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EXECUTIVE OFFICE OF THE PRESIDENT
PRESIDENT'S COMMITTEE OF ADVISORS ON SCIENCE AND TECHNOLOGY
WASHINGTON, D.C. 20502

March 6, 1998

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

Since the beginning of your first term, we have seen technology partnership programs emerge as a key science and technology question is whether R&D partnerships are an effective, efficient way for the Federal government to combine Federal resources (pursuing national interests (pursuing market objectives) in order to enhance U.S. competitiveness objectives, create quality domestic jobs, and achieve economic security.

In response to your letter dated January 14, 1997, the PCAST has pursued this question, in cooperation with NSTC. We have reviewed a number of studies on the subject, many of them undertaken in the past year, which have taken into account the viewpoints of industry, universities, non-governmental organizations concerned with R&D and economic growth, and state and local governments. They include: 1) a thorough review of the Administration's technology policy by the Technology Assessment Project at Harvard University's Kennedy School of Government; 2) recommendations on Federal R&D policy arising from a series of Regional Summits on American Innovation which were conducted in early 1997 by the Council on Competitiveness, a private industry group; and 3) a study presented to Congress in July 1997 on the effectiveness of the Department of Commerce's Advanced Technology Program, with recommendations for strengthening the program. A fourth study, presented in a 1996 report to Congress by the Department of Commerce, also addressed this issue and made recommendations for strengthening partnership programs. Taken as a group, these studies provide a comprehensive assessment of the strengths and weaknesses of current Federal technology partnership programs.

The PCAST strongly endorses the consensus finding of the reports, that Federal technology partnership programs are indeed an effective and essential tool for stimulating and advancing our Nation's scientific and technical innovation. Well-structured partnership programs can provide the necessary incentives to encourage private investment, especially in long-range research of economic value and research to meet public purposes, where the private sector traditionally under-invests.

Even so, there clearly is room for improving programmatic effectiveness and efficiency. In particular, we highlight these items as priorities for follow-up action:

1. A frequently cited difficulty is the inability to properly assess the impact of Federal partnership programs. Impact assessment has been hindered both by a lack of consistency and continuity in these programs, and by a lack of metrics and methodologies for impact assessment. The Administration should strongly advocate for continuity and consistent funding levels in partnership programs, so

Take out of system.
To Dan B for reply
PhM

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President William J. Clinton
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Dear Mr. President:

Since the beginning of your first term, we have seen the effectiveness of Federal technology partnership programs emerge as a key science and technology issue. The basic question is whether R&D partnerships are an effective, efficient, and appropriate way for the Federal government to combine Federal resources (pursuing national goals) with corporate interests (pursuing market objectives) in order to enhance U.S. competitiveness objectives, create quality domestic jobs, and achieve economic security.

In response to your letter dated January 14, 1997, the PCAST has pursued this question, in cooperation with NSTC. We have reviewed a number of studies on the subject, many of them undertaken in the past year, which have taken into account the viewpoints of industry, universities, non-governmental organizations concerned with R&D and economic growth, and state and local governments. They include: 1) a thorough review of the Administration's technology policy by the Technology Assessment Project at Harvard University's Kennedy School of Government; 2) recommendations on Federal R&D policy arising from a series of Regional Summits on American Innovation which were conducted in early 1997 by the Council on Competitiveness, a private industry group; and 3) a study presented to Congress in July 1997 on the effectiveness of the Department of Commerce's Advanced Technology Program, with recommendations for strengthening the program. A fourth study, presented in a 1996 report to Congress by the Department of Commerce, also addressed this issue and made recommendations for strengthening partnership programs. Taken as a group, these studies provide a comprehensive assessment of the strengths and weaknesses of current Federal technology partnership programs.

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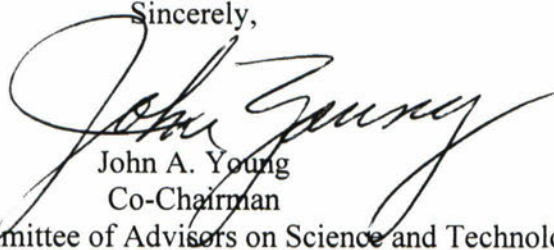
that metrics and methodology can be developed to more accurately evaluate their effectiveness.

2. Proper evaluation would also permit better decision-making regarding the share of public versus private investment, as was recommended in several of the studies. The share of public versus private investment should reflect more appropriately the relative interests of each party, with the public investment shares being greatest for those projects or phases of a project which support development of basic technology. Thus, funding ratios for programs such as the Defense Department's Dual Use Applications Program (DUAP), the Commerce Department's Advanced Technology Program (ATP), the Partnership for a new Generation of Vehicles (PNGV), and the EPA's Environmental Technology Initiative (ETI) may need periodic adjustment to be more in line with this criteria. The PCAST supports the Harvard study recommendation that overall Federal guidelines be developed for establishing and managing partnerships to ensure equitable cost-sharing. Guidelines should include appropriate conditions for use of partnerships, criteria for degrees of cost sharing, and policies obligating partners to cooperate with impact assessments.
3. Finally, the PCAST believes it would be useful to formally extend the type of thorough review made by the Department of Commerce for its Advanced Technology Program to similarly functioning programs elsewhere in the Federal government. This would provide specific recommendations for improving program management and provide a baseline for evaluating improvements in how effectively each program achieves its goals.

As an initial step, the PCAST already is shaping a proposal to explore and develop metrics of success for research partnerships, to include examination of which areas of inquiry are most appropriate for partnership and what are effective strategies for managing Federally-funded research partnerships.

We thank you for this opportunity to address the issue of the effectiveness of Federal partnership programs. We hope that our recommendations will guide you in strengthening these very important components of our science and technology enterprise.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Young", written over the printed name and title.

John A. Young
Co-Chairman

President's Committee of Advisors on Science and Technology

cc: Vice President Al Gore

THE WHITE HOUSE

3-6-98

Martin Indyk
 Say Leah's 70th birthday is
 4/3. He thought
 you might want
 to do a note -
 Do you want us
 to draft one?

Can I set up
 2/27/98

218

United States Department of State

Washington, D.C. 20520

EASTERN AFFAIRS

OVER SHEET

TO FOLLOW

-456-6703

ate

2-736-4462

3-6-98
 TO BURKHARDT
 FOR REPLY?
 Yes ☒ *coord with JSC*
 No ☐

- Lea's 70th birthday is on April 3, 1998
- Her address is:

3 Rehov Harav Ashi
 Neve Avivim 69395
 Tel Aviv, Israel

NEA TELEFAX: (202) 736-4462

SEPMO#6316/16



United States Department of State

Washington, D.C. 20520

BUREAU OF NEAR EASTERN AFFAIRS

TELEFAX COVER SHEET

DATE: 3/5/98

THIS PAGE PLUS 0 PAGE(S) TO FOLLOW

3-6-98
TO BURKHARDT
FOR REPLY?
Yes ☒ cond with NSC
No ☐

TO:

NAME: Nancy HernreichLOCATION: White HousePHONE/FAX NUMBER: 202-456-6703

FROM:

NAME: Martin IndykLOCATION: Dept of StatePHONE/FAX NUMBER: 202-736-4462

MESSAGE (IF ANY):

Nancy:

- Lea's 70th birthday is on April 3, 1998
- Her address is:

3 Rehov Harav Ashi
Neve Avivim 69395
Tel Aviv, Israel

NEA TELEFAX: (202) 736-4462

SEPMO#6316/16

THE WHITE HOUSE
WASHINGTON

Date 3/6

To: KAREN POPP

From: The Staff Secretary

As REQUESTED

- 

THE WHITE HOUSE

WASHINGTON

March 3, 1998

MEMORANDUM FOR THE SECRETARY OF TRANSPORTATION

SUBJECT: Standards to Prevent Drinking and Driving

We have made progress in improving highway safety through a variety of innovative and aggressive initiatives, including our "Buckle Up America" campaign to increase safety belt usage and improve child passenger safety, and the formation of a groundbreaking public-private partnership on airbags. We have also taken important steps to reduce the deaths and injuries brought about by alcohol use and driving. In November 1995, I signed into law legislation to help ensure that States adopt "Zero Alcohol Tolerance" laws by October 1998 for young drivers. To date, 46 States and the District of Columbia have enacted such laws.

However, drunk driving remains a serious highway safety problem. Over 40 percent of all motor vehicle deaths in 1996 -- 17,126 -- were alcohol-related, and nearly 3,000 of these fatalities were young people under the age of 21. Moreover, alcohol-related automobile accidents cost our society \$45 billion every year, not including the pain and suffering endured by the victims.

We must do more to prevent the many tragic and unnecessary alcohol-related deaths and injuries that occur on our Nation's roads. That is why my Administration has called on the Congress to pass legislation helping to ensure that a blood alcohol content (BAC) of .08 becomes the national legal limit. Research shows that, at a BAC level of .08, drivers are impaired with regard to critical driving tasks such as braking, steering, lane changing, and exercising good judgment. The risk of being involved in a crash increases substantially when drivers have a BAC level of .08 or above. In fact, the relative risk of a driver being killed in a single-vehicle crash at .08 BAC has been estimated to be at least 11 times higher than it is for drivers who have no alcohol in their system. Yet 33 States and the District of Columbia continue to use .10 BAC as the legal limit. It is estimated that if all States were to lower their limits to .08 BAC, there would be 600 fewer alcohol-related traffic deaths every year.

I hope the Congress will enact legislation as soon as possible to help to ensure State passage of .08 BAC laws. Even before the Congress acts, however, we can take action to promote .08 BAC as the appropriate standard across the country, including on Federal property.

I therefore direct you, working with appropriate Federal agencies, the Congress, the States, safety groups, and other concerned Americans, to report back to me within 45 days with a plan to promote the adoption of a .08 BAC legal limit. Among other things, the plan should consider:

- (1) setting a .08 BAC standard on Federal property, including in national parks and on Department of Defense installations, and ensuring strong enforcement and publicity of this standard;
- (2) encouraging tribal governments to adopt, enforce, and publicize a .08 BAC standard on highways in Indian Country that are subject to their jurisdiction; and
- (3) developing an educational campaign to help the public understand the risks associated with combining alcohol consumption and driving.

William J. Clinton

THE PRESIDENT HAS SEEN
3-6-98

"All the News
That's Fit to Print"

The New York Times

National Edition

Northern California: A few clouds in the mountains. Otherwise, plenty of sunshine, breezy and cool in other areas. Weather map and forecasts for other areas can be found on page A22.

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THURSDAY, FEBRUARY 26, 1998

Printed in California

ONE DOLLAR



NEW ON THURSDAYS

The Times today introduces Circuits, a weekly section covering the personal side of digital technology in everyday life. In this issue: An article on the lure of electronic organizers for the perpetually harried and frantic, along with columns on computers and games and an attempt to answer the question "What Exactly Is a Megahertz?" **SECTION D.**

Supreme Court Rules for Banks In a Fight to Limit Credit Unions

By LINDA GREENHOUSE

WASHINGTON, Feb. 25 — The Supreme Court gave the banking industry an important if perhaps tempo-

are a counterbalance to banks, and if we were not there the cost of services would go up for all consumers.

proved nothing but were provocative: They showed that in the 1980's, Iraq had bought about 10 tons of nutrients for growing germs, far more than needed for civilian work, from a British company.

"That was all I had," Dr. Barton recalled in an interview. "Not a full house, just two deuces. So I played them both."

Sitting across from four Iraqi generals and scientists in a windowless room near the University of Baghdad, Dr. Barton laid the documents on the table. Did these, he asked, help refresh the Iraqis' memories?

"They went ashen," he recalled. That meeting marked a turning point. In the months that followed,

THE PRESIDENT HAS SEEN
3-6-98

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Unscam

An Iraqi fermenter, one of several destroyed under U.N. supervision.

SECRET ARSENAL

The Hunt for the Germs of War

A special report.

they believe that Baghdad is still hiding missiles and germ weapons, and the means to make both.

Among the disclosures were

TOP G.O.P. SENATOR OPPOSES U.N. DEAL ON IRAQ INSPECTION

LOTT CRITICAL OF ANNAN

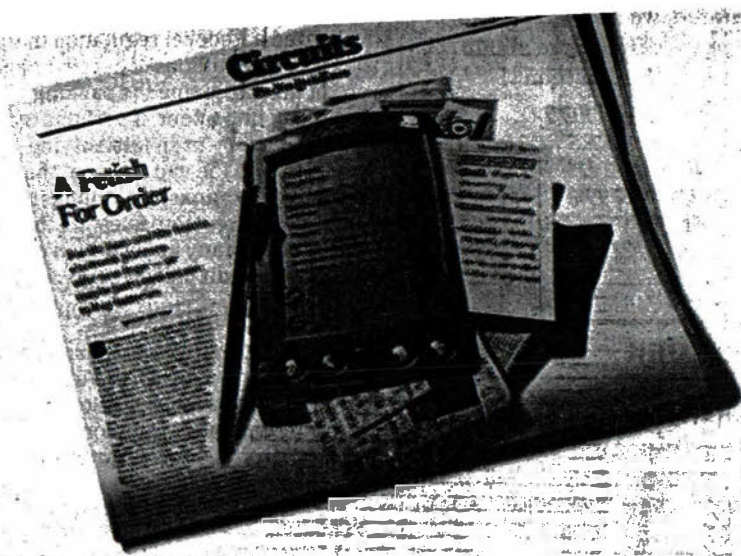
Albright Rejects Accusation of
Giving In to Hussein, Saying
'Proof Is in the Testing'

By ERIC SCHMITT

WASHINGTON, Feb. 25 — The Senate Republican leader urged President Clinton today to reject the United Nations accord with Iraq, while the Administration worked on bolting down precise details.

Senator Trent Lott of Mississippi accused the Administration of capitulating to President Saddam Hussein and abdicating its foreign policy to a dubious negotiator, Kofi Annan, the United Nations Secretary General.

"It is not too late to reject a deal if it leaves Saddam Hussein rejoicing," Mr. Lott said in a floor speech that defined an emerging split among Re-



NEW ON THURSDAYS

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Supreme Court Rules for Banks In a Fight to Limit Credit Unions

By LINDA GREENHOUSE

WASHINGTON, Feb. 25 — The Supreme Court gave the banking industry an important if perhaps temporary victory today in an intensifying battle to stop the expansion of credit unions. It invalidated a Federal regulation that had allowed millions of people to join the alternatives to banks.

The Court's ruling threw into question the status of as many as 20 million customers of credit unions, the organizations that were born out of the hardships of the Great Depression and have grown into pesky bank rivals in recent years with an array of basic, affordable services ranging from mortgages to checking accounts to A.T.M.'s.

"If this decision is allowed to stand, it would be a massive loss for consumers and choice," said Dan A. Mice, president of the Credit Union

are a counterbalance to banks, and if we were not there the cost of services would go up for all consumers."

Partly because they expected such a ruling, credit union leaders had been gathering support in Congress for a bill that would permit them to expand their membership, effectively overturning the Court's decision. The battle will now shift to that bill, which has 138 co-sponsors from both parties.

But banks have vowed to fight the bill, and it remains unclear how many credit union customers will ultimately be affected when the battle is resolved.

Representatives of the banking industry disavowed any desire to force credit unions to drop members.

"It is not our intent to create credit union widows and orphans," Monique F. Hanc, director of the

Iraq's Deadliest Arms: Puzzles Breed Fears

By WILLIAM J. BROAD
and JUDITH MILLER

On a January day in 1995, Dr. Rod Barton, a United Nations weapons inspector with a gambler's instinct, decided to try bluffing the Iraqis. Ever since their defeat in the Persian Gulf war, they had steadfastly denied ever making any kind of germ weapons, despite much evidence to the contrary.

Dr. Barton, a 46-year-old Australian microbiologist, did not have much in his hand — just two pieces of paper. The documents proved nothing but were provocative: They showed that in the 1980's, Iraq had bought about 10 tons of nutrients for growing germs, far more than needed for civilian work, from a British company.

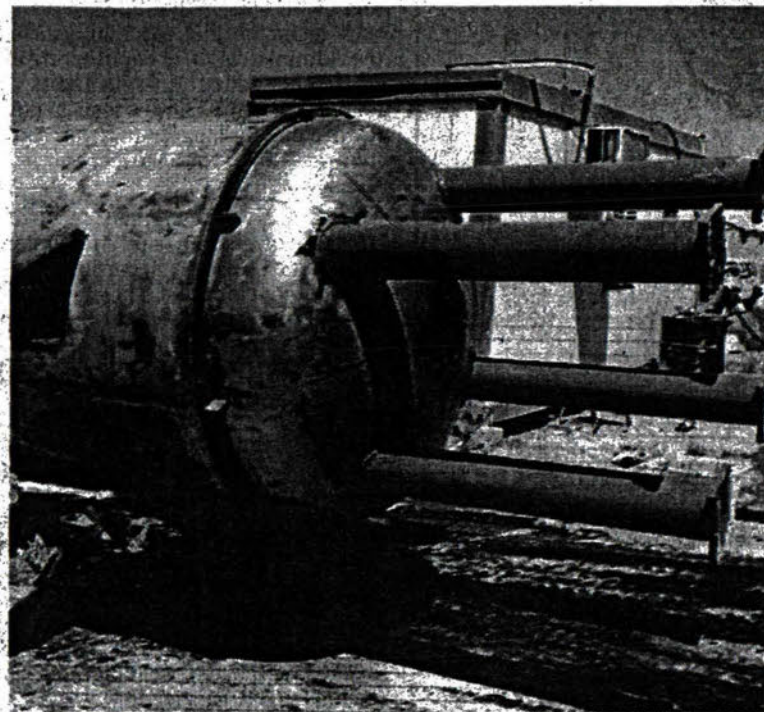
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Sitting across from four Iraqi generals and scientists in a windowless room near the University of Baghdad, Dr. Barton laid the documents on the table. Did these, he asked, help refresh the Iraqis' memories?

"They went ashen," he recalled.

That meeting marked a turning point. In the months that followed, Iraq dropped its denials and grudgingly admitted that it had run an elaborate program to produce germ weapons, eventually confessing that it had made enough deadly microbes to kill all the people on earth several times over.

United Nations officials say these disclosures are still seriously incomplete, as does Washington, which has come to the brink of military conflict with Baghdad



An Iraqi fermenter, one of several destroyed under U.N. supervision.

SECRET ARSENAL

The Hunt for the Germs of War

A special report.

over the issue.

The United Nations inspectors are now poised to return to Iraq under an accord in which Iraq has promised full cooperation. But the story of the seven-year hunt for secret biological weapons, as recounted by United States, United Nations and private experts, suggests that the inspectors may have a rocky time. It also shows why

they believe that Baghdad is still hiding missiles and germ weapons, and the means to make both.

Among the disclosures were these:

¶ Just before the gulf war in 1991, President Saddam Hussein's son-in-law began a crash military program intended to give Iraq the ability to wipe out Israel's population with germ weapons, an Iraqi general told inspectors. MIG fighters, each carrying 250 gallons of microbes, were to be flown by remote control to release anthrax over Israel. One pilotless plane

Continued on Page A10

Clinton Finds Support in a Town's Prosperity

ent town is rising the school system

TOP G.O.P. SENATOR OPPOSES U.N. DEAL ON IRAQ INSPECTION

LOTT CRITICAL OF ANNAN

Albright Rejects Accusation of
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Senator Trent Lott of Mississippi accused the Administration of capitulating to President Saddam Hussein and abdicating its foreign policy to a dubious negotiator, Kofi Annan, the United Nations Secretary General.

"It is not too late to reject a deal if it leaves Saddam Hussein rejoicing," Mr. Lott said in a floor speech that defined an emerging split among Republicans over Iraq policy.

Secretary of State Madeleine K. Albright, in a news conference on Capitol Hill today, rejected Mr. Lott's criticism, stressing that the key issue is whether Mr. Hussein will keep his word and allow inspectors unfettered and unconditional access throughout Iraq.

"This is not the time for U.N. bashing," Ms. Albright said. "This agreement is a useful one that needs clarification. The proof is in the testing. This is not over."

Alternative tactics against Saddam Hussein are being considered by the Central Intelligence Agency, Government officials say. The C.I.A. is completing drafts of plans to sabotage the Iraqi Government, even though

THE DEAL ON IRAQ: In Pursuit of Nightmarish Poisons

THE ARSENAL

Iraq's Deadliest Arms: Puzzles That Confront

Continued From Page A1

was flight-tested with simulated germs just before the war began, but the attack was never attempted.

The locations of more than 150 bombs and warheads built by the Iraqis to dispense germs are a mystery, as are the whereabouts of a dozen special nozzles that Iraq fashioned in the 1980's to spray germs from helicopters and aircraft.

On nearly all recent missions, inspectors have found undeclared "dual use" items like germ nutrients, growth tanks and concentrators, all of which have legitimate uses but can also make deadly pathogens for biological warfare.

Today, despite progress in penetrating Iraqi secrecy, inspectors say they remain uncertain about most of President Hussein's facilities to wage biological warfare.

The inspectors have found traces of military germs and their seed stocks but none of the thousands of gallons of biological agents that the Iraqis made before the 1991 Gulf war. Baghdad says it destroyed the older material but offers no proof.

And the inspectors are unsure of the extent to which Iraq has solved the technical challenges of delivering germs to targets — a problem that bedeviled other states experimenting with biological arms.

Finally, the United Nations inspectors have suspicions — but no proof — that Baghdad is hiding germs and delivery systems. Their worries are based, in part, on a chilling calculus of missing weapons: The United Nations can account for only 25 of the 157 germ bombs that Iraq has acknowledged making for its Air Force.

And inspectors have no idea of the whereabouts of some 25 germ warheads made for missiles with a range of 400 miles; Baghdad says it destroyed them but, again, offers no proof.

Richard Butler, chairman of the United Nations Special Commission charged with eliminating such weapons, said in report after report that the uncertainties are disturbing and legion.

And he recently told the Security Council that the 639-page document that comprises Iraq's latest "full, final and complete" declaration, its fifth to date, "fails to give a remotely credible account" of Baghdad's long effort to make biological arms.

The Prologue

Iraq Renounces Germ War, but . . .

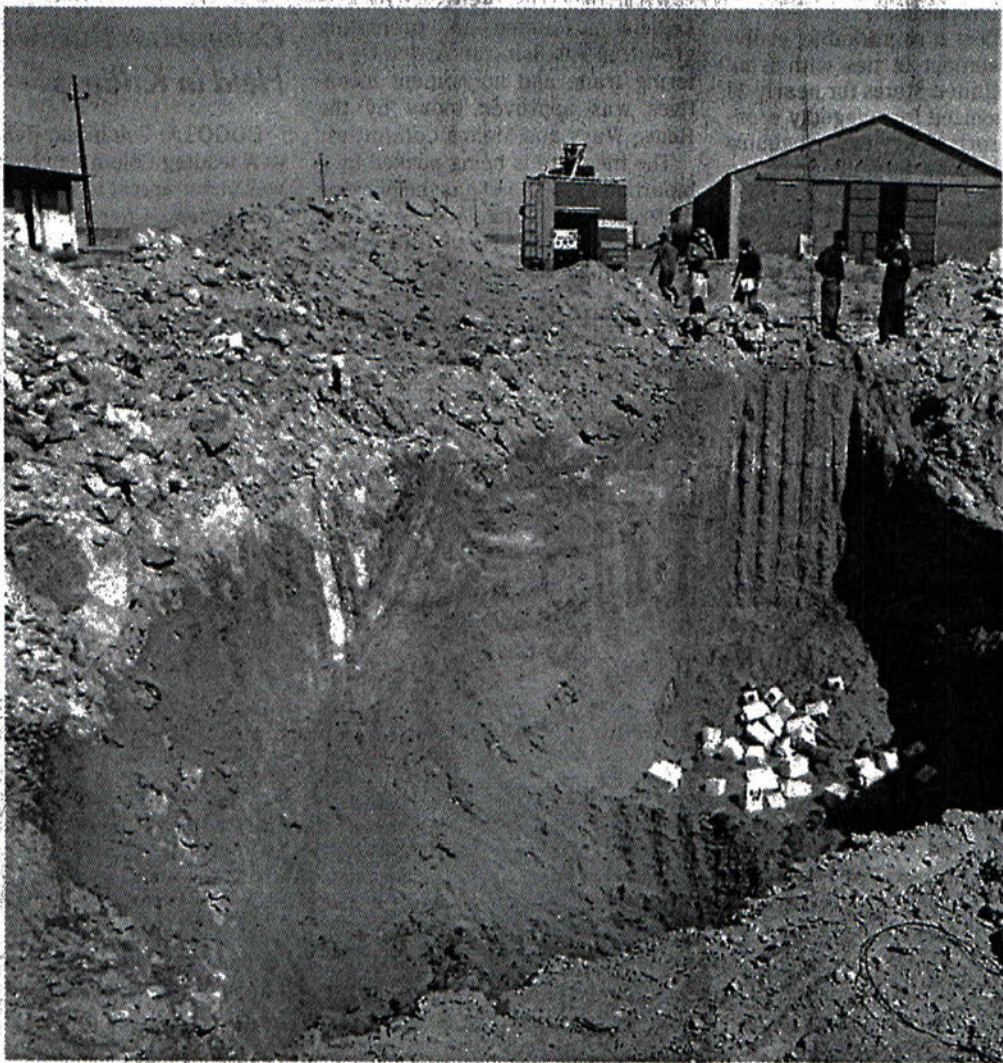
In the 1950's and -60's, the world's major armed forces experimented widely with germ warfare. Eventually they concluded that the nightmarish weapons were too repugnant and too difficult to use.

By 1972, the global threat of biological war seemed to recede as Iraq joined the United States, the Soviet Union and more than 100 other nations in signing the Biological and Toxin Weapons Convention. The accord banned possession of deadly biological agents except for defensive work like research into vaccines, detectors and protective gear.

But it was only a pledge. It had no formal means of enforcement and plenty of room for activities that were ambiguous as to whether they were defensive or offensive.

Indeed, Iraq's clandestine effort to acquire biological weapons, some inspectors now suspect, actually began shortly after it signed the convention.

The allure was great. Unlike nuclear arms, dangerous germs are cheap and easy to come by. Yet their effects on people are



At Al Hakam, Iraq, United Nations inspectors found barrels of growth media, which can be destroyed by fire, then water, then burial, but tons of the material, much of it

The United Nations set up a group to make sure he kept his word. Until it verified destruction of the weapons, Iraq was barred from selling oil, virtually its sole source of foreign exchange. Later, the United Nations relented a bit and allowed some oil exports to pay for food and medicine and to make reparations to Kuwait.

The Hunt

Hide and Seek In the Wilds

Dozens of science detectives, many with military backgrounds, were assembled from several nations after the war to discover the truth about the biological arms. The inspectors, men and women ranging in age from their 20's to their 60's, worked out of dingy, roach-and-rat-infested hotels in Baghdad.

Their first foray was to Salman Pak, a town and military center southeast of Baghdad on an isolated bend of the Tigris River. About 30 inspectors with the commission, known as Unsc, went there in August 1991 because the site was considered the heart of Iraq's germ-warfare complex.

Sheltered by high walls, air defenses and a military unit, the installation had been bombed during the war, and inspectors were eager for a close-up look at what remained.

They were shocked, inspectors recalled. Two weeks before the team's arrival, the Iraqis had leveled much of the site, removing production gear, demolishing two buildings and bulldozing the rubble. Piles of ashes and melted binders suggested that the Iraqis had kindled bonfires of documents.

Iraqi officials insisted that research at the site was peaceful, intended to develop vac-

But Congressional investigators were zooming ahead. By early 1994, they had learned that the American Type Culture Collection, a company in Rockville, Md., that sells microbes to scientists, had shipped up to 36 stains of 10 deadly pathogens to Iraq in the 1980's, doing so with Government approval. Some had come from Fort Detrick, Md., the Army's main center for defensive germ research.

"I was horrified," recalled James J. Tuite 3rd, a Congressional aide who tracked the shipments for Senator Donald W. Riegle Jr., then chairman of the Senate Banking Committee. "These were clearly agents that could be used for biological warfare." Arguably, they also had use in making vaccines, though experts with access to intelligence data about Baghdad's ambitions doubted that explanation.

The Sleuth

Trying to Unravel A Tangle of Clues

In April 1994, under increasing pressure from the United Nations to come up with something or drop the germ investigation, Unsc hired Dr. Richard Spertzel, who soon became the head of the biological team.

A portly man of military bearing, Dr. Spertzel, then 61, had served for nearly three decades in the Army before retiring in 1987 as a colonel. For 21 years he had worked in the world of military germs, both defensive and offensive, much of the time at Fort Detrick.

Dr. Spertzel brought valuable expertise. He belonged to a generation that knew about germ weapons from personal experience,

remotely credible account" of Baghdad's long effort to make biological arms.

The Prologue

Iraq Renounces Germ War, but . . .

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Indeed, Iraq's clandestine effort to acquire biological weapons, some inspectors now suspect, actually began shortly after it signed the convention.

The allure was great. Unlike nuclear arms, dangerous germs are cheap and easy to come by. Yet their effects on people are potentially just as extensive and grim as those of a nuclear bomb, if slower to act. A microbe that divides every 30 minutes can produce a bubbling vat of offspring in a week or so. Even a few can be dangerous.

Anthrax, normally a disease of cattle and sheep, can kill a human after exposure to less than 10,000 germs, all of which would fit comfortably on the period at the end of this sentence. Signs of pulmonary anthrax infection include high fever, labored breathing and vomiting. It is usually fatal within two weeks. A vaccine can prevent the infection, and it can be treated with huge doses of antibiotics if caught in its early stages.

American military and intelligence officials in the 1980's gathered much evidence that Iraq had developed a large program to build biological arms, with the work focused on anthrax.

The West tried to block the effort. In 1988 the Iraqis ordered a 1,325-gallon fermenter to grow germs from a Swiss company, Chemap, and arranged to buy more. But the United States and its allies persuaded Switzerland to block the sale, said Jonathan B. Tucker, a former Federal arms-control official who is now a germ-weapon expert at the Monterey Institute of International Studies in California.

The perceived threat was so great that on the eve of the gulf war, President Bush warned President Hussein that Iraq would pay a "terrible price" if it used biological or chemical weapons.

But the intelligence about germ warfare was generally imprecise, and as the American-led coalition prepared for war after Iraq's invasion of Kuwait in 1990, planners could identify only one potential germ factory in Iraq. That site, Salman Pak, not far from Baghdad, was bombed in the gulf war.

Though only one factory was identified, the American military started a crash program to vaccinate as many troops as possible against anthrax and opened a campaign to knock out refrigerated bunkers suspected of holding biological arms. After the war, American officials were embarrassed to find that the suspicious bunkers held only conventional arms, sheltered from the desert sun.

After losing the war, Mr. Hussein, as a condition of surrender, agreed to declare within 15 days all his nuclear, chemical and biological arms and the long-range missiles needed to deliver them, and then to destroy them all.

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Iraqi officials insisted that research at the site was peaceful, intended to develop vaccines and other protection against dread diseases.

But the investigators suspected the site had a military purpose, and eventually found a chamber for dispersing germs on test subjects that was big enough to hold "large primates, including the human primate," one inspector recalled.

The Iraqis said the chamber had been used merely for testing the effectiveness of vaccines on such animals as sheep, donkeys, monkeys and dogs. But they had hauled the chamber to a garbage dump some 20 miles from Salman Pak and then crushed it with a bulldozer, apparently trying to keep it out of sight.

Dr. Tucker, of the Monterey Institute, a former Unscm member, said the inspectors had detected "a pattern of circumstantial evidence" of germ-weapon production at Salman Pak but had found no smoking gun.

While at Salman Pak, the Iraqis told the inspectors of another plant at Al Hakam, a site an hour's drive southwest of Baghdad that sprawled across seven square miles of isolated desert.

Filling some of the buildings at Al Hakam were mazes of pipes, valves, pumps and stainless-steel tanks. The Iraqis said they were for making animal feed and bacterial pesticide. But the buildings were spaced unusually far apart and surrounded by barbed wire, dummy bunkers, air defenses and many guard posts.

Again, the evidence was equivocal. The inspectors suspected much but had no proof.

In May 1992 Baghdad finally gave the United Nations its first "full, final and complete disclosure" about its germ program, a report in which Baghdad denied having ever dabbled in biological arms and called for the inspections and sanctions to end.

Though the germ team kept running into dead ends, their colleagues seeking other types of weapons kept making breakthroughs. Inspectors seeking chemical arms found arsenals full of nerve agents like tabun and sarin, tiny amounts of which are lethal. And to their shock, nuclear teams found Iraq had made considerable progress in building an atomic bomb.

The germ sleuthing from 1991 to 1994 was hindered, in part, by the lack of a experienced professionals at headquarters in New York to direct the effort. Three years after the gulf war, the headquarters still had no full-time staff biologist.

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The Sleuth

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By all accounts, Dr. Spertzel re-energized the Iraq inquiry. He pored over documents — "the evidence was almost shouting out," he recalled — and took his worries to Rolf Ekeus, the Swedish diplomat who then headed the United Nations effort to eliminate Iraq's weapons systems.

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By November 1994, Dr. Spertzel and three other experts in Iraq were interviewing and re-interviewing Iraqi scientists, picking apart their accounts and analyzing statements and records for discrepancies.

The team included Dr. David Kelly, a former Oxford University microbiologist; Dr. Barton, the Australian biologist, and Lieut. Col. Hamish Killip, of the British Royal Engineers. They came together in argumentative camaraderie, at times calling themselves the Gang of Four.

The team soon uncovered a secretive Iraqi group known as the Technical and Scientific Materials Import Division. Part of the Organization of Military Industrialization, it appeared to focus on germ warfare; for instance, it supplied Salman Pak. The inspectors immediately knew the discovery was significant.

"We were all very awake," recalled Dr. Barton, who recently left the United Nations commission.

With that high card, the team was able to conduct a very narrow, pointed search for records. To aid its hunt, the commission wrote in December 1994 to a handful of nations seeking help in uncovering documents about sales of biological materials to Iraq.

One reply came from Israel, said two American intelligence experts familiar with the episode, confirming a recent account of it in The Times of London. The Israelis provided key trade documents that helped illuminate a central if seemingly mundane foundation of the Iraqi germ program — microbial food.

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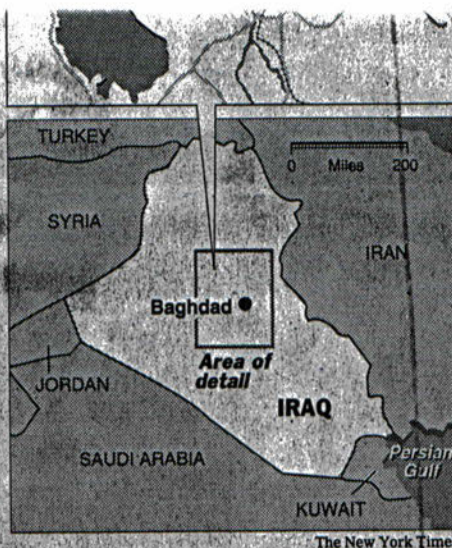
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Continued on Next Page

s That Confront Inspectors Breed Fears



found barrels of growth media, which can be used to cultivate deadly toxins. These en burial, but tons of the material, much of it bought in Britain, are unaccounted for.

But Congressional investigators were coming ahead. By early 1994, they had learned that the American Type Culture Collection, a company in Rockville, Md., that sells microbes to scientists, had shipped up to 10 deadly pathogens to Iraq in the 1980's, doing so with Government approval. Some had come from Fort Detrick, Md., the army's main center for defensive germ research.

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than 17 tons were missing."

Clearly, Baghdad had more explaining to do. Tensions rose. Eventually the Iraqis said much of the growth media sent to hospitals had been destroyed in riots after the 1991 war.

As the team kept up the pressure, the Iraqis panicked. The meetings between Uncom members and the Iraqi officials turned into shouting matches. "It was a free-for-all," Dr. Barton said.

The breakthrough came on July 1, 1995, at an evening session in Baghdad. Dr. Rihab Taha, an acknowledged leader of Iraq's civilian germ effort, made a huge admission. It came grudgingly, inspectors said, and with no direct eye contact. Dr. Taha kept looking down at her notes as she spoke.

Yes, she said, almost in tears at the strain of the moment, Iraq had produced a horde of germs for biological warfare.

An eerie quiet followed. Inspectors wanted to ask questions but refrained.

"There was not a lot of discussion," Dr. Barton recalled. "None of us thought we would hear a real confession."

The Iraqis acknowledged, among other things, that the factory at Al Hakam had produced thousands of gallons of deadly anthrax and botulinum toxin — enough, in theory, to wipe out whole cities and even nations.

For the first time, the Iraqis had confessed to a military program for making germs. But no more than that. They still denied having ever developed weapons designed to release those germs over enemy targets.

The Defector

A Breakthrough In a Chicken Coop

The overlord of the Organization of Military Industrialization was Lieut. Gen. Hussein Kamal, President Hussein's son-in-law and the second most powerful man in Iraq. He had risen from a lowly bodyguard to become director of Iraq's advanced-weapons procurement program and reportedly had a personality almost as swaggering and domineering as his father-in-law's, seeing himself as the natural successor.

Al Hakam had been his pet project, the inspectors learned, a personal triumph with which he planned to increase his prestige in the feuding family that ruled Iraq. But now, in early July 1995, his subordinates had been forced to reveal its dark purpose.

After Dr. Taha's dramatic admission, Iraq gave the United Nations team an ultimatum. According to team members, the Iraqis demanded that the United Nations bring all inspections to an end within a month. If not, the inspectors would have to go. The Iraqi Ambassador who delivered the message said he was speaking on behalf of General Kamal.

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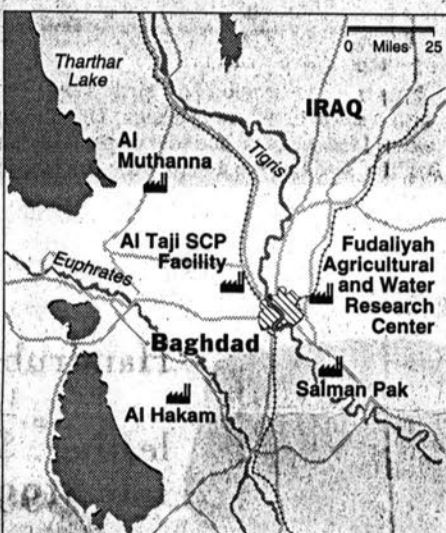
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The New York Times

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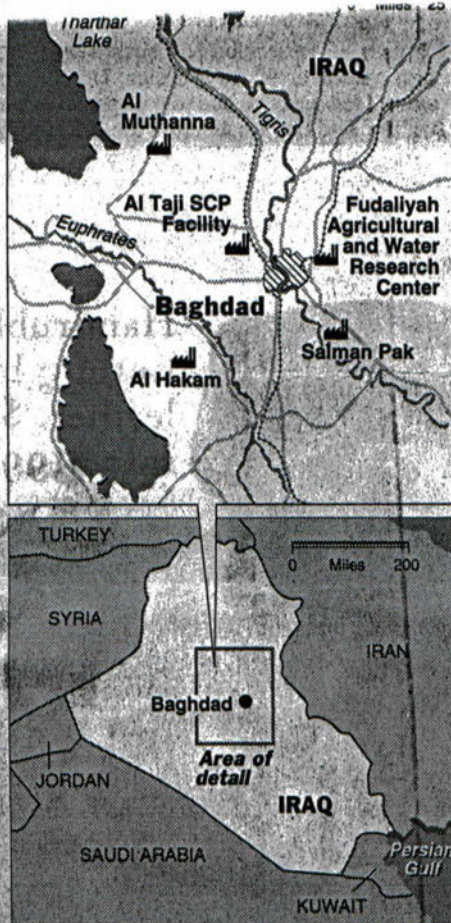
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Continued on Next Page

THE DEAL ON IRAQ: The Poisons, the Plans, the Politics

Evidence of Germ Warfare:
Bank Letters, Microbe Food

Continued From Previous Page

serious doubts about the truth of that claim. The date of the purported destruction was vague, Iraqi officials said, because no one could remember exactly when the order was given and no records were kept.

After the defection of General Kamal and the chicken-farm revelations, the United Nations inspectors and the Iraqis involved in germ warfare forged closer cooperation. Some inspectors feared that the honeymoon might not last, "so we decided to collect as much information as possible," Dr. Barton said. "We were vacuum cleaners."

In May 1996 the Iraqis, under United Nations supervision, began destroying Al Hakam, cutting up machinery with torches, burying items in cement and then dynamiting the rest of the plant. And the next month Iraq filed its fourth "full, final and complete disclosure," only to have the inspectors again dismiss it as sloppy lies.

United Nations officials eventually identified seven sites that had been directly used to produce biological weapons, including Salman Pak and Al Hakam.

In addition, the inspectors began monitoring universities, diagnostic laboratories and research centers, and installations that made vaccines, pharmaceuticals, beer and dairy products. All told, the United Nations was keeping its eye on about 100 biological sites, most with civilian equipment that could be turned to making germ weapons.

As for General Kamal, he eventually returned to Iraq, repentant over his defection. Days later, he was killed, and the circumstances of his death remain unclear.

The Mysteries

Germ-War Capacity
Is Still an Enigma

Overlooking the East River in New York, on the 30th and 31st floors of the United Nations building, is the inspectors' headquarters. The windowless conference room, known as the Bunker, is constantly jammed

these days. Cubicles are packed with file cabinets and safes and documents. Wooden crates from the chicken farm are visible atop cabinets, part of a mountain of evidence.

Over the years the United Nations commission, whose staff is drawn from more than 30 different countries, has become a lightning rod for Iraqi criticism. Its inspectors are routinely vilified by name in the Government-controlled press as spies. Some nations sympathetic to Iraq's plight, including Russia, have complained that the inspectors are overly aggressive and are taking too long. The inspectors, in response, have at times fired back, discussing their work with the news media.

United Nations officials say the inspectors still differ over how to interpret the evidence. Perhaps the most contentious issue is whether Iraq is now engaged in germ procurement and production.

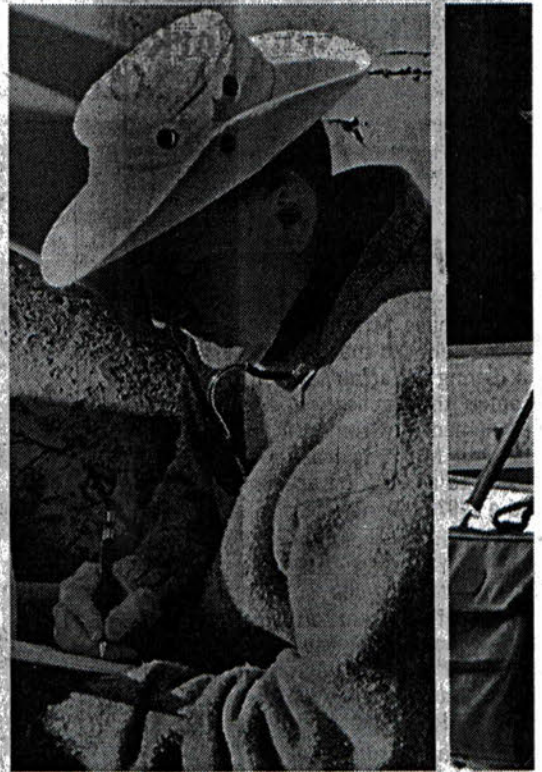
The Russians recently acknowledged holding talks with Iraq in 1995 about selling a huge plant to be installed at Al Hakam, and inspectors say they have some evidence of other buying discussions and sales.

Sprayers are also an important part of the current mystery. Planes flying over farms use pipes and nozzles to spray fine mists of liquid pesticides. The Iraqis, an inspector said, have admitted adapting at least six sprayers to make a mist of germs that would rain down on enemies, and importing parts for a dozen such conversions in all.

But the agricultural sprayers, he said, have disappeared. None have been turned over to inspectors, and their whereabouts and status are unknown — whether lost or destroyed or ready to fly into action.

Are they a threat? Even if they exist, hidden by the Iraqi military, their effective use is clouded by uncertainties, inspectors agree. A pilotless plane spraying 200 pounds of anthrax near a large city might kill a up to a million people — if the winds were right, if no rain fell, if the nozzles did not get clogged, if the particles were the right size, if the population had no vaccinations, and so on.

Iraq tried to develop just such a weapon, using a sprayer of Iraqi design. Dr. Barton said an Iraqi general had told inspectors that Baghdad had tried just before the Gulf war to



Several inspectors specialize in tracing Iraq's. These men, who call themselves the Gang of 11, left, Lieut. Col. Hamish Killip of the British R

develop the ability to wipe out most of Israel's population. MIG fighters were modified so they could be flown over Israel by remote control to release a spray of anthrax from specially modified fuel tanks.

"It would have caused massive casualties," he said, "if it was workable."

That kind of hedge appears in many of the analyses about Iraqi systems for dispensing germs, and it is a crucial unknown in assessing how far Iraq progressed toward making effective biological arms. The problem for the inspectors is that they have only limited information about how the dispensing systems would perform in war.

Inspectors also agree that unless they can go anywhere in Iraq without notice to hunt for documents, scientists and equipment, the United Nations can offer the world only a false sense of security.

There are doubts about whether the latest agreement, negotiated over the weekend by Secretary General Kofi Annan, provides sufficient access. Under the accord, the inspec-

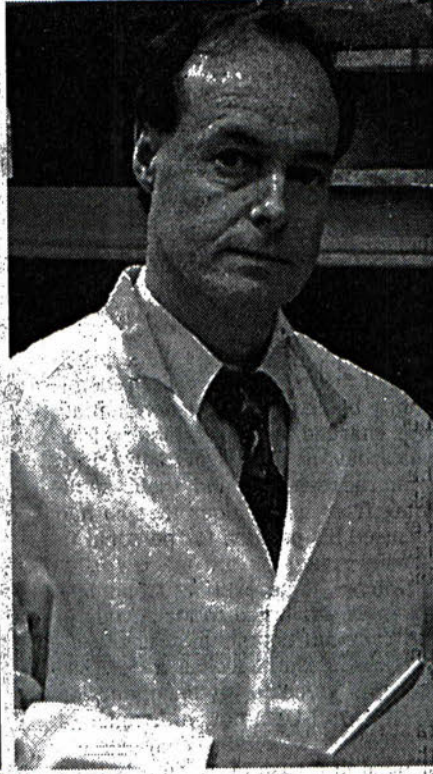
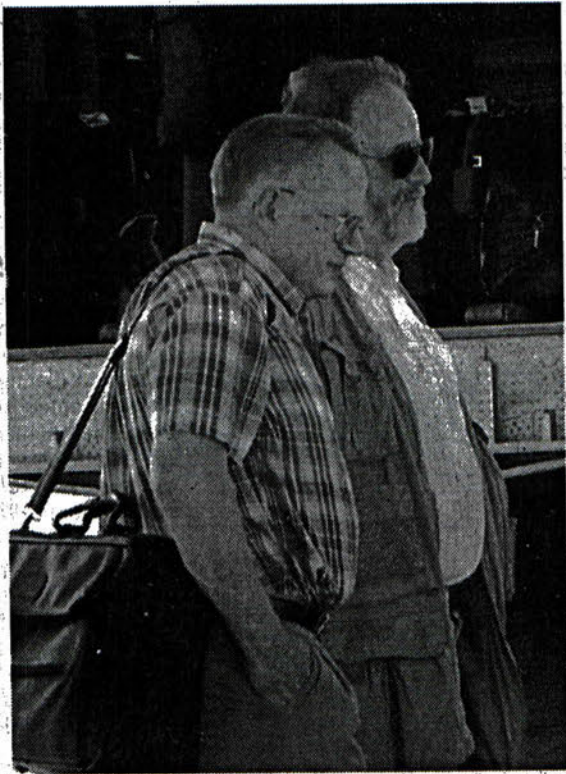
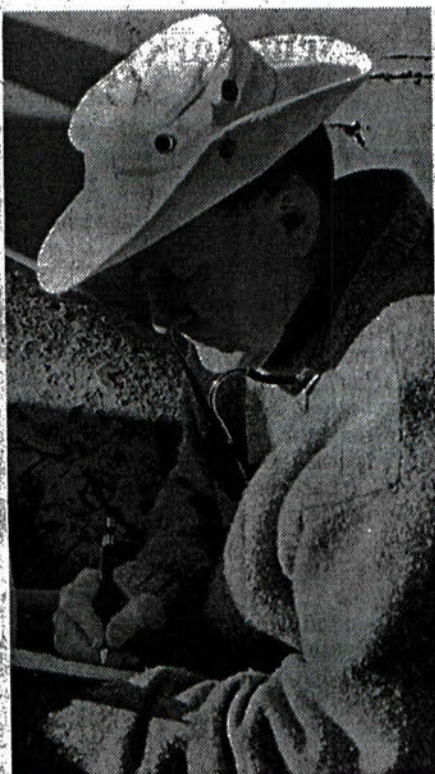


THE C.I.A.

C.I.A. Draft

By TIM WEINER

WASHINGTON, Feb. 24
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Dr. Richard Spertzel, a retired U.S. Army colonel and head of the team; Dr. David Kelly, a microbiologist formerly at Oxford University, and Dr. Rod Barton, an Australian microbiologist.

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tors can visit the "presidential sites" that Iraq declared off-limits last fall. But they will be accompanied by diplomats appointed by the Security Council, and they must honor Iraq's "national security, sovereignty and dignity."

But while inspectors may disagree about what Iraq is doing now, there is no disagreement about Baghdad's potential to develop biological weapons.

"Most of us agree that if Unscm monitors left, the Iraqis could start up a biological weapons program the next day," Dr. Barton said.

Worry about Iraq's potential has been reinforced by what most inspectors agree is Baghdad's refusal in recent years to provide further documents about its biological program. Few inspectors seem to believe Iraq's assertions that most of the papers have been destroyed.

"Every little pencil they purchased has three requisition copies," said Dr. Kraatz-Wadsack, the German inspector. "We've

found documents in other programs going back to the late 1950's. So I don't believe they destroyed their biological documents. They have them hidden somewhere."

Inspectors see the missing records as key to understanding the true dimensions of Iraq's effort to make germ weapons, saying they might provide a map to hidden plants, personnel and arms. The documents, inspectors say, are also useful to Iraq because they are thought to form a blueprint for resuming production of germ weapons.

Inspection teams may have been getting close to those records when Iraq began refusing the United Nations access to some sites last October. The inspectors also agree that as long as Iraq denies the inspectors access and information, they may never be able to certify that Baghdad is harboring no more germ weapons.

"I once asked: 'Is there an end game?'" Dr. Barton recalled. "We've been lied to so many times, can we ever trust the Iraqis to tell us the truth?"

THE C.I.A.

C.I.A. Drafts Covert Plan to Topple Hussein

By TIM WEINER

WASHINGTON, Feb. 24 — The Central Intelligence Agency has been drafting plans for a major program of sabotage and subversion

fact that officials are disclosing it shows the depth of their doubts.

The Director of Central Intelligence, George J. Tenet, has told Mr. Clinton that the plan is risky, the

Research Service and a former C.I.A. analyst of Persian Gulf politics.

The diplomatic, political and economic structures that can conceal

THE PRESIDENT HAS SEEN
3-6-98

THE WHITE HOUSE
WASHINGTON
March 4, 1998

*Larry Stein
transit
to call any
member of the
transit*

MEMORANDUM FOR THE PRESIDENT

FROM: LARRY STEIN

SUBJECT: TRANSIT FUNDING: SENATE ISTE A BUDGET AGREEMENT

Senate Funding Agreement

*copied
Stein
COS*

The Agreement reached by the Senate leadership provides \$25.8 billion in additional contract under the agreement, \$18.9 billion will be apportioned directly to the states over six remaining \$6.9 billion will be distributed among five other highway programs: Regional Commission Highways; Border and Trade Corridors; High Density program in states that have higher than average population density); Bonus signed to ensure that each state receives 91 percent of their highway trust fund (3 states are eligible); and Federal Lands (e.g., public lands, Indian reservation roads).

additional funds provided for transit in the agreement. Senator D'Amato was a member of the series of meetings that occurred over the last week and he reportedly advocated additional funds for transit. However, the sentiment among others in these meetings (Senators Lott, Domenici, Chafee, Gramm, Byrd, and Baucus) was only for additional highway funds.

ISTEA Legislation: Transit

Since 1982, the Congress has divided gas tax revenues, allocating 20 percent, or 2.85 cents per gallon to the Mass Transit Account in the Highway Trust Fund. In the past, there have been substantial General Fund appropriations which have supplemented transit funding. The Administration's FY 1999 budget proposes to make transit 100 percent funded from the Transit Account.

The Senate bill, reported by the Banking and Urban Affairs Committee, authorizes \$36.3 billion for FY 1998-2003, beginning with \$5.7 billion in FY 1998. This would provide funds for formula and discretionary grants for bus acquisition and facilities, light rail and subway construction, and rehabilitation of existing systems. The Senate bill also authorized \$600 million for the Administration's Access to Jobs initiative. Of the total \$36.3 billion, the Senate would authorize \$4.7 billion over six years from the general fund because more is being spent on transit than is allocated for it in the trust fund.

Senate Politics

During the course of the Senate Meetings, Secretary Slater called several of the Senators in the budget negotiations, as well as Senator Sarbanes, on the importance of including transit funding in the Senate agreement. Generally, the participants reflected a desire to only add funding for

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WASHINGTON
March 4, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: LARRY STEIN

SUBJECT: TRANSIT FUNDING: SENATE ISTEAD BUDGET AGREEMENT

*Larry Stein
in discussion with
members of the transit
committee + call any
members of the transit
committee - BG*

Senate Funding Agreement

The Agreement reached by the Senate leadership provides \$25.8 billion in additional contract authority. Under the agreement, \$18.9 billion will be apportioned directly to the states over six years. The remaining \$6.9 billion will be distributed among five other highway programs: Appalachian Regional Commission Highways; Border and Trade Corridors; High Density programs (new program in states that have higher than average population density); Bonus Program (designed to ensure that each state receives 91 percent of their highway trust fund payments; 18 states are eligible); and Federal Lands (e.g., public lands, Indian reservation roads).

There are no additional funds provided for transit in the agreement. Senator D'Amato was a participant in the series of meetings that occurred over the last week and he reportedly advocated additional funds for transit. However, the sentiment among others in these meetings (Senators Lott, Domenici, Chafee, Gramm, Byrd, and Baucus) was only for additional highway funds.

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highways. Senator Baucus emerged from these sessions, saying that they were raising highway authorizations to a level that would be equivalent to incoming revenues and they believed that transit already had done that in the transit title. That may not be correct and we are currently analyzing.

Efforts continue by Senators Domenici and D'Amato to identify additional funds for transit. D'Amato is quoted as saying that he is negotiating to add \$4.5 billion for transit. However, on the Democratic side, Senator Daschle has expressed his concern that the votes may not be there to fight for additional transit revenues. The strongest area of support in the Senate may be States seeking additional transit funds for New Starts for major construction projects. We know of over 90 such projects that are under consideration by localities throughout the country.

Minimum Allocation Amendment

In addition to the issue of transit fund, Senator Tim Johnson intends to offer an amendment that would provide that states get 70 percent of their share of mass transit account contributions. This translates into a shift of \$300 million from transit dependent states to the more rural states. There are 33 states that would gain additional transit funds if the Johnson amendment is enacted. We anticipate a close vote on this amendment, as several Senators from states that would benefit from this amendment have indicated that they would oppose it on grounds that it would damage the transit program and the environment. States hoping to gain approval of new projects in the future want to preserve the current allocation of funds.

Our Position

As a general matter, transit is stronger in the House than the Senate. Typically, transit issues draw in the neighborhood of twenty-five Senate votes. Obviously, this reduces leverage for higher transit demands. Though we have continually made the case for more in these accounts, our own influence is reduced unless we are willing to threaten veto, a very dangerous proposition.

We should offer to help the Northeastern Senators as much as possible without committing to a veto. We should re-enforce this effort with efforts to help add more transit money in conference. But we should be aware that additional transportation spending must be offset or else it comes out of our own major priorities.

cc: Erskine Bowles
John Podesta
Sylvia Mathews

United States Senate

WASHINGTON, DC 20510

SUMMARY OF THE ADDITIONAL FUNDING AMENDMENT TO ISTEA II

The amendment provides \$25.8 billion in additional contract authority that will be provided in the 1999 Budget Resolution. Under the agreement, \$18.9 billion will be apportioned directly to the states over six years. The remaining \$6.9 billion will be distributed among the following five program: Appalachian Regional Commission Highways, \$1.9 billion; Border and Trade Corridors, \$450 million; High Density Program, \$1.8 billion; Bonus Program, \$1.9 billion; and Federal Lands Programs, \$850 million.

STATE APPORTIONMENTS

- The \$18.9 billion in additional contract authority will be distributed to the states in fiscal years 1998 through 2003. The new funds will be distributed in the same manner as provided in S.1173, with states receiving annual apportionments of the funds provided in the amendment equal to their percentage of the total apportionments in the underlying bill.

BORDER AND TRADE CORRIDORS

- The amendment provides \$450 billion in contract authority for transportation trade corridors and border infrastructure safety and congestion relief grants. \$90 million will be available for each fiscal year 1999 through 2003.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

- The amendment provides \$378 million in contract authority for each fiscal year 1999 through 2003 for a total of \$1.8 billion over five years.

HIGH DENSITY TRANSPORTATION PROGRAM

- A new program is created to address those state that have tremendous infrastructure needs and congestion problems as a result of a higher than average population density. A total of \$1.8 billion is provided over five years to improve mobility in these areas.
- Eligibility is determined by four factors: 1) a greater than average population density; 2) a greater than average total vehicle miles traveled on Federal-aid highways; 3) a greater than average ratio of total urban lane miles to total Federal-aid highways lane miles in the State; and 4) a receipt of less than 85 percent of the average highway apportionments per capita. Ten states are eligible to receive funds under this provision.

BONUS PROGRAM

- The amendment provides more than \$1.9 billion over five years to ensure that every state receives the dollar amount equal to 91 percent of their highway trust fund payments. A total of 18 states are eligible to receive funds under this program.

FEDERAL LANDS HIGHWAY PROGRAM

- A total of \$850 million in additional contract authority is provided for three elements within the Federal Lands Highway Program over fiscal years 1999 through 2003.
- The amendment increases the annual amount for Indian reservation roads by \$50 million, public lands highways by \$50 million, and parkways and roads by \$70 million. Of the amount available for parkways and park roads, an annual amount of \$20 million would be reserved for use on refuge roads.

PREFERENCE IN INTERSTATE 4R AND BRIDGE DISCRETIONARY PROGRAM ALLOCATIONS

- The amendment includes language requiring the Secretary of Transportation to give preference to states with the greatest needs — defined as states with at least 45 percent or more of their bridges structurally deficient and functionally obsolete — when allocating funds for Interstate 4R and bridge discretionary program. States that receive funds under the bonus program, high density transportation program, or Appalachian highway development program would not be eligible for this program.

Additional Funds for ISTEA II **Senate Committee on Environment and Public Works**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>6-YR</u>
Apportioned to States	640	3,346	3,634	3,881	3,831	3,587	18,919
ARC Highways	--	378	378	378	378	378	1,890
Border and Trade Corridors	--	90	90	90	90	90	450
Density Program	--	360	360	360	360	360	1,800
Bonus Program	128	359	359	359	352	367	1,925
	128	1187	1187	1187	1180	1195	6,065
Parks & Refuge Roads	--	70	70	70	70	70	350
Public Lands Highways	--	50	50	50	50	50	250
Indian Reservation Roads	--	50	50	50	50	50	250
	--	170	170	170	170	170	850
Total	768	4,703	4,991	5,238	5,181	4,952	25,834

SB/USC-

I find this persuasion - clearly better
option for US
standing in Latin America -
(not to go) - BK

Ambassador Christopher Ashby
US Embassy Montevideo
APO AA 34036

President Bill Clinton
The White House
1600 Pennsylvania Ave. NW
Washington, D.C. 20500-2000
February 25, 1998

cc
S. J. [unclear]
S. J. [unclear]
C. [unclear]

Dear Bill,

Last Friday I spent the day with my senior staff crafting a cable to Jeff Davidow on the subject; Reasons for a Presidential Visit to Uruguay. We sent it on Friday afternoon, with instructions to get a copy to Mack McLarty ASAP. I then arranged to call Mack at 9:00 on Monday to review it, before he was to go to a high level meeting at 10:30 to review the schedule for your upcoming trip to Santiago. We were rather pleased with the cable, and I dutifully called on Monday morning to discuss it with Mack, only to find that he was in Korea. However, I spoke with his Chief of Staff, Mr. Cunningham, who told me he and Mack had discussed my call and he delivered the following message. "Mack agrees with your logic and agrees that the President should go to Uruguay on this trip. But the schedulers and the NSC are against it, and Mack thinks that the only way Uruguay would be included if for you to make a direct appeal to the President."

copied
Bowles
NSC

So, here goes.

You should stop in Uruguay because:

1. Uruguay has shown that they can achieve excellent economic growth, and still have effective environmental protection and strict labor protection laws. Uruguay could be used as a model to debunk the arguments that Latin American nations want to achieve competitive advantage by denigrating the environment and working children 16 hours a day.
2. Uruguay is the only country in Mercosur who wants what we want in trade - lower external tariffs and market access. They view their need to go along with Argentina and Brazil as a burden, and they are anxious to create a Free Trade Area of the Americas so they can get out from between their giant neighbors and spread their wings. They will be on our side.
3. Uruguay represents the values you and I have always respected. They go to work every day, pay their taxes, and play by the rules. They paid their debts in the 80's, sent their troops on UN peacekeeping missions, created a society of laws and respected their history. They are not a problem to be solved. A

THE PRESIDENT HAS SEEN

3-6-98

SB/USC-

I find this persuasion - clearly better
 explanation for US
 standing in Latin America -
 (not the guy!) - BS

Ambassador Christopher Ashby
 US Embassy Montevideo
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visit to Uruguay would show that we are not only interested in the big powers who have financial crises, fight narco traffickers, and send lots of immigrants to the United States, but we also acknowledge and respect countries who have always kept their house in order, however quietly, and have never needed to be loud about it. Uruguay has been our ally since World War II, and every President since Eisenhower has acknowledged this by having a bilateral meeting with the elected Presidents of Uruguay

✓ One final point, Uruguay is just beginning to make a very subtle but perceptible shift from Eurocentric, anti Americanism, Latin American antagonism, toward a desire, especially among the young, to view America in a new light. You could be to this generation of Uruguayans what John Kennedy was to a generation of Europeans, the first real reason to believe that America stood for something other than what their parents had always told them, and that perhaps we were a nation, and a value system, who had something to offer.

I could also add that it is a lovely place with a golf course built by Alister McKenzie, who built Augusta.

N So, those are my reasons. You could leave Santiago in the morning of April 20, be here by lunch (2 hours), showcase the things I have been talking about in the afternoon, have an official dinner, and depart that evening, arriving in Washington the morning of April 21. Please consider it, you could make a great difference here.

Best Regards
K.T

P.S. There may even be time for a quick game of hearts if schedules are strictly adhered to.

U.S. EMBASSY
Montevideo, Uruguay
(APO AA 34035)

FAX COVER SHEET

DATE: 26 Feb 98

TIME:

TO: Rebecca Cameron

PHONE:

FAX:

FROM: Kit Ashby

PHONE: 598-2-41 77 77

FAX: 598-2-40 00 22

RE:

Message

Please deliver this message to the President
as soon as you can.

Thanks for your help.

Kit

THE WHITE HOUSE
WASHINGTON

March 5, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: SYLVIA MATHEWS, MINYON MOORE AND JUDY WINSTON

SUBJECT: Proposed Presidential Events for Race Initiative

copied
Mathew
Moore
Winston
COS

This memo provides three recommended options for you as vehicles to continue your dialogue for the Race Initiative.

ISSUES FOR DECISION

- I. Whether you hold a meeting with national leaders in March or April;
- II. Whether you participate in an ESPN-televised town meeting in April; and
- III. Whether you participate in a PBS-televised town meeting or roundtable discussion for June or July.

BACKGROUND

These three events, described more fully below, would provide you with opportunities to engage different segments of the American public on the issue of race. In addition to these dialogue events, there will be other events for possible Presidential involvement, including policy announcements regarding housing, assisting the unbanked and Indian country. Also, over the course of the next few months, there will be the regular Advisory Board meetings and events (e.g., a community forum and a meeting on "race and stereotypes" in Denver this month) and other principal events (e.g., the Vice President will participate in a town meeting with Black Entertainment Television in April).

I. MEETING WITH NATIONAL LEADERS

Purpose: In an effort to amplify your vision and theme on closing the opportunity gap, we propose that you participate in a roundtable discussion with 10-12 national leaders who have varying views on race-related issues. The meeting will focus on reaching common ground on how to close the opportunity gap. (This would not be a discussion on affirmative action.) Also, we expect that this meeting would help deter any potential criticism that we may receive about the next town meeting being sports-related. There are those who feel sports minimizes the seriousness of race and those who are sports lovers who quite frankly do not feel we have a problem. Taking all this into account, we are proposing a three-part strategy for which this meeting is the kick-off.

Format: This meeting would be another segment in your series of outreach meetings that you have hosted to discuss the race issues facing Americans today. It would have these elements:

- Participants: Below is a list of recommended participants. (Also, find lists attached to this document of others considered for this meeting and participants in past outreach meetings.)

Sharon Belton
Bill Bradley
Linda Chavez
Larry Echohawk
John Hope Franklin

Al From
Rudy Guiliani
Antonia Hernandez
Jesse Jackson
Tom Kean

Jack Kemp
Gary Locke
Colin Powell
Ann Richards
Christine Todd Whitman

- Date / Location: The meeting would take place at the White House in March or April.
- Issues: While the discussion would be free-flowing like these previous meetings, it would be structured on the areas of common ground that both sides share and concrete ways that they could work together where opportunity gaps still exist.
- Press: As with the previous two meetings, we recommend that a print/pool reporter be in attendance. With this meeting, we would add a pool spray at the beginning. Also, the proceedings would be taped and a transcript will be provided to press.

II. ESPN TOWN MEETING

Purpose: The purpose of an ESPN-televised town meeting is to examine the role of sports as an analogy to expanding access and opportunity in society. Through athletics, people from various racial and ethnic backgrounds come together around a common goal. This town meeting will allow us to look at sports as a "laboratory" for building communities across racial lines -- where sports has been successful in bringing us together and where sports has not been successful. Furthermore, the purpose of holding a town meeting on ESPN is to broaden the reach of the Race Initiative. (ESPN's audience is predominantly white male, ages 16 to 70+, middle-America.)

Format: The following paragraphs outline the elements of an ESPN-televised town meeting:

- Participants: We recommend that a balanced group, selected from the following categories of participants, be included in the discussion with you. Besides the panel, we contemplate there being a studio audience who will be given the opportunity to ask questions of you and the sports figures.

Commissioner	Amateur Athlete	Current Coach/Mgr
Sports Media Rep.	Team Owner	Non-promoted Coach/Mgr
Academic	NCAA Representative	Fan
Professional Athlete	Retired Athlete	Parent

The moderator will be someone with name recognition that transcends sports in order to have a more inclusive audience. (ESPN has expressed strong interest that one of their anchors be involved as moderator.) Other names under consideration are Greg or Bryant Gumbel, Ahmad Rashad, James Brown and Bob Costas.

- Date / Location: This event would take place on either April 14. Since you have been to the Midwest for the Akron Town Meeting and the West for the Race Initiative announcement in San Diego, we are considering the following venues: San Antonio, Texas; Louisville, Kentucky; and Charlotte, North Carolina. The 1998 NCAA Final Four will take place in San Antonio.
- Issues: Some of the themes to discuss may include: 1) community-building through the analogy of "team and sports"- building a diverse team to make America work; 2) racial progress in sports historically (e.g., Jackie Robinson); 3) hiring issues (e.g., "glass-ceiling") regarding discrepancies in coaching and management; and 4) discrediting the myths of minorities in sports and relating it to society-at-large.

III. PBS-TELEVISED TOWN MEETING / CONVERSATION

Purpose: We have had preliminary discussion with producers of the "The Newshour with Jim Lehrer" about producing either a PBS-televised traditional town meeting *or* informal conversation with a small group of people in a roundtable format. The town meeting option would be a "straight" town meeting, similar to Akron, but it would be focus on a topics like those listed below.

Format: The following paragraphs detail the various format options:

- Participants: For the town meeting, participants would include citizens and elected officials of the selected town. For the roundtable option, we believe that guests from the private sector, educational arena and community organizations would suit the below-mentioned topics. (Angela Blackwell, Robert Johnson, Eugene Garcia, Jonathan Kozol, Cornel West, John Echohawk, Fred Rotundaro, Elaine Chao, Clarence Page, and Ron Takaki)
- Date / Location: The town meeting or conversation would take place in either June or July. The town meeting would be held in a region that you have not visited through the Race Initiative - Northwest, Northeast, Mountain States. The conversation could occur anywhere.
- Issues: Topics under consideration for a PBS town meeting or conversation are the following:
 - 1) Does the issue of race still matter in American society? How does race still affect our everyday life? Which is the larger problem: people overemphasizing race or underemphasizing race?
 - 2) What are the implications of America's contemporary global challenges for how our institutions address racial issues? How are the private sector, educational institutions and community organizations preparing to participate in the increasingly complex global economy?
 - 3) What are both useful and unwise strategies for handling our racial differences? What are the approaches for moving people beyond any fear they may have in dealing with racial diversity?

RECOMMENDATION

We recommend that you do all three events and would like to announce it this week.

DECISIONS

That you hold a meeting with national leaders in March.

agree ☒ disagree ☐ let's discuss ☐

That you participate in an ESPN-televised town meeting in April.

agree ☒ disagree ☐ let's discuss ☐

That you participate a PBS-televised town meeting or roundtable discussion for June or July.

agree ☐ disagree ☐ let's discuss ☒

Opportunity gaps

Concerned about fear

attachments:

Others Considered for the Meeting
Past Participants in Outreach Meetings

OTHERS CONSIDERED:

Debbie Allen
Tony Anaya
Julian Bond
Phil Carroll
Ken Chenault
Warren Christopher
Henry Cisneros
Mario Cuomo
Chris Edley
Roger Enrico
Myrlie Evers
Louis Gerstner
Richard Grasso
Susan Hammer
Jesse Jackson
Tom Joiner
Ron Kirk
Bob Lanier
Spike Lee
Gary Locke
Zell Miller
Sam Nunn
Richard Parsons
Hugh Price
Richard Riordan
Barbara Roberts
Jean Shaheen
Steven Spielberg
Kabila Shabazz
Anna Deavre Smith
Dean Smith
Sal Trujillo
Doug Wilder
Raul Yzagirre

George Bush, Jr.
Billy Graham
Richard Grasso
Glenn Loury
Bill McCartney
William Raspberry
Bob Woodson

Congressional

Newt Gingrich
Trent Lott
J.C. Watts
Xavier Becerra
Tom Daschle
Chakah Fattah
Harold Ford, Jr.
Richard Gephardt
Patsy Mink
Maxine Waters

PAST PARTICIPANTS IN OUTREACH MEETINGS:

12/19/97 Meeting:

Rep. Charles Canady
Linda Chavez
Elaine Chao
Wardell Connerly
Thaddeus Garrett
Tom Kean
Lynn Martin
Abigail Thernstrom
Stephan Thernstrom

1/12/98 Meeting:

Rep. Xavier Beccera
Sen. Tom Daschle
John Echohawk
John Hope Franklin
Wade Henderson
Stewart Kwoh
Rep. John Lewis
Kweisi Mfume
Karen Narasaki
Rep. Eleanor Holmes Norton
Hugh Price
Asifa Quraishi
Nan Rich
Fred Rotundaro
Mayor Jose Serna
Roger Wilkins
Raul Yzaguirre

45/ Core Values
What about this?
Should we do them? —

bc

Ideally, you should preside at a White House rollout of the bills on this date.

Copied
Bawles
Spurling
Reed
Terrings

You have been the clear leader on this issue. It was your appointment of the Commission during the 1996 campaign that launched the issue. Your response to the Commission's proposal for a Patient Bill of Rights has kept it in the forefront.

It would be a strong boost for the issue and for our Democratic initiative in Congress if you are willing to stand with the leaders of the House and Senate and endorse the bill on March 12.

The Democratic proposal is very similar to the recommendations of the quality commission, but it goes beyond the quality commission in a few respects. It requires coverage of quality clinical trials--similar to your recent proposal to cover cancer trials under Medicare. It deals specifically with the issue of drive-by mastectomies and reconstructive surgery after breast cancer. It gives injured patients the right to sue their health plans for meaningful remedies when they have been injured, while protecting employers who sponsor the plans.

The right to sue is especially important. Because of the ERISA pre-emption provision in current law, patients have no real remedy if misbehavior by their insurance company causes serious injury or even death. All they can now recover is the cost of the denied procedure. The right to sue is especially important to conservative Democrats in the House, as well as to the American Medical Association, which we expect to support the legislation.

Your strong endorsement of the legislation when it is introduced will not compromise flexibility to negotiate later. But it will send a strong message that Democrats stand together to protect patients on the leading health issue of 1998.

March 3, 1998

Memorandum for the President on Health Benefits For Workers And Their Families

From Senator Kennedy

The number of uninsured Americans increased by another million last year, and it will continue to rise, even with the passage of the children's health insurance act. Health costs are starting to rise again. Working families are worried about their health security.

A recent poll by Peter Hart for the AFL-CIO showed that eighty-one percent of Americans favor requiring corporations with more than fifty employee to provide basic health insurance benefits--and sixty percent strongly favor it.

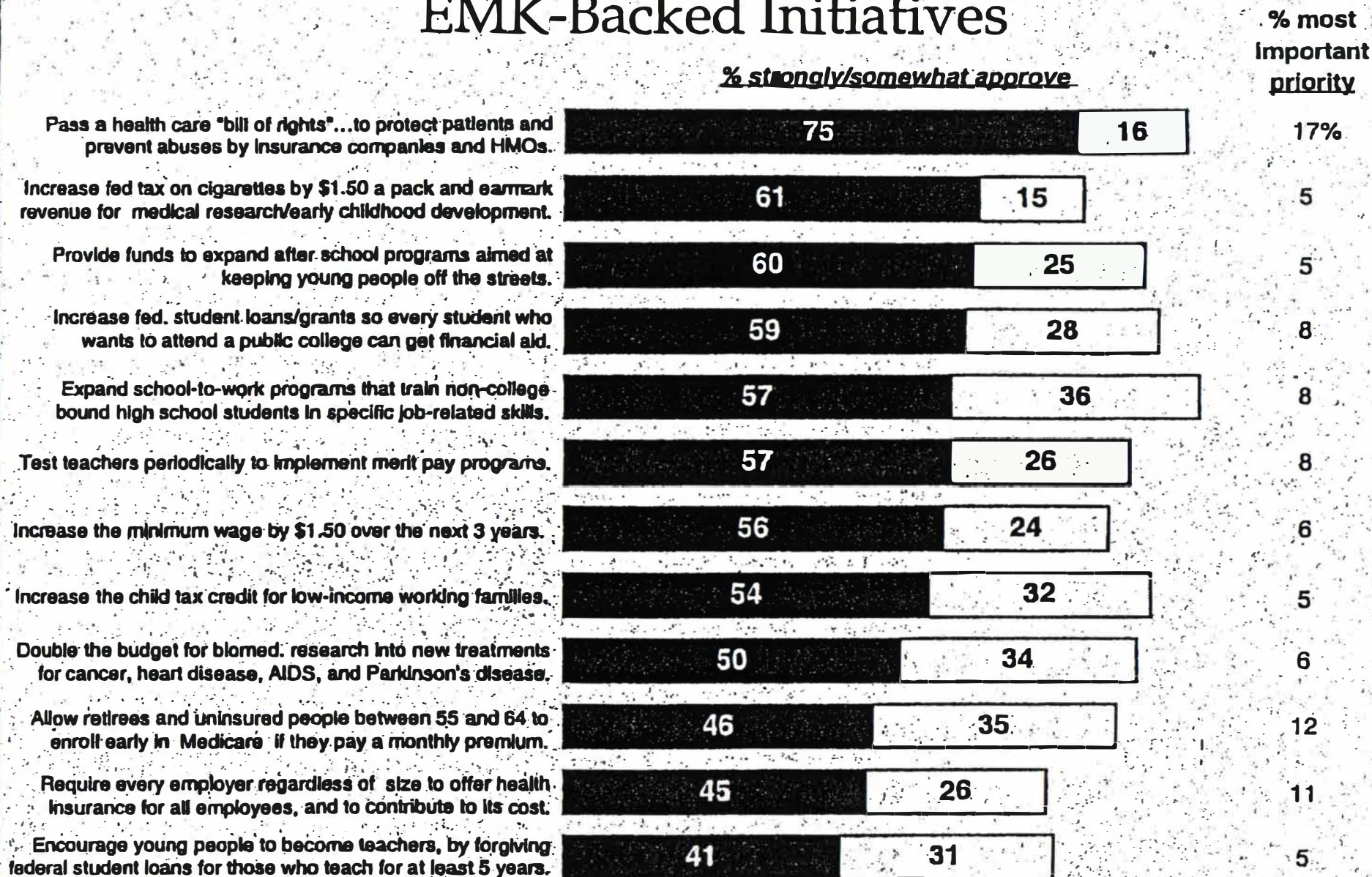
I intend to introduce legislation in a few weeks to require employers to provide basic health insurance coverage to their workers and dependents and contribute their fair share of the cost. The required coverage will be equivalent in value to the Federal Employees Health Benefits Plan and employers will be required to contribute an equivalent share of the cost, about 75%.

The bill is brief--eight and a half pages. That sends a loud signal that the mistakes of 1993-94 will not be repeated. John Sweeney will be participating with me in the press conference to announce it, and the AFL-CIO plans to make it one of their top priority issues for the fall election.

We're still deciding whether to limit the requirement to firms with 50 or more employees, or have it apply to smaller firms, too.

We will continue to give practical high priority to our two other leading health care initiatives--managed care, and expanded Medicare. But I feel it is also important to stake out the larger issue too. Will you and the First Lady join us?

Widespread Approval for Several EMK-Backed Initiatives



Americans' Views on Issues/Peter D. Hart Research

Nationwide survey among 1,002 general public and 622 union members
January 7-11, 1998

Conducted on behalf of the AFL-CIO



81% favor requiring companies with more than 50 employees to provide health benefits and to pay most of the premiums (60% strongly favor).

Washington Outlook

EDITED BY OWEN ULLMANN

PATIENT'S BILL OF RIGHTS: BUSINESS GETS OUT THE SCALPEL

When Corporate America launched a massive lobbying blitz to block sweeping regulation of managed-care plans in late January, it looked like a loser. HMOs and other employer health plans were on the run as consumers, doctors, and pols cast them as the villains in a new world of bare-bones medicine. The public mood was clear down at the cineplex as audiences cheered Helen Hunt's character in *As Good As It Gets* when she blasted an HMO doctor for limiting her child's treatment.*

But in a few short weeks, corporate forces have staged a remarkable comeback. Through skillful politicking, business has stalled the rush to impose new rules on health care. While Congress is still likely to enact a patient's bill of rights this year, the final package will be much more to employers' liking.

That's no mean feat. President Clinton's version of the patient's bill of rights gets plenty of applause for its call for easier access to specialists and treatments. And a physician-friendly Republican alternative that's even tougher on HMOs has 216 House sponsors.

"INTIMIDATED." To stem the tide, business lobbyists argue that the GOP bill, the Patient Access to Responsible Care Act (PARCA), would undermine the managed-care networks that have halted the double-digit medical inflation of the 1980s. PARCA's backers—a coalition of medical and consumer groups—maintain that the measure would raise costs by no more than 2.6%. But actuaries Milliman & Robertson Inc. conclude that the bill would hike premiums by 23%. A boost that large would induce 46% of small companies to drop health insurance, according to a poll released on Feb. 24 by the business-backed Health Benefits Coalition.

Those figures may be self-serving, but companies are using them to chip away at PARCA's support. They've teamed up with Senate GOP Whip Don Nickles (R-Okla.) and House Ma-

jority Leader Dick Armey (R-Tex.), who were furious that Senator Alfonse M. D'Amato (R-N.Y.) and 90 Republican House members—all up for reelection this fall—backed the measure. Now, two GOP co-sponsors have dropped out, and "many, many others have told us privately that they wish they hadn't signed on," says small-business lobbyist Dan Danner. Business, laments a Senate Democratic staffer, "has intimidated" Republicans sympathetic to HMO reform.

Corporate America still faces a formidable foe: Bill Clinton.

His bill of rights would require health plans to give members detailed information about physicians, hospitals, and claims processing. It would mandate external appeal boards when health plans deny coverage. The package also would make it easier for patients to see specialists and to win payment for emergency-room visits even when they're false alarms. On Feb. 20, Clinton ordered that his rules apply to health plans covering 87 million federal employees, veterans, and Medicare and Medicaid recipients.

But business won't willingly follow suit. It sees the bill of rights as part of a Clinton plan to win what he couldn't get in 1994—sweeping health-care reform—one step at a time. The Business Roundtable wants a purchasers' coalition of large employers—excluding insurance, HMOs, and drug companies—to draft patient-protection rules that companies would

pledge to meet voluntarily.

That won't satisfy politicians eager to ride the tide of HMO resentment. The Dems plan to make patient rights a centerpiece of their fall campaigns. And a GOP strategist concedes that such legislation "is a political imperative." With both parties aboard, some version seems bound to pass. Business may have defused the anti-HMO explosion—but it won't escape unscathed.

By Mike McNamee, with Richard S. Dunham



HUNT: The people's voice

*Helen Hunt in "As Good As It Gets": "F***king HMOs, bastard pieces of sh*t"

THE PRESIDENT HAS SEEN

3-6-98

SB/USC-

I find this persuasion - clearly better
 options for US
 Embassy in Montevideo
 (not the govt) - BS

Ambassador Christopher Ashby
 US Embassy Montevideo
 APO AA 34036

President Bill Clinton
 The White House
 1600 Pennsylvania Ave. NW
 Washington, D.C. 20500-2000
 February 25, 1998

Dear Bill,

Last Friday I spent the day with my senior staff crafting a cable to Jeff Davidow on the subject: Reasons for a Presidential Visit to Uruguay. We sent it on Friday afternoon, with instructions to get a copy to Mack McLarty ASAP. I then arranged to call Mack at 9:00 on Monday to review it, before he was to go to a high level meeting at 10:30 to review the schedule for your upcoming trip to Santiago. We were rather pleased with the cable, and I dutifully called on Monday morning to discuss it with Mack, only to find that he was in Korea. However, I spoke with his Chief of Staff, Mr. Cunningham, who told me he and Mack had discussed my call and he delivered the following message. "Mack agrees with your logic and agrees that the President should go to Uruguay on this trip. But the schedulers and the NSC are against it, and Mack thinks that the only way Uruguay would be included if for you to make a direct appeal to the President."

I, here goes.

You should stop in Uruguay because:

1. Uruguay has shown that they can achieve excellent economic growth, and still have effective environmental protection and strict labor protection laws. Uruguay could be used as a model to debunk the arguments that Latin American nations want to achieve competitive advantage by denigrating the environment and working children 16 hours a day.
2. Uruguay is the only country in Mercosur who wants what we want in trade - lower external tariffs and market access. They view their need to go along with Argentina and Brazil as a burden, and they are anxious to create a Free Trade Area of the Americas so they can get out from between their giant neighbors and spread their wings. They will be on our side.
3. Uruguay represents the values you and I have always respected. They go to work every day, pay their taxes, and play by the rules. They paid their debts in the 80's, sent their troops on UN peacekeeping missions, created a society of laws and respected their history. They are not a problem to be solved. A

copied
 Bowles
 NSC

CC
 S. J. Hunt
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visit to Uruguay would show that we are not only interested in the big powers who have financial crises, fight narco traffickers, and send lots of immigrants to the United States, but we also acknowledge and respect countries who have always kept their house in order, however quietly, and have never needed to be loud about it. Uruguay has been our ally since World War II, and every President since Eisenhower has acknowledged this by having a bilateral meeting with the elected Presidents of Uruguay

✓ One final point, Uruguay is just beginning to make a very subtle but perceptible shift from Eurocentric, anti Americanism, Latin American antagonism, toward a desire, especially among the young, to view America in a new light. You could be to this generation of Uruguayans what John Kennedy was to a generation of Europeans, the first real reason to believe that America stood for something other than what their parents had always told them, and that perhaps we were a nation, and a value system, who had something to offer.

I could also add that it is a lovely place with a golf course built by Alister McKenzie, who built Augusta.

N So, those are my reasons. You could leave Santiago in the morning of April 20, be here by lunch (2 hours), showcase the things I have been talking about in the afternoon, have an official dinner, and depart that evening, arriving in Washington the morning of April 21. Please consider it, you could make a great difference here.

Best Regards
K.T

P.S. There may even be time for a quick game of hearts if schedules are strictly adhered to.