONTRIBUTIONS ARE TAX DEDUCTIBLE. THANK YOU.

Chester Hartman
Executive Director

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evidenced in many employers' reluctance to hire African-Americans, and low incomes reinforce the lack of respect for particular groups, for then they can be, and often are, characterized as reluctant to work. Today, respect and self-respect are central components of an enlarged concept of citizenship. Furthermore, as we continuously re-learn, economics is not all if we seek to redress the manifold injustices of society. Today, therefore, respect and self-respect are central components of an enlarged understanding of inequality in society.

Respect is not a minor question of politeness and niceties. While individuals may be told that they are "different" from the appraisals of their identity group or class, that does not change how the group is perceived and treated. Nor is it restricted to the personal irritations that afflict those who are disrespected because of their identity group or class standing. As a component of social capitals—the nonmonetary assets of cultural background, network connections, trust and know-how—it influences these economic and political assets. Respect affects how we are treated, what help from others is likely, what economic arrangements others are willing to engage in with us, when reciprocity can be expected.

The desire for respect, then, is not a silly, empty game for prestige or status.

It opens doors, invites communication, wins cooperation, breeds money and power. It is part of the competitive game, providing access, information and responsiveness. In short, *respect is a resource.*

Disrespect has many benefits for those who seize for themselves the right to be judges: it gives them a feeling of superiority; it enhances their chances of capturing rewards in economic and political markets. Those who can authoritatively give or withhold respect have economic, political and social power. As economic gaps widen, disrespect and revulsion toward the losers grow.

Respect and self-respect are central components of an enlarged concept of citizenship.

A sense of shame inhibits individual or group action. The consequence is to strengthen the position of those who already have power. Inflicting shame is a weapon. That is one of the reasons identity groups that are testing the economic, political and/or social limits on them develop a history that corrects distorted or neglectful mainstream accounts and gives members of the group a more positive view of itself.

Public/Collective Respect

At issue here is not individual respect, but what might be called public or collective respect—the respect that is generally allocated to a group as a whole, whether on the basis of social identity or economic position.

The problem of public respect is not new; struggles about it have been occurring for a long time. What is new is understanding respect and disrespect as issues producing and maintaining inequalities and social stratification. Public respect and group self-respect affect not only the command over economic and political resources of marginalized groups, but the character

of their daily lives as well. That is why the objective of greater economic and social equality has to be joined to the promotion of respect and self-respect. It is not better incomes and a better distribution versus lessened disrespect, but the pursuit of both that is important.

While we often talk about rights, respect is less often the explicit topic of discussions about social justice. Rights are important. But it is also important to realize that rights and respect go hand in hand. Legally sanctioned and enforced rights are basic, but respect plays a crucial role in the development and implementation of rights. Whether and how rights are enforced (e.g., the behavior of the police) is affected by the respect accorded to a given group. Respect and rights are reciprocal: the emergence of rights contributes to or enforces respect; respect encourages the development and implementation of rights.

The United States is undergoing a not-so-silent revolution about respect. Many groups—such as women, gays and lesbians, African Americans and Latinos—demand it. The growing significance of public respect and identity group self-respect is evident in the heightened public and personal sensitivity about harassment, racism, sexism, ageism, homophobia and multiculturalism. The situation discomforts the many who do not understand ("why are they making such a fuss?") or oppose ("they're going too far") the new demands for respect. The quest for respect is often met by irritation and counteraction.

Collective respect is unevenly distributed: Asians, Latinos, and African-Americans know that in general whites gain an automatic measure of respect because of the color of their skin; women are regularly accorded less respect than men; a construction worker applying to a bank for a housing loan is treated with less respect than a doctor or lawyer. Disrespected segments encounter distorting opportunities and obstacles. Their life-chances are shaped by degrees and types of disrespect. It has deep effects on their daily life as well as on long-term prospects.

Poverty & Race (ISSN 1075-3591) is published six times a year by the Poverty & Race Research Action Council, 1711 Conn. Ave. NW, #207, Washington, DC 20009, 202/387-9887, fax: 202/387-0764. Chester Hartman, Editor; Catherine M. Dorn, Editorial Assistant. There is no charge for the newsletter (except to libraries), but donations are encouraged. Articles, article suggestions and general comments are welcome, as are notices of publications, conferences, job openings, etc. for our Resources Section. Articles generally may be reprinted, providing PRRAC gives advance permission.

Survey Research Data

Survey data by the University of Chicago's National Opinion Research Center (NORC) confirm that white evaluations of blacks and Latinos are strongly negative, especially when compared with white self-ratings. Almost one-third of whites surveyed thought blacks and Latinos were unintelligent, while only one-fifth thought they were intelligent. (The rest rated them in a middle category.) By contrast, nearly three-fifths of whites rated their own racial group as intelligent, and only 6% rated them as unintelligent. On another question inquiring whether various identity groups were hard-working or lazy, whites again had a high opinion of their own work habits (57% hard-working, only 5% lazy), while denigrating Latinos and blacks: for Latinos, whites' ratings were 26% hard-working, 37% lazy; for blacks, whites' ratings were 18% hard-working, 47% lazy. While the NORC survey does not convey a completely negative assessment by whites, it does confirm the widespread feeling among African Americans and Latinos that the white community does not think of them with respect, and that this judgement carries over into behavior.

Class Disrespect

Disrespect has a class bias. As economic gaps widen, disrespect and revulsion toward the losers grow. In the contemporary United States, attitudes about poverty, especially that of African-Americans, often condemn the sufferers rather than criticize the conditions that produce low incomes and marginalization. The pejorative term "underclass" indicts the inner-city poor, largely but not exclusively defined as African-Americans, who are considered the authors of their poverty because of their presumed cultural practices.

Those whom we would exploit or dominate we first disrespect and then attribute the subordination to the presumed disreputable condition or attributes of the dominated. Viewing a group as a deficient in some human qualities or desirable social practice

makes it easier to mistreat them. Slavery seemed acceptable when those enslaved were not regarded as fully human. Holocausts do not appear reprehensible when the victims are seen as threatening or lacking the positive qualities that the perpetrators believe they themselves possess. This is the social construction of the "other." Guilt is banished.

Constructing the "other" in a negative fashion simplifies the ability to oppress. It eases one's conscience to believe that exploited workers are dumb, depraved and undeserving of respect. Those who are deemed "different" or "less worthy," be it because they are believed incompetent, improvident, work-shy or engaged in disapproved cultural styles, are regarded as undeserving and available for social and economic denigration.

Respect is a resource.

The Golden Rule is reversed: treat "the others" as you would *not* have your group treated. Those who treat others with disrespect are according themselves the right to think and act as superior. Such outlooks and behaviors distort the self-assigned superiors as well as damage those who are disrespected.

Negative feelings about the "others" develop or intensify during difficult, strained times. For example, economic difficulties have fueled the fear of immigrants. Concern about "those Mexicans" has resulted not only in barriers to immigration but in physical and political attacks in many countries, including the United States.

Forms of Disrespect

Societal pressures and strains promote scapegoating and disrespect. One group can be played off against another, as in the long-time setting of poor whites against poor blacks in the U.S. South. Right-wing hate groups such as the Aryan Nation and the KKK are current threats. Calls for "English only"

PRRAC Has E-mail!!

Yes, PRRAC has finally caught up with the late 90s and has an E-mail address: prrac@aol.com.

and anti-immigration policies such as California's Proposition 187 reflect fears about demographic and social changes occurring in the United States.

Disrespect takes many forms: discrimination, physical action, prejudice, mocking, segregation, marginalizing, automatic relegation to subordinate positions, harassing, demonizing, stereotyping, over-generalizing and much more. Both stereotypes and institutional practices are essential processes of disrespect. Culturally, disrespect is produced by the media, in our schools and in our everyday practice, such as language. Economically, disrespect is produced in institutional practices such as housing and school segregation and employment discrimination.

All too frequently, schools are prominent agencies for disrespect. They have labeled some classes and identity groups as having low educability and made them feel that they are stupid in one way or another. They have, for example, convinced girls that they were not good in science and mathematics, though with increased awareness this disabling is now less frequent. African-American students, especially those who come from one-parent families, are sometimes characterized as having "educational deficits" when they enter school and therefore unable to learn. Many African-American school and college students have teachers and peers who display open disdain for their competence and potential. For some, schools educate; "the educational others" often are made to feel and act dumb. Disrespect and low self-respect feed each other.

Yet schools contribute to the perpetuation of disrespect in other ways as well. Many examinations, especially the SAT, which is required for college entrance, are cited for racial bias against

(Please turn to page 4)

non-whites. Further, elementary school books portray a United States which is homogeneous, which has only one history, and disrespected groups are often portrayed stereotypically and, or negatively, or omitted altogether.

Perhaps nowhere do we learn more about who we are and how we view ourselves than in the mass media. Television, by providing us with a mediated version of reality, has the potential to influence us into believing in that reality and modifying our attitudes and behavior accordingly. A wealth of research conducted over more than three decades demonstrates that indeed television has become an important aspect of our social life, capable of influencing our attitudes, values and behavior. When media portrayals of disrespected groups reinforce negative stereotypes, disrespect is perpetuated and ingrained.

Television news is no less complicit. Media accounts mainly report on African-Americans when welfare, crime or violence are involved. Latinos gain attention mainly when illegal immigration is the focus. The activities of those who are not poor or who are attempting to improve communities get much less attention (unless they are celebrities). The public's false impression is that most African-Americans are poor and on welfare and that underclass conditions are their usual way-of-life. Hollywood has contributed to the stereotyping of African-Americans, especially the young, as mainly poor, hostile and violent.

The Consequences

Disrespect and fear join to create a disturbing situation for young black males. They are bitter about the disrespect shown by those white people and police who assume their presence means crime or violence will occur. For example, in a February 1993 Gallup Poll, 80% of blacks surveyed said that the police treat suspects from low-income neighborhoods differently. Furthermore, when asked whether they felt the U.S. justice system is biased against black people, 68% of blacks

responded yes, compared to 33% among white respondents. Consequently, getting "respect" becomes an important goal. That concern may lead to a tough demeanor, which in turn may cause some whites and police to feel more threatened and respond with more disrespect and force. Thus, a vicious circle is created where the disrespected demand respect and are in turn disrespected even more.

The respect accorded to particular identity groups significantly affects their participation in the economy and the way that politics responds to their needs and interests. Respect determines, to a major extent, economic interactions and national attention and help. Two examples: the loss of tax revenues through the deductibility of mortgage interest and property tax

Rights and respect go hand in hand.

payments is much greater than government spending on housing subsidies for low-income families, but the latter expenditure is frequently battered in Congress, while merely placing a cap on the deductibility of very high mortgage interest payments is difficult to pass; and crimes such as rape and murder in African-American neighborhoods receive much less police attention than rape and murder in white areas.

Respect is part of the competitive game. Well-respected identity groups have an easier time than those low in respect in gaining information, access and responsiveness. In short, respect pays off. When a figure like Richard Whitney, the head of both the New York Stock Exchange and a prominent brokerage firm, was jailed for misappropriating customers' funds, the event was treated as an aberration, not as an indictment of his identity group. That is not the fate for the member of a less respected identity group accused of criminal activity. Then, the response is more likely to be: "What can you expect from those people."

Respect has political payoffs which

may also contribute to economic gain. Useful networks and connections are constructed by and for respected identity groups. Their members are in positions to help one another and do so—although they may think of the reciprocity as simply the way business is done: you do business with people you know. They have access to political leaders and the media, are consulted on issues important to them, are treated seriously, and are often considered disinterested voices for "the national interest." By contrast, those identity groups marked by low respect are derided as "self-seeking" or "special interests." They are often unflatteringly described as "strident," "unruly" or "loud," making it easy to discount their views.

At the policy level, contrast the way that farmers, students and AFDC recipients are treated. Farmers receive enormous subsidies that maintain high prices, which burdens us all. They are not described as "on welfare" or attacked as "chiselers," suffering from "the culture of dependency." Reduced tuition fees and below-market-rate loans for some less advantaged college students are not criticized as encouraging irresponsibility or regarded as a welfare handout. Former college students who do not repay their loans are often treated lightly. Welfare recipients, however, are not accorded similar latitude.

A Vicious Cycle

The result is a vicious cycle: members of disrespected groups and classes stand a substantial chance of needing public assistance because of the obstacles they encounter in trying to achieve a decent outcome; a negative view of welfare recipients reinforces the lack of respect for them, which results in low benefits; inadequate income leads to a difficult existence that reinforces not only low collective respect, but often low self-respect as well.

Where we live is largely determined by how much money we have. Those who are relegated to low-status, low-paying jobs usually live in low-income

(Please turn to page 14)

neighborhoods or ghettos that are neglected by the municipality, dirty and unsafe. Thus, disrespect has consequences of immediate personal safety as well. This can be seen in the fact that there has been a rise in TB cases among low-income persons, as well as high infant mortality rate among disrespected groups.

Thus, what is needed is not limited to quantitative and qualitative economic improvements. Changes in the social fabric, in people's daily experiences and in their relationships are imperative. If powerlessness, disconnection, disrespect and hierarchy at home, at work and in the community are obstacles to a healthy functioning society, then genuine participation and the promotion of respect and collective respect would contribute to a healthy society.

Solidarity

Solidarity, a word much more widely used in Europe than here, is a broader term than community. Solidarity implies mutual concern and responsibility on the part of people who may be socially or geographically distant. More specifically, solidarity—at least in European discourse—signifies concern among those who are doing well for those who are faring poorly. For example, the Swedish solidarity wage policy followed by unions, with membership and government support, improved the wages of low-level workers more than those of higher-paid employees, thus reducing the income gap. The animating spirit was that of “one nation.”

The keys to building a sense of solidarity, then, are the narrowing of social distance and the involvement of diverse people in common pursuits. Widening the scope of local decision-making is likely to encourage more people to participate in community affairs. Federal- and state-funded programs could require broader-based local participation and self-determination. Community service programs to which individuals could voluntarily contribute for the good of the locality



Cartoon by Matt Wuerker. Used with permission.

or nation could make a difference. Simply put, inducements to community solidarity can call forth latent desires for mutual aid.

Ending discrimination and disrespect is central, but how to design policies to accomplish this is a difficult task. How can public policy bolster group respect and self-respect, while reducing disrespect? There is a need for programs that go beyond promoting individual self-esteem to influencing how social identity groups are viewed and treated.

Solidarity, a word much more widely used in Europe than here, is a broader term than community.

Lessening economic inequalities is crucial, but their decline does not assure that disrespected identity and class groups will automatically experience less disturbing daily experiences. Contrary to the childhood faunt that only sticks and stones hurt, words and deeds do damage, resulting in anger or repression and in blocked access to important economic, social and political resources. Dollars count, but so do

group respect and collective self-respect.

S.M. Miller, a PRRAC Board Member, is Director of the Joint Project on Equality at the Commonwealth Institute (186 Hampshire St., Cambridge, MA 02139, 617/547-4474). He is also research professor of sociology at Boston College; a board member of Share the Wealth; and Member of the Society and Health Program, New England Medical Center, Harvard School of Public Health. Karen Marie Ferroggiaro is a graduate student at Boston College and research associate at the Joint Project on Equality. □

Have You Moved?

If so please let me know so we can update our mailing list. This will help PRRAC save money on postage costs of your newsletter. Please let me know if you have moved to a new address. Thank you for your contribution.

Thank you.

THE PRESIDENT HAS SEEN

5-1-97

✓(D) Recommendation by S. M. Miller of the Commonwealth Institute on how to frame the race relations issue. Via Rahm. Miller suggests drawing on the theme of respect and forwards an article by him on that topic.

✓(E) "Lesson from a Small Country," Thomas Lovejoy, The Washington Post, 4/22/97. Via Mack, the article focuses on Costa Rica's "unparalleled" effort to move toward sustainable development.

✓(F) Analysis of Elizabeth Drew's book, Whatever It Takes, on coordination between the NRCC and outside groups, and an April 21 AP story, "Senate Democrat Wants Probe of Big GOP Contributor." Via Rahm.

✓(G) Sherwood Boehlert letter. He and Marianne are concerned that during your recovery you are not able to participate in meaningful recreational activity. So, they challenge you and Hillary to a Hearts competition when you have a few free hours.

We also received the following items:

✓ Thank you note from Ron Scheman of the Inter-American Development Bank. "You were terrific today with my parents on their 67th anniversary. They were ecstatic and said it was the high point of their long lives. Many, many thanks."

215750

THE WHITE HOUSE

WASHINGTON
April 23, 1997

'97 APR 23 PM3:34

MEMORANDUM FOR THE PRESIDENT

FROM: SUSAN BROPHY *SB*
SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached is a note from Rep. Sherwood Boehlert (R-NY) that I thought you would like to see.

to chris walker

JIM DORSKIND:

Please coordinate
the reply.



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

SHERWOOD L. BOEHLERT
23RD DISTRICT, NEW YORK

April 17, '97

APR 23 AM 11:40

Dear Mr. President,

Marianne and I are concerned that during your period of recovery you are not getting the chance to participate adequately in meaningful recreational activity, so —

-- we're challenging you and Hillary to some cut throat "Hearts competition."

We find we're able to forget all the problems of the world and put aside our occasional disagreements with each other when we can nail someone with the Queen of spades or stop a moon on the last trick.

Marianne is an occasional

Washington visitor, but she would
hang down if she were misquid
by the prospect of proving that
Republicans do have a heart, sometimes
all of them.

Unfortunately, you two have
too little time to do what you
want to do as opposed to what
you have to do.

If ever there are a couple
of unencumbered hours when
you are looking for a challenge
-- at the card table -- give
us a call.

Best,
Orrin B. Baker

Copied
Streett
COS

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5-1-97

April 25, 1997

MEMORANDUM TO THE PRESIDENT

'97 APR 25 PM 3:44

FROM: STEPHANIE STREETT 
SUBJECT: SCHEDULING DECISIONS
CC: JOHN PODESTA & SYLVIA MATHEWS

ACCEPT

Date of Event:

Description of Event:

4/30/97

Meeting with Chinese Vice Premier Qian Qichen
Staff Contact: Samuel Berger

5/2/97

Brief Meet and Greet with Maryland State Legislators
Staff Contact: Marcia Hale

On May 2, after the Senate Democratic Retreat in Baltimore, you will meet with those legislators you did not see when you addressed the Maryland State Legislature.

5/2/97

Phone Call to the Newly Elected British Prime Minister; ~~Possible~~
Call to Outgoing Prime Minister
Staff Contact: Samuel Berger

Must call

The British elections are on May 1.

5/2/97 or 5/5/97

Sign Asian Pacific American Heritage Month Proclamation
Staff Contact: Maria Echaveste

5/14/97

Reception for Federal Judges
Staff Contact: Charles Ruff

5/15/97

F.O.P. National Peace Officers Memorial Service, West Front of the Capitol
Staff Contact: Rahm Emanuel, Bruce Reed

5/20/97

Announce the Welfare To Work Partnership with Eli Segal
Staff Contact: Bruce Reed

5/24/97

Photo-Op with the National President and Executive Leadership of the Reserve Officers Association (ROA)
Staff Contact: Maria Echaveste

This photo-op will be done following the radio address that day.

May/June TBD

Official Photo with the 1997 National Multiple Sclerosis Society Mother and Father of the Year
Staff Contact: Maria Echaveste

This photo-op will be done following a radio address.

OPTION

Date of Event:

Description of Event:

4/30/97

Drop-by Meeting with Members of the Denver Chamber of Commerce and the Colorado Forum, Roosevelt Room
Staff Contact: Dan Tarullo, Victoria Radd

PENDING

Date of Event:

Description of Event:

5/1/97



Meet with Children from the National Children's Prayer Congress, White House
Staff Contact: Maria Echaveste

This is the National Day of Prayer.

5/12/97 - 5/16/97



Foreign Policy Group Meeting on Bosnia
Staff Contact: Samuel Berger

5/17/97



Drop-by the White House News Photographer's Association's Annual Dinner, National Building Museum
Staff Contact: Mike McCurry

5/18/97 or 5/20/97

Keynote Address at the Anti-Defamation League's 19th Annual National Leadership Conference, Washington Hilton Hotel
Staff Contact: Maria Echaveste

TBD

Brief Meeting with Bob Chase, President of the National Education Association
Staff Contact: John Podesta, Doug Sosnik, Bruce Reed

Fall TBD

Event with the Men's and Women's NCAA Basketball Champions
Staff Contact: Maria Echaveste

Event to recognize the University of Tennessee Women's and the University of Arizona Men's basketball teams. Due to several scheduling conflicts the recommendation is to host these teams in the fall.

REGRET

Date of Event:

Description of Event:

4/28/97 - 4/29/97

Drop-by to Reception Hosted by the 27th Annual Washington Conference of the Council of the Americas, Department of State
Staff Contact: Samuel Berger, Mack McLarty, Dan Tarullo

You will be in Philadelphia for the Summit for America's Future on April 28, and you currently have the day and evening off on April 29.

4/29/97 - 4/30/97

Drop-by Samuel Berger's Meeting with French Foreign Minister de Charette
Staff Contact: Samuel Berger

This request has been withdrawn as Minister de Charette is no longer meeting with Mr. Berger.

4/30/97

Drop-by Annual White House Briefing of the Bipartisan California State Legislature, Indian Treaty Room
Staff Contact: Craig Smith, Karen Skelton, Lynn Cutler

The Vice President will be addressing this group. There is currently no time on your schedule to drop-by this event. You will be visiting southern California in May, June, and July.

THE PRESIDENT HAS SEEN

5-1-97

5/1/97

Speech on the Americas
Staff Contact: Samuel Berger

This time will be used for interviews to preview your trip to Mexico, Costa Rica, and Barbados instead.

5/1/97 - 5/2/97

Drop-by, Greeting and Photo-Op with High Representative Carl Bildt
Staff Contact: Samuel Berger

Currently your schedule on these days is very full. Even though this would have been a nice thing to do, it was not critical to the NSC.

5/14/97

Express

Accept the 1997 National Father of the Year Award
Sheraton New York Hotel
Staff Contact: Mack McLarty

5/12/97 - 5/23/97

*Shorel
Conrad*

Telephone Interview with Michiko Kakutani, the Senior Book Critic of *The New York Times*
Staff Contact: Mike McCurry, Don Baer

There are many other interview priorities from the Press Office.

5/30/97

*Shorel
Appraiser for the
Asian Pacific American
Heritage Month*

White House Reception to Kick-off the Leadership Conference for Presidential Appointees
Staff Contact: Kitty Higgins

The Vice President will be participating in the Leadership Conference on May 31. You currently have this day and evening off to rest and prepare for a major speech. This is the day following your return from the foreign trip, and the day before your address at the West Point commencement.

May TBD

White House Reception in Honor of Asian Pacific American Heritage Month
Staff Contact: Maria Echaveste

You will be signing the proclamation for Asian Pacific American Heritage Month in an Oval Office ceremony.

*This is something
I'd like to do
Much appreciated*

9128197

Send to Donskunid?

Yes ☒

No ☐

c.

April 23rd, 1997
197 APR 28 1252

Dear President Clinton,

My parents say you are trying to keep chemikie weapons (It doesn't look like it is spelled right and I can't look it up at home) away from men who do bad things to other countrys. They say that President Kennedy prevented testing of bombs a long time ago. Is what he did not working, or is it just too old or too long?

I'm confused because my dad said that the guy before you signed it. I don't know what that means.

My mom and dad said you are too busy to read my letter and that you have ~~other~~ other people read this and they write back and they just sign your name. Please read my letter.

and write me back with
your own hand writing so
I know it is from
you. I hope my parents
are wrong. I want to
grow up to work in
the Capital or the White house,
but I wont let other
people read kids letters.

PLEASE WRITE ME.

Thank you.

Love

Michelle Hammond
2115 S.E. 35th
Topeka KS
66605

P.S. I sneaked this letter
in with my letter to
Betty Currie.

'97 APR 28 PM 2:52

April 23rd 1997

Dear Mrs. Currie,

My mom and dad told me that the President was trying to make the world a better and safer place to live by keeping chemicle weapons (I don't think I spelled that right) away from others who want to do bad things in the world. I wanted to write him to tell him thanks. ~~that~~ Sorry.

My mom and dad says that President Kennedy did that too with nuclear bomb testing.

My mom works in a library and got your name from somewhere for me to send this. She says most letters Mr. Clinton doesn't read, and that I shouldn't bother him. She thinks I'm

Writing you only but I'm
sneaking in a letter to
Mr. President and hope
you will have him read
it and see if he will
write me. My dad says
people where you work
don't do things for kids
and that Presidents and
elected people don't want
to take time to read our
letters.

PLEASE share my letter.

Thank you

Michelle Hammond

sorry →

2115 S.E. 35th St.
Topeka Kansas
66605

THE PRESIDENT HAS SEEN

4-30-97

ART START

A Sponsored Project of New York Foundation for the Arts
26 East Tenth Street New York, NY 10003 (212) 353-8245 fax (212) 353-0209

Reply

FROM OVAL

Send to Dorskind for reply?

↙
"If I Were President"

I will try to get most of the drugs off the street,
And stop the people from smelling like feet.
If I see a man with a mouse,
I will give him a big house.
For kids to have fun,
We have to stop the guns.
If people try to fight for money,
I will give them bread and honey.
If I give people money, \$5, \$10 and \$20,
They can buy food.

☒ YES
☐ NO

Cochise Fripp, age 13

Art Start's Arts In The Shelters Program

ART START

A Sponsored Project of New York Foundation for the Arts

26 East Tenth Street New York, NY 10003 (212) 353-8245 fax (212) 353-0209

"What Is Color?"

What is Color?

Was it meant for confusion

Was it for people to look down on one another
because they're dark or light.

Was it meant for one color to kill another or
for one to kill its own kind.

What is color?

Is color meant for judging one another.

Is color for calling you black dirt or
you white trash.

No, I think color was for showing difference
in people. Showing how people could
be unique in their own ways.

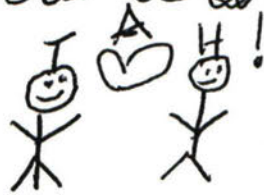
What is color?

Color is what separates each and every
body to be an individual, but that
doesn't mean we can't unite and come
together in peace.

Elaine Burke, age 13

Art Start's *Arts In The Shelters Program*

Dear President Clinton, ⁴⁻³⁰⁻⁹⁷ Reply
Thank you for supporting
the summit. We are starting
a club called Touch a Heart.
In the club we will volunteer
1 hour a week. Our symbol is:



We are now beginning
to realize what we can
do for our country,
and are glad to do it.
We are realizing how
fortunate we are, and
also how important we
are. Thank you very much!

Christina Haffington
Nicole Shiner

FROM OVAL

Send to Dorskind for reply?

☒ YES

☐ NO

no
address

4128197

Send to Donskind? 

Yes ✓

no

Received @
Radio Address -

Mother

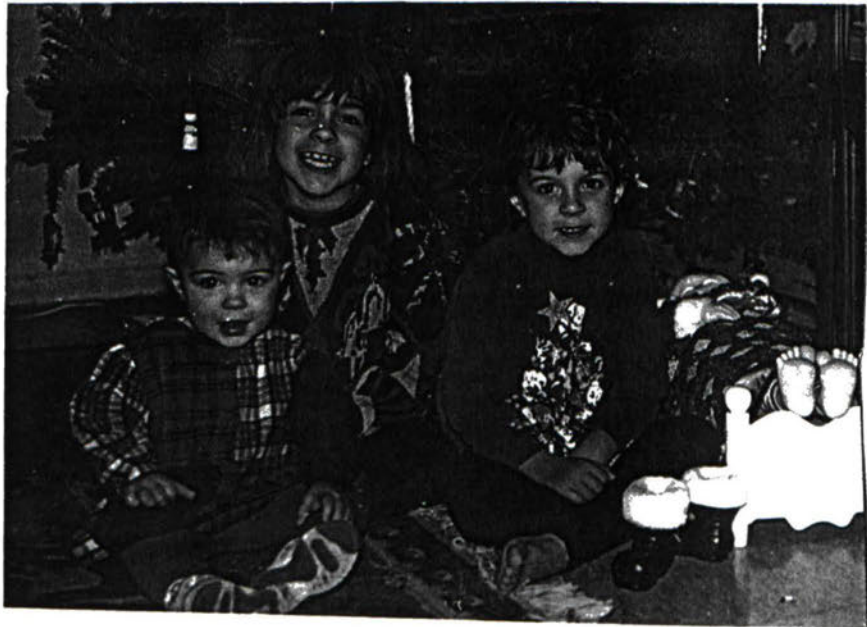
Margaret Mary
Daly
Hippy Corps Initiative
New York

DEAR MR. PRESIDENT
THANK YOU
FOR
HELPING the HIPPIE
PROGRAM.

YOUR FRIENDS
Kelly Daly
Megan Daly and
Shannon



'97 APR 28 PM2:27



THE WHITE HOUSE
WASHINGTON

Date 5-1-97

To:  Rahm Emanuel

From: The Staff Secretary

The attached has been sent to
Scheduling.

4-30-97

Send to Scheduling?

Yes  ✓

No

cc: Rahm
w/ note

C.



State of Arkansas

ARKANSAS STATE POLICE

#1 State Police Plaza Drive · Little Rock, Arkansas 72209

Mike Huckabee
Governor

Colonel John R. Bailey
Director

April 23, 1997

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500-2000

'97 APR 30 AM 8:32

Dear President Clinton:

I am writing to you in the hope that you will consider the following request with some favor. At present, I have been selected, by invitation, to attend America's most prestigious law enforcement executive training, the Federal Bureau of Investigation's National Executive Institute. It is my sincere desire that you would consider hosting a dinner for this class during the month of September, 1997.

This class is comprised of thirty-three of the top law enforcement officials from the United States, Canada, Australia and Scotland. Among some of the more noted individuals are Assistant FBI Director James K. Kallstrom, who is presently heading the TWA Flight 800 investigation; Chief Constable John Orr, of the Strathclyde Police in Glasgow, Scotland, who directed the investigation into the Pan-Am Flight 108 bombing; Chief Louis R. Anemone, of the New York City Police, as well as many other federal, state, county and municipal directors from around the country.

This class will conclude its final session at the FBI Training Center at Quantico, Virginia during the week of September 21 through September 26, 1997. A separate list of the attendees is attached hereto for your perusal. The class coordinator is Special Agent Hugh McKinney, NEI Administrator.

14
The Honorable William J. Clinton
April 23, 1997
Page Two

I recognize, of course, that you are extremely busy, with the woes of the world at your doorstep. However, I would be remiss in not asking for your consideration on the part of this august group. This would, perhaps, be one of those rare occasions when the President of the United States would have the opportunity to speak firsthand with some of those law enforcement administrators who are on the firing line.

On many occasions in the past, you have extended a gracious offer to assist the Arkansas State Police and law enforcement in general. I would personally appreciate your favorable grant of this request. Please let me know if the possibility exists, and I will assist in any manner. Thanking you again for your consideration, I remain in your service.

Sincerely,



John R. Bailey, Colonel
Director

JRB/DLS:lrr

97-200

1 Mr. Joe Albo
Director
Arizona Department of Public Safety
2102 West Encanto Boulevard
Phoenix, Arizona 85005-6638

2 Mr. William Aldrich
Deputy Commissioner
Queensland Police Service
GPO Box 1440
Brisbane, Queensland, 4001
Australia

3 Mr. Louis R. Anemone
Chief of Department
New York City Police Department
One Police Plaza
New York, New York 10038

4 Colonel John R. Bailey
Director
Arkansas State Police
1 State Police Plaza Drive
Little Rock, Arkansas 72209

5 Mr. David Boothby
Chief of Police
Metro Toronto Police
40 College Street
Toronto, Ontario, Canada
M5G 1K2

6 Mr. Mitchell W. Brown, Sr.
Chief of Police
Raleigh Police Department
110 South McDowell Street
Raleigh, North Carolina 27602

7 Mr. Errol J. Chavez
Special Agent in Charge
Drug Enforcement Administration
4560 Viewridge Avenue
San Diego, California 92123

8 Mr. James Dougan
Sheriff of Kent County
701 Ball Avenue, Northeast
Grand Rapids, Michigan 49503

9 Colonel Alan D. Ellingsworth
Superintendent
Delaware State Police
Post Office Box 430
Dover, Delaware 19903

10 Colonel Glenn G. Godfrey
Director
Alaska State Troopers
5700 East Tudor Road
Anchorage, Alaska 99507

11 Chief Edward Gomez
Chief
California Highway Patrol
Suite 400
411 North Central Avenue
Glendale, California 91203

[REDACTED] n
[REDACTED] nt
[REDACTED] 03

12 Mr. Leron R. Howland
Superintendent
Oregon State Police
400 Public Service Building
Salem, Oregon 97310

13 Mr. James K. Kallstrom
Assistant Director in Charge
Federal Bureau of Investigation
26 Federal Plaza
New York, New York 10278

14 Mr. William E. Kennedy, Jr.
Chief of Police
Orlando Police Department
100 South Hughey Avenue
Orlando, Florida 32801

[REDACTED]

15 Mr. Patrick D. McGowan
Sheriff of Hennepin County
Room 6 Courthouse
350 South Fifth Street
Minneapolis, Minnesota 55415

[REDACTED]

(16) Mr. Tim McNally
Special Agent in Charge
Federal Bureau of Investigation
11000 Wilshire Boulevard
Los Angeles, California 90024

(17) Mr. Robert W. McNeilly
Chief of Police
Pittsburgh Bureau of Police
100 Grant Street
Pittsburgh, Pennsylvania 15219

(19) Mr. John Orr
Chief Constable
Strathclyde Police
Police Headquarters
173 Pitt Street
Glasgow, G2 4JS
Scotland

(20) Mr. William E. Perry
Special Agent in Charge
Federal Bureau of Investigation
Suite 900
400 South Tyron
Charlotte, North Carolina 28285

(21) Mr. Thomas Pickard
Assistant Director in Charge
Federal Bureau of Investigation
1900 Half Street, Southwest
Washington, D.C. 20535

(22) Mr. Rocco Pollutro
Chief of Police
Cleveland Police Department
1300 Ontario Street
Cleveland, Ohio 44113

(23) Mr. Claude Rochon
Deputy Director
Montreal Urban Community Police
Service
750, Rue Bonsecours
Bureau 420
Montreal, Quebec, Canada H2Y 3C7

(24) Mr. Verne R. Saint Vincent
Chief of Police
Aurora Police Department
15001 East Alameda Drive
Aurora, Colorado 80012

(25) Mr. Terrence Sheridan
Chief of Police
Baltimore County Police Department
700 East Joppa Road
Towson, Maryland 21286

(26) Mr. Tommy Thomas
Sheriff of Harris County
1301 Franklin Street
Houston, Texas 77002

(27) Mr. Emmett H. Turner
Chief of Police
Nashville Metro Police Department
200 James Robertson Parkway
Nashville, Tennessee 37201

(28) Mr. Ronald Tussing
Colonel
Nebraska State Patrol
3353 M Street
Lincoln, Nebraska 68510

(29) Mr. Andrew Vita
Associate Director for LE
Bureau of Alcohol, Tobacco,
and Firearms
650 Massachusetts Avenue, Northwest
Washington, D.C. 20226

(30) Mr. Lawrence Walsh
Chief of Police
Lexington/Fayette Cty Police Dept.
150 East Main Street
Lexington, Kentucky 40507

[REDACTED]
[REDACTED] nt
[REDACTED] ue

(31) Mr. William R. Whittington
Superintendent
Louisiana State Police
Post Office Box 66614
Baton Rouge, Louisiana 70896

(32) Mr. Edward Winchester
Chief of Police
Fresno Police Department
2326 Fresno Street
Fresno, California 93715

(33) Mr. Joseph Wolfinger
Assistant Director in Charge
Federal Bureau of Investigation
FBI Academy
Quantico, Virginia 22135

4128197

Came in on Stb Sec box -

Send to NSC?

Yes ☒

No ☐



PRESIDÊNCIA DA REPÚBLICA

Remetente: (From): Fernando Henrique Cardoso ^{'97 APR 28 AM 11:47}
President of the Federative Republic of Brazil

Destinatário: (To): His Excellency William J. Clinton
President of the United States of America

Fax.:

Data: 28/4/97

Páginas incluindo esta (Pages including this): 1

Dear Mr. President,

I want to express my satisfaction with the approval of the Chemical Weapons Convention by the United States Senate. This is indeed a very positive event that bodes well for the future of the OPCW and for international efforts to eliminate that category of weapon.

I know very well that you have been personally committed to ensuring that the United States participate in the organization as a founding member. The Senate decision is thus not only an important step forward for the international community as a whole, but also a significant victory of your Administration for which I would like to extend to you my warmest congratulations.

Best regards,

EM CASO DE ERRO NESTA TRANSMISSÃO, FAVOR LIGAR PARA
(IN CASE OF TRANSMISSION ERROR, PLEASE CALL)

Copied
McCurry
COS

THE PRESIDENT HAS SEEN
5-1-97

THE WHITE HOUSE
WASHINGTON

April 26, 1997

'97 APR 28 PM4:36

MEMORANDUM FOR THE PRESIDENT

FROM : MIKE McCURRY *mm*

SUBJECT : LOS ANGELES TIMES Q AND A

The Los Angeles Times is doing an expanded section in June to highlight the U.S. Open on June 15. They have requested that you respond to written Qs and As to be featured in the special section.

The Qs and As would ask you what you think about each of the eighteen holes at Congressional. It would basically be a color commentary from you of the course.

If you were to agree to the Qs and As, the Los Angeles Times would need your responses by June 5. You also have the option of doing an interview with the sports reporter, but it may be difficult to get time on your schedule for this.

Regardless of whether you do written responses or speak with the reporter by phone, this would be a good and relatively easy interview for you to do.

In sum, the options are:

- | | | |
|-------------------------------|-----------|----------|
| 1. Respond to written Q and A | _____ YES | _____ NO |
| 2. Conduct an interview | _____ YES | _____ NO |
| 3. Decline the offer | _____ YES | _____ NO |

Thank you.

*Ed & I
will do
written Qs
with Giff
LBJ*

Do not reply

WHITE HOUSE
CORRESPONDENTS' ASSOCIATION
1067 NATIONAL PRESS BUILDING
WASHINGTON, D.C. 20045

THE PRESIDENT HAS SEEN
4-30-97

Apr 28, 1997

Dear Mr President,

You were a big hit Saturday at the White House Correspondents Association dinner. The late-night party buzz was that you easily topped Jon Stewart and that you have a career as a stand-up comedian awaiting you after the White House. I hope you and Mrs Clinton enjoyed yourselves.

I regret the Post's publication of a photo of you with Ellen Degeneres and friend. A freelance photographer snuck into what was supposed to have been a closed event. For that I sincerely apologize And promise we will tighten our procedures.

Again, thanks for coming. I hope you'll join us next year.

JIM DORSKIND:
Please coordinate
the reply.

Best regards,

Terry

The New York Times

.WORK
THE WEB

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April 28, 1997

5 Years After Los Angeles Riots, Inner City Still Cries Out for Jobs

Related Article

- [L.A. Riots: Mixed Legacy of Rebuilding, Bitter Memories \(April 27\)](#)

By JAMES STERNGOLD

LOS ANGELES -- Five years ago, as this troubled city limped away from three deadly days of rioting, civic leaders seized on the idea that the best way to repair the damage and quell the discontent was to create jobs, particularly for inner-city residents like Johnny Sight.

Sight, part Hispanic and part black, just like the smoldering South-Central Los Angeles neighborhood in which he grew up, is an engineer who had lost his aerospace job and was facing formidable hurdles in finding a new opportunity. He was caught between massive reductions in defense spending and what he felt was discrimination against inner-city residents.

Shellshocked officials drew up hasty plans to battle those trends. In one of the largest job campaigns in history, the government spent or lent \$879 million toward reconstruction; big corporations promised to invest nearly \$600 million dollars in the inner city. And in what seemed like one small success for the renewal effort, Sight found work as a computer software developer.

Look closer, however, and the reality is more complicated. Sight's job pays 20 percent less than his last full-time position. His employer, a small software company called Positive Technology, has received no assistance from any government agency or any of the organizations founded after the riots, despite having been formed specifically to offer jobs to inner-city residents.

And the job is in Santa Monica, far from the rugged streets where Sight lives near central Los Angeles. But that is all right with him. Sight sees the job as a stepping stone out of his damaged neighborhood rather than an opportunity to refurbish it.

"I know quite a few people who are just as qualified as me and just haven't gotten the breaks," he said. "And even with this, I'm still not in the mainstream

04/28/97 02:00:33

P.014

of things in my business. When things get better for me, I'm looking to leave."

Some of Los Angeles' charred neighborhoods have been rebuilt. Of the 1,100 buildings damaged, more than three-quarters have been repaired, including 149 gas stations and 35 supermarkets. Chains such as Smart & Final, a warehouse grocer, and Chief Auto Parts have constructed new outlets.

But the city remains divided over the apparent lack of progress in bringing enough jobs to the inner city. Five years after the rioting, which was spawned by the acquittal of the white police officers who beat Rodney King, a black motorist, there is a continuing debate over what role the government should play in urban revival; about how much broader economic forces, such as free trade and immigration, are influencing the inner city; about the role of discrimination in the city's economic life. And there is disagreement about whether rapid progress can be expected under any circumstances.

With Los Angeles recovering from a deep recession, the overall number of jobs in the riot zone is up since 1992. But the unemployment rate in South-Central and other communities damaged in the rioting that began April 29, 1992, is more than 30 percent among black youths, economists estimate. Per capita income, at \$8,300, is less than half the average for Los Angeles County. Many manufacturing and health care companies once situated in these areas continue to leave for the suburbs or beyond.

Meanwhile, many of the jobs being created in the inner city pay less than \$8 an hour and provide no health benefits.

"I don't want to sound pessimistic, but yes, we're losing the battle to keep companies here," said Ahmed Enany, executive director of the Southern California Biomedical Council, which has sought to bring investment to the inner city.

"There's an issue of image in these neighborhoods," he added. "People don't want to locate there. Everyone we speak to says so."

Yet for all the disappointments, there are also some important glimmers of hope -- glimmers that are helping define the next generation of policies for dealing with the glaring economic weaknesses in inner-city Los Angeles and other urban centers.

The trends, if not terribly innovative, reflect a city's sober assessment of both its challenges and its resources. They include a growing reliance on small businesses, rather than big corporations, to create opportunities; an emphasis on giving people job skills rather than creating make-work jobs that may not last; and a focus on creating jobs not just in the inner city but in other parts of the region and then making it easier for inner-city residents to win those positions and commute to them.

These are all attempts to deal with two phenomena. On the one hand is the shrinking ambition of government initiatives. On the other is what many in Los

Angeles describe as corporate burnout: Many companies contributed to the early efforts to revitalize the inner city then watched the programs fizzle, and they lost heart.

"I'm finding that companies don't even want to throw money any more at these problems," said Adi Lieberman, an aide to Ruth Galanter, a city councilwoman.

Lieberman has been negotiating a deal with Dreamworks SKG, the entertainment company, to create jobs for inner-city residents at the multibillion-dollar film studio it is trying to build at Playa Vista, a site in western Los Angeles. Dreamworks would receive \$110 million in government incentives in exchange for providing job training and hiring minority-owned companies to provide services at the complex.

Some community leaders have criticized the plan because it will not guarantee jobs for any inner-city residents. But Lieberman said it was the best that could be achieved.

"Right now, we don't have anything that works," he said, surveying the landscape of disappointing programs. "We've spent tens of millions of dollars, and we don't have much to show."

Government and corporate programs have done a relatively good job of repairing pockets of damage, but many have focused more on stemming job losses than creating jobs.

Last year, the federal government started a community development bank that will be able to make \$430 million in loans to companies within areas damaged by the riots. But the bank made just \$6.2 million in loans during its first year, well below community expectations.

The first loan, for \$700,000, was a salvage operation. Manuel Burgess and a partner used the money to buy a textile company, Trinity Knitworks, which was slated to be closed and where Burgess had worked for 23 years. The loan rescued 100 or so jobs; Burgess said his workers earned \$6 to \$8 an hour on average, with only a tiny percentage receiving health benefits.

"Poverty is still growing," said Denise Fairchild, president of Community Development Technical Center, a job training program in Los Angeles. "There is definitely a trend toward more and more poor people living in isolation in some of these areas."

There has been progress, she said, but it has been slow. "I'm not sure how to say this without sounding inflammatory, but L.A. could go up in flames again," she said.

And while Melba Jackson Carter, director of a youth training center financed by Shell Oil, spoke glowingly of the jobs being found by the program's 160 graduates each year, she acknowledged, "It's a grain of sand."

There was recognition of the great needs of Los Angeles' inner city after the Watts riots of 1965, as well.

A commission formed to analyze that uprising recommended, among other things, that 50,000 jobs ought to be created in South-Central Los Angeles.

One project that seemed to work was a 52-acre industrial park built near Watts. The largest tenant was the Lockheed Corp., an aerospace company, and hundreds found jobs. But many of those inner-city residents used the jobs to flee rather than rebuild their neighborhoods. And over time, Lockheed and other manufacturing companies with high-paying jobs left.

Today, the old aerospace plant is a trucking warehouse. The 1,500 or so jobs now generally pay less than those that were lost. That has nothing to do with the riots and everything to do with important economic changes affecting the whole country: cuts in government spending, the shift of many factory jobs overseas and heavy pressure on companies to trim costs to remain competitive.

"Los Angeles has been held hostage to bigger economic and political forces," said Peter Dreier, a professor at Occidental College here and the co-author of a recent report on regional development. "That created much of the despair in the riot neighborhoods."

Instead of a commission, after the unrest in 1992 there was a snap decision that jobs would solve the problems and that the private sector, not government, had to lead the way. An organization called Rebuild L.A. was formed to channel an expected tidal wave of corporate investment. Companies from IBM to BankAmerica offered aid.

That initial effort is now perceived to have largely failed. One reason is that some companies lost interest after the publicity subsided; others decided that the inner city was simply not a good place for computer factories and the like.

Another reason is that many programs were built on the premise that there was no real economy in the inner city beyond a handful of bodegas and cheap restaurants.

After a couple of years, Rebuild L.A. essentially was reborn with a radical new premise: that the existing economy in the inner city, rich with small manufacturing companies that had long been ignored by the business leadership, ought to be given the means to grow.

A survey found more than 15,000 companies employing about 360,000 people in the inner city, in industries ranging from garment-making to food processing to biomedicine. Networks were created to help inner-city plants develop new markets and, over time, increase both the number of jobs and the wages they offer.

The new approach meant accepting an extremely slow pace of improvement. It meant working with small companies and entrepreneurs and providing expertise

04/28/97 02:00:34

-1997 03:00

P.017

rather than government assistance. It assumed that big corporations did not know what was best for the inner city.

"I'm going to tell you: We simply aren't going to get the jobs from those kinds of factories," said Linda Griego, the chief executive of Rebuild L.A., which officially goes out of business with this fifth anniversary. "Let's build the companies that are already working."

Another premise of the new strategy is that the aim should not be simply to create jobs in the inner city. Rather, the idea is that if a good job exists, for instance, in the San Fernando Valley, policies should be adopted that make it easier for qualified inner-city residents to obtain -- and get to -- such jobs.

Manuel Pastor Jr., a research fellow at Occidental College and co-author of a study encouraging this strategy, found that a person in Compton, a riot-affected city south of Los Angeles, earned 15 percent less on average than someone in the middle-class town of Glendale with the same skills, experience and background. The reason, he said, was the so-called neighborhood effect, in which people frequently get their jobs from contacts in their community.

Getting people out of their neighborhoods, Pastor argues, is thus one of the only ways to break this cycle and to break down the isolation that contributed to the hostility of 1992.

"Before, people talked about what could be done for the inner city like it was a separate country," Pastor said. "What we are trying to do now is say the inner city is part of the city, part of the region, and that inner-city people ought to be able to get jobs anywhere in that region. It sounds simple until you look at the barriers."

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Great Game II

Oil Companies Rush Into the Caucasus To Tap the Caspian

Two Pipeline Projects Vie To Export the Output; One Route Skirts Russia

Long-Sought Azeri Prize

AI

By HUGH POPE

Staff Reporter of THE WALL STREET JOURNAL

BAKU, Azerbaijan—The oil companies of the world are swarming into the Caucasus to drill for black gold in the Caspian Sea. The oil is here, plenty of it, with reserves bigger than America's and potentially as great as Kuwait's.

Now all the oil men need do is extract the oil and pipe it out of this former Soviet domain. But that task is proving easier said than done for one of the pioneers, the 12-partner, 40% American-owned Azerbaijan International Operating Co.

Many eyes are on AIOC, which is currently led by British Petroleum Co., as it forges ahead with plans to spend between \$8 billion and \$10 billion on a 30-year deal with Azerbaijan to drill a four-billion-barrel oil concession in the Caspian. AIOC hopes oil will start gushing by the second half of the year from its first offshore rig. The oil would flow to markets through two pipelines to the Black Sea: one that will run 850 miles northwest through Azerbaijan and Russia; and another that avoids Russia, running 550 miles west to a new terminal near the Georgian town of Supsa.

Obstacle Course

That's if all goes well. AIOC will be buffeted by difficulties even after the winter seas calm and it has coaxed its moody construction ships into finishing the rig. The new pipelines must be tested over mountain passes and laid around underwater volcanoes. Greedy chieftains must be placated along their routes. Thieves must be dissuaded from tapping into the lines.

Salty deserts, snow-bound peaks and 30-foot waves may prove the least of the oil men's problems. The history of the Caucasus, wedged between Russia, Iran and Turkey, is a swirl of geopolitical conflict. Azerbaijan's oil was a prize sought by Hitler in his invasion of the Soviet Union in 1941. And in opening up a new corridor through the Caucasus, AIOC and rival Western investors, such as Chevron Corp. and Mobil Corp., are aiming at a market the British Empire tried, and failed, to capture in an epic 19th-century struggle with Russia known as the Great Game.

Today's great oil game is just as treacherous. It has already been blamed for several coups and coup attempts in Azerbaijan; for bloody outbreaks of warfare in Nagorno-Karabakh, where ethnic Armenian rebels have seized the southwestern fifth of Azerbaijan; and even for an assassination attempt on Eduard Shevardnadze, president of the Republic of Georgia.

Moscow's Monopoly

The new struggle typically pits Western interests against Russians fighting a rear-guard action in their old backyard: After all, the western pipeline will be the first export route for ex-Soviet oil outside Russian control. Prime Minister Viktor Chernomyrdin warned last year that the foreign oil companies were undermining the "energy security" of the Commonwealth of Independent States, which is to say, Moscow's monopoly on oil exports from the old Soviet Union.

Russians are deeply divided about what to do. Some, like Lukoil, a 10% AIOC shareholder, advocate cooperation for profit. But hard-line politicians and generals have acted differently, arming Azerbaijan's enemies in Armenia, harassing foreign ships using Georgia's Black Sea ports and disputing the legal status of the Caspian Sea, with its 27.5 billion barrels of proven oil reserves and estimated reserves of 40 billion to 50 billion barrels.

The Western response has included a personal request from President Clinton that Azerbaijani leader Haidar Aliyev help pry open the Russian monopoly on Caspian Sea oil pipelines. This resulted in the 1995 dual pipeline compromise, one going through Russia, one avoiding it.

Skirting Russia

But when AIOC pumped Azerbaijani oil up the \$50 million northern route to the Russian border in February, the Russian state pipeline company, Transneft, was unable to take delivery, partly because fighting in Chechnya has closed the route. Transneft begged for a delay until Oct. 1.

Small wonder, then, that the \$315 million western route through Georgia is visibly gaining importance. It is two-thirds

Please Turn to Page A8, Column 1

Continued From First Page

built, will completely skirt Russia and will be entirely under AIOC control. It has the potential to carry 200,000 barrels a day, and should be ready by late 1998.

Whichever of the two routes proves more successful will influence the region's main geopolitical prize: the route of the main 500,000-barrel-a-day export pipeline for Caspian oil to be chosen within a year to 18 months. The option backed by the U.S. is an ambitious, 1,000-mile route to Turkey's oil terminal at Ceyhan in the Mediterranean, the best market for the oil.

"This is like playing three-dimensional chess, yes? Or maybe poker, but with all your cards face up on the table," says Terry Adams, a 60-year-old Welshman from British Petroleum. He has led AIOC since the production-sharing pact between the consortium and Azerbaijan went into effect in December 1994.

Mr. Adams hones his skills by studying telegrams sent by British envoys to Azerbaijan during the republic's brief moment of independence from 1918 to 1921, a thick collection of which is stacked on his office bookshelf. "The messages we send are often the same today, word for word," he says here in the Azerbaijani capital, Baku, seated at AIOC headquarters overlooking a forest of oil derricks on the Caspian Sea coast. "But this time the momentum is such that it is very difficult to be deflected."

And yet deflected he is. Forced delays mean the odds are now even that production will start by November, more than two months later than announced, AIOC recently told shareholders.

Mr. Adams seems unruffled, even though \$1.3 billion has already been committed or spent. Test drillings have gushed with abundant oil in AIOC's big concession

area, good news for the shareholders, which include Amoco Corp., Exxon Corp., Unocal Corp., and Pennzoil Co. Most oil men in Baku now believe in the ultimate success of what until recently was only half-jokingly called AIOC's "billion-dollar experiment." Its progress has encouraged others to sign for four more oil deals in Azerbaijan alone.

Costly Slip

But AIOC still has to bring the oil to shore, and project director Alan Dunn has a long list of things that can go, and are going, wrong. The worst weather in 25 years cost the Scottish engineer from BP 10 workdays in March. Digitally scanned images vividly portray the cause of another stoppage: the blackened, blown-out crankcase from an electricity generator on a 17-year-old derrick barge that is needed to build the rig superstructure.

AIOC buyers scanned the world for a replacement generator—finding one in Poland—but the derrick barge itself is the only vessel of its kind in the Caspian Sea. So is the separate and even more sophisticated pipe-laying barge, built in Finland, cut in half and shipped in through the Volga-Don canal to Baku in 1987. But it was never used. A split-second slip during its first sea trials in early April blew up the gearbox of one of the two pipe tensioners, forcing the pipe-layer to limp back to port.

"We have to make it work. It would take two years to get another pipe-layer like this, and would cost \$100 million," says Mr. Dunn, 50, running a hand through hair he says is turning prematurely gray. "We also have to make it semiautomatic. There are 14 languages being spoken on that ship."

AIOC's mix-and-match corporate culture hasn't prevented progress, however.

Almost all the 95,000 tons of equipment needed for the first rig's superstructure and offshore pipeline has arrived. Stacks of Japanese steel pipe lie on a wharf ready to be laid in a sometimes dangerously shallow, 144-mile underwater line to the rig. The line must dodge mud volcanoes on the soft silt of the Caspian Sea floor, which bubbles with gas and is so unstable that one non-AIOC platform recently sank when an underwater cliff subsided into the deep.

Among the few things AIOC could use locally were a small superstructure for the rig's helicopter pad and a plant to coat the underwater pipe in concrete. When AIOC took over the bare bones of the offshore rig, one end of the platform was six feet higher than the other.

Daunting Azerbaijan

"Everything here is either half-built or half-falling down. When the people here realized the Soviet Union was falling apart, they cannibalized the place to death," groans the offshore-construction manager, Arnold Darley, 45, a big American in cowboy boots from Amoco who says Azerbaijan is the most difficult place he has worked.

But the Azerbaijanis are learning to build again. Workers started doing a better job when AIOC decided to put extra dollars directly in their pockets; previously, their pay had been routed through the main state contractor. South of Baku, bright new AIOC holding tanks at the Sangachal onshore terminal stand amid the desolate salt-stained plains, pools of oil and old pipelines. Work started on a similar terminal at the end of the western pipeline in early March, near Supsa, to make an earthquake-proof base for holding tanks. From there, a line will lead out two miles to a 200-ton loading buoy anchored to the Black Sea floor.

This non-Russian route followed by AIOC's western pipe has been dubbed the Eurasian Corridor by some. The only hazard on this increasingly safe and busy trade route avoiding Russia appears to be the poorly paid policemen who have taken the place of brigands on the potholed road. Turkish truckers, whose rigs make up about two-thirds of the traffic each way a day, say they pay hundreds of dollars in ad hoc tolls.

Like the road, the pipeline must be rescued from post-Soviet neglect and wars. The line winds over passes up to 4,000 feet above sea level. It is pocked with holes hand-drilled through the existing steel line by Georgians desperate for oil to heat their homes. One canny thief affixed a wheeled valve to tap the 21-inch-diameter pipe just outside the capital, Tbilisi.

Routine Labor

"We've counted 250 holes already, but the number may be 800," says George Shaefer, AIOC's project manager in Georgia. "But we think it will only take four months to fix up the line. Basically, it's a plumbing job."

It's an ecological job, too. Near the impromptu valve, where the silver-painted line emerges from the ground for 200 yards to cross the Aragvi river, a 4-inch-wide hole drilled in the top reveals a black, watery sludge still inside. The Georgians are keen to protect their lovely countryside, and so cleaning out the line, once used for refined oil, will be another challenge, as will disposing of the mess.

Other companies are hot on AIOC's trail. Chevron and Mobil are seeking alternative routes to export oil from their \$20 billion project in the huge Tengiz field in Kazakhstan, near the northeastern corner of the Caspian Sea. Frustrated in their attempts to move the oil through Russia's jampacked pipeline system, Chevron is sending railway trucks brimming with oil in 40-car trains that can be seen winding their way up the single-track Transcaucasus railway.

"Their throughput is very low. It's like putting a Band-Aid on cancer," said one Western oil executive from a rival project to Chevron's. "But at least it gives them cash flow, and some bargaining power with Moscow."

THE WALL STREET JOURNAL
FRIDAY, APRIL 25, 1997

THE PRESIDENT HAS SEEN
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Solomon takes Huang demands straight to Clinton

By Jerry Seper
THE WASHINGTON TIMES

The House committee chairman who first questioned John Huang's possible ties to national security violations and economic espionage yesterday asked President Clinton for a list of all meetings he had with Mr. Huang and an explanation for his 1994 appointment of Mr. Huang to a top Commerce Department post.

Rep. Gerald B.H. Solomon, the chairman of the House Rules Committee, told Mr. Clinton in a letter that "filtering, dissembling and stonewalling" efforts by the administration in refusing to turn over requested documents had forced him to go directly to the president.

"The sanctity of our national economic and security interests and the integrity of your oath of office require your full cooperation," the New York Republican said. "Only you can restore faith in your ability to get to the bottom of these potential abuses of authority on your watch."

Mr. Solomon told the president he wants "all information" related to Mr. Huang's July 1994 appointment as deputy assistant commerce secretary for international economic policy and a list of "all meetings" Mr. Huang had with the president and other White House officials.

"There are increasingly disturbing revelations surrounding the access to classified material by John Huang, a senior political appointee of your administration whom you have met with many times and who had regular access to the White House," Mr. Solomon said.

He said Mr. Huang received 109 classified briefings while at Commerce; repeatedly called his for-

mer employer, the Lippo Group, and the Chinese ambassador after receiving the briefings; and raised more than \$1.5 million in illegal foreign contributions for the Democratic National Committee.

Mr. Solomon also said Mr. Huang received a preliminary top-secret security clearance while employed at Lippo and more than \$800,000 in severance pay and that "credible sources" had linked him to senior government officials of the People's Republic of China.

According to Commerce Department records, Mr. Huang, a focus of congressional and FBI probes into foreign-linked campaign-finance abuses, received at least 109 classified intelligence briefings during his 18-month stint at Commerce. The department had acknowledged only 37 briefings.

The briefings included sessions in which Mr. Huang was given access to "top secret" documents and other times at which he was present when classified information was discussed.

Raymond G. Kammer Jr., assistant commerce secretary for administration, in a March 28 letter to Rep. Dan Burton, Indiana Republican and chairman of the House Government Reform and Oversight Committee, said the department "concluded" that Mr. Huang had 70 intelligence briefings in 1994 and 39 in 1995, based on a review of his work calendars. He noted, however, that the department "cannot determine with precision" the number of briefings Mr. Huang had concerning classified information.

House investigators have focused on briefings in which Mr. Huang received information on documents classified as "secret" after which he made calls to the Lippo Group.

The Washington Times
THURSDAY, MAY 1, 1997

5-1-97

cos

Family
Cousins
Uncle & Aunt
Sister

[Handwritten signature]

The Washington Post

THURSDAY, MAY 1, 1997

Robert D. Novak

A Phony Drug War

Republican Rep. Benjamin Gilman of New York, the mild-mannered 74-year-old chairman of the House International Relations Committee, had had enough last week. He blocked shipment to Mexico of 30 Huey helicopters President Clinton had hoped to show off on his trip south of the border May 6 as evidence of how vigorously the war against drugs is being fought.

Gilman's complaint: Twelve of these Vietnam-era excess choppers were promised to Colombia eight months ago but have been tied up by State Department technicalities. Accordingly, on April 24, he wrote to Defense Secretary William Cohen asserting that until "I can get assurance" that more Hueys to Mexico will not further delay Hueys to "the honest and courageous Colombian National Police, I must ask that you hold any further deliveries to Mexico until I hear back via a written response to my inquiry."

Although no such response has been received at this writing, diplomatic tergiversation flourished this week. But the end result confirms that Bill Clinton's war on drugs is phony. As Colombia becomes the world's heroin capital and arrogant narco-guerrillas hold six kidnapped Americans there, aid to Colombia's national police is clogged while support flows smoothly for Mexico's pitiful anti-drug efforts.

The answer to this anomaly is found in State Department strategy charted by Assistant Secretary Robert Gelbard. The integrity and courage of Colombia's drug fighters are less important in Foggy Bottom than

Aid to Colombia's national police is clogged while support flows smoothly for Mexico's pitiful anti-drug efforts.

the vendetta against President Ernesto Samper for receiving 1994 campaign funds from the narcotics cartel. The corruption and incompetence of the Mexican police are less important than the need for firm U.S.-Mexican bilateral relations—particularly with the president's coming visit.

Thus, Clinton defied rationality two months ago by continuing certification of Mexico as cooperating in the

drug war and continuing decertification of Colombia. But decertification was no reason to block the Hueys.

Last September, sworn testimony by administration officials promised the 12 choppers. On Feb. 21 the president signed the necessary executive order. Yet, an exasperated Gilman noted, "for some inexplicable reason, these helicopters have yet to be delivered to Colombia, while the Defense Department faces pressure to start moving Hueys to Mexico instead."

The reason, a State Department official (who would not be quoted by name) told this column, was that the Defense Department had not yet determined the mode of shipment to Colombia (whether by plane or ship) and the timing. Could the people who planned Desert Storm fumble this way for eight months?

The explanation is disingenuous at best. In fact, Pentagon sources say they have been besieged by telegrams from U.S. Ambassador Myles Frechette in Bogota demanding "end-use" compliance for the helicopters to make sure they will not be antithetical to human rights. The State Department official defended the choppers for Mexico on grounds they are sure to be used for anti-narcotics purposes only. That implies Colombians are liable to misuse the American warplanes to violate the rights of oppressed *campesinos*.

Actually, six Hueys sent to Colombia Jan. 31 at Gilman's insistence despite months of State Department foot-dragging began their career with a spectacular raid against a narcotics-manufacturing complex producing 40 to 50 tons of cocaine monthly. Colombia now supplies 80 percent of the world's cocaine and 60 percent of its heroin. The shift from coca cultivation to poppy growing for heroin production is flooding the American market and penetrating the white middle class.

FBI sources confirm what the State Department will not admit: The narco-guerrillas, who have killed three captured Americans, now have six more hostages. Most recently seized was an engineer named Donald Wesley Reidell, captured north of Santa Rosa del Sur. These hostages are held by FARC leftist guerrillas, and this situation runs against current State Department dogma that there no longer remains a national U.S. interest in fighting guerrilla wars.

This week, the Pentagon received word from Ambassador Frechette that, oops, a mistake was made: Since the Hueys are going to the national police rather than the army, there is really no need for stringent end-use requirements. So, perhaps the eight-month delay on the choppers to Colombia may soon end in order to avoid embarrassment for President Clinton on his Mexican visit. But that's not fighting a real war on drugs.

INDUSTRY FOCUS

Rivalry Between Boeing, Airbus Takes New Direction

U.S. Jet Maker's Sole-Supplier Accords Are Threatening Trade Friction

By JEFF COLE
And CHARLES GOLDSMITH

Staff Reporters of THE WALL STREET JOURNAL
The longstanding rivalry between Boeing Co. and Europe's Airbus Industrie consortium, the world's two major manufacturers of commercial aircraft, is rapidly being reshaped—and threatening new international trade friction.

The changes are largely due to a series of maneuvers over the past six months by the once-cautious Boeing. The moves appear likely to transform Boeing into a vastly different corporation, and perhaps to overwhelm Airbus in the process.

Seattle-based Boeing, which already has a 60% share of the world market for commercial aircraft, has been moving aggressively to lock Airbus out of future jet orders from some of the biggest carriers in the lucrative American market. Through a series of "sole-supplier" agreements with airlines, Boeing is offering big discounts and the friendliest terms in exchange for the right to be their exclusive provider of aircraft for as many as 20 years. AMR Corp.'s American Airlines and Delta Air Lines have already signed up with Boeing, and Continental Airlines may follow suit.

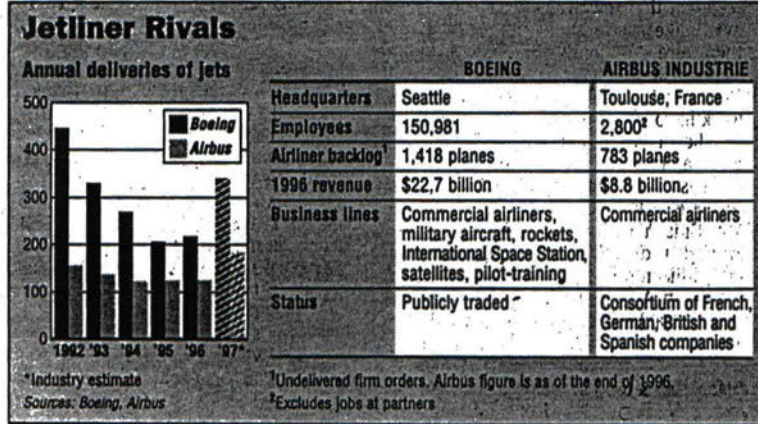
Moving a Boundary

At the same time, Boeing is broadening its businesses well beyond manufacturing planes. It also expects to provide all manner of services for the aviation industry, from maintenance to pilot training.

"Building airplanes is a \$40 billion-a-year business," says Ronald Woodard, president of Boeing's airplane group and an architect of its expansion strategy, but "operating airplanes is a \$400 billion-a-year business. We're going to look at where we can bring value to our customers, and move that [corporate] boundary."

And, following its purchase of the defense assets of Rockwell Co. and its pending plan to buy McDonnell Douglas Corp., Boeing is set to emerge as a plane maker with an even bigger market share and as a truly gargantuan defense and space contractor. Yesterday, Boeing agreed to serve as a partner and prime contractor for Teledesic Corp.'s planned \$9 billion satellite network for broadband and Internet services.

Senior Boeing executives say that as a result of these efforts, Boeing could within a decade or so be bringing in double



the \$33 billion in revenue that it expects to have in 1997. Airbus, in contrast, has annual sales of about \$9 billion, rising toward \$17 billion in the next three years, according to analysts' estimates.

By any standards, the goals are ambitious, and the strategy has risky elements. The discounts that Boeing is offering airlines in return for sole-supplier agreements could backfire if the aircraft maker fails to bring down production costs as planned. Boeing this week surprised Wall Street by reporting weaker-than-expected earnings. While some airlines may welcome the chance to hand over expensive tasks such as maintenance, others don't—and those see Boeing as a potential rival to their own service organizations that also do work for other carriers.

Even those who wish Boeing well wonder whether it may have bitten off more than it can chew. Companies often falter, says Robert Baker, executive vice president of American Airlines, because "they lost their focus. As you stray further from your upbringing, you have higher risks that you get into things that don't work."

Subsidy Fight

Nobody is more alarmed by these developments than Airbus. Boeing's new onslaught comes just as the four-nation consortium is struggling to resolve some deep-seated needs for its own survival.

In January, Airbus's consortium companies in France, Germany, Britain and Spain agreed to shed their unwieldy, government-backed structure by the end of 1999 and essentially become a more clas-

sic corporation with full control over its operating assets.

But the agreement was deliberately vague, leaving most everything to further negotiations, including the delicate issue of how to value the various partners' operations. The French are hesitating now, saying that, following Boeing's lead in the U.S., Europe should make sure Airbus's overhaul coincides with a major round of defense consolidation on the Continent.

Airbus management, and Europe's politicians, aren't being slow in mounting their counteroffensive, however. Ending a five-year truce, European regulators now are seeking to revise a 1992 trans-Atlantic pact over aircraft subsidies that ended a long dogfight between Airbus and Boeing during the 1980s. And they have some key ammunition: Boeing's \$14 billion acquisition of McDonnell Douglas must still receive antitrust clearance in both the U.S. and Europe. Initial talks between European Union officials and the U.S. trade representative, Charlene Barshefsky, were held in Washington last week.

To Airbus, Boeing's strategies seem anticompetitive.

'Abuse of Dominant Power'

"Where is Teddy Roosevelt when you need him?" growls John Leahy, Airbus's acerbic sales chief at its headquarters in Toulouse, France, referring to the trust-busting by the U.S. president early in this century. The U.S. "tends to lecture the world on the value of free and open competition," he says, yet Boeing is wrapping up deals in its home market "which have the sole purpose of avoiding competition for a

period of 20 years."

Karel van Miert, the European Commission's top antitrust regulator, calls the sole-supplier agreements "an abuse of dominant power" and vows the issue will factor into whether Europe approves the Boeing-McDonnell Douglas combination.

European regulators could in the seek new limitations, or refuse to approve the McDonnell Douglas takeover and tempt to levy fines against Boeing. Europe's jurisdiction in the matter is hotly debated, however.

Mr. Woodard, Boeing's airplane group president, predicts that once European regulators "understand the nature" of the sole-supplier transactions, the franchise will fade. Boeing's top brass also argues that these contracts aren't very different from Airbus's own groundbreaking pact with US Airways, which preceded all others last November; that carrier agreed to buy as many as 400 smaller airliners from Airbus in the future.

Still, some investors are rattled. A signal of waning confidence that McDonnell Douglas purchase will stick to its planned timetable, the gap between face value McDonnell Douglas shares and the price they will receive and McDonnell Douglas stock price has widened to more than \$3 a share from less than \$3 a share.

Boeing's biggest victim may be one product Airbus doesn't yet offer: the 500-seat jumbo jet called A-3XX. The consortium decided to press ahead with plans to build the plane at a cost of about \$10 billion, even after Boeing decided to scrap its plans for a super-jumbo. Airbus is looking for partners for the project, speculation has been rife that Lockheed Martin Corp., Boeing's big U.S. rival, will join it. But Lockheed Martin Chairman Norman Augustine said in a recent interview that his company doesn't see such a major role, examining instead lesser roles such as making parts.

With all the discounts being offered Boeing, some fret that Airbus might itself be too cash-poor to bankroll the A-3XX when the current aircraft-buying ebbs in a few years.

But, "there is no grand plan to suck their cash," says Mr. Woodard, adding that with four European governments backing up Airbus, such a move would be "like trying to bail out Puget Sound with a two-gallon bucket."

—Steven
contributed to this article

THE PRESIDENT HAS SEEN
5-1-97

Carl Tarullo

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"It looks good in Walhalla," Thostenson said. "That's why we think Neche may be out of the woods."

Mexican Convicted of Killing DEA Special Agent Wins Legal Victory By Tracey Eaton, The Dallas Morning News

MEXICO CITY--Apr. 27--Rafael Caro Quintero, a marijuana smuggler convicted in the 1985 torture and murder of an American drug agent, has won a legal victory that could shave time off his prison sentence, authorities said Friday.

A panel of judges on Thursday threw out Caro Quintero's 40-year jail sentence because of irregularities in his trial. New testimony will be presented and the convicted trafficker will be resentenced in the killing of DEA Special Agent Enrique "Kiki" Camarena.

The judges said Caro Quintero was denied the right to personally face all the witnesses in his trial, as required by Mexican law.

If he is absolved in the Camarena killing, he still faces additional charges and will probably remain in prison, a spokesman for the Mexican attorney general's office said Friday.

Even so, the possibility of Caro Quintero's going free any time soon ignites strong feelings among those with the Drug Enforcement Administration.

"No other case is more crystalized in the minds of people at the DEA," said Tom Cash, a former top-level official at the agency.

The Camarena case symbolizes drug corruption and the mistrust between U.S. and Mexican law enforcement agents, said Phil Jordan, former director of the El Paso Intelligence Center, jointly run by the DEA, FBI and other agencies.

"What I think about this case is very hard to put in diplomatic terms," he said. "No DEA agent will ever forget what happened to Kiki."

Camarena had been investigating drug smuggling in Guadalajara. He and his pilot, Alfredo Zavala, were kidnapped in that city on Feb. 7, 1985. Nearly a month later, their bodies turned up in Zamora, Michoacan.

Mexican authorities later said Camarena had been repeatedly tortured until he passed out, was revived with drugs, then killed.

The transcript of a tape recording of his torture and killing was filed in Los Angeles federal court in 1988. In it, Camarena told his killers that U.S. agents knew the whereabouts of Rafael Caro Quintero and another alleged kingpin, Ernesto Fonseca Carrillo, but didn't pursue them because they feared for their lives.

"To conduct surveillance over there at the house, I have never, sir... I am afraid," Camarena said.

After Camarena was killed, U.S. authorities said, Mexican law enforcement officials helped drug traffickers cover up the murder.

"The killing of Kiki was done with the complicity of government officials in Jalisco state," Cash said. "The case certainly showed that corruption existed in Jalisco. And it still does."

Caro Quintero's legal victory comes less than two weeks before President Clinton is to visit Mexico. Robert Nieves, former director of international operations at the DEA, said the case likely will come up during the president's talks with Mexican officials.

"It'll be in Clinton's briefing book," he said. "If there's one move that would sour relations between Mexico and the United States, it's the release of Rafael Caro Quintero."

Caro Quintero was sentenced to 40 years in prison on Dec. 12, 1989. U.S. law enforcement agents allege that he continued to play a role in the family-run smuggling business even while he was at Mexico City's Reclusorio Norte prison.

Mexican officials said that influence lessened after he was moved last year to the maximum-security Almoloya prison outside Mexico City.

U.S. agents said Caro Quintero's family owns more than 20 ranches, banks and other businesses in the border state of Sonora. The agents allege that the Caro Quinteros specialize in the cultivation, production and distribution of marijuana.

Caro Quintero's brother, Miguel, denied having anything to do with drug trafficking in a February interview with "The Washington Post." He has not been charged with any drug violations in Mexico, although four indictments have been filed against him in the United States.

If Caro Quintero is released, Jordan said, it will be "another insult to American law enforcement and the so-called spirit of cooperation."

A DEA official at the U.S. Embassy in Mexico City had no comment on the case.

Presidents open volunteerism summit with graffiti cleanup By Susan Feeney The Dallas Morning News (KRT)

PHILADELPHIA President Clinton handed off his crutches and picked up a long-handled roller on Sunday, painting over a scrawl of graffiti with a soothing shade of beige.

At another spot along an eight-mile stretch of hard-pressed Germantown Avenue, Vice President Al Gore and Colin Powell used power tools to help transform a decrepit playground into a colorful oasis.

Former President Jimmy Carter scraped off old paint with the back of a rake. Former President George Bush made another wall of gang-related graffiti disappear under a coat of thick gray paint.

As the nation's top leaders, their wives and other luminaries called the country to service.

An estimated 5,000 volunteers wearing brightly hued T-shirts joined in the hands-on launch of the Presidents' Summit for America's Future.

The three-day conclave is gathering volunteers, social service providers and corporate sponsors from across the political spectrum and the nation. The aim is to spur Americans to cross economic and racial lines and mentor, tutor, pick up a hammer or do what it takes to educate and nurture at-risk children.

Retired Gen. Powell, the summit chairman, said there are as many as 15 million at-risk children in the country today and the goal is to "rescue" 2 million of them by the year 2000.

Critics scoffed that volunteerism alone won't solve the nation's ills. Some pointed to expected cuts in federal programs to balance the budget and the president's support for last year's welfare reform legislation as factors in driving more families and children toward poverty.

"Revoke Welfare Reform," said one placard at an anti-summit rally Sunday afternoon near Independence Hall downtown, the site of Monday's formal opening ceremonies. "This Summit is Their Cheap Holiday in Our Misery," said a banner from a self-identified student "revolutionary" group.

At the summit kick-off rally in graffiti-scarred Marcus Foster Stadium, the president said he wanted to "redefine the meaning of citizenship in America."

He asked the mostly teen-age volunteers, "Are you ready to keep your commitment?"

"Yes," the crowd roared.

"After today is over, do you promise to keep working?" he asked. "And next year? And the year after that? Until the job is done?"

Each time, the answer was yes.

Powell, the former Persian Gulf War commander, looked out and pumped his fist in the air. "It's good to have an army again," he said.

Powell urged a "crusade, a campaign" where "each and every one of us to reach down, to reach back, to reach across, to lift up a fellow American and put him on the road to success in this wonderful country of ours."

The majority of those gathered were young people, who appeared to take to the message from performer L.L. Cool J.

"To be (whom) much is given, much is required," he said. "That is the importance of this day."

Local residents, who admitted cleaning up the neighborhood ahead of the V.I.P. clean-up, and volunteers said they hoped to send a message to the nation. But most were careful to characterize the day as a beginning and a supplemental effort.

Former Housing Secretary Henry Cisneros, summit vice chairman, acknowledged that the nation's most hard pressed families need jobs, affordable housing and other support beyond the reach of volunteerism.

"This is not a substitute for government," he told reporters. "You could ask a thousand questions but you've got to start somewhere. You've got to make it go... This is a start."

"This is just a spoke in the wheel," said Walt Riedy who owns a tavern across the street from the stadium. "It'll take a lot more than this."

Carter, who has made his mark as a volunteer since leaving office, told the rally, "We have two Americas." One is prosperous with quality housing, education and opportunity even as, "we have a lot of neighbors who don't have any of those things."

The summit was designed to "correct that problem," he said.

Bush's "1,000 Points of Light" initiative honoring volunteers and the president's 4-year-old AmeriCorps national service program formed the nucleus of the summit idea.

But the former president who now makes his home in Houston had little use for protesters, some of whom carried professionally printed signs that read, "Service Slavery with a Smile" and "Duty to Serve

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THE PRESIDENT HAS SEEN

5-1-97

THE WHITE HOUSE

WASHINGTON

April 28, 1997

'97 APR 30 PM 1:32

MEMORANDUM FOR THE PRESIDENT

From: Bob J. Nash, Assistant to the President and
Director, Presidential Personnel

RE: Michael Hardgrave

In response to your note on Michael Hardgrave. My staff has contacted him this week to assess his interest in various positions at the Department of Defense, and explain to him a little about how the process works. He is interested in two areas that were discussed specifically:

Command, Control, Communications and Intelligence--This office is up for some possible reorganization which was explained to him. He is interested in looking at possibilities at the Deputy Assistant Secretary level. We have just sent in a decision memo for Under Secretary for Acquisition & Technology. Once this memo is signed, we will be able to move along more quickly.

Acquisition Reform--The Deputy Under Secretary for Acquisition Reform is currently vacant, but is also waiting on sign-off on the new Under Secretary. This is another real possibility.

We have given Mr. Hardgrave's resume to our White House Liaison at DoD with the instructions to try to find possibilities for him.

He's very sharp.

Michael Hardgrave
4902 Smith Road
Plano, Texas 75094
972.422.4234

cc Mike
Nash 10/4/97

1- Ce
Nash
2- Ples
April 3, 1997

7/2/97
Mike's very sharp
I'd like to help him
R

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

Dear Bill,

How's the leg? Hope you are finding time to do your physical therapy - it really makes all the difference.

I just wanted to thank you for passing my name over to Erskine Bowles and Bob Nash for possible work within the Government. Since talking to you at the Inauguration, I have resigned from Rockwell in Dallas and made the commitment to relocate. This week Nan and I put our home up for sale, and I have begun looking at different job opportunities. We're pretty excited about changing locations but still undecided about where we will end up. We were back in Hot Springs over Easter and it was pretty tempting just to move back there and live on the lake!

Anyway, since I did not have a resume last time I wrote, I have enclosed one this time and hope that you can forward it over to Bob Nash. I am most interested in being considered for DoD, particularly OSD positions in C3I or DISA, but would also like to be considered for other areas too. I am sure I will need to fill out long, governmental forms so hopefully he can help get me started.

Look forward to seeing you as I travel to D.C. and as your time permits.

Sincerely,


Mike

THE WHITE HOUSE
WASHINGTON

April 21, 1997

'97 MAY 1 AM 11:16

Mr. Peter N. Marudas
Chief of Staff
Office of Senator Paul Sarbanes
309 Hart Senate Office Building
Washington, D.C. 20510

Dear Peter:

Thank you for your letter regarding the nomination for the Presidential Medal of Honor. I have passed along your letter to Todd Stern, Staff Secretary, who compiles a list of nominees for the President's review.

If you have any additional questions please feel free to call either Todd (456-2702) or myself (456-1960).

Sincerely,



Sylvia M. Mathews
Deputy Chief of Staff

5-1-97
To DDR3K, no
per Todd Stern

P.S. Todd just sent around the memo to staff asking for names, so I will send him this name.

bcc: Todd Stern

United States Senate
WASHINGTON, DC 20510-2002

March 27, 1997

4/5/97

① Please copy for me

② Angus, would you please look into and advise me on how to respond.

Sylvia Matthews
Deputy Chief of Staff
The White House
Washington, D.C. 20500

Dear Sylvia:

Enclosed is a letter which Senator Sarbanes received recently concerning a nomination for a Presidential Medal of Freedom. We do not know Dr. Petrov, nor Dr. Moravsky who is nominating him; but if you have a process or an office for referring such matters, please have someone contact me or my assistant, Beverly McQuay, at 224-4524. We would like our response to be consistent with the way you handle such matters.

TM
Sweet

With best regards,

Sincerely,



Peter N. Marudas
Chief of Staff

PNM/blm

Enclosure

NIKITA MORAVSKY, Ph.D.

5129 WORTHINGTON DRIVE

BETHESDA, MD 20816

301-229-1735

March 3, 1997

The Honorable Paul S. Sarbanes
U.S. Senate
SH-309
Washington, D.C. 20515

MAR 11 1997

Dear Senator Sarbanes:

I am writing this letter in regard to Dr. Victor P. Petrov, a fellow Marylander and a fellow Russian-American, who will be 90 years old on March 22. Dr. Petrov is a man of outstanding achievements who deserves, in the opinion of those who know him or know of him, to be honored with a Presidential Medal of Freedom. I hope that you will find it possible to petition President Clinton on his behalf.

Dr. Petrov is a naturalized U.S. citizen whose most important contribution to his adopted country involved writing several articles, in the early 1960s, for the magazine Missiles and Rockets on the Soviet Union's space exploration. These articles were noticed by the U.S. Senate and, as a result, increased funding was appropriated, our space program was accelerated and we landed on the moon. A staff report of the Senate Committee on Aeronautical and Space Sciences, dated May 31, 1962 (87th Congress) acknowledges Dr. Petrov's contributions to our awareness of Soviet plans.

Dr. Petrov's other major contribution to his adopted country involved his role in the creation of the U.S. Oceanographic fleet. At the time of the International Geophysical Year (1957), Dr. Petrov drew the attention of the U.S. Congress to a glaring disparity in the study of oceans between the United States and the Soviet Union. He wrote an article on that subject entitled "Soviet Oceanographic Studies Under the IGY" which appeared in the August 1959 issue of Naval Research Reviews magazine.

After familiarizing himself with Dr. Petrov's articles, Senator Warren Magnuson of Washington state introduced a bill in the Senate requesting the authorization for a 10-year program of intensive ocean research and shipbuilding at a cost of 67 million dollars a year. The funds were granted, and the state-of-the-art U.S. Oceanographic fleet was born. At Senator Magnuson's request, the full text of Dr. Petrov's article was published in the Congressional Record.

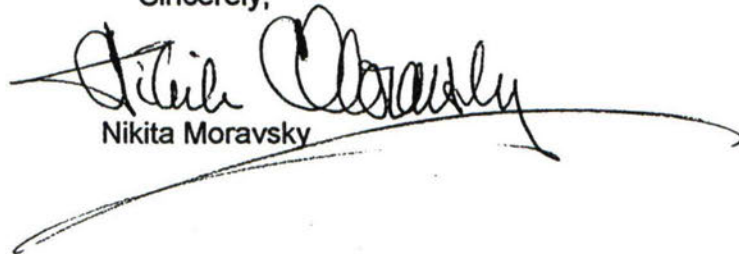
Dr. Petrov is a geographer, historian and novelist. He has authored 34 books, eight in English and the rest in Russian, as well as numerous articles and essays in both languages. His writings in Russian were published in China before he came to this country, and in this country, after he arrived here in 1940. His English language articles appeared in the U.S. and Great Britain, while a number of his pieces were

printed in Germany, Greece and Japan in their respective languages. Dr. Petrov also contributed to The Encyclopaedia Britannica, The Worldmark Encyclopedia of Nations and The Dictionary of Political Science. He was listed in the 1971-1972 edition of Who's Who.

In 1994 the Russian Academy of Sciences in Moscow made Dr. Petrov a foreign member "for his popularization of the history of Russian-American relations and the history of Russian America." In 1995 he was inducted into the Hall of Fame of the Congress of Russian-Americans in Washington, D.C.

I thank you for the attention given to this letter. If you need any additional information on Dr. Petrov, please contact me at the above address, or Dr. Petrov at 15524 Pennyroyal Lane, Rockville, MD 20853-1478.

Sincerely,

A handwritten signature in black ink, appearing to read "Nikita Moravsky", with a long, sweeping horizontal line extending from the end of the signature across the page.

Nikita Moravsky

THE WHITE HOUSE
WASHINGTON

To: John Podesta
Sylvia Mathews
Rahm Emanuel
From: The Staff Secretary
Date 5/1

Any comment?

We'll forward to the
President tomorrow.

Thw

THE WHITE HOUSE
WASHINGTON

'97 MAY 1 PM 7:43

May 1, 1997

MEMORANDUM FOR THE PRESIDENT

CC: ERSKINE BOWLES, SYLVIA MATHEWS AND JOHN PODESTA

FROM: ANN LEWIS, STEPHANIE STREETT AND JENNIFER PALMIERI

SUBJECT: MAY MESSAGE SCHEDULE

The purpose of this memorandum is to provide you with an overview of a proposed message schedule for May that advances your agenda in the major areas outlined in your State of the Union address -- including **education, welfare reform, and crime and drugs** -- while also maintaining flexibility for budget-related events and announcements that will inevitably arise.

As you know, the Latin American and European trips, plus the Morgan State and West Point commencements to which you agreed yesterday, leave approximately two weeks for additional message events. We propose the following:

Education:

- Town Hall Meeting on May 22 -- could include policy announcements on standards, but emphasis would be your explanation of your standards/testing proposal, and interaction with audience.
- Radio Address on Standards on May 17 -- could announce as many as five additional states (West Virginia, Kentucky, Vermont, Massachusetts, and Missouri) that are endorsing your standards plan, and possibly other actions on standards. This will provide lead-up to the town hall meeting.

Welfare Reform:

- White House meeting with CEO's on May 20 -- to announce private sector effort to hire people off welfare.

Crime and Drugs:

- National Peace Officers Memorial on May 15 -- could include announcement of scholarships for children of police slain in line of duty, support for child safety

locks, and possibly other actions.

- U.S. Conference of Mayors Drug Summit on May 21 -- could include announcement of crackdown on narcotics money laundering through nationwide expansion of the Geographic Targeting Order (highly successful New York program requiring financial institutions certain cash transmissions to Columbia).

Race and Reconciliation:

- Tuskegee Study event on May 16 -- lead-in to major race/reconciliation commencement address at UC San Diego on June 14.

Science and Technology/Future:

- Morgan State Commencement on May 18 -- major speech on science and technology, as discussed in April 29 memorandum on commencements.

Radio Addresses:

The following are recommended topics for Radio Addresses in May:

- May 3 -- Latin America trip set-up or budget deal
- May 10 -- Joint address with First Lady -- Push for passage of adoption bill, tie-in with Mother's Day
- May 17 -- Education standards announcement
- May 24 -- Memorial Day-related theme
- May 31 -- TBD

Please let us know your thoughts on the above.

Message Schedule -- May 1997

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				<i>1</i> Foreign Policy Press Interviews	<i>2</i> FDR Memorial	<i>3</i> Radio Address (taped) -- Latin America trip set-up
<i>4</i>	<i>5</i> Depart for Mexico (no public events)	<i>6</i> Mexico -- Binational Commission Meeting (open press) Signing Ceremony and Press Conference	<i>7</i> Mexico -- Speech on U.S.-Mexico Relationship Travel to Costa Rica	<i>8</i> Costa Rica -- Central American Summit Signing Ceremony and Press Availability	<i>9</i> Costa Rica -- Environmental Event (in rain forest) Travel to Barbados	<i>10</i> Barbados -- Caribbean Summit Radio Address (taped) -- Mother's Day theme Signing Ceremony
<i>11</i> Barbados (no public events)	<i>12</i> Return to DC	<i>13</i>	<i>14</i>	<i>15</i> National Peace Officers Memorial (with policy announcements)	<i>16</i> Meeting with President of Ukraine Tuskegee Study event	<i>17</i> Radio Address (taped) -- education standards
<i>18</i> Morgan State Commencement (tentative)	<i>19</i> Day Off	<i>20</i> Welfare-to-Work CEO meeting	<i>21</i> U.S. Conference of Mayors Drug Summit (with GTO announcement)	<i>22</i> Education Town Hall Meeting (with policy announcements)	<i>23</i>	<i>24</i> Radio Address (live)
<i>25</i>	<i>26</i> Foreign Travel (TBD) Memorial Day event at Arlington National Cemetery	<i>27</i> Foreign Travel (TBD)	<i>28</i> Marshall Plan 50th Anniversary Speech USEU Summit, Netherlands	<i>29</i> Foreign Travel (TBD)	<i>30</i> Day Off	<i>31</i> Radio Address (taped) -- Memorial Day theme West Point Commencement

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THE WHITE HOUSE
WASHINGTON

April 29, 1997

One but I don't think we can do enough on 201 wellington
'97 APR 29 PM 4:45
Welford
Don't miss
27.1.1997
in 13
Handwritten signature

MEMORANDUM FOR THE PRESIDENT

CC: ERSKINE BOWLES, SYLVIA MATHEWS AND JOHN PODESTA

FROM: DON BAER, ANN LEWIS, MICHAEL WALDMAN, ANTONY BLINKEN, STEPHANIE STREETT AND JENNIFER PALMIERI

SUBJECT: COMMENCEMENT ADDRESSES

This memo provides a framework for a series of commencement addresses you could deliver between now and mid-June. One proposal we have been developing, included in Mark Penn's agenda at the most recent political meeting, is to use this year's commencement speeches to return the focus of the press and public to the central theme of your State of the Union address -- preparing America for the 21st Century.

We believe that we can further this goal by creating a package of three commencement addresses. Each would focus on a separate subject vital to the American people in the 21st Century, and could contain strong news to ensure enthusiastic coverage. But each would also return to your broader message -- the need to take advantage of the forces of change, so that they work for us, not against us.

Working closely with the Domestic Policy Council, the Press Office, Political Affairs, Public Liaison and the Race/Reconciliation working group, we have identified the following sites and subjects for your consideration:

Sunday, May 18	Morgan State University -- Science and Technology
Saturday, May 31	West Point -- Foreign Policy vision/NATO enlargement
Saturday, June 14	UC San Diego -- Race and Reconciliation

As you have indicated, the June 6 Sidwell Friends graduation will be closed to the press and therefore not a message event.

Morgan State -- Science and Technology. This is the site recommended by the Scheduling, Public Liaison and Political offices. It would be your first commencement address at a historically black college. (The school is headed by Dr. Earl Richardson, a member of your Board of Advisors on Historically Black Colleges.)

5-1-97

No subject better conveys your focus on the future than science and technology, yet it is a subject you have rarely addressed in a concentrated way. This speech is a big opportunity for you to reflect on the new wonders of science and the Information Age -- but also the ethical dilemmas they pose and the need to harness them so that they work for us, not against us (e.g. computers vs. freedom of speech, cloning vs. natural selection). This is an ideal site for such a speech; traditionally a leading producer of African-American teachers, Morgan State has increasingly focussed on the sciences and now enrolls 60% of all African-American engineering majors in Maryland. This topic would also be a follow-up to your May 16 meeting with survivors of the Tuskegee Study. Terry Edmonds, who attended Morgan State, agrees with us that giving a speech on a topic of general interest at a historically black college -- rather than focussing on a race-related topic -- would be seen as a sign of respect by the African-American community.

The following policy announcements could be included if they are ready in time:

- A diabetes initiative (as discussed at a recent political strategy session), since this disease is of special concern to African-Americans;
- Lead-in to the National Bioethics Committee's cloning report, due the following week, or announcement of its findings if we are able to speed up the report's release, which would draw major attention to this speech;
- New legislation on genetic screening, placing limits on use of genetic information by insurance companies for underwriting purposes.

Education and religion options. Another possible topic for Morgan State is education, your top priority, which is not currently reflected in this proposed package of commencement addresses. However, this period will not be without a major education event; we will soon propose to you an education town hall meeting for late May (including strong news announcements), which would give us an opportunity to push your standards agenda in a high-profile way during this period. We will also explore "turnaround" school options, including the school you mentioned in Corpus Christi, Texas -- either as a possible venue for a town hall meeting, or as a separate event sometime in late June. An additional commencement option which some have suggested is a major address on **religion**, although it is not clear what you would say that goes beyond your highly-acclaimed 1995 speech on religious liberty.

Recommendation: that you deliver a May 18th commencement address at Morgan State University on science and technology.

Agree ☒ Disagree ☐ Discuss ☐

West Point -- Foreign Policy Vision/NATO Enlargement. This is an opportunity to deliver one of the major foreign policy addresses of your second term -- presenting your vision of the demands of American leadership in the 21st Century, making a strong case for NATO enlargement, and also framing your major foreign policy actions from May through July to make

5-1-97

clear the larger purposes that unite them (with the NSC, we will put forward a themes memo showing how to pull this all together). This would be paired with a speech you would deliver two days earlier in the Hague to commemorate the 50th anniversary of the Marshall Plan -- billed as "President Clinton's major address to the people of Europe on the future of American-European relations." The West Point speech would be your major address to the American people on the same subject. (The contents of both will obviously depend on negotiations regarding NATO and Russia).

Please note that there is a strong feeling among your foreign policy advisers that you need to press the case publicly for NATO enlargement. Given the timing of this speech, that argument would definitely be newsworthy.

Recommendation: that you deliver a May 31st commencement address at West Point on foreign policy vision and NATO enlargement.

Agree ☒ Disagree ☐ Discuss ☐

UC San Diego -- Race and Reconciliation. This could be the place where you announce actions relating to race and reconciliation, and deliver a strong One America speech -- focussed on harnessing the increasing diversity of our nation as our greatest strength. One recommendation is that you deliver such a speech in California -- the gateway to much of the world and the embodiment of American diversity. UC San Diego itself is very diverse (3% African-American, 29% Asian, 12% Latino), as is the surrounding San Diego metropolitan area (9% African American, 11% Asian, 19% Hispanic).

Giving a race-related speech at a University of California campus will undoubtedly raise two controversial issues -- the UC Regents' affirmative action policy and Proposition 209. However, this would enable you to address these issues directly, and we believe this should not prevent you from giving an address at UC San Diego. In fact, UC San Diego recently signed onto a letter printed in the New York Times in support of affirmative action.

It should be noted that a number of other western, racially diverse schools -- including the Universities of Washington, Oregon, Arizona and New Mexico -- were considered and rejected because of scheduling conflicts or policy issues the Administration has pending with particular universities.

Recommendation: that you deliver a June 14th commencement address at UC San Diego on race and reconciliation.

Agree ☒ Disagree ☐ Discuss ☐

Other principals' commencement schedules. For your information, the Vice President

is currently scheduled to address the Naval Academy on May 23. The First Lady is scheduled to speak at the Banneker High School graduation in DC on June 13, and is delivering the commencement address at Ohio University on June 14 -- which, if you agree with the above, would be the same day as your UC San Diego speech.