



Orthodox Union

UNION OF
ORTHODOX
JEWISH
CONGREGATIONS
OF AMERICA

איחוד
קהילות
האורתודוקסים
באמריקה

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ב"ה

KASHRUTH DIVISION

President
MANDELL I. GANCHROW, M.D.

Chairman
PROF. SHIMON KWESTEL

Vice Chairman
DAVID FUND

Rabbinic Administrator
RABBI MENACHEM GENACK

Rabbinic Administrator (1950-1972)
RABBI ALEXANDER S. ROSENBERG

March 2, 1998

Ms. Ann Lewis
Assistant to the President
Director of Communications
The White House
Washington, D. C. 20502

Dear Ann,

Enclosed please find the next missive to the President, entitled
"Abraham".

Sincerely,

Rabbi Menachem Genack

Handwritten notes and a large yellow checkmark. The notes include "Miss - list" and "RSG". A date stamp reads "98 MAR 9 AM 9:1".

Chron

March 2, 1998

Abraham

Abraham is introduced to us in the Bible as a man isolated and lonely. He proclaims God and a new monotheistic theology in a world that had completely forgotten Him. That expression of total loneliness comes to its peak at the Akeda, the binding of Isaac. Indeed, the word Hebrew, *Ivri*, according to the Rabbis, means opposite shore; for Abraham was on one shore and the entire world was on the opposite shore. This could have precipitated in Abraham a sense of isolation, frustration, bitterness and misanthropy. But he remained the paradigm of kindness, hospitality, love and concern - even for the iniquitous cities of Sodom and Gomorrah.

Truth and compassion are often mutually exclusive attributes. Abraham represented the bond between both. In the words of the Psalmist, "*Mercy and truth are wed together; Righteousness and peace have kissed each other*" (Psalms 85:11).

Tradition teaches that Abraham discovers God through logic. He argues that a universe so perfectly ordered must be created and that the Author of nature must have a relationship with his creatures. He is so driven by the force of reason, that he even argues with God in defense of Sodom, that He must conform to a universal ethical standard. "*Shall not the Judge of all the earth do justly?*" (Gen. 18:18).

Yet Abraham, the man of reason, is willing to succumb to the Divine imperative to slaughter his only son, through whom God had promised that he would have future progeny. In the process, Abraham is willing to sacrifice his concept of reason and justice in the face of God's terrifying command.

Abraham's greatness unfolds as he lives between the tension of mutually exclusive experiences and encompasses conflicting emotions and ideas. He is not vanquished or diminished by the anguish of the paradox and contradiction, but on the contrary, elevated by it. He emerges as the man of faith, thus achieving a heroic existence.



Rabbi Menachem Genack

THE WHITE HOUSE
WASHINGTON

DATE: March 9, 1998

NOTE FOR: Secretary Albright

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

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

Handwritten notes in left margin:
C. West
John C. West
2/24/98
John C. West

~~Abbi Menachem Genack sends his missive based on Genesis 22:1.~~

X Gen, Auburn to S.A.

John C. West, an attorney and part-time professor at University of South Carolina, commends outstanding presentation of Secretary Albright there. Results were indeed positive. She made clear, logical and persuasive argument in support of our policy towards Iraq. Congratulations on your leadership. He hopes you're getting in some golf.

February 24, 1998

The President
The White House
Washington, D.C. 20500

3-6-98
TO BURKHARDT
FOR REPLY ?
YES ☒
NO ☐ let slip to Albright with FYI

'98 MAR 6 PM6:3

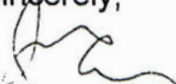
Dear Mr. President:

I am writing to tell you of Secretary Albright's outstanding presentation at the University of South Carolina last Thursday. As a part-time professor there, I was fortunate to be included for her speech to the students and her remarks at the reception following for faculty and others, including two of our Congressmen. Her performance was outstanding, and the results were indeed positive.

The comments I heard from both students and faculty reflected the clear, logical and persuasive argument that she presented in support of our policy towards Iraq.

I congratulate you on your leadership and again applaud you for having a great Secretary of State in Madeleine Albright.

Sincerely,


John C. West

JCW/bb

P.S. Hope you're getting in some golf!



JOHN C. WEST

ATTORNEY AT LAW

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February 24, 1998

The President
The White House
Washington, D.C. 20500

3-6-98
TO BURKHARDT
FOR REPLY?
YES ☒
NO ☐ let slip
to Albright
in FYI

'98 MAR 6 PM 6:37

Dear Mr. President:

I am writing to tell you of Secretary Albright's outstanding presentation at the University of South Carolina last Thursday. As a part-time professor there, I was fortunate to be included for her speech to the students and her remarks at the reception following for faculty and others, including two of our Congressmen. Her performance was outstanding, and the results were indeed positive.

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Sincerely,


John C. West

JCW/bb

P.S. Hope you're getting in some golf!





I have been surprised at the reaction to my January letter, in which I mentioned that fashion editors often receive a discount on clothes. The telephone has been ringing, with reporters asking me to comment on this "lack of ethics." The implication is that fashion houses can buy editorial coverage by giving away their clothes to fashion editors. That is nonsense. Discounts within groups of people who work together are the rule in this country, not the exception. Playwrights and sportsmen get complimentary tickets to theater and games, decorators buy fabrics at half price, and doctors receive a discount from pharmaceutical companies. And after all, we are not publishing *Consumer Reports*. We don't evaluate clothes according to their shrink resistance or durability or some objective, impartial "value." Not unlike theater or movie critics, we make critical judgments. What we feature are the clothes we like best, and—a sign of integrity, if you like—some of which we would like to wear ourselves.

On another note, I hope the president's initiative on race makes some real progress. There are several black men I know who are wonderful fashion journalists but can't take living in New York. Cabs don't stop for them, they undergo security checks when whites don't, and so on. This kind of not-so-subtle, if unthinking, racism seemed to me to be at work again the other day at a late-afternoon preview of the new movie starring our January cover subjects, the Spice Girls, at Planet Hollywood. I took my children along, and before the movie started, all the kids in the audience were

invited to meet the Girls and collect their autographs. The kids were excited and became rowdy, pushing and shoving. Three African-American children, however, stood out with their impeccable good manners. But they were nonetheless singled out by someone who made them give up their good seats for a celebrity, and then told them to wait in their (bad) seats, and that they would be sent for later. They never were. When they heard that the Spice Girls had left, they started to cry. Fortunately, another child gave them her photograph. I don't know who this person was or who they worked for, but I hope something is done about it.

Whenever *Vogue* suggests that Fat Is Not Fine, we get a flood of indignant letters—more than on fur, editors' discounts, et cetera. Well, the mailroom had better get ready. This month we are running a story that again makes the point that fat really isn't fine—it does jeopardize one's health—but that fen/phen is worse. Until a new, safer drug comes along, it's back to frail willpower and self-control. Irving Penn has illustrated the story with a photograph of the Irish model Sara Morrison so extraordinary that it almost made me believe that Fat Is Fine.

If you can afford only one new piece this season, it should be a sheath dress. There were so many beautiful ones at the collections that we've supplemented our story "Season of the Sheath" on page 450 with "The Best Dress List," an additional 22 choices. And finally, there's Ellen von Unwerth's "The Heat of the Moment" on page 422, with one of the most amazing fashion photographs I've seen recently. Richard Branson and Steve Fossett may have had trouble with their balloons, but Ellen clearly had everything under control.

IMAGE CONTROL: ELLEN VON UNWERTH TAKES A CHRISTIAN LACROIX DRESS TO NEW HEIGHTS. ABOVE: IRVING PENN'S PORTRAIT OF MODEL SARA MORRISON. BELOW:



THE STRAIGHT AND NARROW: GUCCI'S TAKE ON THE SHEATH. LEFT, THE DRESS OF THE SEASON

Winston
Fey - shared
BC follow up
A. Mahitar

3-9-98

THE WHITE HOUSE
WASHINGTON

March 7, 1998

MR. PRESIDENT:

Attached are the following weekly information items:

- (A) Weekly Economic Briefing
- (B) Interest Rates and the Stock Market (CEA) and Update on Emerging Markets (Treasury)
- (C) DPC Report
- (D) CEQ Report
- (E) Emanuel Report
- (F) Legislative Report
- (G) Race Initiative Report
- (H) Public Liaison Report
- (I) Intergovernmental Report
- (J) Cabinet Affairs Report
- (K) Communications
- (L) OSTP
- (M) Political Report

Phil Caplan *Phil*
Sean Maloney *SM*

TAB A: ✓ copied whole report to Yellen, Bowles; pp. 2-3 to McGinty; pp. 4-5 to Reed, Sperling; p. 6 to Winston, Sperling, Reed, VP

TAB B: ✓ copied Rubin memo to Rubin, Bowles

TAB C: ✓ copied memo to Reed, Kagan, Bowles, Podesta, Streett

TAB D: ✓ Copied McGinty, Bowles

TAB E: ✓ copied Emanuel, Bowles

TAB F: ✓ copied Stein, Bowles

TAB H: ✓ copied Echaveste, Bowles

TAB J: ✓ copied whole report to Marshall, Bowles; p. 4 to Emanuel; p. 7 to VP

TAB L: ✓ copied Gibbons, Bowles

TAB A - ✓ copied Vellen, Bowles whole thing
✓ pages 2-3 to Mcginty
✓ pages 4-5 to Reed, Sperling
✓ page 6 to J. Winston, Sperling
Reed, VP

TAB B - copied Rubin memo to
~~Bowles~~ Rubin, Bowles

TAB C - copied memo to Reed,
Kagan, Bowles, Podolsky, Streett

TAB D - copied mcginty, Bowles

TAB E - copied Emanuel, Bowles

TAB F - copied Stein, Bowles

TAB H - copied Echaveste,
Bowles

TAB J - copied marshall,
Bowles - ~~whole thing~~
page 4 copied marshall,
~~Bowles & Emanuel~~
page 7 - copied marshall,
VP & ~~Bowles~~

Tab L - copied Gibbons, Bowles

3 9-98
THE WHITE HOUSE
WASHINGTON

March 7, 1998

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- (A) Weekly Economic Briefing
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- (L) OSTP
- (M) Political Report

Phil Caplan *Phil*
Sean Maloney *SM*

THE PRESIDENT'S OFFICE
3-9-98

Tab A
98 MAR 6 AM 9:02

See memo to
for info to

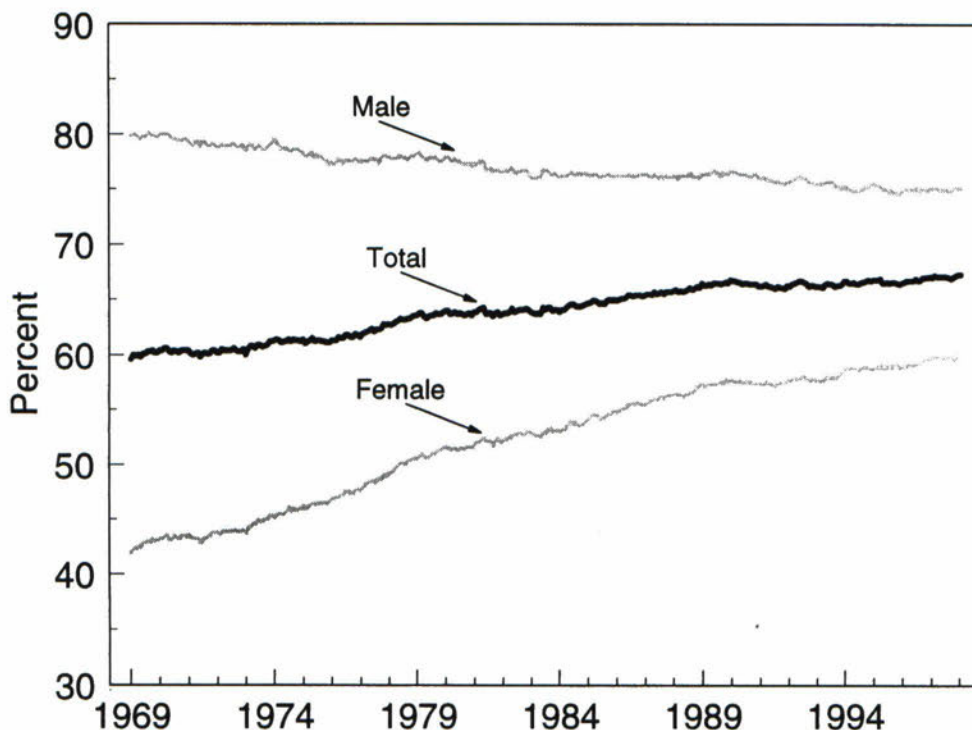
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

March 6, 1998

CHART OF THE WEEK

Labor Force Participation Rates, Aged 16 and Over



The February employment data show that the overall labor force participation rate is at an all-time high. But the long-run trend in overall participation masks different trends among men and women. The trend in the overall rate—including a slowdown at the beginning of the 1990s—has been driven by the trend in female participation. The male rate has been drifting down for some time.

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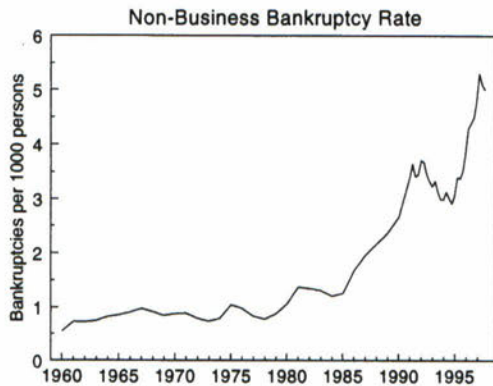


"It says, 'Sorry you're bankrupt. Please enjoy the enclosed preapproved credit card.'"

CURRENT DEVELOPMENT

What's Up with Bankruptcies?

The number of personal bankruptcy filings reached a record high of 1.35 million in 1997—an increase of 20 percent over 1996.



Trends. After remaining roughly stable over much of the 1960s and 1970s, the non-business bankruptcy rate began rising sharply in the 1980s (see chart). Some abatement was evident in the early stages of the current expansion, but the number of non-business bankruptcies shot up in 1996 and 1997. Quarterly data for 1997 do, however, show a flattening after the second quarter.

Analysis. Some analysts have linked the uptrend to passage of the Bankruptcy Act of 1978, which eased some of the burdens of bankruptcy. These analysts argue that the uptrend has resulted from a growing appreciation of the financial benefits of bankruptcy, along with a corresponding decline in the stigma associated with bankruptcy. Others suggest that bankruptcies have risen because credit card companies have become increasingly willing to lend to high-risk consumers. Some evidence suggests, however, that credit card debt remains a moderate fraction of the total debt of those declaring bankruptcy, suggesting that other lenders also have been relaxing credit standards. Finally, some have linked rising bankruptcies to broader factors such as rising divorce rates, increasing costs of medical care (and attendant debts), or large legal judgments.

Implications. Whatever is driving the increase in bankruptcies, the upward trend has focused attention on the bankruptcy system. The National Bankruptcy Review Commission established by the Congress in 1994 released its final report in October, and several bills to reform the system are currently before Congress.

3-9-98

cc: K. M. Kennedy

SPECIAL ANALYSIS

Go Fish

A recent scientific study finds that stocks of the most commercially valuable species of fish are being depleted. One sign of depletion is that the average rank on the food chain of commercially landed fish is declining. This suggests that the fundamental economic problem that leads to overfishing is not being addressed satisfactorily.

A classic problem. Overfishing illustrates the “tragedy of the commons” market failure associated with poorly defined property rights and open access to a common resource. The efficient operation of a fishery requires that fishing effort be carried to the point where the incremental value of the catch is just equal to the incremental cost of the effort required to land that catch. This cost includes not only private costs such as fuel, equipment, and wages, but also social costs such as the impact of fishing effort on the size and sustainability of the overall catch. Action by individual fishers to limit their catch in the interest of preventing overfishing would be fruitless, because it would just make it easier and cheaper for others to increase the size of their catch. In such circumstances, fishing effort goes beyond the efficient point, because additional effort still yields additional private profit. Such overfishing is likely to reduce the size of the sustainable catch and, in the extreme, threaten the sustainability of the entire fishery.

Problems with past responses. The problem of overfishing has not been neglected by policymakers. Indeed, a range of approaches have been tried—such as gear restrictions, quotas, trip limits, and time and area closures. Often, however, a restriction in one area, such as the length of the fishing season, provides an incentive for expansion in another, such as bigger vessels or more sophisticated fish-finding equipment. When such a regulatory system cannot keep pace with the inventiveness of the industry, overfishing continues and the industry becomes overcapitalized—as it has.

Economic costs. One estimate indicates that addressing the problems of overfishing and overcapitalization and further developing underutilized marine species could increase the long-term potential yield of catch by 50 percent, with a total impact on the economy of \$25 billion annually. Benefits would also arise from additional recreational opportunities, healthy ecosystems that support even greater fish production, maintenance of biodiversity, and recovery of marine mammal populations—though these benefits are much harder to quantify. Fortunately, some evidence suggests that protecting certain areas completely for a time may be highly effective in restoring and maintaining marine ecosystems.

Promoting better fishery management. Restoring fisheries is not sufficient for ongoing sustainability. The common property problem needs to be addressed effectively. One possible direct approach is individual transferable quotas (see box on next page). In such an approach, the total annual fish harvest would be set

scientifically, and permits would be created up to the allowed catch. Buying and selling of permits would be allowed to encourage cost-effective harvesting. High-cost fishers would probably sell their permits and leave the market, allowing the most efficient producers to expand their operations. Economic benefits would accrue because the long-term economic sustainability of the resource would be protected, efficient levels of inputs would be used in the harvest, and the timing of the harvest would be based on market forces rather than “fishing derby” days. The incentive to fish in poor or dangerous weather conditions would also be reduced, since the share of the harvest is already allotted.

Conclusion. Tradable permits offer a potential solution to the overfishing problem. However, permit systems may be costly to implement and require a strong enforcement presence. The biggest challenge to enact such management plans may be the distributional concerns of parties who fear being left out of the permit allocation system, or those, such as fish processors, who depend economically on the current patterns of catch.

Transferable Quotas in the Atlantic Surfclam Fishery

An individual transferable quota (ITQ) system was implemented in the Atlantic surfclam fishery in 1990. Surfclams—a resource stock estimated to be worth \$57 million in 1992—range along the northern to mid-Atlantic coast, with most of the commercial concentrations off New Jersey and the Delmarva Peninsula. Earlier efforts to rebuild depleted stocks—including restrictions on hours and days of the week that vessels could fish and a moratorium on vessel construction—had introduced economic inefficiencies. When the ITQ was implemented, the initial quota allocation went to vessels based on their size and historical catch. At the same time, earlier restrictions were lifted. The number of vessels in the fishery declined 54 percent within 2 years after the ITQ system was implemented, suggesting that the objective of controlling overfishing is now being met more efficiently.

cc: B. Keen
Guns

ARTICLE

Do Employment and Training Programs Work?

Are government employment and training programs effective in improving labor market prospects for the disadvantaged? A recent review of the evidence provides grounds for cautious optimism, although these programs appear to have been much more successful for adults than for disadvantaged youth.

Disadvantaged youth. Disadvantaged youth are the most difficult population to help, and success has been limited, except for a few highly intensive or particularly well-run programs. Dropout prevention programs have a mixed record, and programs for teenage parents have been disappointing.

- Earnings. The main program that has shown some success is the San Jose Center for Employment Training; which was the only one of 13 similar programs that was effective in increasing youth earnings. The Job Corps has also been shown to produce significant gains in earnings and educational attainment. Both of these programs are substantially more intensive than most other efforts.
- Dropout prevention. Dropout prevention programs were found to have worked in some sites but not in others. This mixed record suggests that program management may be critical. Further information on this issue will soon be available from the recently completed Department of Education's Dropout Prevention Demonstration Program.
- Teenage parents. Some programs have produced short-run gains in employment and educational attainment, and there is some evidence that these gains are larger for in-school than for out-of-school youth. However, most gains tend to deteriorate once the program is terminated.

Disadvantaged adults. There is much more consistent evidence that job training programs increase the earnings of disadvantaged adults, though they do not appear to have reduced poverty.

- Earnings. The Job Training Partnership Act (JTPA) Title II program, which offers short-term training and job search assistance to disadvantaged adults, appears to have increased women's earnings by 15 percent and men's earnings by 10 percent. More intensive programs that offer subsidized employment and supportive services to long-term welfare participants have yielded larger earnings gains. Mandatory welfare-to-work programs, which tend to offer job search assistance rather than training, have increased earnings by somewhat less than the JTPA program. All of these programs tend to produce high benefit-cost ratios.
- Poverty. Given that most disadvantaged adults served by training programs start out with very low earnings, most programs have not been successful in increasing

earnings enough to pull many of those served out of poverty. However, most studies documenting this finding were completed prior to the recent expansion in the Earned Income Tax Credit. It is possible that the EITC boosts starting incomes enough that the additional earnings generated by job search and training programs could move noticeable numbers of participants out of poverty.

Programs for dislocated workers. Research on the effects of employment and training programs for dislocated workers, though much more limited, suggests that some programs can be effective.

- Job search assistance. Carefully targeted job search assistance programs can decrease the duration of unemployment and the receipt of unemployment insurance among displaced workers. These programs are cost-effective for the government.
- Training. Studies have found that programs which combine job search assistance and training do not provide returns above programs offering only job search. Only a limited number of studies have been done in this area, however, and they do not provide long-term follow-up. Classroom training in community colleges has been found to be effective for some adults returning to work after a period without working. However, no large-scale random assignment studies have been done in this area.

Conclusions and remaining questions. Taken together, these results suggest that at least some types of employment and training programs can achieve moderate earnings gains for disadvantaged youth, adults, and dislocated workers. While these earnings gains are large enough to pass the benefit-cost test, for the most part they have not been large enough to move participants out of poverty. This is not surprising given that most programs have been short-term interventions focused on highly disadvantaged populations. It is possible that more-extensive interventions, or interventions targeted at higher-skilled populations (such as dislocated workers) would yield larger earnings gains.

3-9-98

ce Thurston
Guenther
Brewer

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

New Report Revisits Kerner Commission. On March 1, the 30th anniversary of the Kerner Commission's historic report on race relations, the Milton S. Eisenhower Foundation released a report suggesting that the Kerner Commission's prophecy of "two societies, one black, one white—separate and unequal" has largely come to pass. The new report summarizes many of the problems facing American society, but perhaps overemphasizes the racial dimensions of these problems. For instance, while much of the report focuses on the rise in income and wage inequality over the past 30 years, it does not discuss the fact that much of the growth in inequality has occurred within racial groups rather than between these groups. The report also cites the increased concentration of poverty within the inner cities as one of the major problems plaguing blacks. However, since this increase is partially the result of greater migration of middle-class blacks to the suburbs, this trend has some positive aspects.

Public Schools Continue to Gain Access to the Internet. The percentage of U.S. public schools with Internet access increased from 35 percent in 1994 to 78 percent in 1997, according to a recent survey of over 900 schools conducted by the Department of Education's National Center for Education Statistics. Internet access in instructional rooms has also grown from 3 percent of all schools in 1994 to 27 percent in 1997. Internet access for schools with a high percentage of minority or poor students has grown in each year of the survey, but at 63 percent remains below the level for all schools. Estimates are that, by the year 2000, 95 percent of all schools will have access to the Internet and that the gap between all schools and those with large poor or minority populations will nearly close.

VP/ Brewer
should
add
more

Salaries Rising Dramatically for New Computer Science Graduates. In the 4 months between September 1997 and January 1998, the average salary offered to new computer science graduates increased by 8.6 percent, according to a recent survey by the National Association of Colleges and Employers. This increase exceeded the increase in salary offers to most other majors reported. The strong growth in salaries offered to computer science graduates accords with the popular perception that demand has outpaced supply for high-tech workers, a perception supported by other recent studies. For example, a January 1998 survey estimated that 346,000 positions for programmers, systems analysts, and computer scientists/engineers remained vacant in U.S. companies with more than 100 employees. A large majority of survey respondents said it was "very difficult" or "somewhat difficult" to hire employees for these positions.

INTERNATIONAL ROUNDUP

Report Rates Competitiveness of African Countries. A new study published by the World Economic Forum evaluates the competitiveness of 23 African countries based on six factors (openness, government, finance, labor, infrastructure, and institutions) using both economic data and survey responses. The top finishers were Mauritius, Tunisia and Botswana. Countries that did well in the competitiveness index generally managed to avoid the extreme economic and political turmoil that trapped many African countries during the 1970s and 1980s. The middle performers are those yet to recover from a long period of poor performance despite having begun reforms. In some of these countries, real per capita GDP remains below its 1970 level. The worst performing countries often suffered recent political turmoil, or have yet to commit themselves to a market-oriented economy. Although Ghana and Uganda were middling in the competitiveness ranking (9 and 14, respectively), their strong reform records helped put them near the top of two other indexes measuring perceived changes in competitiveness—recent improvement (from 1992-97) and future outlook (1997-99). South Africa, by contrast, was ranked 7 in competitiveness but near the bottom of the other two indexes.

Russia Faces Taxing Problems. Russia's bout of the Asian financial flu late last fall has threatened the country's fragile recovery and put pressure on the government budget, which has seen recent deficits of over 8 percent of GDP. The high interest rates necessary to defend the ruble pose a double threat: They retard growth (and thereby tax revenues), and they make deficits increasingly costly to finance. Last year, poor tax collection constrained government expenditures, forced revisions and delays in passing the 1998 budget, and led the International Monetary Fund to suspend disbursement of its loans. Encouragingly, the budget passed the Duma this Wednesday, and Russia and the IMF recently agreed on an economic plan for 1998 and an extension of the loan program through early 2000. Russia still has problems with tax collection, which will continue until the new tax code, which is to improve both policies and implementation, is passed as well. That said, investors are responding positively to signs of renewed commitment to reform. T-bill rates have declined by more than 15 percentage points in the past month, to 28 percent.

Interpreting Trends in Inequality in South Africa. Overall income inequality in South Africa's 12 main urban areas fell substantially between 1990 and 1995, according to a recent South African government study. The main reason is converging incomes across different ethnic groups. In particular, African, coloured, and Indian households experienced a significant improvement in their standard of living relative to whites. Most dramatically, a 140 percent increase in average real incomes of Africans combined with a modest decline in that of whites caused the white-African income ratio to fall from almost 6 to less than 3. At the same time, however, inequality within the African group increased sharply, as the proportions with relatively low and relatively high incomes both went up. These data shed no light on how much of the decline in the average real income of whites reflects actual income losses and how much the emigration of high-income whites.

RELEASES THIS WEEK

Employment and Unemployment

****Embargoed until 8:30 a.m., Friday, March 6, 1998****

In February, the unemployment rate was 4.6 percent; it was 4.7 percent in January. Nonfarm payroll employment rose by 310,000.

Leading Indicators

In January, the composite index of leading indicators was unchanged for the second consecutive month.

NAPM Report on Business

The Purchasing Managers' Index increased to 53.3 percent in February from 52.4 percent in January.

MAJOR RELEASES NEXT WEEK

Productivity (Tuesday)
Retail Sales (Thursday)
Producer Prices (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1997	1997:2	1997:3	1997:4
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	3.8	3.3	3.1	3.9
GDP chain-type price index	5.4	1.8	1.8	1.4	1.4
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.5	2.2	2.3	3.6	2.0
Real compensation per hour:					
Using CPI	0.6	2.1	2.1	1.8	2.9
Using NFB deflator	1.3	2.4	2.0	2.7	3.5
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.5	10.4	10.7	10.5
Residential investment	4.5	4.0	4.0	4.1	4.1
Exports	8.2	11.9	12.0	11.9	12.0
Imports	9.2	13.1	13.1	13.3	13.2
Personal saving	5.3	2.8	3.1	2.6	2.8
Federal surplus	-2.7	N.A.	-0.5	-0.1	N.A.
	1970- 1993	1997	Dec. 1997	Jan. 1998	Feb. 1998
Unemployment Rate	6.7**	4.9**	4.7	4.7	4.6
Payroll employment (thousands)					
increase per month			354	375	310
increase since Jan. 1993					15035
Inflation (percent per period)					
CPI	5.8	1.7	0.1	0.0	N.A.
PPI-Finished goods	5.0	-1.2	-0.2	-0.7	N.A.

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

New or revised data in **boldface**.

Employment and unemployment data **embargoed until 8:30 a.m., Friday, March 6, 1998.**

FINANCIAL STATISTICS

	1996	1997	Jan. 1998	Feb. 1998	March 5, 1998
Dow-Jones Industrial Average	5743	7441	7808	8324	8445
Interest Rates					
3-month T-bill	5.01	5.06	5.04	5.09	5.04
10-year T-bond	6.44	6.35	5.54	5.57	5.78
Mortgage rate, 30-year fixed	7.80	7.60	6.99	7.04	7.19
Prime rate	8.27	8.44	8.50	8.50	8.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level	Percent Change from	
	March 5, 1998	Week ago	Year ago
Deutschemark-Dollar	1.826	0.8	6.6
Yen-Dollar	127.6	-0.1	5.0
Multilateral \$ (Mar. 1973=100)	100.4	0.4	4.6

International Comparisons	Real GDP growth	Unemployment rate	CPI inflation
	(last 4 quarters)		(last 12 months)
United States	3.8 (Q4)	4.6 (Feb)	1.6 (Jan)
Canada	4.2 (Q4)	8.6 (Dec)	1.2 (Jan)
Japan	1.0 (Q3)	3.5 (Dec)	1.8 (Jan)
France	3.2 (Q4)	12.4 (Dec)	0.5 (Jan)
Germany	2.3 (Q4)	7.8 (Nov)	1.2 (Jan)
Italy	2.4 (Q4)	12.2 (Oct)	1.6 (Jan)
United Kingdom	3.0 (Q4)	6.5 (Dec)	3.3 (Jan)

U.S. unemployment data **embargoed until 8:30 a.m., Friday, March 6, 1998.**

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

March 6, 1998

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'98 MAR 6 PM 6:05

3-9-98

MEMORANDUM FOR THE PRESIDENT

FROM: JEFFREY A. FRANKEL 9F

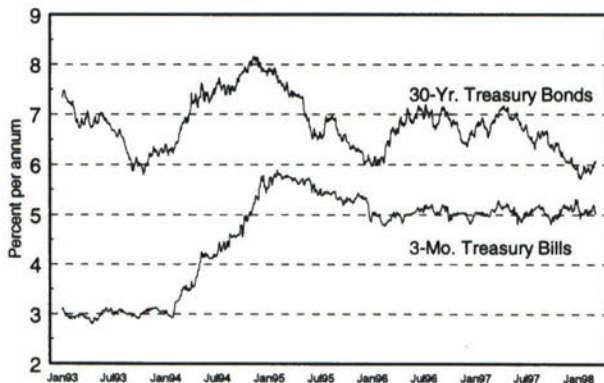
SUBJECT: Interest Rates and the Stock Market, Week Ending Friday, March 6, 1998

Long-term interest rates rose this week, while Treasury bill rates fell sharply. Much of the rise in long-term rates occurred on Monday, and followed a stronger-than-expected increase in the Purchasing Managers' Index. Long rates fell slightly on Friday, despite the release of data showing that wages and payroll employment both grew at a faster-than-expected rate in February.

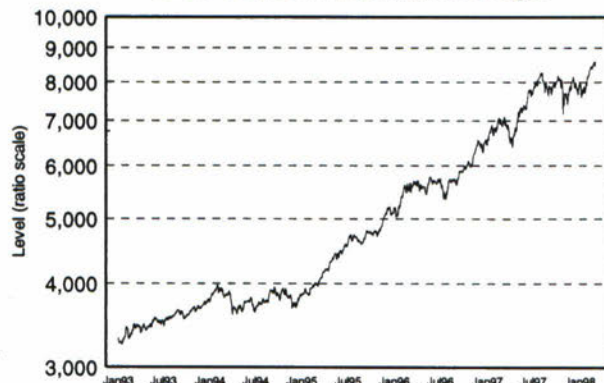
	Close 2/27/98	Close 3/6/98	Change
3-month bills	5.18	5.02	-0.16
10-year notes	5.62	5.73	+0.11
30-year bonds	5.92	6.02	+0.10

Stocks finished mixed this week. The Dow-Jones Industrial Average reached new record highs early in the week, but then fell back to close the week at 8569.39, up 0.3 percent from last Friday's close. The broad-based S&P 500 index rose 0.6 percent to finish the week at a new record high, while the Nasdaq composite index closed 1.0 percent lower than the preceding week.

Daily Interest Rates



Dow Jones Industrial Average





DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

'98 MAR 6 PM8:23

March 6, 1998

SECRETARY OF THE TREASURY

MEMORANDUM FOR THE PRESIDENT

3-9-98

FROM: Robert E. Rubin *R.E.R.*

SUBJECT: Update on Emerging Markets
The Week Ending March 6, 1998

- **Indonesia:** The rupiah depreciated 14.4% on worries that the IMF will delay its second tranche of funds (about \$3 BB), and on concerns about the health of the banking sector and the removal of well-respected banking officials. In addition, interest rates remained flat despite a 12.8% monthly inflation rate for February (32% on a y/y basis). The stock market, however, rose by 6.2% primarily to two large telecommunications companies that receive revenues in dollars and represent about a third of the stock index.
- **Korea:** The stock market fell 4.7% this week on political squabbling, instability in Indonesia, and profit taking, while the won ended the week relatively flat. Korean authorities are concluding their road show to exchange existing short-term debt for government-guaranteed longer-term debt. To date, the offer period appears to be going well, and it is expected that the majority of eligible debt will be swapped.
- **Thailand:** The IMF completed its second review of Thailand's program, and will disburse the third tranche of about \$270 MM. This successful review will trigger about \$1.3 BB of bilateral disbursements under the \$17.2 BB official financing package. In addition, we and the Japanese expressed our public support of Thailand's access to the IMF Supplemental Reserve Facility (SRF), if needed; an idea that we had initiated and the Thais very much appreciate. Despite these developments, the baht depreciated 3.6% and stocks declined 3.9% primarily due to negative developments in Indonesia.
- **Latin America:** Brazil cut interest rates from 34.5% to 28%, reflecting its growing confidence that vulnerability to the Asia crisis is receding. Anticipation of the interest rate cut and reports of strong capital inflows helped boost Brazil's stock market by 4% this week. Mexico took advantage of the calm Latin bond markets to issue \$1 BB in 10-year Eurobonds, its first international bond issue since the market turbulence last October.
- **Russia:** The long-delayed '98 draft budget passed its final reading in the Duma on March 4. The passage of the budget and good inflation news -- y/y inflation (Feb.) was below 10% for the first time in the post-Soviet period -- contributed to continuing improvement in market sentiment. During the week, equities rose 9.9% while secondary market bond yields dropped to 28% from 32% on increasing demand, especially from non-residents.

Copied
Reed
Kagan
Bowles

Podesta
Scheidt

THE WHITE HOUSE
WASHINGTON

March 6, 1998

3-9-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. **Health -- CBO Analysis of Medicare Buy-In:** The Congressional Budget Office (CBO) released on Thursday a very positive analysis of your Medicare buy-in proposal. CBO confirmed our view that the proposal will have no notable impact on the Medicare Trust Fund. Even more strikingly, CBO projected both greater participation and lower costs than the Administration had estimated. According to CBO, your proposal will provide coverage for 410,000 people, rather than the 300,000 we had claimed. Also according to CBO, beneficiaries will have to pay only \$10 extra per month after they turn 65 to cover the costs of the buy-in, rather than the \$16 we had estimated. We are hopeful that these estimates will give a needed shot in the arm to your buy-in proposal, which Senator Moynihan will introduce as legislation sometime in March.

2. **Health -- AMA Speech on Quality:** You are scheduled to give a speech on Monday to the American Medical Association (AMA) highlighting our shared commitment to enhancing health care quality. (The speech will also note our shared goal of reducing tobacco use.) The speech -- which will lead off a week in which your Quality Commission will issue its final report and the Democratic leadership will introduce its quality bill (see below) -- will mark the first time you have addressed the AMA and the first time any President has spoken to the AMA since Ronald Reagan in 1983. You will release a new survey prepared by the DPC that documents how many states have enacted the consumer protections recommended by your Quality Commission. The survey will show that more than 43 states -- including 25 with Republican Governors -- have enacted one or more of the recommendations. As you know, the AMA supports strong federal legislation in this area, including a provision to ensure judicial enforcement which the business community vehemently opposes. This enforcement provision is contained in both the Norwood bill and the Democratic leadership bill. The Administration has yet to take a position on it, primarily because the resulting business opposition might cripple the effort to enact any quality legislation.

3. **Health -- Democratic Patients' Bill of Rights Bill:** The Democratic leadership is scheduled to unveil a patients' protection bill on Thursday. This legislative proposal will receive broad-based support among Democrats in the House and less diverse support in the Senate. The bill includes controversial enforcement provisions (see above), as well as new requirements that health plans cover all clinical trials and all services associated with mastectomies, including

What about colonoscopy
coverage?

Q: What
does
this
mean
for
the
DPC
survey?
A: It
shows
that
the
DPC
survey
is
a
good
indicator
of
the
state
of
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DPC
survey.

breast reconstructive surgery. The business community will argue that these provisions will lead to increased litigation, higher premiums, and more uninsured Americans. As you know, we believe that you should support this legislation without embracing it as your own. The bill stands little chance of passing, and too strong a signal of support may sharpen the business community's opposition to quality legislation and alienate important Republican members -- such as Reps. Hastert, Thomas, Bilirakis, and Bliley -- who have indicated a desire to work with us on this issue.

Can I receive it - to review?

4. Health -- Final Quality Commission Report: Your Quality Commission is scheduled to release its last report later this week. This report will focus not on patients' rights, but on the development and use of health care standards. Although this subject has not received as much attention as the patients' bill of rights, many health policy experts believe that this aspect of the Commission's work may have even greater potential to improve the health care system. Numerous quality problems now plague the health care system, including avoidable errors, variation in services, and overutilization of services. Each year, for example, 80,000 American women undergo unnecessary hysterectomies and more than one million Americans suffer harm as a result of avoidable errors. The Commission will propose the formation of a Quality Council to develop goals and strategies to improve health care quality. The Commission also will propose the establishment of a Quality Forum, comprised of private and public sector purchasers, that will develop a consistent set of health quality measures, to facilitate meaningful comparisons among plans and providers.

5. Health -- Kyl Private Contracting Issue: The Senate Finance Committee held a hearing last week on Senator Kyl's proposal to make it easier for doctors to enter into private contracts with Medicare eligible individuals. As you know, we have objected to this proposal on the grounds that it would reduce the access of non-wealthy Medicare beneficiaries to the best doctors -- or in some areas, to any doctors at all -- and create significant opportunities for fraud. All of the witnesses at last week's hearing, with the exception of Senator Kyl and a right-wing aging group called United Seniors, echoed these criticisms. Most policy and political analysts -- including the AMA, which is one of the Kyl amendment's most ardent supporters -- believe that this legislation is dead at least for this Congress.

6. Education -- Meeting on TIMSS Results: You are currently scheduled to meet on March 16 with a group of business, education, and math and science leaders to discuss how the nation should improve math and science education in the wake of the recent TIMSS results. Among those planning to attend are: Mayor Daley, Rudy Crew, Diane Ravitch, Sandy Feldman, Bob Chase, Ed Rust (the CEO of State Farm, who chairs both the National Alliance of Businesses and the Business Roundtable's Education Task Force), Bill Schmidt (the director of the TIMSS study), and Bruce Alberts (the President of the National Academy of Sciences). This meeting will provide an opportunity to demonstrate the need for standards-based school reforms and to highlight your own education agenda. It is especially important because some in the education community responded to the TIMSS results by dismissing the significance of low test scores.

I want to discuss this with the leadership

✓ **7. Education -- Opportunity Zones:** Rep. Clay, the ranking minority member on the House Education and Economic Opportunities Committee, has agreed to introduce your Education Opportunity Zones legislation in the House, and to try to recruit bipartisan sponsors. DPC and Education staff are working with Clay to finalize the legislation. We expect to have it ready for transmittal to Congress within the next few weeks.

*Good
Shaw
to announce?*

OK

✓ **8. Child Care -- Speech and Directive:** You are currently scheduled to go to Connecticut on Tuesday to give a speech on your child care proposal. You can announce a directive on that day to ensure that all federal child care centers (except those run by Congress or the judiciary) become accredited by the year 2000, and that all do proper background checks of child care workers. You also can announce a new HHS report showing that states are using Child Care and Development Block Grant funds wisely, but that they have far too little money to reach the entire population of eligible children. On the same day, the Children's Defense Fund will issue a report showing the need for increased investment in child care programs.

Good

✓ **9. Child Support -- Penalties Legislation:** The House passed 414-1 last week a bill introduced by Rep. Shaw to set realistic penalties for states' failure to put in place statewide computer systems to track parents who owe child support. The legislation, which we helped Shaw to develop, sets penalties at 4 percent of federal child support funds in the first year of noncompliance, going up to a high of 20 percent in the fifth year and thereafter. The legislation further provides for a state to get a rebate of a portion of the penalties once HHS certifies its computer system. Prospects for Senate passage of the legislation are extremely high.

*yes
make*

✓ **10. Crime -- Modified Assault Rifles:** The Treasury Department is almost ready to report back to you on whether it can permanently halt the importation of modified assault rifles under the Gun Control Act of 1968 for failure to comply with the "sporting purposes" test. (As you recall, you directed Secretary Rubin in November to suspend temporarily the importation of these weapons, while the Treasury Department conducted its review.) Treasury has studied the features and uses of the 5 basic kinds of modified assault rifles, and is now considering whether to recommend halting the importation of all five or only two (AK-47s and Uzis). We are carefully reviewing the evidence and legal arguments, so that we can determine whether a broader or narrower ban is appropriate. Treasury may be ready to make its recommendation in time for next week's radio address.

✓ **11. Crime -- COPS Grants:** The COPS Office awarded \$31 million on Thursday to 186 law enforcement agencies in small towns across the country. The grants will fund 467 full-time and 67 part-time officers.

✓ **12. Drugs -- NIJ Study on Drug Use:** The Justice Department's National Institute of Justice released a study this week on drug use and purchase patterns among individuals arrested for crack, powder cocaine, and heroin offenses in six cities. The report found that heroin users were the most likely to be daily users (a substantial majority in all cities), followed by crack users (40 to 50 percent), and cocaine users (10 to 40 percent). In addition, a greater percentage

of crack users than of heroin or powder cocaine users lived on the streets or in shelters prior to their arrest.

✓ **13. Campaign Finance Reform -- Free TV Petition:** With the defeat of McCain-Feingold, we are now focusing on your petition to the Federal Communications Commission (FCC) to establish a system of free or discounted broadcast time for candidates for federal office. The FCC has received letters of support for this petition from 83 Members of Congress, including a few notable Republicans such as Sen. Roth and Rep. Shays. Sen. McCain, however, has expressed strong opposition to such FCC action, and he intends to offer an amendment to the supplemental appropriations/IMF bill, as early as next week, to prohibit the FCC from imposing a free-time regime. In addition, all the Republicans on the House Commerce Committee have written the FCC in opposition to your request that the FCC begin a rulemaking procedure. David Broder intends to write a column tomorrow supporting our petition, and we are trying to round up additional editorial support.

✓ **14. Race -- EEOC Budget Request:** Newt Gingrich testified at an EEOC oversight hearing on Thursday that he would support your proposed increase in funding for the EEOC on the condition that the EEOC not use any FY99 funds on testing programs to uncover employment discrimination. Acting Chair Paul Igasaki responded at the hearing that although the EEOC is currently conducting a pilot program on the use of testing in the employment context, its FY99 budget request does not include any money for testers. This exchange would seem to commit Gingrich to supporting our EEOC budget request, but his testimony also contained criticism of class actions and he could try to link an increase in EEOC funding to restrictions on this litigation device. In addition, Gingrich's criticism of testing programs bodes ill for our proposal that HUD significantly expand its use of testing to uncover housing discrimination.

15. Tobacco: We are sending you a separate memo today on communications and legislative strategy on tobacco.



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

98 MAR 6 PM 3:22

March 6, 1998

3-9-98

MEMORANDUM FOR THE PRESIDENT

CC: ERSKINE BOWLES

FROM: KATHLEEN A. MCGINTY *int in KAM*

SUBJECT: CEQ WEEKLY REPORT

*Copied
McGinty
Bowles*

PROTECTING COMMUNITIES FROM TOXICS

EPA Water Announcement

[Handwritten mark]
In the first major step to implement the Clean Water Action Plan you launched last month, EPA this week proposed a strategy for controlling polluted runoff from large cattle, poultry and swine farms. These animal feeding operations are among the largest remaining sources of water pollution, and problems associated with them are drawing attention in many states. For instance, there is evidence linking the pfisteria outbreaks in Chesapeake Bay to runoff from poultry farms.

EPA's draft strategy would set stronger pollution standards, increase inspections and enforcement, and require that the largest operations be under permit by 2002. At present, only about a quarter of them are permitted. Most environmentalists supported the proposal. While some farm groups expressed concern about the cost of meeting the new regulations, others said they would welcome clear national standards, rather than conflicting state rules. EPA drew input from the agricultural community in drafting its strategy, and we will continue to work with farm groups as we move closer to final action.

Intermodal Surface Transportation Efficiency Act (ISTEA)

Senator Jim Inhofe (R-OK) threatened to offer an amendment to ISTEA that would have delayed the implementation of EPA's new standards for particulate matter. Fortunately, an agreement was worked out this week that was acceptable to all parties and passed without controversy. Under the amendment that passed, the Administration would have to collect three years of monitoring data before making any decisions about the attainment status of different areas, but those attainment decisions would have to be made no later than 2005. This result is completely consistent with the implementation plan you announced with the new Clean Air rules.

Superfund Reform

CEQ and EPA have participated in intense negotiations with Congressman Boehlert (R-NY) to develop an acceptable compromise on Superfund Reform Legislation. Boehlert suspended a

subcommittee markup on Thursday afternoon because discussions with Browner and CEQ right beforehand had suggested that a compromise acceptable to the Administration might be in reach.

Yesterday I convened a meeting with interested White House offices and Federal agencies. The strong consensus with the group is that we should try to get a bill if we can, but that a wide gulf remains which presents enormous risks -- both politically and substantively -- if we move significantly beyond the compromises that we have offered in Senate negotiations. For the moment the Browner/Boehlert level discussions have been suspended but will resume on Monday.

RESOURCE STEWARDSHIP

American Heritage Rivers

Earlier this week, Judge Kennedy of the U.S. District Court in D.C. dismissed the complaint brought by Congresswoman Helen Chenoweth (R-ID), Congressman Don Young (R-AK), Congressman Richard Pombo (R-CA), and Congressman Bob Schaffer (R-CO) against you and CEQ regarding the American Heritage Rivers initiative. The dismissal was based on a finding that the plaintiffs lacked standing to pursue their claims. The plaintiffs' attorney has stated publicly that they will appeal the decision, but the Justice Department's initial view is that we are likely to prevail in an appeal.

Cape Sable Seaside Sparrow/Everglades Emergency

An unprecedented amount of rain in south Florida has caused an emergency in a portion of the Everglades creating a difficult situation for the Corps of Engineers and the Department of the Interior (DOI). The area in question is breeding habitat for a critical subpopulation of the Cape Sable Seaside Sparrow, a highly endangered species. Because of the unusual amount of rain, normal operation of a Corps water management project would prevent all breeding by the bird this year by flooding this habitat.

In consultation with CEQ under our emergency procedures, the Corps has already diverted some of the water. However, that diversion has had adverse impacts on the Miccosukee tribe, which is now asking for a hearing on the diversion. To date, the Corps has believed that alternative diversions would have undesirable impacts on other private property. Weather predictions have led the Corps to believe that the threat of flooding will worsen, exacerbating a number of difficult legal and policy issues. CEQ has initiated a process with the Department of the Army, DOI, and the Department of Justice to identify all possible options and to determine the best possible strategy. I expect to have to make some decision on this very difficult situation possibly as early as next week.

East Texas Timber Emergency

Last month, a major windstorm in eastern Texas caused enormous damage on 103,000 acres of forested land on three national forests and grasslands in Texas. The Forest Service has asked CEQ for alternative arrangements for compliance with the National Environmental Policy Act,

in accordance with CEQ's regulations for dealing with emergency situations. Specifically, the Forest Service wants to proceed quickly with the removal of fallen timber to avert potential damage to red-cockaded woodpeckers, an endangered species, and to reduce the fire risk created by fuel loading. We are in consultation with the agency now and expect to reach a decision shortly. Congressman Jim Turner (D-TX) is vigorously supporting the Forest Service's request and Senator Phil Gramm (R-TX) has shown interest in the issue.

Headwaters Forest

 Our agreement in principle on a draft Habitat Conservation Plan covering Charles Hurwitz's property that we announced last Friday received incredibly strong editorial support in the California papers (editorials attached). Given Mr. Hurwitz's less than favorable reputation and the general grumpiness of environmental groups on this overall matter, I did not necessarily expect the papers to grasp that, in fact, the agreement is substantially very solid.

SUSTAINABLE COMMUNITIES

California Highway 710

For over three decades, the California Department of Transportation (CALTRANS) has pursued completion of the 710 Freeway extension. This 4.5 mile gap closure project would connect Route I-10 in the City of Alhambra with Route I-210 in the City of Pasadena. The project would greatly relieve the local street system and parallel freeways. However, the project has remained controversial because of potential impacts on historic preservation.

In 1993, the Advisory Council on Historic Preservation (ACHP) objected to CALTRANS' proposed project plans and referred the matter to CEQ. CEQ reviewed the proposal and asked the Federal Highway Administration (FHWA) and the ACHP to work together to identify and inventory historic properties in the project area and develop a low build alternative (i.e. mass transit) that was technically feasible. FHWA decided the low build alternative was not feasible and designed numerous mitigations to minimize the impacts on properties. The FHWA is now proposing to move ahead with freeway gap closure.

The extension project is supported by the city and county of Los Angeles, Alhambra, Pasadena, the Southern California Association of Governments and CALTRANS. The project is opposed by South Pasadena and historic preservation interests (including the National Trust for Historic Preservation) because of the impact of increased traffic on the six major historic districts and 12 structures listed in the National Register of Historic Places. Congressman Martinez (D-CA), who represents the district, supports the FHWA's position.

The ACHP continues adamantly to be opposed to Highway 710. They will meet on March 13 in Miami to consider this issue. I expect they will vote to oppose the project and trigger a formal, legal referral to CEQ for our action. Because the referral process can not be pre-judged, I can not say at this point whether DOT or ACHP will prevail in a referral process.

Regulatory Reform

The Vice President met with Senator Levin (D-MI) on the regulatory reform bill he has developed with Senator Thompson (R-TN). The meeting went well, and Vice President expressed his gratitude to Levin for working with us in trying to develop a reasonable bill that avoids the pitfalls of past bills.

The Vice President also made clear to Levin that despite significant progress, the Administration opposes the bill in its current form. He stated that we feel that we must put our views on record in a letter to the Hill, because our silence to date has been taken as a signal of support for a bill that agencies, labor and environmental groups, and many other Senate Democrats strongly oppose. The Vice President also explained that the Administration would propose a reasonable set of changes to the bill that we believe Levin and Thompson should be able to accept if they truly want a signable bill. The letter will be sent from Director Raines and could go to the Hill today.

Smart Growth in Little Rock

On Thursday, CEQ staff gave the opening speech at a two day meeting of the Little Rock Planning Commission. The meeting kicked off an effort to create a sustainable growth strategy for Little Rock. The strategy will be designed to encourage the revitalization of older downtown areas while instituting growth management tools to ensure orderly development at the fringe. The planning effort will incorporate plans for your Presidential library. Mayor Jim Daily spoke eloquently on the subject of building sustainable communities and curbing urban sprawl.

INTERNATIONAL LEADERSHIP

Recent Climate Change Hearings

Congress and the media turned their attention back to climate change this week. Two hearings in the House (Commerce and Science) and one in the Senate (Agriculture) focused attention on issues related to Kyoto. Janet Yellen presented our long awaited and much anticipated economic analysis of the impacts of Kyoto at these hearings. Her testimony emphasized the uncertain nature of any long-term economic analysis and the importance of bringing costs down through international emissions trading. It concluded that any economic impacts were likely to be modest, on the order of increased household energy bills of \$70-\$110 in 2010 or roughly the same order of magnitude we think bills will decrease through utility restructuring.

While many Members remain skeptical, this testimony is an important step in disarming one important argument used against action. The Washington Post gave Dr. Yellen's testimony front page coverage. Other articles during the week focused on a shift by several major oil companies toward accepting the need to reduce greenhouse gas emissions and on the potential role of trees in sequestering carbon.

Attachments

March 5, 1998, METRO FINAL

SECTION: EDITORIALS; Pg. B6

HEADLINE: A WIN FOR HEADWATERS

BODY:

Sen. Dianne Feinstein and officials from the Clinton and Wilson administrations in recent weeks endured the sometimes stormy negotiating tactics of Charles Hurwitz and the shrill negativism of some environmental groups. But in the end, it was worth it. Their efforts have produced a tentative habitat conservation plan detailing how to log in an environmentally sensitive manner Maxxam's 200,000 acres. This habitat plan allows a long-stalled deal to purchase the neighboring **Headwaters**, the largest grove of privately owned ancient redwoods in the world, to proceed.

The details of habitat conservation plans are usually hammered out between government biologists in the field and landowners with endangered species on their property, not in Feinstein's office. But given its size, length and species involved -- mysterious birds, troubled salmon, lobbyists and a Wall Street player the likes of Hurwitz, this was no ordinary habitat conservation plan. On the table for Hurwitz is \$ 380 million in cash, what Maxxam would get in exchange for the **Headwaters** and an acceptable 50-year habitat plan.

The public will undoubtedly focus on what will happen to the ancient redwoods outside the **Headwaters** that the government will not buy. The marbeled murrelet, an endangered sea bird, relies on dense groves of these trees for nesting. More than 90 percent of the best habitat for these birds will be protected under this deal.

At present roughly 1.4 billion board feet of ancient redwoods remain on Maxxam's land. The **Headwaters** contains 600 million board feet of prime murrelet habitat and under this deal would be preserved forever. That leaves about 840 million board feet of ancient redwoods outside the **Headwaters** and the subject of the recent negotiations. Of that, 350 million board feet are within virgin stands and important for the bird. The habitat plan preserves 300 million board feet of these stands for 50 years. Maxxam gets to harvest the rest -- more than 500 million board feet.

Hurwitz, however, may opt to preserve forever some of these stands as a way to help settle a federal lawsuit he faces for his involvement in the 1988 failure of a Texas savings and loan that cost taxpayers \$ 1.5 billion. So what begins as good for the murrelet promises to only get better.

Maxxam also has agreed to help restore endangered populations of coho salmon with new logging restrictions near year-round streams that are more than five times tougher than existing state regulations. That wasn't enough for some environmental groups who wanted stream protections to be at least 10 times tougher. If that's the best that the critics can come up with, it's hard to argue against this deal.

Now the ball is in the state's court to come up with \$ 150 million, its share of the \$ 380 million price tag for **Headwaters**. With this habitat conservation plan, that would be money well spent.

March 3, 1998, Tuesday; Second Edition

SECTION: NEWS; Pg. A-12

HEADLINE: More salvation for Headwaters;
The deal to protect ancient redwood trees gets better, as negotiators add four old-growth groves

SOURCE: EXAMINER EDITORIAL WRITER

BODY:

ON OCT. 1, 1996, we editorialized that Charles Hurwitz, the junk bond financier and logger, should deed to the government all the ancient trees in Headwaters Forest, and not just the two groves involved in the proposed \$ 380 million sale.

In the meantime, that entire deal was often held together by a few twigs. But Congress approved \$ 250 million for the federal share of the purchase, and Hurwitz's Pacific Lumber Company busied itself with putting together a forest management plan. An acceptable plan is crucial to final approval, which must be granted no later than March 1999.

Now, negotiators have, in effect, struck a new deal that provides a substantial amount, but not all, of what we were looking for. In addition to the Headwaters Grove and the smaller Elk Head Spring Grove covered by the original agreement, the new deal would protect for 50 years from the ax four of five remaining stands of ancient trees in Humboldt County.

That doubles the protected acreage to more than 15,000. Hurwitz, however, would be free to log the last grove. As lumber, the redwoods are worth as much as \$ 100,000 apiece.

Advantages of this approach are clear: Thousands of acres of old-growth trees preserved forever, plus thousands more acres set aside for at least half a century. A disadvantage is clear, too: One grove of old-growth redwoods sentenced to die.

Remaining are only about 4 percent of the 2 million acres of ancient trees that once grew along the coast from the Oregon border to Big Sur. The Headwaters deal would save the largest area of endangered redwoods left.

There are other considerations, as well. The scheme must provide protection for endangered and threatened species such as marbled murrelets, the small, cinnamon-spotted sea birds; spotted owls, and coho salmon. Cutting must be minimized along streams and rivers to protect water quality.

Public hearings in May will allow scrutiny of the new plan. Politicians, including Sen. Dianne Feinstein, one of the Headwaters negotiators, tout the plan as the best thing since photosynthesis. Many environmentalists have mixed emotions, and others downright dislike the compromises in the latest plan. Some activists think the deal should be scrapped because, they believe, the Endangered Species Act will stop Hurwitz from ever cutting the ancient groves anyway.

As part of the Feinstein-brokered deal, the state must come up with its \$ 130 million share, either through a bond issue or from the general fund. One way or another, that probably will happen. The remaining as-yet-unprotected grove could be purchased either by a private group or by the state. We're eager to see that done.

Until we review all the details, we can't endorse the latest plan. But we like its outline. Protecting an additional four groves of ancient trees is very good news. As for the environmentalists who are dumping on this expanded protection, it's reasonable to ask: Will any deal short of absolute capitulation by Hurwitz ever satisfy you?

Toughening the latest plan is a good strategy. But after all this time, it makes sense to work with the existing deal. Going back to the beginning isn't an option if only because it creates the chance that all the groves would be lost to the clear-cutters.

Six out of seven saved is better than none.

lab E

98 MAR 6 PM 5:34

THE WHITE HOUSE
WASHINGTON

March 6, 1998

3-9-98

Copied
Emanuel
Bowles

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

CRIME/DRUGS: The Attorney Generals would like the speech on March 12 to be on crime. I have advocated for a long time that this President has governed over an unprecedented and historic drop in the crime rates, yet he has never given a major address on the crime. Two months ago Mark Klienman, a leading criminologist at UCLA, sent a memo to the President on crime and drugs. I have attached the memo on crime. The President wrote back that he wanted to address some of the issues in the memo in a speech devoted to crime. I believe the goal for such a speech would be to address provocative crime issues and encourage debate.

The Treasury Department claims they may need ~~additional time~~ to prepare the report on assault weapon imports. I am trying to push them to finish it for the radio address on the March 14 which is the actual day the report is due.

EDUCATION: I have been pushing Bruce and Mike Cohen for a White House conference on education. We have scheduled a meeting on March 16 as a response to the results from the TIMMS test. Although I have been a strong advocate for this meeting, I believe we need a more long term game plan on education. Part of the problem is historic since the Federal contribution to education is only 5% of the nations education costs. However, we lack any traction, rhetorically, legislatively or strategically.

SOCIAL SECURITY: As a follow-up to the Speaker's comments about Social Security and the Surplus, it is important to force a vote in the Senate on our proposal. We have had many discussions with Senator Daschle's office about offering a resolution on the President's Social Security First proposal. We should time the proposal to the first town hall in April.

TOBACCO: The radio address should be the beginning of a coordinated and focused effort by the White House and our Hill allies on tobacco. This week is critical in raising the stakes for Congress. This issue should not be treated as a normal political issue. We want to raise the cost of failure.

3 9-98

FOOD SAFETY: We may have an announcement for the President to make on pasteurized apple juice. The announcement responds to the outbreak on the West Coast three months ago when a little girl died and 66 people ended up in the hospital. My goal is to this ready for the President to announce before his departure.

THE PRESIDENT

12-8-97

THE WHITE HOUSE

WASHINGTON

December 1, 1997

MEMORANDUM TO

THE PRESIDENT

FROM

RAHM EMANUEL

SUBJECT

CRIME SPEECH

① Mubner
& copying memo
② Rahm
1. when it says memo #1
2. it's unclear if it's clarity
Police memo is in
but just put it in
TSE

Attached are two memos that Mark Kleiman prepared on crime and drugs. As I mentioned in my weekly report last week, I believe that you should deliver a speech outlining our efforts on the issues of crime and drugs. The speech would not put forth specific initiatives or policies but mark your overall philosophy based on what we have learned fighting these issues over the past five years. I think that the speech should be intentionally controversial. It should attack both the left and the right and should be written to create a debate on the issues of crime and drugs.

If you agree I can begin to work on getting a date on the schedule for such a speech.

Copied
Emanuel
COS

agreed

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MARK A. R. KLEIMAN
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SCHOOL OF PUBLIC POLICY AND SOCIAL RESEARCH
3250 PUBLIC POLICY BUILDING
LOS ANGELES, CALIFORNIA 90095-1636
(310) 206-3234 Voice
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kleiman@ucla.edu

To: Rahm Emmanuel
From : Mark Kleiman
Re: Targeted Zero Tolerance and Crime Control
Date: November 6, 1997

Central point:

Using only existing knowledge and resources, the country could have a much smaller crime problem three years from now than it has now.

The important new idea is "targeted zero tolerance," also known as "getting deterrence right." It can work at the neighborhood level, focused on the petty crimes that create the atmosphere for major crimes (e.g., some of Bill Bratton's initiatives in New York), or at the level of the individual offender or offender group (e.g., the Boston Youth Gun Project and coerced abstinence for drug-involved offenders).

Either way, the three keys are focus, communication, and follow-through.

Focus means picking specific behaviors for zero tolerance and, where possible, identifying the individuals or groups most likely to engage in them. Communication means telling those people precisely what won't be tolerated and precisely what will happen to them if the lines are crossed. Follow-through means delivering the promised sanction every time. This requires using the resources and powers of all the elements of the criminal-justice system: not just police, but probation, parole, prosecutors, courts, juvenile authorities as well; not just the locals or the feds, but everyone together.

Key organizing ideas:

Disorder makes neighborhoods vulnerable to serious crime. Controlling disorder prevents serious crime.

Most serious offenses are committed by a small number of people. Controlling their behavior is therefore essential. It is also feasible, precisely because they are so active and thus so vulnerable to enforcement focus. Multi-offending and

probation/parole status make high-rate serious offenders manageable, if the system works in a coordinated fashion to use those handles. That rarely happens now.

Deterrent threats need to be communicated to the people they are intended to deter, on an individual, "This Means You" basis where possible. The threat needs to be specific about what behavior will trigger a response and what the response will be. Arrests and sentences are very poor communications channels. Don't strike the rock, talk to the rock.

Most offenders are reckless and impulsive. Low-probability deferred threats of serious punishment sometime in the future bounce off them (otherwise they wouldn't be offenders). We need high-probability threats of immediate punishment; if we can deliver on those, behavior will change even if the punishments aren't severe.

The resources of the police and the rest of the criminal justice system can't deliver sanctions for every violation of every law by every person. But they can deliver effective zero tolerance for specified violations by specified people.

Controlling group offending (as represented by youth gangs) requires group-level accountability. Tell the whole group that if any member commits a specified act (such as shooting someone) the whole group will become a zero-tolerance target with respect to any offense, no matter how petty. Then let the groups control their own members.

A convincing threat can deter much more behavior than could actually be punished. How does the mythical Texas Ranger face down an angry mob when he has only one bullet left in his gun? By letting everyone know that the first one who steps forward will get shot. No one wants to go first.

Neighborhood version:

Crime is going down for many reasons: more cops on the street, more high-rate serious offenders in prison, good people in high-crime neighborhoods getting together to stop the carnage.

We're also getting smarter about controlling crime. Community-based, problem-oriented policing has penetrated more and more deeply into the daily life of police departments around the country, thanks in part to the community policing requirement attached to the COPS grants but in greater part to the growing understanding among police officers and the leadership of police departments that community policing is the best way to do the job of crime control.

One of the key ideas behind community policing is "fixing broken windows." By refusing to tolerate low-level acts of disorder (vandalism, graffiti, public drunkenness, retail drug dealing) and by cleaning up physical signs of decay, we can send a signal to all potential violators that this block, this corner, this neighborhood are not places where "anything goes." That turns out to have a powerful effect on serious crime.

But simply announcing a blanket zero-tolerance policy is an empty gesture, and all the offenders know it even if the pundits don't. There's no way any police department could make an arrest every time some local ordinance is violated, and if they tried the result would be to gridlock the courts. What Bill Bratton's troops did in New York was to focus on a few specific kinds of disorderly activity: some city-wide, like "squeegeeing," but most on a precinct-by-precinct basis. The choice of behaviors for local zero tolerance was made by precinct management, in consultation with neighborhood residents and business owners. In every case, the target behaviors were well-publicized in advance. The goal was not to maximize the number of arrests (that's the idea behind "sweeps") but to get the level of the targeted activity as close as possible to zero as quickly as possible, using the minimum number of arrests necessary.

This variety of targeted zero tolerance makes neighborhoods more crime-resistant. Learning how to make it happen is a central element of doing community policing well.

Offender/group version:

Most serious crime is done by a relatively small number of offenders. Most of them are active in a wide array of crimes, large and small, and many of them are on probation or parole when not in prison. Multi-offending and conditional release give the criminal justice system potential handles that can be used to suppress the serious stuff, but traditionally those handles haven't been used very well; the fact that the police think that a particular probationer is behind a string of robberies tends not to influence how his probation officer handles him. Just recently, practitioners have learned how to use them in a different version of targeted zero tolerance, and the results have been spectacular.

The Boston Youth Gun Project identified about 1300 juveniles and young adults in 60-70 gangs as being responsible for virtually all of the youth gun homicides in Boston. The gangs were called in, one-by one, as groups, for meetings involving the gang unit, the drug unit, the Department of Youth Services, probation, the District Attorney, the State Attorney General, the U.S. Attorney, and the DEA and BATF.

Each gang was given the following message:

1. We know who you are.
2. We know what you're doing, and most of it is illegal. You're playing hooky, you're violating your probation curfews, you're stealing, you're selling marijuana, you're drinking out of open containers, you're driving unregistered cars, whatever.
3. We can't stop all of you all the time.
4. We can stop any of you anytime we want. If all of us work together to enforce all of the laws and probation conditions you guys violate, you won't be able to function for a day. This doesn't mean we're going to violate your rights or harass you; it just means that every time one of you does something illegal he's going to pay for it. You won't have any fun or make any money.
5. Here are the rules: Nobody gets shot. Nobody gets stabbed.
6. If you violate the rules, we'll know. We know who is feuding with whom, and if someone from the Elm Street gang show up with a hole in him we'll know it was one of you Beech Street guys.
7. At that point, we're all over you like a cheap suit, and we won't let up until you say "uncle" and turn in all your guns.
8. There's no deal here: just a threat. As long as you keep doing illegal stuff, you're vulnerable to arrest or other sanctions, and we're not giving you a pass. But if you break the rules, we promise you'll pay for it.

After this series of meetings, there were two shootings (neither fatal). In each case the gang involved was identified and targeted. In each case, they eventually gave in and handed in their guns. The task force then went to all the adjacent gangs, explained that Gang X had broken the rules, been spanked, and had now knuckled under, and explained further that any act of aggression against Gang X would subject the gang responsible to the same treatment. ~~XX~~ This was perhaps the key move: making it safe to disarm.

One especially violent outfit that made it clear they didn't intend to comply was taken out by a DEA undercover operation that will have all its key players doing long federal sentences, except for the ones who wind up doing even longer state murder sentences based on one another's testimony.

There hasn't been a youth gun homicide; over that period, the expected number would have been more than thirty. Everyone is breathing easier; not only juveniles, but adults, are less prone to carry guns now that the gangs are no longer shooting up the town.

A similar program in Minneapolis, started this summer, has had similar results. At the individual-offender level, Lowell, Mass., targeted the sixty people most active in committing aggravated assaults, and the rate of that crime fell by two-thirds. An earlier, less formal project brought homicides in

the Chicago's Cabrini-Green housing project down from more than 100 per year to fewer than five. This isn't just a cute idea anymore; it works, and we know how to do it.

This approach is not an alternative to community policing. It assumes that the police have detailed knowledge of who is doing what to whom, a focus on problem-solving rather than arrest-maximizing, and a broad definition of their mission and their potential allies. All of these are characteristic of community-policing departments.

Coerced Abstinence for Drug-Involved Offenders

Reducing drug use and crime by drug-involved offenders on probation and parole by requiring abstinence from illicit drug use, frequent drug tests, and immediate sanctions for violations relies on the same logic as other targeted deterrence programs: specifying behavior to suppress, singling out a group to be forced to comply, and using certainty and swiftness rather than severity to control their behavior.

Administration role:

These programs don't usually need much outside money or manpower; the idea is to focus the resources already present. They do need, or at least benefit from, cooperation by the U.S. Attorneys and federal enforcement agencies, but that has been forthcoming. (Boston started out as a Treasury Enforcement initiative.) DC would be a good testbed, but not until it has a functioning police department.

It would be useful to have some funding for conferences, training, and, most of all, technical assistance. Small dollars, big impact.

But the real opportunity is to put the concept in the public eye, with everybody leading the cheers: the President, the AG, the VP, Louis Frech (maybe), Ray Kelly. "Getting deterrence right" puts some meat on the bones of being smart rather than just tough. Or rather, it shows how to be tough intelligently and compassionately, and elides the distinction between "enforcement" and "crime prevention" by using enforcement to prevent crime.

Lots of outside people would happily sing in the choir: Bratton himself, who would love some opportunities to get back into the national media, Paul Evans, the Boston Police Commissioner, other police chiefs and prosecutors, mayors like Rendell in Philadelphia and Goldsmith in Indianapolis, academics such as Blumstein, Wilson, and DiIulio. This stuff, especially the Boston story, makes great press and could generate lots of columns, talk shows, etc., if the Administration helps give it a high profile. Jeremy Travis at NIJ would gladly help on the research.

and research-promotion end. (I've got a panel on the topic at the American Society for Criminology meetings in San Diego two weeks from now, and can help lay the groundwork.)

A very ambitious version of this could involve a White House Conference on Crime Control where the new gospel would be preached. The point would be to say that crime control is no longer something that would be nice if we could get it; it's now available if we just do what we know how to do. One result would be to leave the pure lock-'em-up types on the Hill looking shrill and irrelevant.

Given that crime control is possible, it gets to be the centerpiece of any serious assault on urban poverty. Of all public services, protection from serious crime is the most unequally distributed by race and class, and the level of crime risk in urban poverty areas is one major reason why jobs there have been disappearing for a generation. As long as there wasn't anything sensible to do about it, there was no point explaining how nice crime control would be if we knew how to do it. But now we know.

Declining crime numbers make a good context for this, but we shouldn't bank too heavily on them. What goes down may come back up, and the demographics over the next decade are strongly against us. The best use of the good news is to make some political space for really intelligent crime control policy.

THE WHITE HOUSE

WASHINGTON

March 6, 1998

3-9-98

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MEMORANDUM FOR THE PRESIDENT

FROM: LARRY STEIN *LS*

SUBJECT: WEEKLY LEGISLATIVE REPORT

House of Representatives

✓
[Signature]
Puerto Rico: On Wednesday, March 4 the House passed (209-208) H.R. 856, a bill authorizing a referendum in Puerto Rico on the political status of the island. The legislation marked the first time in history Congress has approved a mechanism to clarify the status of Puerto Rico. Though the victory has energized the statehood movement, Senate Majority Leader Lott said it was unlikely the measure would reach the Senate floor in the near future. The legislation requires a plebiscite to be held in Puerto Rico by the end of 1998 in which voters would be given three choices -- to remain a Commonwealth, become the 51st state, or declare independence. If a majority opt for either statehood or independence, you would have six months to submit legislation to Congress that provides for a transition period of no longer than 10 years. During the consideration of H.R. 856:

The controversial "English Only" language, offered in the Solomon (R-NY) amendment, was successfully removed by a substitute amendment (238-182). The substitute, crafted by Burton (R-IN), Young (R-Ak), and Miller (D-CA), would have Puerto Rico, were it to become a state, follow the same language policy as the rest of the country.

2. **IMF:** On Thursday, March 5, the House Banking Committee approved (40-9) an \$18 billion IMF authorization. A majority of Republicans backed the measure (17-8), joining all 23 Democrats present. The next action, possibly early next week, will be the mark up of a supplemental appropriations bill on which the authorization is attached.

The Week Ahead

✓
[Signature]
The House has scheduled a relatively light agenda for the week of March 9, the most notable item to be considered is the African Growth and Opportunity Act. If the bill is debated under an open rule, as preferred by Representative Solomon (R-NY), the legislation will be subject to a number of contentious amendments. The most controversial, a Spratt (D-SC) textile amendment, would force the Leadership to pull the bill if it were to pass. The Administration is working with the Republican Leadership to limit the amendments allowed.

Senate

1. **ISTEA Reauthorization:** During the week of March 2, the Senate continued consideration of S. 1173, the Intermodal Surface Transportation Efficiency Act. The measure authorizes

funds for the construction of highways, highway safety programs, and mass transit programs. During the consideration of S. 1173, the Senate took the following actions:

Passed (62-32) an Administration supported Lautenberg amendment which will withhold a portion of federal highway funds from states that do not set a blood alcohol content level of .08 percent or lower. The following Democratic Senators voted in opposition to the measure: Richard Bryan, Mary Landrieu, Russell Feingold, Bob Graham, Wendell Ford, and Harry Reid.

Passed (by voice vote) an Inhofe amendment which will require the EPA to bear the cost of monitoring ozone and particulate emissions. Senator Inhofe unsuccessfully attempted to block the Environmental Protection Agency from enforcing tougher ozone and particulate air pollution standards last year.

Passed (by voice vote) an amendment to increase the highway portion of the bill by \$26 billion. The vote ratifies an agreement reached earlier in the week to raise the overall spending level of the measure to \$171 billion.

Tabled (58-37) an Administration opposed McConnell amendment which would have eliminated the Disadvantage Business Enterprise program. The DBE program currently encourages, but does not require, that 10 percent of federal highway construction projects be awarded to minority-owned businesses. The McConnell amendment would have required that an equal percentage be awarded to all small businesses.

2. **Campaign Finance Report:** On Thursday, March 5 the Senate Governmental Affairs Committee voted (8-7) along party lines to issue its report on the investigation into alleged campaign finance abuses during the 1996 election. While the report makes recommendations for the executive and legislative branches, it does not propose any major changes to the existing campaign finance system. The report makes the following recommendations: 1) An independent counsel should be appointed to aggressively pursue illegal activity as set forth in the report; 2) Congress should revisit the Independent Counsel Act and decide in 1998 whether it should be amended; and 3) Congress should establish restrictions on legal defense funds for both executive and legislative branch officials to deter abuse.

The Week Ahead

During the week of March 9, the Senate is expected to conclude consideration of S. 1173, the ISTEA Reauthorization bill. The Senate is also expected to begin consideration of S. 1133, the Parent and Student Savings Account PLUS Act (the so-called Coverdell bill). The measure would expand contribution limits and uses for education special accounts, allowing taxpayers to shelter from taxes up to \$2,000 a year in education IRA's. The measure is similar to a bill the House passed in October. Senator Lott has indicated that if Democrats filibuster the measure, it is his intention to take up a resolution supporting NATO membership for Poland, Hungary, and the Czech Republic.

cc: Vice President
Erskine Bowles
John Podesta
Sylvia Mathews

THE WHITE HOUSE
WASHINGTON

39-98

March 6, 1998

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: MARIA ECHAVESTE

SUBJECT: OPL WEEKLY REPORT - February 27- March 6

Copied
Echaveste
Bowles

ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES

MEDICARE EXPANSION

- **Breaux's opposition.** In the wake of Senator Breaux's comments that the Medicare Buy-In proposal should be deferred this year, we are working to regain the momentum on this issue and are mobilizing the key senior groups. AARP is running front page stories in Modern Maturity and AARP bulletin, and with the new positive CBO cost projections, is planning a Congressional letter on the importance of Medicare expansion.

CHILD CARE

- **Jewish organization supports Republican plan.** The Orthodox Union, the largest Orthodox congregational organization, has signed on to the Republican plan on child care that focuses on stay-at-home moms.

AFRICA TRADE

- **Randall Robinson launches assault on Africa Trade Bill.** Robinson of TransAfrica has launched an all out assault on the Africa Trade Bill. He is spreading information that the Bill will re-colonize Africa and has succeeded in forcing a closer look at some provisions that may need changing. Congressman Jesse Jackson Jr. has voiced opposition to the Bill and the NAACP has decided not to endorse the bill until amendments are made. We are working with Congressman Charles Rangel to rally support from other national black leaders.

What are the specific of the bill?

CONSTITUENT OUTREACH AND OTHER ISSUES

GAY AND LESBIAN OUTREACH

- **New Jersey Appeals Court holds Boy Scouts violated anti-bias law by excluding**

3-4-98

gays. The majority opinion chastised the Boy Scouts, and the lower Court, which characterized the award winning Scout as an "active sodomist." Said the Scout: "[they] taught me to be honest, be open, to be a leader, and to stand up for what is right. They taught me to stand up to them."

AFFIRMATIVE ACTION

- **Washington State Coalition.** In an OPL meeting with leaders from Asian American national groups the Washington State coalition against Proposition 200 was discussed. Governor Gary Locke and the Asian American community are actively involved in the coalition, along with several major corporations, including Boeing and Nordstroms. The group pressed their concern about the apparent lack of involvement by women's groups and suggested that a show of support from the Administration would be a powerful impetus for building more support. (Counsel's office, along with OPL and other offices, have been meeting to coordinate Administration response to Proposition 200.)
- ✓ **NAACP supports administration.** Kwesi Mfume has made passing your civil rights enforcement budget a top priority for the NAACP. Additionally, he recently applauded Newt Gingrich for his EEOC support.

AIDS ISSUES

- ✓ **Pressure increases to find a needle exchange compromise as March 31st deadline approaches and Presidential HIV/AIDS Advisory Panel meets in Washington in nine days.** AIDS prevention advocates and opponents of needle exchange programs are preparing for a fierce public battle as the absolute moratorium on federal funding of these programs expires on March 31st. Your Advisory Council on HIV/AIDS meets in Washington on March 15-18. Their meeting will likely generate several stories in the press highlighting the needle issue and speculating on what action, if any, the Administration will take as the deadline approaches.

BUSINESS OUTREACH

- ✓ **Small Business and the Hochberg nomination.** We organized a meeting with the heads of the major small business associations based in Washington to discuss Fred Hochberg's nomination to become Deputy Director of the Small Business Administration. We hope to mobilize enough support from within the community to force a hearing date for Mr. Hochberg.

AFRICAN AMERICAN OUTREACH

- **Urban radio campaign -** We have launched an aggressive radio campaign utilizing interviews with black talk show host to highlight budget initiatives that directly benefit

education initiatives.

JEWISH OUTREACH

- **Nazi Gold.** Senator Al D'Amato (R-NY) plans to introduce the "US Holocaust Assets Commission Act of 1998" within next two weeks with great fanfare. The bill would create a Presidential/Bipartisan commission made up of private citizens and members of Congress to examine the history of Holocaust victims' assets in the United States. The commission would sunset at the end of 1999 or 2000 upon the submission of a report of findings. Stuart Eizenstat has been working closely with D'Amato on this bill and has successfully staved off plans for introduction of the bill thus far. An internal WH meeting produced a consensus that we both need and want to be on board with the commission's creation. We will work closely with Legislature and Political to be sure that the Administration obtains maximum credit for this proposal.
- **Middle East peace process** - Press sources report that Netanyahu and his aides have asked Jewish organizations to publicly resist any US sponsored initiatives and use their influence in Congress to thwart upcoming administration efforts on the Middle East peace process. Israel's Ambassador to the UN, Dore Gold, has personally called around to national organizations asking them to issue statements critical of American efforts to impose any new plans. Although several key mainstream groups have begun to reject his request, his plea has neutralized the groups to the point that they won't publicly support the Administration in defiance of his request.

WOMEN'S OFFICE OUTREACH

- **Women In Military.** The Pentagon hosted a meeting with key leaders in the women's community and Under Secretary de Leon. The purpose of the meeting was to discuss the Kassebaum Baker report. Clearly there are many areas of agreement between the women leaders and the Kassebaum Baker report. They, however, do not want the military to turn it's back from the current practice of integrated basic training. The women leaders agree that "readiness" is the sole goal of military training and separating the recruits seems counterproductive.
- **Equal Pay.** In recent weeks, the Women's Office has been working with NEC, DPC and OMB to explore various options for an Equal Pay proposal. On Thursday, Gerry Shea and others from the AFL-CIO met with our working group to reaffirm the importance of an Equal Pay policy. It is one of the top three issues for the AFL-CIO.

cc: Erskine Bowles
Craig Smith
Doug Sosnik
Sylvia Mathews
Sid Blumenthal
Bruce N. Reed
Mickey Ibarra
Ann Lewis
First Lady

Rahm Emanuel
Michael McCurry
Gene Sperling
Thurgood Marshall, Jr.
John Podesta
Laurence Stein
Ron Klain
Susan Liss
Mrs. Gore

Tab J

100 PRESIDENT
3-9-98

THE WHITE HOUSE
WASHINGTON

98 MAR 6 PM 8:03

March 6, 1998

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BOWLES

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. TM

SUBJECT: Summary of Cabinet Weekly Reports
February 28 - March 6, 1998

DEPARTMENT OF TREASURY

- **Indonesia:** On February 25-26, Secretary Rubin helped prepare former Vice President Mondale for his trip to Indonesia. Indonesian currency has been relatively stable during the past week as traders and investors waited for further evidence regarding future policy direction following the Peoples' Consultative Assembly. Since February 27, the Jakarta stock market has risen 7.2 percent on speculation that Indonesia will have to commit to deeper reform if it hopes to receive continued IMF funding. Last week, government officials indicated that the clove monopoly and palm oil export quotas, due to be abolished in June and in April respectively, would be maintained.
- **Korea:** Following the inauguration of President Kim Dae Jung on February 25, Korea's stock and currency markets have posted overall gains. On February 27, Korean officials met with Japanese creditors in Tokyo, the first stop in Korea's effort to negotiate refinancing of up to \$24 billion in foreign debt. On March 3, in an unusual move, President Kim appointed a cabinet including a controversial acting prime minister, despite failing to win a majority of the National Assembly vote necessary to confirm the prime ministerial candidate. This political situation has caused some market wariness. Bank of Korea foreign reserves continue to rise as Korean banks repay foreign currency loans taken out at the height of the crisis last year.
- **Africa Initiative:** On February 25, the House Ways and Means Committee reported the Africa Growth and Opportunity Act. The legislation grants a series of new trade benefits to African nations, a step that lawmakers and diplomats called an historic development for U.S. relations with sub-Saharan Africa. In the House, the bill may be opposed by representatives of textile-producing areas and by union groups concerned about potential job loss and the scale of trade benefits given to the region.

- **IRS:** On March 7, the IRS will hold its first day of Saturday office hours, another in a series of reforms that the IRS has implemented to improve customer service. Taxpayers will be able to come to IRS offices to pick up forms and ask questions as they prepare their tax forms.

DEPARTMENT OF JUSTICE

- **Line Item Veto:** On February 27, the Supreme Court issued an expedited schedule in two suits challenging the Line Item Veto Act on the ground that it violates Article I and the Separation of Powers doctrine. Oral argument is scheduled for April 27.
- **Medicaid Provision Case:** On February 13, a suit was filed challenging the constitutionality of Section 4734 of the Balanced Budget Act of 1997, which created a criminal offense for those who charge a fee and knowingly counsel or assist an individual to dispose of assets in order for that individual to become eligible for Medicaid benefits, if disposing of those assets results in a period of Medicaid ineligibility.
- **Indian Country:** In a unanimous opinion, the Supreme Court ruled that 1.8 million acres of former reservation land, currently owned in fee simple by the Native Village of Venetie in northern AK, is not "Indian country." This decision may mean that none of the 44 million acres of land conveyed by Congress to Native Village Corporations and Native Regional Corporations, pursuant to the Alaska Native Claims Settlement Act of 1971, is Indian country.
- **Human Organs:** Two defendants in NY were charged with conspiracy to sell human organs for transplants. According to the complaint, the defendants met with an FBI undercover agent purporting to be associated with a dialysis center and offered to sell the agent organs from executed Chinese prisoners.
- **COPS Grants:** On March 5, the COPS Office announced the awarding of over \$31 million to 187 jurisdictions in 39 States and PR to hire more than 500 additional officers. On March 26, the next round of COPS grants are tentatively scheduled to be released. The number of officers is tentatively 854 full-time, 87 part-time, for a total of \$58.3 million.

DEPARTMENT OF INTERIOR

- **Headwaters:** On February 27, the U.S., CA, and Pacific Lumber Co. (PALCO) agreed in principle to create a Habitat Conservation Plan (HCP) for 200,000 acres of PALCO timberland in northern CA. Under the agreement, the U.S. and CA will pay \$380 million for 7,500 acres of old-growth redwoods. The agreement also protects 84 percent of virgin old-growth redwoods on PALCO land and nesting sites of the marbled murrelet.

- **King Center:** The descendants of Martin Luther King, Jr. have raised the possibility of NPS acquiring the birth home, the King Center, and other family-owned properties and artifacts. NPS would be a willing buyer if funds could be raised through partnerships and donations. Three years ago, the King family tried to have NPS "removed" from the King National Historic Site. The family now wants to concentrate on managing Dr. King's intellectual properties.
- **Disaster Assistance:** At FEMA's request, USGS scientists are providing technical assistance to FEMA in CA, responding to questions about the likelihood, location, and type of future landslides in CA.
- **El Niño Damage:** Point Reyes and the Pinnacles National Monument continue to experience problems. Point Reyes estimates that the cost to repair damages is approximately \$1 million. Pinnacles National Monument will be closed for at least 30-45 more days.
- **Menlo Park Facility:** On March 2, Secretary Babbitt announced that DOI and GSA agreed upon a long-term lease for the Geological Survey (USGS) in Menlo Park, CA. The lease agreement provides a stable base for operations and allows the USGS to continue its work in Menlo Park. Secretary Babbitt ordered a review of the location because of increasing costs.
- **CALFED Bay-Delta Program:** On March 16, the CALFED Bay-Delta Program, a cooperative effort of Federal and CA agencies, is scheduled to release its Draft Environmental Impact Statement (DEIS). The DEIS evaluates three alternative water management and conveyance options in conjunction with water supply, water quality, ecosystem restoration, and levee stability programs. It does not select a preferred alternative. CALFED is seeking input throughout CA before selecting a preferred alternative later this year.
- **Ward Valley:** DOI has temporarily halted plans to begin tritium testing at Ward Valley because of protests by Native Americans and environmental organizations. The Native Americans believe the land is sacred. On March 4, the Assistant Secretary for Indian Affairs met with the Native American protestors to discuss their concerns.
- **Salton Sea:** On February 25, Speaker Gingrich and the Salton Sea Congressional Task Force introduced legislation to address the environmental challenges facing the Salton Sea. A hearing before the House Resources Committee has been scheduled for March 12. The bill has a number of serious problems.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Food Safety:** On February 24, USDA food safety officials suspended operations at Murco, Inc., Plainwell, MI; Barber Foods, Portland, ME; Center State Beef and Veal, Inc., Cortland, NY; Brian Foods, Smokey Hollow, AR; and chicken product operations at a Tyson Food, Inc. plant in Center, TX.

- Rehman*
- **E. Coli:** The Center for Public Integrity released a report, "Safety Last--The Politics of E. coli and Other Food borne Killers," highlighting several issues: 1) no food safety bill has been forwarded from either Agriculture Committee to the floor in the last ten years; 2) the food industry has provided over \$41 million in campaign contributions to lawmakers over the past ten years; 3) Congress and the meat industry in the past have opposed granting the Secretary mandatory recall authority; and 4) Congress opposed the 1997 user fee proposal that would have required the food industry to support government inspection of meat, poultry, and egg products.

- **Forest Service Agenda:** On March 2, Forest Service Chief Dombeck announced a National Resource Agenda for the 21st Century in a speech to Forest Service employees. The agenda significantly increases watershed health improvements, promotes sustainable forest management, enhances outdoor recreation, and will result in a forest road policy that meets the needs of Americans and protects the environment.
- **Wildlife Habitat Incentives Program (WHIP):** On February 27, Secretary Glickman announced USDA's WHIP will provide \$24 million during FY98 to help landowners improve fish and wildlife habitat on their private lands.
- **Rural Development:** As of February 26, USDA financed 133 community facility projects, providing \$48,173,472 in loans and grants this fiscal year. 18,661 rural families have safe, affordable housing as a result of \$967.9 million in financing USDA has provided this fiscal year, which also created 15,455 jobs. USDA's rural business and cooperative financing has created and saved 12,163 jobs since October 1, 1997, by providing \$411.9 in financing to 412 rural economic development and business projects.
- **OECD:** On March 4-8, Secretary Glickman will attend the OECD Agriculture Committee and Quint ministerial meetings in Paris, France.

DEPARTMENT OF COMMERCE

- **El Niño Update:** DOC announced additional funding for continued research flights into the heart of El Niño storms along the CA coast. These flights are providing weather forecasters with significant data.

- **Steelhead Determinations Granted:** In a court order issued by the U.S. District Court, Northern District of CA, the National Marine Fisheries Service was granted until March 13 to make a final decision regarding the listing of five stocks of steelhead under the Endangered Species Act. The original deadline of February 11 was extended in order to allow additional time for evaluation of recently enacted steelhead fishing regulations by CA and OR before making a final decision to list.
- **1997 Population Estimates:** The Census Bureau revised and released a series of monthly population estimates for the nation from April 1, 1990, to December 1, 1997 by age, sex, race, and Hispanic origin.
- **Census in the Schools Project:** Scholastic Inc. will work with Census and the advertising company of Young & Rubicam Inc. to conduct a nationwide Census in the Schools project to promote participation in the upcoming decennial census.
- **Conference on Computer Security:** On March 9, Representative Morella will be the keynote speaker at a conference on Training American Workers in Computer Security, sponsored by DOC's National Institute of Standards and Technology.

DEPARTMENT OF LABOR

- **MI Employment Suit:** On March 13, the Government will file its brief in a dispute over MI's attempts at reorganizing its employment service. At the heart of the matter is a dispute over whether employment services must be provided by merit staffed employees.
- **Bureau of Labor Statistics (BLS) Data Announcements:**
 - ▶ March 10 - revised data on productivity and costs for the fourth quarter of 1997.
 - ▶ March 12 - U.S. Import and Export Price Indexes for February 1998.
 - ▶ March 13 - Producer Price Index for February 1998.
- **Collective Bargaining Update:** On March 16, the Toledo (OH) Federation of Teachers plans to strike if agreement is not reached with the city's Board of Education on a new contract for the 3,200 teachers and school employees. The school board plans to advertise for replacements and keep schools open in the event of a walkout. Tentative agreements reportedly have been reached on major non-economic matters, but differences over pay remain to be resolved.
- **Workforce Development:** On March 17, the Workforce Investment Partnership Act will be brought to the Senate floor. It is consistent with your G.I. bill principles. Floor consideration has been delayed due to NGA's attempts to renegotiate several portions of the bill including the unified planning, accountability and grandfathering provisions.

- **Older Workers:** On March 12, Secretary Herman will address a gala honoring the nation's oldest workers in recognition of National Older Worker Employment Week. The Secretary may participate in a roundtable with reporters to talk about the role of older workers in the economy.
- **Apparel Industry Partnership:** On March 6, members of the Apparel Industry Partnership will meet in Washington, D.C. to continue their work on the creation of an association and implementation of its code of conduct and principles of monitoring.
- **Workplace Violence:** The *New York Times* is about to publish a story on workplace violence that focuses on OSHA's draft Workplace Violence Recommendations.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Conference on Waste, Fraud, and Abuse:** On March 17-18, HCFA will host a national conference on waste, fraud, and abuse at Gallaudet University's Kellogg Conference Center in Washington, D.C.
- **Hepatitis C:** On March 5, FDA announced the availability of a guidance document related to blood products from donors who subsequently test positive for antibodies to the Hepatitis C Virus. The guidance document represents the agency's current thinking on donor screening and testing, notification of consignees, transfusion recipient tracing and notification, and counseling by physicians regarding transfusions.
- **Seldane:** On February 27, FDA announced that Hoechst Marion Roussel and Baker Norton Pharmaceuticals, the manufacturers of Seldane, Seldane-D, and generic terfenadine, have voluntarily discontinued distribution and marketing of all terfenadine-containing antihistamine product lines in the U.S. These products have been associated with rare but serious heart problems when taken with certain other drugs.
- **Home Drug Test:** On March 5, HHS published in the *Federal Register* a proposal to make it easier for manufacturers to market accurate home drug abuse test kits. The agency will allow all such kits to be marketed without prior approval as long as they meet certain criteria. This flexible policy will be applied to virtually all such tests except for those used for law enforcement purposes.
- **Asthma Education Project:** On February 27, the *New York Times* reported that Mayor Giuliani withdrew the city's money from a multi-million-dollar asthma education and treatment initiative in the Bronx. The program was to have been managed by the Children's Health Fund in conjunction with Montefiore Medical Center. The Mayor claimed that the fund was refusing to agree to the city's plan for financial and program supervision.

- **Medicare Risk HMOs:** On March 13, the OIG will release the final inspection report which found that, overall, beneficiaries in Medicare risk health maintenance organizations (HMOs) gave a favorable report of good service access in 1996. 85 percent indicated good access to care, 93 percent of enrollees had no plans to leave their HMOs, and 31 percent of disenrollees left their HMOs for administrative reasons only, such as a move from the HMO service area.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- 
- **Freddie Mac Loans:** On March 3, Secretary Cuomo and Freddie Mac Chairman and CEO Leland Brendsel announced that they had signed an agreement that will enable FHA to use a new version of Freddie Mac's Loan Prospector system to evaluate homebuyer applications for FHA mortgage insurance in just two minutes. It will eliminate the need for as many as 25 of the documents now required. By utilizing a more accurate loan evaluation system, thousands of borrowers previously unable to qualify for FHA mortgage insurance will qualify for the insurance each year.
 - **Safe Neighborhood Grants:** On February 26, Secretary Cuomo announced \$20 million in Safe Neighborhood Grants to 73 communities across the nation to fight illegal drug activity and other crime in HUD-assisted low-income housing. The grants will be used to increase police surveillance, pay for security-related capital improvements, fund community-based crime prevention programs, and provide education, employment, and training programs.
 - **Base Closings:** On February 26, Acting Deputy Secretary Ramirez approved the Base Closure Plans for the Long Beach (CA) Naval Shipyard. Earlier in the week, he approved a plan for the Naval Surface Warfare Center in Annapolis, MD. The plans provide for a mix of economic development activities and services to homeless persons.
 - **Welfare-to-Work:** On February 27, Secretary Cuomo met with Eli Segal and staff from the Welfare-to-Work Partnership to discuss how to best utilize HUD programs. They discussed how to connect HUD constituencies with employers and how to generate support for key HUD budget priorities, such as Round II EZ funding, the Community Empowerment Fund, and Welfare to Work Vouchers.
 - **Waste, Fraud, and Abuse:** On February 27, Secretary Cuomo announced that HUD has proposed prohibiting seven people and five companies in OH from doing business with the federal government for three years, as part of HUD's continuing crackdown on waste, fraud and abuse. The individuals controlled companies that owned and/or managed HUD-assisted housing in Dayton and Cincinnati, OH. Each is accused of serious HUD contract violations.

DEPARTMENT OF TRANSPORTATION

- **Speed Limit Report:** On March 4, DOT released the report, "Effects of Increased Speed Limits in the Post-National Maximum Speed Limit Era." DOT conducted the study, based on the first year of experience, pursuant to the National Highway System Designation Act of 1995, which ended all federally mandated speed limits. Data available from NHTSA's Fatality Analysis Reporting System shows that states that increased speed limits in 1996 coincided with approximately 350 more interstate fatalities than would have been expected based on historical trends.
- **GA Seatbelt Law:** On March 6, Secretary Slater met with Governor Miller and addressed the full GA Legislature. The address praised the legislators on GA's primary belt law and other successful traffic safety efforts. Following the address, a NASCAR press event was held at Atlanta Motor Speedway as part of your Initiative to increase national seat belt use to 85 percent by 2000 and 90 percent by 2005.
- **ValuJet:** FAA has completed its report of ValuJet/AirTran as part of DOT's regularly scheduled NASIP inspections. The report contained 106 initial findings, ranging from administrative issues to improper oversight of a contractor. No evidence of systemic safety problems was found.
- **Partnership Kickoff:** Approximately 15 disadvantaged women have enrolled in the D.C./YWCA/FHWA-sponsored program to train women for careers in highway construction. Training will be in entry level technical skills and life skills and will prepare students to pass the GED examination or other tests required by apprenticeship and industry training programs. Support programs such as child care referral services, counseling, and academic tutoring are part of the project. Secretary Slater will visit with the class to highlight the program.

DEPARTMENT OF ENERGY

- **ENERGY STAR Windows:** On March 6, Secretary Peña announced the launch of ENERGY STAR windows. The ENERGY STAR Window Program is a voluntary partnership between DOE and the window industry to promote sales of energy-efficient windows, doors, and skylights. An average household spends more than 40 percent of its annual energy budget on heating and cooling costs. Installing ENERGY STAR windows, doors, and skylights can reduce energy bills by up to 15 percent.
- **National League of Cities:** On March 8, Secretary Peña will address more than 4,000 local elected officials attending the National League of Cities' Congressional City Conference in Washington, D.C.

DEPARTMENT OF EDUCATION

- **Closed Captioning:** On March 3, Senators Coats and Lieberman wrote to Secretary Riley, expressing strong concerns about a DOEd-funded program that provides closed-captioning of television programs. The Senators wrote in response to an article in *Education Week* that reported the program funds closed-captioning of *The Jerry Springer Show*, which they characterize as "the closest thing to pornography on broadcast television." DOEd does not select the programs captioned under the grant, and maintains that it would be inappropriate for it to censor the programs available to the general public by denying captioning to the hearing-impaired.

VETERANS AFFAIRS

- **Togus, ME, Medical and Regional Office Center:** On March 4, Acting Secretary West joined Governor King and representatives from several local veterans' groups in a site visit of the Togus VA Medical and Regional Office Center (VAMROC). The Togus VAMROC is VA's oldest active facility and serves an estimated 145,000 veterans in ME.
- **War on Diabetes:** On March 3, VA and the American Diabetes Association signed an MOU formalizing an intent to collaborate on projects designed to improve treatment and care for people suffering from diabetes.
- **New Community Based Outpatient Clinics:** On February 26, VA announced the approval of 42 additional Community Based Outpatient Clinics around the country. The establishment of these clinics is part of VA's effort to improve access to quality health care for veterans.
- **"Brownfields" Initiative:** Led by EPA, VA staff participated on a board to select 16 "Brownfields Showcase Communities" from among 260 applicants nationwide. VA is committed to support the sites through either its Compensated Work Therapy Program or the Vocational Rehabilitation and Counseling Program.
- **Arlington Cemetery Burial Eligibility:** The House Veterans' Affairs Subcommittee on Benefits will mark up the Veterans' Transitional Housing Opportunities Act of 1997, a bill to codify burial eligibility criteria for Arlington National Cemetery.

ENVIRONMENTAL PROTECTION AGENCY

- **Clean Air:** On March 4, the Senate adopted the Inhofe Amendment which effectively codifies your implementation plan for EPA's new public health standards for ozone and particulate matter. The Inhofe amendment was attached to the ISTEA Reauthorization bill. The new standards will be implemented by 2005 and states will be provided full funding for the purchase, operation, and maintenance of particulate matter monitors.

Inhofe's original amendment, which was unacceptable to the Administration, did not include the 2005 deadline. Senator Inhofe compromised on this point after negotiations with Administrator Browner.

- **Animal Feeding Operations:** On March 5, EPA released for public comment a draft strategy to minimize the public health and environmental impacts from animal feeding operations. This is the first action taken under the Clean Water Action Plan. The strategy calls for new water pollution control requirements and immediate inspections and increased enforcement for large animal feeding operations to reduce animal waste runoff into waterways. The draft strategy calls for aggressive enforcement of Clean Water Act permit requirements, an increase in facilities permitted, and an expanded range of regulatory tools by EPA and the States.

UNITED STATES TRADE REPRESENTATIVE

- **Africa Initiative:** On March 5, Ambassador Barshefsky announced the creation of the Office of African Affairs and the appointment of Ms. Rosa Whitaker as the new Assistant U.S. Trade Representative to lead this office. Ambassador Barshefsky is the first USTR Representative to establish the Office of African Affairs at USTR, which will address a full range of economic issues related to Africa.
- **Qualified Industrial Zone:** On March 6, Ambassador Barshefsky designated an industrial park in the city of Irbid, Jordan as the first "qualifying industrial zone" (QIZ), from which goods can enter the U.S. duty-free. Ambassador Barshefsky acted under legislation passed by Congress in October 1996, which authorized you, or your designee, to proclaim elimination of duties on articles produced in the West Bank, Gaza Strip, and QIZ in Israel and Jordan and Israel and Egypt. The QIZ designation will encourage additional cooperation between Israeli and Jordanian business communities and is one step toward securing peace in the Middle East.
- **Shrimp/Turtle Law:** The U.S. received the preliminary draft of a WTO panel that has been reviewing a challenge by four Asian countries of the U.S. "shrimp/turtle" law, which requires the U.S. to prohibit import of shrimp from countries that fail to take adequate steps to protect endangered sea turtles from harm resulting from shrimp fishing. The panel found the U.S. violated its WTO obligations, but resisted adopting several far-reaching arguments advanced by the complaining parties. USTR has briefed congressional staff and environmental organizations on the confidential report, indicating that USTR will file objections with the panel within the next two weeks.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Address to the CA State Legislature:** On March 9, Director McCaffrey will keynote the CA state legislature's bi-partisan delegation in the Indian Treaty Room.

- **Louisville, KY Summit:** On March 10, Director McCaffrey will meet with Mayor Abramson's "A-Team," comprised of state and local law, drug-enforcement and drug-treatment officials. Director McCaffrey will also keynote at the Mayor's Drug and Alcohol Treatment Summit. The Summit will feature 300 community leaders, church group representatives, drug treatment providers, and professionals concerned with attacking Louisville's pervasive drug problem and improving treatment services.
- **Congressional Youth Leadership Council:** On March 11, Director McCaffrey will address 350 high school juniors and seniors from across the nation at the National Press Club.

SMALL BUSINESS ADMINISTRATION

- **Welfare-to-Work:** On March 3, Administrator Alvarez spoke to the National Association of Private Industry Councils (NAPIC), to kick off a partnership between the local PIC's, SBA district offices, and small business development centers. SBA will match small businesses that have labor needs with intermediaries who are preparing work-ready employees under the welfare-to-work initiatives.
- **FY99 Budget:** House Commerce, State, Justice Subcommittee Chairman Rogers, summarily ended the SBA budget hearing after expressing strong objections to the Administration budget for SBA disaster assistance. The budget proposes to increase the interest rates on SBA disaster loan borrowers from 4 percent to a maximum 6 percent.

OFFICE OF PERSONNEL MANAGEMENT

- **Welfare-to-Work:** As part of your welfare-to-work initiative, federal agencies have hired 3,217 former welfare recipients for jobs in their agencies since March 8, 1997.

UNITED STATES INFORMATION AGENCY

- **Iraq:** Proactive USIS efforts to explain U.S. policy to the public included WORLDNET's introduction of two interactive weekly series during the Iraqi crisis, and USIS placement of a byliner by Ambassador Richardson on the op-ed pages in Pakistan, Denmark, Sweden, and Malta. These efforts were in addition to USIS-arranged media interviews with key Mission officials and press events throughout the world. Last week, the public website that the I Bureau mounted to deal with the crisis in Iraq registered more than 14,000 total hits making it the third most requested page on the Agency's International Home Page.
- **Mondale Visit:** When Ambassador Mondale met with Indonesia's President Soeharto in Jakarta, USIS organized a press conference for nearly 100 international journalists.

- **“AMISTAD” U.S. Embassy Screenings:** Dream Works studio agreed to make "Amistad" available for ambassadorial screenings worldwide. On February 22, USIS Capetown held South Africa's premiere of "Amistad" for 230 leading post contacts. There have been nearly 80 ambassadorial screenings of the film around the world.
- **Wei Jingsheng on VOA:** On March 3, Wei Jingsheng, China's most prominent pro-democracy advocate, appeared on a live, hour-long VOA Mandarin Service radio/TV simulcast call-in and urged a "peaceful evolution" to democracy in China. The VOA simulcast was Wei's first opportunity to talk live with his fellow citizens in China since Beijing expelled him in mid-November 1997.

SOCIAL SECURITY ADMINISTRATION

- **Partnership:** In compliance with your Executive Order, SSA and the American Federation of Government Employees recently completed a joint evaluation of the partnership effort. SSA's Partnership Councils identified over 1,500 projects that have been initiated or advanced by partnership efforts.
- **Challenges Facing SSA:** On March 12, the House Ways and Means Subcommittee on Social Security and Human Resources will hold a hearing on challenges facing the Commissioner of Social Security and SSA's progress as an independent Agency.

cc:

The Vice President
Erskine Bowles
Sidney Blumenthal
Maria Echaveste
Rahm Emanuel
Jack Gibbons
Mickey Ibarra
Janis Kearney
Ron Klain
Ann Lewis
Sylvia Mathews
Michael McCurry
Katie McGinty
John Podesta
Franklin Raines
Bruce Reed
Craig Smith
Doug Sosnik
Gene Sperling
Larry Stein
Melanne Verveer

DEPARTMENT OF DEFENSE

Asian Financial Crisis: In anticipation of Prime Minister Chuan's visit in mid-March, DoD is exploring options to address Thailand's inability to pay \$320 million of F/A-18 aircraft program costs. During his January visit to Seoul, Secretary Cohen pledged the U.S. would not seek to profit from the 50% devaluation of the Korean won by insisting that most of the 1998 ROK cost-sharing payment be made in dollars. On February 28, U.S. Forces Korea (USFK) and Embassy staff presented the ROK with a 1998 cost-sharing adjustment proposal aimed at preserving the purchasing power of the South Korean contribution, while "saving" the ROK more than \$100 million.

Anthrax Vaccination: On March 2, Secretary Cohen approved the request to accelerate the anthrax vaccination program in the Central Command Area of Responsibility (AOR). The accelerated program is for the current crisis in the Central Command AOR only, and does not affect the long-term anthrax vaccination program previously approved in December 1997.

Chairman of the Joint Chiefs of Staff: On March 6-12, General Shelton will travel to Saudi Arabia, Kuwait and Egypt for consultations with his counterparts and visits with U.S. troops stationed in the Gulf.

CENTRAL INTELLIGENCE AGENCY

Awards Ceremony: On March 6, Director Tenet will recognize the achievements of 50 individuals and groups from across the intelligence community at the annual Intelligence Community Awards Ceremony.

Council on Foreign Relations: On March 5, Director Tenet addressed the Council on Foreign Relations in New York about the importance of maintaining a robust CIA for the 21st century.



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

March 6, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS 
CC: ERSKINE BOWLES
SUBJECT: OSTP WEEKLY REPORT

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Bowles

PCAST CONSIDERS RESPONSE TO TIMSS RESULTS

Your Committee of Advisors on Science and Technology appreciates the time you spent with them during their March 5-6 meeting. During the meeting, they completed their review of Federal technology partnerships. They also initiated a new panel on security issues, which will start off by advising OSTP on two issues: 1) disposition of excess weapons plutonium; and 2) critical infrastructure protection. On Thursday morning, they discussed the results of the Third International Math and Science Study examination for high school students, and, as you suggested, they will develop a proposal for PCAST and NSTC contributions to remedies for poor performance by U.S. students.

UNIVERSE EXPANDING FASTER THAN EINSTEIN PREDICTED

Astronomers supported by DOE, NASA, and NSF recently discovered evidence that the universe today is expanding faster than it did when it was much younger, indicating that the universe will expand forever. It fits a theory Einstein proposed early in this century that there is a weak, long-distance anti-gravity force, embodied in his theory of general relativity by a term called the cosmological constant. Einstein thought the cosmological constant was an "ugly" idea in his otherwise elegant theory, and he finally rejected it, saying it was the "worst mistake he had ever made." The new observations of the accelerating expansion of the universe make it look as if Einstein's "ugly" idea was right.

New observations that seem "ugly" compared to previous views of the universe can cause revolutions in science. Stephen Hawking's Cambridge colleague and fellow cosmologist Sir Martin Rees has compared the new discovery to the revolutionary discovery by Tycho Brahe in the 16th century that the planets have elliptical, not circular, orbits. The philosophers were sure that heavenly bodies moved only in circles, because only circles were "perfect." Brahe's "ugly" data led Isaac Newton to develop his laws of gravity and motion, which can explain why orbits are elliptical. Today, those laws have many applications, including communications satellites, missile targeting, and accurate landings on Mars. Questions about expansion of the universe continue to fascinate researchers both young and old — three of the students who participated in OSTP's competition to attend the Hawking lecture posed their winning questions on this topic.

3-9-98

SENATE TAKES UP EMERGING INFECTIOUS DISEASES

The Senate Committee on Labor and Human Resources, Subcommittee on Public Safety, held a hearing March 3 on Global Health: U.S. Response to Infectious Diseases. Surgeon General David Satcher, who co-chairs NSTC's Task Force on Emerging Infectious Diseases (EID), testified on the progress of the Task Force in implementing your decision directive on EIDs. The Subcommittee was quite supportive of our efforts to address the challenges posed by these diseases, both domestically and internationally.

REGIONAL WORKSHOPS GROW SUPPORT FOR CLIMATE ACTION

Three OSTP sponsored workshops on the regional impacts of climate change have been held in the last two weeks. I gave keynote speeches at workshops Southern University and A&M College (a historically black university) in Baton Rouge and at the University of Hawaii in Honolulu. Rosina Bierbaum, OSTP's Acting Associate Director for Environment, gave the opening address at our workshop at the University of Texas at El Paso, where the audience included Texas Representatives Silvestre Reyes, Ruben Hinojosa, Solomon Ortiz, and Ciro Rodriguez, New Mexico Representative Joe Skeen, and California Representative Duncan Hunter. Rosina and I both did print and television interviews at the workshops we attended (See attached article from the Baton Rouge Advocate). We worked with CEQ and OVP to produce a series of short video greetings from the Vice President tailored to each workshop. The next regional workshop will be March 9-11 in Santa Barbara.

OSTP KEYNOTES BLACK ENGINEER OF THE YEAR AWARDS BREAKFAST

Arthur Bienenstock, Associate Director for Science, delivered a keynote address in Baltimore on the need for greater diversity in science, engineering, and technology to an audience of 500 on February 28. He described our new interagency working group on affirmative action issues in the Federal S&T enterprise and solicited grass-roots support from the African American and Hispanic communities for your budget proposals, particularly in the area of math and science education.

MANUFACTURING ADVISORY CENTER TO BE LAUNCHED IN SOUTH AFRICA

As agreed to in our bilateral agreement with South Africa, the final steps have been completed to launch a Manufacturing Advisory Center (MAC). Through USAID, the U.S. government will provide \$500,000 to the South African Council for Scientific and Industrial Research to support the MAC, which will help small and medium-sized enterprises use technology more effectively and become more competitive. The program will focus on black-owned and run manufacturers.

Adviser says halt warming, not economy

By MIKE DUNNE

Advocate staff writer

The White House's top science adviser said he thinks the nation can cut greenhouse gases and keep the economy growing by becoming more energy efficient and more creative.

John Gibbons, director of the White House's Office of Science and Technology, spoke Thursday afternoon at the Gulf Coast Regional Climate Change Workshop, which brought 140 experts and activists to Baton Rouge to consider the impacts of global climate change on the Gulf Coast.

The workshop participants also will come up with ideas on how to deal with the anticipated effects of a warmer climate, such as sea level rise.

The workshop continues today at the Hilton Hotel, with speakers and panels dealing with such topics as a warmer planet's effect on health.

Gibbons' comments came during a press briefing before he spoke at a public forum Thursday night.

A U.N.-sponsored committee concluded in 1995 that man's activity helped make the planet warmer.

The warming is the result of activities such as burning fossil fuels and emitting carbon dioxide and other gases into the atmosphere.

The excess gases help hold in the heat of the sun that would otherwise radiate back into space.

The concept is called the "greenhouse effect."

Some of the possible effects are a sea level rise, which could inundate much of coastal south Louisiana, as well as changes in climate that might allow tropical diseases to move north and change growing seasons and rainfall patterns.

The United States is a large part of the problem and will have to be a major part of the solution, Gibbons said.

The United States emits about 20 percent of the world's greenhouse gases.

While the United States emits about 5 tons per person per year in carbon emissions, a typical developing country emits only a half-ton per person per year.

The Clinton administration agreed to a treaty proposal in Japan in early December that would require the country to cut back emissions of greenhouse gases to 7 percent below 1990 levels.

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□ The Advocate, Baton Rouge, La. □ Friday, February 27, 1998

That means that by 2008-2012, emissions will have to be reduced by 30 percent over current and anticipated growth levels.

That could have a significant effect on Louisiana in terms of possible industrial emission cutbacks as well as making natural gas a more sought-after fuel because it is more clean-burning than coal.

□ See WARMING, Page 2B

Warming

CONTINUED FROM PAGE 1B

"Natural gas is going to be a fuel of choice ... and it has benefited from a number of technologies to use it more efficiently," Gibbons said. Since Louisiana is one of the top producers of natural gas, it should help the economy here, he said.

Gibbons said he thinks technology will help industry adjust over the period and most of the emission reductions will come from switching from coal to natural gas for utilities, reducing the demand to electricity, cleaner and more fuel-efficient cars and other such activities.

"We've already done it once," he said. Between 1975 and 1990, the economy grew as the country reduced energy consumption by 35 percent, he said.

"We have to take our time ... It will be a good challenge for us," Gibbons said. Being forced to change will create new products and new markets, he said.

"There is a lot of opportunity out there and at the same time we can leave a better world for our children," Gibbons said.

The workshop heard from several speakers and broke up into smaller groups to look at the impacts of climate change.

For example, Tulane University Professor David Sailor, who headed up the group looking at the impacts to commerce, industry and energy, said the biggest concern of the oil and gas sector are "severe storms and the frequency of severe storms."

The anticipated loss of wetlands because of sea level rise could make

rigs and wells more vulnerable to storms, he said.

The chemical industry is concerned about cuts in emissions and business is worried about possible sedimentation in shipping channels, Sailor said.

Michael Crowe of the National Climate Data Center in Asheville, N.C., said statistics show this was the third warmest year in terms of the earth's surface temperature.

That and the fact that the temperature of the seas was high combined to make 1997 "the warmest year on record," he said.

He showed graphs and charts that showed that as population has increased, so have carbon dioxide emissions.

He also showed evidence that the climate has changed, with the southeastern United States getting cooler and wetter.

Across the globe, the minimum temperature has steadily risen, meaning the nights are warmer.

"The minimums are increasing faster than the maximums," Crowe said.

"Precipitation has been increasing throughout the century," Crowe added. In Louisiana, this increase in precipitation has been much bigger than across the Southeast in general, he said.

Models show those trends will continue, he said. One bright note is that evidence indicates "it is possible we are in a tremendous lull in hurricane activity" but that may just encourage more coastal development and yield more destruction when hurricanes hit, Crowe said.

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THE WHITE HOUSE
WASHINGTON

March 6, 1998

THE PRESIDENT'S OFFICE

3-9-98

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
SUBJECT: Tobacco Strategy

Over the past two weeks, we have met with Erskine, OVP, NEC, OMB, HHS, Treasury, and Justice to develop an aggressive communications plan to help turn up the heat on Congress to pass comprehensive bipartisan tobacco legislation this year. We have also begun extensive, high-level meetings on the Hill. This memo outlines our communications and legislative strategy to get a bill done by late summer.

Communications Strategy

We are organizing a series of events for you and others, including House and Senate Democrats, to make the point that Congress should not go home without passing comprehensive tobacco legislation.

Our message is simple: Every day Congress fails to pass tobacco legislation, 3,000 kids start smoking and 1,000 will die early as a result. We can dramatically reduce teen smoking and save a million lives over the next 5 years if we pass our budget proposal now.

We must continue to stress that we need a comprehensive, not piecemeal, approach that raises the price of cigarettes by up to \$1.50 a pack over the next ten years, expressly confirms the FDA authority to regulate tobacco products, gets tobacco companies out of the business of marketing to children, furthers public health research and goals, and protects tobacco farmers and their communities.

In the next week, we plan to underscore our commitment to bipartisan, comprehensive legislation in several ways:

- In your March 7th radio address, you can challenge the Congress not to go home this year without passing legislation that will dramatically reduce teen smoking. In issuing this challenge, you can note that Congress has as few as 70 working days left, and that 1,000 people will die from smoking on each of those days.

- On Sunday, March 8th, The Washington Post is planning to begin a three day series chronicling the tobacco wars from the drafting of the FDA rule to the present. We hope this series will underscore our long commitment to this issue and the urgent need for action.
- On March 9th, in your speech to the AMA on health care quality, you can laud the doctors' support for comprehensive tobacco legislation. Senator Jeffords is currently scheduled to mark up a bill on FDA jurisdiction on the same day, providing us with an opportunity to underscore the importance of the tough advertising and access restrictions in our FDA rule and the need for legislation that reaffirms the FDA's authority to regulate tobacco.
- When Senators Chafee, Harkin, and Graham announce their bipartisan plan -- probably during the week of the 9th -- we hope the Vice President can appear with them and express support for the bill.
- On March 11th, the Democratic leadership will announce a countdown calendar to emphasize that on every day that passes without enacting tobacco legislation, 3,000 kids will start smoking, causing 1,000 to die a premature death. Rep. Fazio may introduce a slightly revised version of Senator Conrad's bill on the same day.
- In a March 12th speech to the attorneys' general, you can announce state-by-state numbers of how many lives will be saved by comprehensive tobacco legislation. We expect the industry to release more documents on this day, in response to a subpoena from Rep. Bliley, and you also can refer to these documents.
- On March 13th, we would like to leak a political memo on the popularity of tobacco legislation. We are working to line up a pollster.
- On Saturday, March 14th, the Vice President will convene a regional tobacco roundtable in Boston, inviting key members of Congress (Kennedy, Chafee, Jeffords).
- Secretary Shalala will meet with editorial boards throughout the week to explain our goals and priorities.

Legislative Strategy

We are using the weeks before the Congressional recess in early April to lay the groundwork for negotiating comprehensive tobacco legislation. We have been (1) attacking Republican plans to enact piecemeal legislation; (2) praising comprehensive bills, such as Senator Conrad's, which meet your principles; and (3) meeting extensively with key Democrats and Republicans in both the House and Senate. Yesterday, Erskine, Larry, and I met with Sens. McCain and Mack, Sen. Conrad and his Democratic Tobacco Task Force, and Rep. Waxman. Next week, we plan to meet with Sens. Domenici, Chafee, Nickles, and Hatch, Rep. Bliley, and the House Democratic Tobacco Task Force.

We believe we are making real progress in the Senate. Two serious bipartisan efforts have emerged. As you know, Senators Chafee, Harkin, and Graham are collaborating on a bill; we expect them to announce it as soon as they can get another Republican (perhaps Lugar) on board. Although the Senators are still working, we think the bill will include a \$1.50 price increase, tough youth smoking penalties, good provisions on FDA jurisdiction, and a cap on annual damages (but no other liability limits). The bill may very well get the support of significant players in the public health community, including General Koop.

At the same time, Senator McCain is leading an effort -- blessed by Trent Lott -- to report a comprehensive bill out of the Commerce Committee. McCain is talking extensively with Senators Breaux, Wyden, and Hollings, as well as with Republicans on the Committee. McCain is currently working off a draft bill that has significant weaknesses, especially with regard to price and FDA jurisdiction. There is little doubt, however, that McCain would like our support and that he is listening carefully to our concerns. Some Democrats in the Senate are concerned that McCain will be able to cut a deal with Commerce Committee Democrats too fast. We will make clear to the committee Democrats that they should work with McCain to improve his bill, but should not sign on to any bill that does not meet all our principles.

The House remains inactive. Bliley has held some hearings and may try to draft legislation, but prospects for a Bliley-Waxman collaboration now seem slight. The House Republican leadership is interested in tobacco revenue to pay for tax cuts, but has done nothing to spur legislative action. We hope that the increased momentum in the Senate will carry over to the House, and in our meetings next week we will try to jog key members.

One early and important skirmish will take place over the budget resolution. We need to make sure Congress includes a reserve fund that keeps the door open for us to use receipts from tobacco legislation for the purposes outlined in our budget.

Ultimately, our communications and legislative strategies converge on the same basic point: The Republicans fear that we will get the credit if tobacco legislation passes, and that they will get the blame if it does not. We need to make the price of not passing a bill too much for their side to bear, and the value of getting it done too great for our side to pass up.

James E. Pledger

155 Mimosa Drive, Centerville, OH 45459 U.S.A ; Telephone : (937) 439-2578 ;
E-Mail: pledger@aol.com

Wednesday, February 18, 1998

President Bill Clinton
The White House
1600 Pennsylvania Ave
Washington, DC 20003

Dear Mr. President:

I must write and express my feelings about the possibility of a war in the Middle East. Obviously, with all the military power that has been moved to the area, you intend to take action against Iraq regardless of what else may take place.

Many of my friends and I are very concerned about the consequences of such a strike. There are many questions that are still unanswered some of which are:

- 1) When all the bombing has been completed, what then? Do you think that Saddam Hussein will then allow the inspections to continue? No way, he will be more determined than ever. Do we then send in ground troops to force the inspections? If so, it will be like the other places we have sent troops and then cannot remove them!
- 2) When target areas are bombed, what happens if you should hit one of his factories of mass destruction and that releases bacteria and/or poisonous gases into the air which could easily be carried into a neighboring country? What will be our excuse to those countries who are totally against this action already?
- 3) Israel will certainly be a target for Hussein if we start this war. And if they hit Israel with one of these terribly bombs they are building, Israel will retaliate as they should. As I would, with everything in my arsenal. What then? Who is capable of soothing all that rage that will be raised among the Middle East countries? Certainly not you.
- 4) We are told that strategic locations will be bombed. What are strategic locations? Hussein has placed innocent people around all his military locations, etc. If we hit them there will undoubtedly be loss of many, many innocent people. In the past, he has certainly used such actions to his advantage and against us. What is your defense against world opinion?
- 5) Who is footing the bill for this action? I do not read where anyone else is ready to REALLY support us other than the U.K. And I doubt that they will furnish much or do very much - they are no longer a world power.
- 6) If a war is started while the Olympic games are in progress, I fear that many of our athletics will be in danger. When people consider it a privilege to die for their country a leader, who and what can protect them?

WSC
(Need to reply
to this - good @s -)
should get say now
stopping agreement will
work

copied
Berger
ww desk
Bowles

James E. Pledger

Facsimile

date Wednesday, February 18, 1998
time 1:48:00 PM
number of pages 3

to President Bill Clinton

company The White House

fax number 1 202 456-2808 *6703*

from Jim Pledger
company Jim & JoAnn' Home
voice number 1-(513) 439-2578
fax number 1-(513) 439-2578

notes

OF PRESIDENT'S OFFICE

3-9-98



Manatos & Manatos

February 25, 1998

Andrew E. Manatos
President

Mr. David Leopoulos
5 Christy Lane
Little Rock, AR 72113

Dear David:

* It is very important that President Bill Clinton not break tradition and become the first president in 13 years who did not officially recognize (even in a photo op) March 25 as Greek Independence Day. Such an omission will hurt the prospect for the President's major efforts on Cyprus and in the Aegean.

✓ A poll in Greece, which found 85% not trusting our initiative on Cyprus, was partly due to decades of our Country's neglect of Greece while we supplied and overlooked Turkey's threats and aggression. The President's breaking of this traditional White House recognition of Greek Independence Day just after a major visit by the Turkish Prime Minister will provide yet another reason for Greece to feel that our heart is not really in the right place.

As a friend I can personally guarantee you that, due to my old advance-man training, the photo op will not take one second more than three minutes of the President's time. Any day before the President leaves for Africa that he can schedule such a photo op will work nearly as well as if it were on March 25.

It would be greatly appreciated if you could help us secure such a three-minute photo op.

Sincerely,

Andrew E. Manatos

AEM/mem

Copied
Podesta
Steinberg
Streeter
Bowles

REBECCA,

PLEASE GIVE THIS TO THE
PRESIDENT.

DAVID

Podesta/Steinberg/Street
I'll be in Africa
should do photo op
Greece before
maybe a video message
if there's a big event
Rx

Twinn / Pallen / JSC
FyS - PK

3-9-98

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Winston
Emanuel
NSC ww
desk
Berger
Bowles

Racism threatens European unity

By Marco R. della Cava
USA TODAY

COVER STORY

Racism's 'new face'

ANTWERP, Belgium — Europe has seen radical change in the past ten years. First the Berlin Wall fell and now economic barriers are crumbling.

But a new structure is rising, and its mortar is racism.

Evidence of the development of what is being called Fortress Europe includes continued attacks against immigrants, the growth of far-right parties and a recent European Union poll in which one in three surveyed admitted to being "quite racist" or "very racist."

Educated people are ashamed. "Immigrants are blamed for everything from unemployment to traffic jams," says Hugo Ongena, head of the Antwerp-based activist group Hand in Hand. "This is the issue defining Europe's future."

For many, memories of Nazi Germany burn bright. But as the millennium approaches, some here are forgetting the climate of fear, scapegoating and repression that gripped Europe more than half a century ago. Today, money and jobs are what matter. And economic hardships are re-
viving xenophobia and fascist movements that this time target people of color.

Much like President Clinton has convened commissions to tackle the USA's issues of race, Europe is taking its own steps.

The EU's governing body will open its first racism monitoring center in Vienna, activists push for legislation making it easier to prosecute discrimination, and Pater-son Berko is reevaluating his life.

Berko, 40, thought he had come to grips with being a black man in Europe. Then one night a fellow Ghanaian by the name of Kwabena Ebow played his stereo too loud.

On July 10, 1994, Antwerp police were summoned to Ebow's apartment. This grim port city of 500,000, where one in four is unemployed and an extreme-right political group enjoys a quarter of the popular vote, is Belgium's frontline in its war on racism.

Ebow was carted away by officers who claimed he was on crack and unruly. The 34-year-old spent six months in a coma before dying. Police claimed the coma was the result of an insulin shot meant to control an epileptic seizure. But in the African community, rumors circulated that his body bore the imprints of thick-soled boots.

Berko's response to this and simi-

COVER STORY

lar incidents was to found the Ghana Welfare Association, an outlet for a poor community's daily concerns that in Antwerp run the gamut from prejudicial treatment by police and shopkeepers to name calling.

The disturbing irony is that many of Europe's "foreigners" are in fact European citizens. Berko, who works at an Antwerp fertilizer factory, has lived on the continent for 18 years. He is a Frenchman on paper, but not in public.

Belgians most racist

Living in fear because of one's skin color would appear to be the dirty little secret of a quiet country best known for chocolates, diamonds and the EU's headquarters. Except this is no secret.

Belgium is home to the most racist people in Europe, tops among a 15-nation populace of 370 million who are increasingly tense over jobless-

ness and immigration, according to the EU poll released in 1997.

In the poll, European citizens were posed the following question: "Some people feel they are not at all racist. Others feel they are very racist. Would you look at this card and give me the number that shows your own feelings about this?"

Belgians were the most open about their racist feelings, with 22% saying they considered themselves "very racist." They were followed by the French (16%) and Austrians (14%). Least racist were the Swedes (2%). Among all Europeans, just 9% rated themselves as "very racist" and another 24% said they were "quite racist."

The poll's companion analysis indicates that those polled explained their racist tendencies by linking top concerns — unemployment, crime and drug abuse — to the growing legions of economic and political refugees banging on Europe's door.

Whatever the reasons, Europe is being prodded to quickly address its increasing ethnic dilution. Liberal voices urge education and employment, while far-right groups echo the slogan of Antwerp's popular political party Vlaams Blok: "Eigen volk eerst." "Our People First."

Citizens hounded

"This is a battle," says Pádraig Flynn, European Commissioner for Employment, Industrial Relations and Social Affairs. "There is no place for racism in a modern Europe."

Flynn's office coordinated the dozens of events and initiatives associated with the 1997 European Year Against Racism. They include Article 13A, an anti-discrimination clause added to the EU's Amsterdam Treaty, which should be ratified later this year, and the racism poll.

Marco Van Haegenborgh, who

works in the Brussels offices of the state-funded Center for Equal Opportunities and Opposition to Racism, travels twice a week to Antwerp's crime-ridden Saafhoef neighborhood to give people a chance to tell their stories, and hopefully get some help.

"I don't think Belgians are particularly racist people," says Van Haegenborgh. "But they feel there are problems that are not being addressed."

Cold comfort for people like Nana Dankwa.

An unemployed artist who left Ghana seven years ago and is now a Belgian citizen, Dankwa, 33, recounts how he is often followed around town by slow-moving police

cars.

"My heart races, I get a shock in my system, I feel sick. But am I going to confront them?" He flashes a sour grin, remembering Ebow. "You do, and you are dead."

The EU will begin to compile statistics on hate crimes for the first time this fall through its Vienna-based Observatory of Racist and Xenophobic Incidents. But there are plenty of stories that support the need for official data and action to curtail racist incidents.

During the official Year Against Racism, a 16-year-old North African running a road block was killed by

French police. In the German city of Mecklenburg, neo-Nazis doubled their attacks on foreigners, sometimes setting them on fire. And, in a less severe but equally telling practice, soccer players of color were littered with insults each weekend in stadiums throughout Europe.

Absorbing European disenchantment are a variety of far-right political organizations, notably France's National Front, Italy's Northern League and Austria's Freedom Party. Today's aggressive climate of hate is what worries many immigrants.

"Racism has a new face," says Said Charchira, president of the Brussels-based lobbying group European Migrants Forum. "It used to be a racism of rejection, today it is an attacking racism. We are seen as problems to fix, not as people."

This is particularly true in Antwerp, as evidenced by the success of

Vlaams Blok, or Flemish Block, whose platform has expanded from its original goal of winning independence for Flanders (the Dutch-speaking part of Belgium, which also includes a French- and German-speaking populace) to immigrant extradition.

The party won 27% of the vote in the last election and currently holds 18 of 56 seats in the city council. It hopes to run the nation's second-largest city by 2000.

'Racist party'

When Vlaams Blok's support began to mushroom in the early '90s, fed by unemployment and crime, city officials created Belgium's first-ever post of municipal ombudsman.

"They are a racist party," says ombudsman Bernard Hubeau, "but I think most people vote for them because they aren't happy with things. You won't find many people who will actually admit to voting for Vlaams Blok."

"We are not in favor of a multicultural society, which mass immigration is leading us to," said Vlaams Blok leader Filip Dewinter.

"It's not just the disappearance of our native culture, but the political problem (of a swelling immigrant population). We won't have anything to say in our own country," Dewinter pauses. "We wouldn't have racism if everyone lived in their own country."

An opening salvo in the war on racism will come on March 22 when demonstrators will gather in Brussels in support of giving resident non-Europeans the vote.

But there is some question just how much time Europe has. Those in the trenches already show deep battle scars.

"Sometimes," says artist Dankwa, "I don't have the feeling to live."

THE WHITE HOUSE

WASHINGTON

3-9-98

March 7, 1998

MEMORANDUM FOR THE

FROM: PHIL CAPLAN
SEAN MALONE

SUBJECT: Recent Inform

TAB A - Copied page 1 cover memo and
Tab A to: Stein, Bowles

TAB B - Copied page 1 cover memo and
Tab B to: ~~Stein~~, Bowles

Bowles, Rahm, Stephanie Reed

We are forwarding the follow

(A) **ISTEA Transit Update**

Committees came to a transit funding over the a major hurdle yet to would assign transit r would guarantee that thereby spreading the mass transit dollars among, now on the floor, it will split the Democratic Caucus; opponents of the amendment seek the Administrations support; Larry is hopeful Sens. Daschle and Johnson can work out a compromise; should they fail he suggests a strong statement from Sec. Slater, stopping short of a veto threat.

(B)

Welfare to Work Update/Request from Eli Segal -- things look very good; the rolls continue to shrink; companies that initiate thoughtful programs are seeing higher retention levels among former welfare recipients than among other entry level employees; money flowing to the States is having a dramatic effect on the provision of child care; efforts by the Labor Dep't, HHS, SBA, Treasury, the VP's office, and soon HUD and DOT will accelerate our progress; the Partnership will soon have 5,000 businesses, 35 of the Fortune 100, participating from all economic sectors and regions; its success has been aided by three presidential events, a PSA campaign, how-to manuals, Wirthlin surveys, the support of 24 governors, a highly targeted "cities" campaign, and award ceremonies for companies; the real point of Eli's memo is to request that you commemorate the one-year anniversary of the Partnership with a White House event on May 20; this has not been vetted through the scheduling process -- we have copied Erskine, Rahm, and Stephanie.

(C)

Executive Summary of Indian Country Reports forwarded by Ibarra/Cutler -- following up on your April 1997 Executive Memorandum on ensuring government-to-government relations with Indian Country, Erskine and Bruce Reed asked the agencies and departments to summarize their approaches and activities related to Indian Country; the executive summary notes that by any socioeconomic measure, the Native American

Tab A

THE WHITE HOUSE

WASHINGTON

3-9-98

March 7, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN
SEAN MALONEY

SUBJECT: Recent Information Items

We are forwarding the following weekly information items:

(A) **ISTEA Transit Update from Larry Stein** -- the Senate Banking and Budget Committees came to an agreement to provide \$5B in additional budget authority for transit funding over the next five years; Sen. Domenici has pledged to find budget offsets; a major hurdle yet to overcome is the amendment offered by Sens. Johnson and Craig that would assign transit money based on gasoline consumption rather than transit usage; would guarantee that States receive 70% of their mass transit account contributions, thereby spreading the mass transit dollars thinly; vote will be very close, and, if it goes to the floor, it will split the Democratic Caucus; opponents of the amendment seek the Administrations support; Larry is hopeful Sens. Daschle and Johnson can work out a compromise; should they fail he suggests a strong statement from Sec. Slater, stopping short of a veto threat.

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THE WHITE HOUSE

WASHINGTON

3-9-98

'98 MAR 6 PM9:03

copied
Stein
Bowles

March 6, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: LARRY STEIN

RE: ISTEА TRANSIT

The Senate Banking and Budget Committees came to an agreement on transit funding earlier this week. Transit will receive \$5 billion in additional budget authority over the next five years. Senator Domenici has pledged to find enough offsets in the budget to cover the additional transit and highway money recently promised. Because the outlay rate for transit is very low, transit supporters are optimistic the additional spending will be successfully offset.

The one major hurdle yet to overcome on the ISTEА bill is an amendment sponsored by Senator Tim Johnson and Senator Craig Thomas concerning minimum allocation. This amendment assigns transit money based on gasoline consumption rather than transit usage and will guarantee all states receive 70% of their mass transit account contributions, thereby spreading the mass transit dollars thinly.

Senators from transit states and those sympathetic to environmental issues strongly opposed this amendment, however, they currently seem to be in the minority (current counts have the vote even, but a majority of the undecided Senator's are from states that benefit from the increased money received through this amendment). The vote on this amendment will be very close and many of the Senators opposing it are looking for a strong statement from the Administration opposing the minimum allocation amendment.

Should this amendment get to the floor it will split the Democratic Caucus. I am hopeful Senator Daschle and Senator Johnson can work out a compromise, however, should they fail, I suggest we send a strong statement from Secretary Slater but fall short of a veto threat on this issue.

Tab B

THE WHITE HOUSE
WASHINGTON

3-9-98

March 7, 1998

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FROM: PHIL CAPLAN
SEAN MALONEY

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Give Sen. Daschle
the following

Yashwanth
Erskine
to stay in House

3-9-98

MEMORANDUM

TO: The President
FROM: Eli J. Segal **CP**
DATE: February 27, 1998
RE: Welfare to Work Progress

Copied
Segal
Bowles

This is both an update and a request for your time on or about May 20.

Things look very good. The size of the welfare rolls continues to decline despite the cynics who have tried to set off alarm bells about the evaporation of job ready welfare recipients. The evidence mounts that companies who initiate thoughtful programs are seeing higher retention levels among former welfare recipients than among other entry level employees. The money flowing to the states is already having a dramatic effect on the provision of child care.

On top of these developments, Labor's \$3 billion for state and local communities and HHS's \$1 billion of bonus money for states with superior programs will accelerate the pace of welfare to work. The yet to be enacted HHS, HUD and DOT initiatives, the strong support of SBA and the Vice President (government hiring and mentoring efforts) and the Treasury's engagement on several issues, especially the effectiveness of tax incentives, are also reasons for optimism.

Then there is the success of The Welfare to Work Partnership. Only an idea one year ago, we are on our way to 5,000 businesses from all sectors and regions by the Spring (including at least 35 of the Fortune 100). With presidential events (you've done three already apart from the last two State of the Union addresses), a PSA campaign, how to manuals, Wirthlin surveys of partners, 24 governors supporting our efforts, a highly targeted "cities" campaign to be launched in April and awards ceremonies for successful small and large companies, there is much for all of us to crow about. While major hurdles remain, particularly transportation and the unique needs of small businesses, the immediate future is very encouraging.

Which brings me to the purpose of this memo. May 20 is the anniversary of The Welfare to Work Partnership. If the White House is prepared to commit in advance to a mid-May event, perhaps in the East Room like last year, we could put together a truly astonishing spectacle. Driven as much by results as new challenges, we can really make the case that the old welfare system is dead. Great success stories, launching the television PSA campaign, announcing 5,000 partners with your challenging us to be at 10,000 by the end of the year,

Eli J. Segal / February 27, 1998
Page Two of Two

reporting on strong retention patterns – all of this could make for a memorable day. I'm told that both May 20 and May 21 are possible for this purpose.

Therefore, this request. If you share my enthusiasm and sense of the historical possibilities, I'm wondering if you could so indicate so we can lock up the day and then the details. I know this isn't the ordinary way to schedule. It's just that we'll need sufficient time to build towards the kind of event that circumstances justify.

#####

EJS/amrb

MEMORANDUM

Friday, March 6, 1998

TO: Nancy Hernreich
FR: Tom Janenda
(Ph. 456-6274)
RE: Presidential letter for 3.
the burial of remains fr

Nancy, I have never bothered to
suggested that I do so in this ca

I thought the President might fu
respond personally to this requ

SUMMARY:

Wilton Erickson left Cleveland, Ohio over 50 years ago to serve his country as a pilot in World War II. His plane was shot down during his first mission over Germany on December 1, 1943.

For fifty years, his family and widow wondered what had happened to him, as no body was recovered.

Last year, a plane was found just west of the German border in Belgium. After extensive, cooperative efforts involving Germans, Erickson family members and medical examiners -- It has been determined that the remains do belong to Lt. Erickson.

On Saturday, March 14, 1998 -- there will be a ceremony/service in Cleveland, Ohio as Lt. Erickson's remains are laid to rest. (See attached summary from WEWS for more information.)

MEDIA NOTE:

The local television news program (WEWS) has done a series on this story that is reportedly going to win awards. In addition, at least one of the evening news programs (20/20 I believe) is going to do a story in the near future. The reporter, who has become very close to the family over the past year, is the one who asked for a Presidential letter. He intends for it to be read aloud to the family at the service.

DECISION:

I am happy to simply forward this request to the regular correspondence unit. I have attached the note I received from a friend at the Cleveland station and draft language for a letter that I (presumptuously) drafted. Page me or e-mail me if I should forward this to the correspondence unit -- or if I can be of any further assistance. THANK YOU.

Don -

Should probably do this.

Let me see if. Note that

it is for Saturday.

Phil
3/9

ation. However, someone

decide that he wanted to

Phil
Don't you
think we
should do
something
to make
Nancy
happy
on
her
son's
burial
day
3/9

MEMORANDUM

Friday, March 6, 1998

TO: Nancy Hernreich
FR: Tom Janenda
(Ph. 456-6274)
RE: Presidential letter for 3/14 Ohio service marking
the burial of remains from WWII pilot, 2nd Lt. Wilton Erickson

Nancy, I have never bothered to forward anything like this for your consideration. However, someone suggested that I do so in this case and I agreed.

I thought the President might find the attached interesting, heartwarming and decide that he wanted to respond personally to this request for a Presidential letter.

SUMMARY:

Wilton Erickson left Cleveland, Ohio over 50 years ago to serve his country as a pilot in World War II. His plane was shot down during his first mission over Germany on December 1, 1943.

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Phil
Don't you
think we
should do
something
to make
Nancy
happy
do
m



PRESIDENTIAL ACKNOWLEDGEMENT LETTER

STAFF REQUEST FORM

PLEASE PRINT OR TYPE ALL INFORMATION - *thank you*

TODAY'S DATE: MARCH 6, 1998 DATE OF EVENT: MARCH 14, 1998

Request to: *Presidential Support*
Room 62
Ext. 62304

From: (Name) RAHM EMANUEL
(Department) _____
(Room) 1ST FL, WEST WING
(Ext.) 6-2531

A minimum of two weeks notice is required for processing.
All requests are subject to final approval by
the Director of Correspondence and Presidential Messages.

Mark ☒ in appropriate box and include any additional comments pertinent to the request in the "information" space below.

TYPE OF EVENT

- | | | |
|---|--|---|
| ☐ RETIREMENT
(number of years; name of company
or government agency) | ☐ WEDDING ANNIVERSARY
(number of years) | ☐ ILLNESS
(type: surgery, accident, cancer, etc.) |
| ☐ BIRTHDAY
(number of years) | ☐ CONDOLENCE
(sent to next of kin only) | ☒ WEDDING
(provide first names) |
| ☐ BIRTH OF BABY (card to child)
(child's full name) | ☐ GRADUATION
(list name of school
and degree awarded) | ☐ BAR OR BAT MITZVAH |
| ☐ BIRTH OF BABY (card to parents)
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& child's full name) | ☐ ADOPTION
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Information: (SEE ATTACHED) REMAINS OF WWII PILOT ^{2ND} WILTON ERICKSON, WHO WAS
SHOT DOWN DEC. 1, 1943, HAVE BEEN IDENTIFIED AND RETURNED. HIS FAMILY AND
OTHERS WILL GATHER TO BURY HIM IN CLEVELAND, OHIO ON MARCH 14TH. (20/20 is GOING TO DO A STORY ON THIS.)

Inside address for letter (complete address to appear on letter) Circle one: Mr. Mrs. Miss Mr. & Mrs. Dr. Ms.

Name: TO THE FAMILY OF WILTON ERICKSON

Address: N/A

City/State/Zip Code: N/A

Mailing address for label (Include complete address and zip code) Circle one: Mr. Mrs. Miss Mr. & Mrs. Dr. Ms.
(if different from "inside address")

Name: THE FAMILY OF WILTON ERICKSON

Address: 612 ELMWOOD ROAD

City/State/Zip Code: BAY VILLAGE, OHIO 44140



3001 EUCLID AVENUE
CLEVELAND, OHIO 44115
PHONE (216) 431-5555

FINAL MISSION The Wilton Erickson Story

This is a tale of two stories: through one, the story of a family finding peace after half-a century, we learn the lesson of the other — that two peoples who once killed each other can learn to work together towards peace.

2ND LIEUTENANT

On December 1, 1943, a young pilot from Cleveland, Wilton Erickson, was shot down on his first combat mission over Nazi Germany. For more than fifty years, his family wondered about his fate. Then, last year, the grandsons of men who served Hitler, found a plane in Lanzerath, Belgium — just west of the German border. It seemed to be Wilton's, but was it? Together, the family, along with German reservists and US Army members, dug for remains. Along the way, a distant family draws close, two peoples draw closer, and we learn about the personal sacrifices that so many people made so we can live free.

Now, the remains have been identified by CILHI in Hawaii; they do belong to Wilton Erickson. The young Germans who make it their calling to find lost pilots — no matter which side they were on — they are coming to Cleveland for Wilton's funeral on March 14. So is the forensic anthropologist from CILHI in Hawaii. And so are two witnesses to the crash. They were teen-agers the day they saw the crash; today, they are in their mid-70's. More than fifty-four years after his death, Wilton Erickson is still bringing his family together, and cultivating friendships between people in a generation he did not live to meet.

Wilton Erickson is survived by his two younger brothers. Wally Erickson is now 77; Wayne Erickson is 66. Wilton was a newlywed (two months) when he was shot down. His widow, Dorothy, eventually remarried, but she has not forgotten Wilton.

This young man is a symbol of all of the brave souls who gave their lives for America. More than half-a-century after Wilton's supreme sacrifice, his family has learned what happened to him on that snowy December day. The Erickson's are preparing to honor their brother — and bring closure to a memory that is at once painful and honorable. And Wilton Erickson is an American who deserves the honor and respect of his country — for whom he gave his life.

* We hope to present a letter from The President to the family at Wilton's funeral on March 14. *
Thank you.

-Bill Sheil



--DRAFT--

--DRAFT--

[A presidential letter has been requested for Funeral of WWII Pilot Wilton Erickson; March 14, 1998 Note: The local television news station in Cleveland has done a series on this story that will be winning awards and apparently the evening newsmagazine program 20/20 will be doing a feature segment on the story, including the service on the 14th.]

To the Family of 2nd Lieutenant Wilton Erickson,

The First Lady and I extend the gratitude of our nation to you today. Our thoughts are with you today as you experience both the sadness of mourning and the joy of a long overdue homecoming.

Wilton Erickson left Ohio more than 50 years ago. He left behind a brand new bride, his family and his community. Like so many heroes of his generation, Lieutenant Erickson's mission took him across the world. Yet, while his destination was foreign and distant, the idea he went to defend was familiar and close to the heart of our nation. That idea is freedom.

Due to the sacrifice and valor of men and women like Wilton Erickson freedom carried the day a generation ago. Their heroics made an indelible imprint on the history of this century and gave us an opportunity to prepare our nation for the next 100 years.

Today our nation honors the memories of all of those men and women by saying to Lieutenant Erickson: Welcome home. You made us proud. Rest easy.

-- DRAFT --

-- DRAFT --

Tom Janenda, WH Research Dir.
456-6238

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William L. BERNHARD
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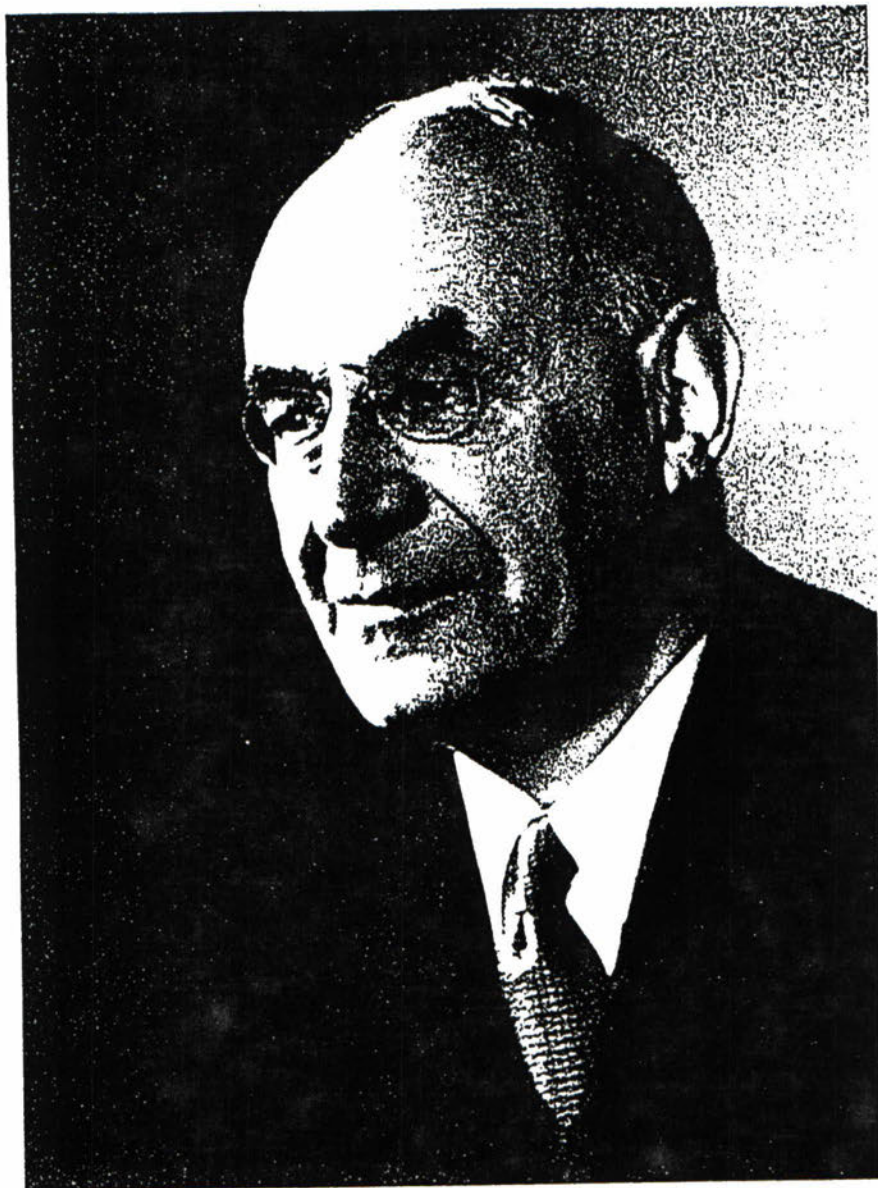
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Arthur Lehman Goodhart 1891-1978

ARTHUR LEHMAN GOODHART, one of the outstanding common lawyers of the century, was born in New York on 1 March 1891, and died in London on 10 November 1978, aged eighty-seven. For nearly sixty years he lived and worked in England, but despite his Anglophilia and his thorough acclimatisation here, he remained throughout a citizen of the USA, and unmistakably American. For over fifty years, nobody had a greater influence on the development of the common law. This resulted mainly from the steady flow of his writings, but also from his teaching, his committee work, and his easy relationship with many leading figures in the law. Though England was the main beneficiary, the whole common law world profited.

His inheritance was rich. He was endowed with ability, public spirit, modesty, and generosity, as well as material wealth. His grandparents were all born in Europe and emigrated to the USA in the 1830s and 1840s. His father, Philip, was born in Cincinnati, but as a young man he went to New York, where in due time he became a prominent member of the New York Stock Exchange, in partnership with his brother. He was a kind and gentle man who died in 1944 at the age of eighty-eight. Arthur's mother, Harriet, was a sister of Irving Lehman, who became Chief Judge of the New York Court of Appeals, and of Herbert Lehman, who, after being Governor of the State of New York from 1932-42, became Director-General of the United Nations Relief and Rehabilitation Administration (UNRRA), and then from 1948-56 a US Senator who was one of Senator Joe McCarthy's most resolute adversaries. Harriet

was small, serious, dominant, and rather fierce; and she too lived to be eighty-eight, dying in 1949. Her father and one of his brothers had been shopkeepers in Alabama, and through accepting payment in cotton instead of cash they had become cotton brokers. After the end of the Civil War, the brothers became established in New York as general commodity dealers, and from that they progressed into merchant banking. By the end of the century Lehman Brothers had become one of the leading merchant banks in New York.

Arthur was the third and youngest child of Philip and Harriet. They were devout Jews, but members of the Reform wing, which had discarded the dietary laws and other minutiae of the Talmud. At an early age Arthur abandoned any religious belief or observance; but throughout his life he remained very much concerned with Jews and Jewish causes, and in his latter years his support for the State of Israel tended to the fanatical. His upbringing was in a brownstone house on 88th Street, just west of Central Park, and next door to the house of Harriet's sister and her family. He went to day-school in New York, and then to Hotchkiss School, a well-known preparatory school in northern Connecticut. From there he entered Yale, graduating in 1912 with high honours. At Yale he was popular with his fellows, and was the first Jew to be elected a member of Alpha Delta Phi. For this, the Yale Chapter was suspended by the national organisation. He became an editor of the *Yale Literary Magazine* and other Yale periodicals, and graduated with high academic honours, a Phi Beta Kappa. His athletic activities were limited by poor eyesight, but he was a good cross-country runner. He enjoyed lawn tennis and, after he had come to England, real tennis.

Arthur had been intended to join Lehman Brothers. Fortunately, his father had come to admire British bankers, and so in 1912 Arthur was sent to Trinity College, Cambridge, to read economics. When he arrived, his tutor, Morley Fletcher, told him that the Trinity economics fellow was away for the year. 'If you really want to read economics, we will have to send you to a young don at King's called Keynes. But nobody thinks him very sound; why don't you read law instead?' This advice fell on receptive ears, for although Arthur had not read law at Yale, he had gone to Professor Arthur Corbin's classes on the law of contract, and this had convinced him that law was a subject of 'the most profound interest'. So at Cambridge he began to read law, with H. A. Hollond as his director of studies. Hollond had been a fellow of Trinity for only three years, and was still in his twenties; but he was to play a significant part in Arthur's life. A close friendship which was to last sixty years soon sprang up between them.

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Goodhart greatly enjoyed his two years at Cambridge; and this did not prevent him from getting a First in Part II of the law tripos. Among his contemporaries at Trinity, Lawrence Bragg and George Thomson, both to be Nobel prize-winners in physics, became his lifelong friends. Some time later, when they were young bachelor dons, they hired a sailing boat in the Solent for a cruise along the south coast, and there was a series of disasters which, in retrospect, Goodhart enjoyed recounting.

With the outbreak of war in 1914, Goodhart joined the Officers' Training Corps, and later volunteered for the Army; but he was refused a commission on account of his nationality. He then returned to the USA, and after passing the New York State Bar examinations, he became an assistant corporation counsel for New York City in 1915. When his country entered the war in 1917 he joined the US Army, and became a captain. At the end of the war he went to Poland as counsel to the US Military Mission. Out of this visit came his first book, *Poland and the Minority Races* (1920), which was particularly concerned with the position of Polish Jews. By this time Hollond had suggested that Goodhart should teach law at Cambridge, and the percipient eye of Will Spens of Corpus Christi had recognised his ability. The result was a law fellowship at Corpus and a university lectureship in law in 1919. He was also called to the Bar by the Inner Temple, which he had joined in 1912. He never practised in England, but settled down to teaching.

In 1921 Goodhart became secretary to the Vice-Chancellor of the university, a post which he held until 1923. But another event in 1921 was to have greater significance in his life. This was the foundation of the *Cambridge Law Journal*, with Goodhart as its editor for the initial four years. This venture was largely due to his initiative as well as his substantial financial support. In the USA it had long been common for law schools to publish learned periodicals. An outstanding feature of these publications was that although the articles and book reviews were written by established lawyers on the academic staff and elsewhere, the notes on recent cases were written by students in the law school. Selection as one of the student editors of the law review, and so as one of its contributors, was a hallmark of distinction, both in the law school and beyond. The *Cambridge Law Journal* was established on this model. But somehow this system of student case-notes never really flourished in England. Despite notable exceptions, and the presence of names later to become highly distinguished in the law, by 1954 the system had come to be replaced by one of case-notes written by senior

members of the faculty and others. Nevertheless, the *Journal* achieved an immediate and sustained success, due in no small part to Goodhart's flair for obtaining articles of a high standard.

Another significant feature of those early years in the law was Goodhart's choice of subject. By inclination and nature he was a common lawyer. His heart was in tort and contract, with some crime and constitutional law; yet he made jurisprudence his subject. A university lecturer in jurisprudence had been killed in the war, and so had left a vacancy in that subject. As a subject, jurisprudence can be almost all things to all men. It may be analytical, anthropological, comparative, ethical, general, historical, normative, particular, post-modernist, sociological, and realist, and, more recently, feminist. None of these labels really fitted Goodhart, though 'analytical' was *proxime accessit*. He seldom soared to the rarefied heights of jurisprudential abstraction, and remained firmly in the world of living law. He became not so much a professor of jurisprudence as a jurisprudential professor of the common law. There is no difficulty in making law seem complex and obscure, and many succeed. Without being simplistic, Goodhart's simplicity of utterance matched his clarity of thought, and brought him nearer to judges and practitioners than any academic lawyer before him. His approach was to subject the common law to his formidable powers of jurisprudential analysis and then to apply his sturdy common sense and reason to it. For him, principle never lost sight of the practical.

In 1924 Goodhart married Cecily Carter, of Beaulieu, Hampshire. A notable beauty, she had gone up to read history at Newnham in 1919, a little belatedly on account of her having volunteered for factory work during the war. Goodhart's family accepted his marriage to a gentile without dissension, and the American husband and English wife with their three sons (1925, 1933 and 1936) became a truly Anglo-American family. Goodhart's frequent (and often extended) visits to America left untouched his affection for England.

A major step in Goodhart's life was his appointment as editor of the *Law Quarterly Review*, in 1926, when he was thirty-four. The *Review* had been founded in 1885, mainly by Sir Frederick Pollock. From 1885 to 1919 he was the editor of the first learned legal periodical in the common-law world. It was followed in 1887 by the *Harvard Law Review*, and then by many other American journals; but in England it remained unique until the *Cambridge Law Journal* appeared in 1921. Pollock's successor, A. E. Randall, died suddenly in 1925, and Goodhart was his obvious successor. He remained editor for fifty years, the

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last five as editor-in-chief, with P. V. Baker as editor. His run was unbroken except for 1929 while he was a visiting professor in the Yale Law School and P. H. Winfield deputised for him. His editorship of the *LQR* and the body of his contributions to it were the outstanding achievements of his life in the law.

He was a discerning and open-minded editor, accepting contributions over the whole range of law even when he disagreed with them or lacked interest in them. But he was insistent on maintaining a high standard, and looked for tenable originality and lucid presentation. Nothing was rejected out of hand. The good, the bad, and the indifferent were all considered, at a cost of time and patience which was sometimes increased by giving advice and encouragement to the inexperienced. With himself, he could be downright. A hint of fallibility would sometimes be met with a pause, and then a flat 'No—it's wrong'. In discussion, he would put his point directly and reasonably, often ending with a characteristic sound, 'D'there'. This was as eloquent as Puff made Lord Burleigh's shake of the head in *The Critic*, and meant: 'I think this deals with it, but let me reflect for a moment, and meanwhile tell me what you think about it'. His editorship was very personal, with no supporting staff except a combined assistant editor and book review editor; and his correspondence and his contributions alike were all in a handwriting which remained bold and clear throughout. After the war, visiting American lawyers, with the establishments of law reviews in the USA in mind, would sometimes ask to see the *LQR* offices; and it pleased him to say that the nearest thing to an editorial office was an armchair in the assistant editor's chambers¹ where each quarterly issue was put together.

In 1931, an unexpected vacancy occurred in the chair of jurisprudence at Oxford which had once been Pollock's. Goodhart had published no book on law which could support an application. He speedily assembled thirteen articles of his, ranging far and wide in their sources and their substance. Four had appeared in the *Yale Law Journal*, three in the *Cambridge Law Journal*, and singletons in the *LQR*, the *Cornell Law Quarterly*, the *Canadian Bar Review*, the *New Zealand Law Journal*, the *Buffalo Law Journal* and *Cambridge Legal Essays*. These formed his *Essays in Jurisprudence and the Common Law*, the book by which he was best known. The title of the book matched the chair by putting jurisprudence first, but in its substance the common law

¹ Mine for nearly twenty-five years, and then Paul Baker's.

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predominated. His *Three Cases on Possession* from the *Cambridge Law Journal* analysed cases on the possession of objects found in or on land in a way that still exerts influence sixty years later; but it was one of the Yale contributions, *Determining the Ratio Decidendi of a Case*, that was a jurisprudential classic from the start. The question was how to distinguish the *ratio decidendi* of a case that would bind all courts of an equal or lower status from mere dicta which would not. At the core of the article was the proposition that the principle of a case was to be found not in the reasons or rule of law set out in the judgment, but by determining the facts treated by the judge as being material, and his decision as based on those facts. In doing this, the reasons given by the judge was a guide to which of the facts he considered to be material. Over the years this contention attracted much critical appraisal and reappraisal.²

With the publication of this book and other support, Goodhart was elected to the chair and also to a fellowship at University College that went with it. At thirty-nine, the main course of his life was settled. As a lecturer, he was deservedly popular. He was direct, clear and audible, with touches of his own style of humour (sometimes mordant) and a measured pace that carried both the quick and the slow in thought. There was no lack of critical evaluation and lines for further thought, but unlike some lecturers he never sought to pass off the law that should be as being the law that was. He held the attention of his audience throughout.

In 1935, after he had become established in Oxford, Goodhart joined Lincoln's Inn *ad eundem*. He had taken over Pollock's chambers in the Inn, and Hollond had recently been elected an honorary bencher there. Less than three years later, quite exceptionally, Goodhart too was elected an honorary bencher. This was to prove significant to the law.

When war came in 1939, Goodhart remained in Oxford and continued with such teaching as there was. He joined the Home Guard, and as Chairman of the Southern Region Price Regulation Committee he played his part in enforcing price controls. When the USA joined the war he did much for the short courses in law that were provided for American and English officers awaiting the invasion of France, and he also was vigorous in promoting Anglo-American relations among the many other Americans in the country. Both during the war and after, he

² See e.g. Goodhart (1959) 22 *Modern Law Review* 117; Cross and Harris, *Precedent in English Law* (4th edn., 1991), ch. 2.

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he retired he made many more visits abroad, and the improvement in air travel encouraged short visits as well as long. These visits included being a visiting professor at the law schools of Harvard, the University of Virginia, and McGill, and being a scholar in residence at the New York City Bar Association.

Goodhart never wrote or edited a legal textbook. His work as a legal author is to be found almost entirely in his articles and notes in learned legal periodicals, particularly the *LQR*. His 'notes' were miniature articles, ranging from half a page or less to five pages or more; and some notes grew into articles in the writing. Most of the notes and articles were based on recent decisions of the courts; for him, these were the life of the law.

The contrast with writing or editing legal textbooks is sharp. So much law is static, both settled and well settled; and a major part of the work of writing or editing textbooks, though worthy, tends to be time-consuming and tedious. There are also the inelastic bonds of the space available, as contrasted with the flexibility of notes and articles. Above all, notes and articles confer liberty to concentrate on the law as it lives and develops and sometimes retrogresses: and this became the centre of Goodhart's life in the law. He was a tireless and economical worker who enjoyed working, and wasted no time on trivialities. When he could, he put up his feet for half an hour after lunch in order to extend his working day by two hours or more in the evening.

Goodhart's notes were models of concise relevance. Though they ranged far and wide in their subjects, style and approach, most of them fell within a pattern. Usually they began with a sentence that set the scene and caught the interest. Then the facts of the case and the decision were set out economically before turning to a critical appraisal of the decision and its consequences. Criticism was constructive, and laudation not uncommon. The note took the reader to the heart of the case in a tithe of the time needed for reading and digesting the judgment. Some of the notes were bread-and-butter notes, doing little more than welcoming a significant decision and putting it in context; but the great majority provoked thought. Those attending his postgraduate classes on recent cases at Oxford were often given a preview of impending notes. Discussion was encouraged, and sometimes it led to useful revisions. The notes were written in English English, with only an occasional transatlantic reverter, such as 'in back of' for 'behind'. The style was simple and direct, with no attempt at fine writing, but sometimes a

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Goodhart's notes and articles embraced the whole of the common law. Tort, contract, and crime predominated, but constitutional and administrative law, international law, company law, divorce, and much else besides were also represented, with equity and land law the more notable absentees. The concentration was on English law, but many other jurisdictions made their contributions, not least the USA. Apart from 1929, while Goodhart was a visiting professor at Yale, the flow was unbroken. At varying intervals over fifty years well over sixty articles were published. The index to the *LQR* lists thirty-six (though a few were less than articles) and there were many others, including twelve in the *Cambridge Law Journal*, five in the *Yale Law Journal*, and four in the *Modern Law Review*. On the other hand, the notes in the *LQR* appeared in every issue with unfailing regularity. Usually there were between fifteen and twenty pages of them, though rather less in the latter five years when Goodhart was editor-in-chief instead of editor. In mere volume, Goodhart's notes and articles equalled several textbooks; but in concentrated and relevant penetration they amounted to much more. Although he was a judicious book reviewer, he contributed relatively little, usually on books concerned with America.

Over the years a number of books or booklets by Goodhart were published: usually they were prints of lectures. His 1947 Lucien Wolf Memorial Lecture was published in 1949 in an extended form (74 pp.) as *Five Jewish Lawyers of the Common Law*. This consists of deft sketches of Judah Philip Benjamin Q.C., Sir George Jessel M.R., Louis D. Brandeis J., Rufus Isaacs (L.C.J. and ultimately the first Marquess of Reading), and Benjamin Nathan Cardozo J. In the same year the Benjamin N. Cardozo lecture that he gave in 1948 appeared as *English Contributions to the Philosophy of Law* (34 pp.). His Hamlyn Lectures for 1952 were more substantial. They were published in 1953 as *English Law and the Moral Law* (151 pp.). In this, he examined and sustained the general thesis that the public recognition of a duty to obey the law was based less on force or a fear of punishment than on reason, morality, religion and inherited tradition; that was over forty years ago.

As an editor of books, Goodhart produced Pollock's *Jurisprudence and Legal Essays* in 1961. He selected, edited and introduced, in some 230 pages, substantial parts of Pollock's *First Book of Jurisprudence*

(1896), *Essays in Jurisprudence* (1882), and *Essays in the Law* (1922), seeking in piety to revive writings that were out of print. He also, jointly with Professor H. G. Hanbury, undertook the massive burden of editing and completing volumes 13–16 of Holdsworth's *History of English Law* (1,725 pages in all). Most of the material was in typescript or barely decipherable manuscript; but much had to be added to finish it. The publication of the four volumes between 1952 and 1966 completed a work of which the first volume had originally appeared in 1903.

For long, Goodhart was the most influential academic lawyer in England. Today, it is easy to forget how small and remote the world of English academic law was when Goodhart first came to it. Oxford and Cambridge had indeed been joined by four other universities during the nineteenth century, with five more by 1920, but the total number of those teaching or reading law was, by today's standards, tiny. Intending lawyers often accepted advice to broaden their minds at university by reading any subject other than law. In contrast with today, few solicitors were graduates, and many preferred (some vehemently) to have as articulated clerks those who were straight from school, untainted by academe; the *tabula* must be *rasa*. Legal periodicals were severely practical, addressed to the needs of practitioners, and legal textbooks were in like case until Pollock and others began to write law books of academic stature towards the end of the nineteenth century. Practitioners held academic lawyers in low esteem. 'A jurist', said Lord Bowen, 'is a person who knows a little about the law of every country except his own'. And, added A. V. Dicey, 'jurisprudence is a word which stinks in the nostrils of a practising barrister'. In England (but not the USA) there was a rule that the work of a living author could not be cited in the courts as an authority, though this could be evaded in some degree by counsel 'adopting' the work 'as part of his argument'. This nineteenth-century attitude was still alive in the 1920s, despite all that Pollock had done; but thirty years later it was dying, and Goodhart had played a large part in the change. Academic lawyers rarely mingled with judges in easy informality, and most honorary benchers rarely attended their Inns; but despite the claims of Oxford, Goodhart was often in Lincoln's Inn, especially at lunch, and this opened new doors. Knowing the author sometimes changes the impact of the printed page. Lord Evershed and Lord Pearce (as they became) were soon warm friends, and Lord Denning and Lord Simonds were also benchers, with many other judges and judges-to-be. Other friends were Lord Greene, Lord Wright, and Lord Diplock, all great names in the law.

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More than any other academic lawyer, Goodhart was equally at home with judges and practitioners, bridging the previous gulf between the two worlds both at home and abroad.

Through his writings and his membership of committees, Goodhart was in large part responsible for many important changes made by the courts, the legislature or administrative action. Eight examples may be given, four of them in tort. Hospitals were made liable for the negligence of their doctors and nurses while exercising their professional functions even though the hospital managers had no control over them. A person's liability for a negligent act no longer applied to all the consequences, but only to those that were reasonably foreseeable. A person who is injured while attempting to rescue a third party from a peril negligently created by another, such as a runaway horse, is now not prevented from recovering damages on the ground that he had been under no duty to act but had voluntarily undertaken the risk. The liability of an occupier of land to those who are injured while lawfully on it now depends on a common duty of care instead of fine distinctions between invitees and licencees.

Other changes are that a company can no longer escape liability for acts done by its servants on the ground that the acts were *ultra vires* its objects. The rule that appellate courts must be slow to disturb findings of fact made by a judge who has seen and heard the witnesses now applies with less force to findings of fact if they are really mere inferences. When quashing a conviction (e.g. on technical grounds) the Court of Appeal is no longer unable to order a new trial where the interests of justice require it (Goodhart's partial success in his lifetime became complete after his death). Lastly, for over forty years all decisions of the Court of Appeal (and not only those that appear in law reports) have become available for all by transcripts being made and filed.

Goodhart gave much time to a wide range of committees and other bodies. At various times he was President of the American Outpost; the International Association of University Professors; the Society of Public Teachers of Law; the American Society; the Pedestrians Association for Road Safety (with the pleasure of being addressed by a Japanese correspondent as 'The Honourable President of the Streetwalkers Association'); and the Selden Society. He was a Vice-President of the British Academy, and of the Pilgrims; Chairman of the International Law Association; and a governor of the Atlantic College at St Donat's Castle. As a member of the Royal Commission on the Police, he

made a dissent which sought the establishment of a national police force. He was also a member of many important committees, including the Committee on Law Reporting (with a dissent which advocated more comprehensive law reporting and better indexes), and committees on monopolies and restrictive practices, Supreme Court procedure (with its series of reports), company law revision, and alternative remedies. He was also a zealous foundation member of two of the Lord Chancellor's major standing committees, the pre-war Law Revision Committee and the post-war Law Reform Committee (whose first report, in 1953, surprisingly cost a mere £10. 7s. 6d. to print and publish). To his various committees he brought innate good timing, and contributions made with a force of reasoning that was enhanced by their moderation in presentation.

His honorary degrees were numerous and far-flung. The USA led the field, with a dozen honorary LLDs from California, Cincinnati, Columbia, Dartmouth College, Harvard, New York, Pennsylvania, Princeton, Tulane, Wesleyan University, Williams College, and Yale. There was one in each jurisdiction in the United Kingdom (Edinburgh, London, and Queen's University, Belfast), and also one each from Australia (Melbourne) and Canada (Dalhousie); and he had an honorary D. Litt. from Cambridge. He was also an Honorary Fellow of Trinity, Trinity Hall and Corpus at Cambridge, and Nuffield at Oxford; and on retiring as Master of his college he became an Honorary Fellow Extraordinary. In 1952 he was elected FBA, and ten years later he was a Vice-President of the Academy.

He was a man of an exceptional generosity that was both discerning and imaginative. He was always concerned to see that the need was real and the provision wise and effective. He became the greatest benefactor that his college had had in its life of over seven centuries, and he was also the cause of munificence by members of his family and others. Amongst other additions, the college is grateful for the Alington Room, the Goodhart Building and Quadrangle, the Magpie Building and the Parson's Almshouse; and Helen's Court and Cecily Court preserve the names of the sister and wife of a Master who is held in great affection by the college. In honour of his eightieth birthday the Arthur Goodhart Visiting Professorship of Legal Science at Cambridge was established in 1971. This percipient foundation enables foreign lawyers of great distinction to be in residence at the university for a term or more, with ample provision of a house, a secretary and travelling expenses for them and their families. Goodhart's unostentatious generosity could be found

in many of his generous acts as their cause. Goodhart's interest in law, particularly of his own and English law, on the assumption of engrossed of Presic annexation tastes and driving up for friends' stint.

Goodhart, Cecily, f Philip, a and Prof delight, h

Note. For Honour Pa hart QC; F

in many other fields, some of them small and private; and he was also generous with his time and advice, as many of the young remembered as their careers advanced.

Goodhart had little interest in the arts, and none in music. His interest in literature soon narrowed down until he read little except on law, politics (in the wider sense), and current affairs. One of the last of his articles in the *LQR* was a long and convincing assault on the English Press for its attack on the findings of the Warren Commission on the assassination of President Kennedy. In his latter years he became engrossed in two diverse attempts at the virtually impossible: a defence of President Nixon over Watergate, and a justification of Israel's annexation of the West Bank. Hospitality apart, he was simple in his tastes and style of life. There was moderation in everything except his driving urge to work and carry out his duties in abundance, and his gift for friendship. In all that he did, he lived his life to the full, and without stint.

Goodhart died after suffering a severe stroke. He was survived by Cecily, for over six years, and by his three sons. They became Sir Philip, an MP for thirty-five years; Sir William, the Chancery silk; and Professor Charles, FBA, the economist. He also, to his and their delight, had fourteen grandchildren.

R. E. MEGARRY

Fellow of the Academy

Note. For assistance in person or in print, or both, I am greatly indebted to: His Honour Paul Baker QC; Mr George Cawkwell; Lord Diplock; Sir William Goodhart QC; Professor F. H. Lawson FBA; Lord Redcliffe-Maud; and *The Times*.

University of California, Irvine
University Advancement
Special Events
555 Administration
Irvine, CA 92697-5600

3-9-98

TO BURKHARDT
FOR REPLY

yes
no

let me
see
Phil

showed
to letter
to page 2
b/H 20

The President
The White House

1998 MAR 9 09:11

The University of California, Irvine
announces

The Roger W. and Janice M. Johnson
Chair in Civic Governance
and the Social Ecology of Public Management

and presents

A Town Hall Meeting

with keynote speaker

Vice President of the United States of America
Al Gore

The Roger W. and Janice M. Johnson Chair in Civic Governance and the Social Ecology of Public Management at UCI

In 1993, Roger Johnson, former chair and CEO of Western Digital Corporation, went to Washington on a mission: to help President Clinton and Vice President Gore reinvent government. He was named head of the General Services Administration, a \$64 billion agency that had come to symbolize the waste and inefficiency of government bureaucracy.

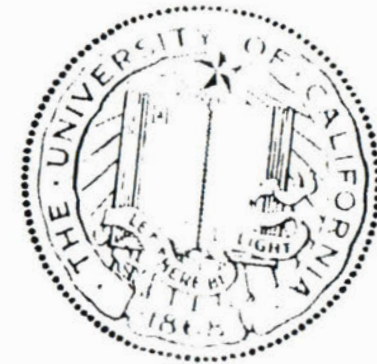
Johnson, who was the highest ranking Republican in the Clinton Administration, felt confident that what he had learned in several Fortune 500 companies would serve him well in Washington, but he quickly discovered that the basic management techniques used by successful businesses were foreign in the realm of government.

As an outsider, he had assumed that the federal government was being mismanaged; what he found, instead, was that the government wasn't being managed at all, and that Washington wasn't ready for the kind of change that effective management would bring about.

Despite the resistance and the many roadblocks he faced during his three years in Washington, Johnson managed to trim \$11 billion from the GSA budget and reduce the staff from 20,000 to 16,000—without loss of services or programs or layoffs. Still, he resigned in 1996, frustrated that he hadn't been able to accomplish more—and determined to find other ways of reforming all levels of government.

Johnson recently turned to academia to launch a program that he believes will help bring about fundamental changes in the way government operates—changes that will not only result in greater efficiency and more effective implementation of public policy, but will also help generate more civic involvement in the political process by restoring confidence in government.

As a first step, Johnson has endowed the Roger W. and Janice M. Johnson Chair in Civic Governance and the Social Ecology of Public Management at UCI. The kick-off for this new academic discipline at the School of Social Ecology will be this Town Hall Meeting, including the local business community, public officials, area associations, students and faculty. Vice President Gore will deliver a keynote address at the end of the program. Government agency managers and public officials (Republicans and Democrats) from Washington and local areas will join business leaders and scholars for two engaging panel discussions intended to raise consciousness about the need for government reform.



Event Committee

John Garrett

Roger Johnson

The Honorable William Monroe

Martha Newkirk, Ph.D.

Safi Qureshey

Beverly Sandeen, Ph.D.

Arthur Strock

Christopher Townsend

Nick Yocca

PANEL DISCUSSION I
Who's Managing Your Government?

Opening Remarks

Daniel Stokols

Dean, UCI School of Social Ecology

Moderator

Mark Baldassare

Professor of Urban and Regional Planning, UCI School of Social Ecology

Senior Fellow, Public Policy Institute of California

Author, "When Government Fails"

Panelists

Dennis J. Fischer

Commissioner, Federal Technology Service

Chief Financial Officer, General Services Administration 1992-1997

Frank Hodsoll

Commissioner, Ouray County, Colorado

Deputy Director for Management, Office of Management and Budget 1989-1993

Roger Johnson

President, Roger W. Johnson & Associates

Director, General Services Administration 1993-1996

Steven Kelman

Professor of Public Management, Harvard's Kennedy School of Government

Administrator, Office of Federal Procurement Policy, 1993-1997

Jack W. Peltason

President Emeritus, University of California

Co-author, "Government by the People"

Safi U. Qureshey

Co-founder and Chairman Emeritus, AST Research, Inc.

Member, President's Export Council

Henry Segerstrom

Managing Partner, C.J. Segerstrom & Sons

Morley A. Winograd

Senior Policy Advisor to the President

Director, National Partnership for Reinventing Government

PANEL DISCUSSION II
Civic Governance and the Need for Local Government Accountability

Moderator

Helen Ingram

Drew, Chace and Erin Warmington Chair in the Social Ecology of Peace and

International Cooperation

Author, "Policy Design for Democracy"

Panelists

Ron Bates

President, State League of California Cities

Mayor, City of Los Alamitos

Webster Guillory

Chairman, National Organization of Black County Officials

Manager, Management Services for the Orange County Assessors

Larry Higby

CEO, Apria Health Care Group, Inc.

Janet Huston

Executive Director, League of Cities, Orange County Division

Monica Lozano

Editor, La Opinion

Jan Mittermeier

CEO, Orange County

Stan Oftelie

President and CEO, Orange County Business Council

Charles V. Smith

Orange County Board of Supervisors

Ray Watson

Vice Chairman, The Irvine Company

Laurel L. Wilkening
Chancellor, University of California, Irvine
and
Daniel Stokols
Dean, UCI School of Social Ecology

cordially invite you and your guest
to a Town Hall Meeting

Restoring Confidence in Government through Professional Management

Friday, March 20, 1998
Bren Events Center
Irvine, California

Morning Registration	8:30 a.m. - 11:00 a.m.
Panel Discussion I	9:30 a.m. - 11:00 a.m.
Break	11:00 a.m. - 11:15 a.m.
Panel Discussion II	11:15 a.m. - 12:45 p.m.
Break for Lunch*	12:45 p.m. - 2:00 p.m.
Afternoon Registration	1:00 p.m. - 2:30 p.m.
Keynote Address and Closing Remarks	2:45 p.m. - 3:30 p.m.

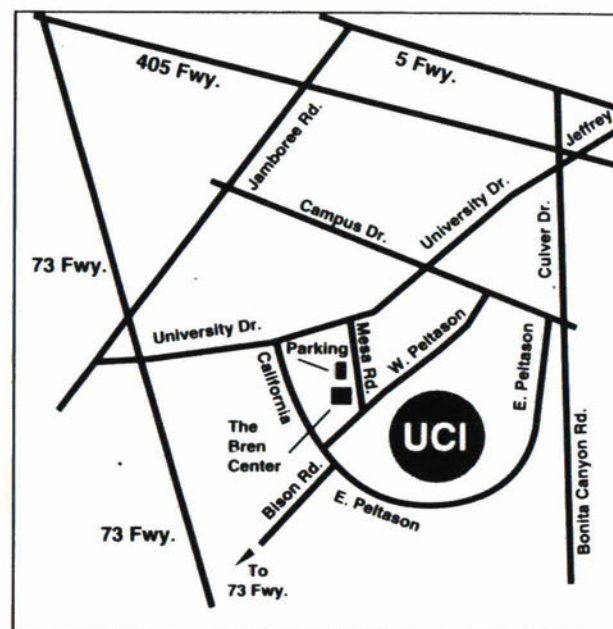
Please return the enclosed response card by March 12, 1998.

For security reasons, your name must be on the registration list, and admittance is permitted during designated registration periods only.

For further information, please contact the Office of University Relations at (714) 824-1897.

*A variety of restaurants are within walking distance for lunch.

*Cameras will not be permitted.
There is a parking fee of \$4.*



Directions to the Bren Center

12001 New York, New York 10021
4 East 66th Street

By HAWES

Veronica Hewitt
to try for sending signatures
very helpful
President William J. Clinton

3-9-98
MILLIE ALSTON
TO BUREAU
FOR REPLY?
yes _____
no _____

THE PRESIDENT WAS SEEN
3-9-98



DAUGHTERS
OF
CHARITY

NATIONAL HEALTH SYSTEM

4600 Edmundson Road
St. Louis, MO
314-253-6700

Melanne Verveer

Post Office Box 45008

MOIS

44 44 90

February 27, 1998

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

Dear Mr. President:

On February 18 at Children's Hospital in Washington, you outlined your Administration's agenda for expanding health insurance coverage to millions of children who are not now covered but who are eligible for assistance.

In your comments, you stated, "have this problem is to find out getting medical care, simply bec

The Daughters of Charity Nation should live with the status quo. are doing to bring it about.

Our System shares your deep co one of our top two advocacy go: System (CHS), St. Louis, Missou Virginia, we have made enrolling priority.

We call our program *Children's* about it is that it is a true, action-oriented program designed to work at the local level. We have asked all of our hospitals and health care organizations to implement working plans to identify and enroll eligible children. But we have also asked them to go even further by making certain that families actually gain access to care. Some of these plans are already in action.

There are a few other aspects of the program that I think you will also find significant:

Nancy, this should
get a special
reply. This group
has been enormously
helpful to us over
the years.

Do you want to
send to Burkhardt?

Yes ☒
NO ☐

who don't
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re that we
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gnated it as
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ndria,
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exciting



John

DAUGHTERS
OF
CHARITY

NATIONAL HEALTH SYSTEM

4600 Edmundson Road
St. Louis, Missouri 63134
314-253-6700

Post Office Box 45008
St. Louis, Missouri 63145-5008

133 mdr 9

February 27, 1998

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

Dear Mr. President:

On February 18 at Children's Hospital in Washington, you outlined your Administration's agenda for expanding health insurance coverage to millions of children who are not now covered but who are eligible for assistance.

In your comments, you stated, "One of the most shocking things to people who don't have this problem is to find out that huge numbers of these kids are prevented from getting medical care, simply because their parents don't know they're eligible."

The Daughters of Charity National Health System (DCNHS) does not believe that we should live with the status quo. Change is possible, and I want to tell you what we are doing to bring it about.

Our System shares your deep concern about this problem and last year designated it as one of our top two advocacy goals. In close collaboration with Carondelet Health System (CHS), St. Louis, Missouri and with Catholic Charities USA, Alexandria, Virginia, we have made enrolling eligible children into Medicaid a top national priority.

We call our program *Children's Health Matters*. What I think you will find exciting about it is that it is a true, action-oriented program designed to work at the local level. We have asked all of our hospitals and health care organizations to implement working plans to identify and enroll eligible children. But we have also asked them to go even further by making certain that families actually gain access to care. Some of these plans are already in action.

There are a few other aspects of the program that I think you will also find significant:

It represents a commitment by a national health care provider, one with a stated mission to serve the poor, to solve a major societal problem.

The program represents the best in collaborative efforts in the not-for-profit sector. DCNHS is one of the five largest hospital systems in the United States, and when you include our collaboration with Carondelet Health System and Catholic Charities USA, we will have programs reaching every state in the Union.

Just yesterday, we launched a site on the World Wide Web devoted to our advocacy issues, with prominent attention to *Children's Health Matters*. We hope it will be a valuable resource not just for our own constituencies, but for anyone interested in this important problem. The address of the site is www.dcnhs-advocacy.org.

With Catholic Charities USA, we are developing and distributing a resource guide to help individual sites ease the enrollment process. This resource guide will also be available at our Web site so anyone will be able to use it.

We will soon pilot-test an 800-number program to help families gain quick access to the enrollment process. If successful, we will promote this program in the other areas we serve.

Enclosed you will find detailed information on *Children's Health Matters*. I sincerely hope that you will find our efforts supportive and that they might serve as a model for what other health care providers can do.

Few problems in America today are as important as improving the health care of children. Our System stands committed to the goals you have sought in your Administration, and we look forward to working with you in this important effort.

Sincerely,

A handwritten signature in dark ink, appearing to read "Donald A. Brennan". The signature is fluid and cursive, with the first name "Donald" and last name "Brennan" clearly distinguishable.

Donald A. Brennan
President and CEO



March 6, 1998

The President
The White House
Washington, DC 20500

Dear Mr. President:

98 MAR 9 AM 11:49

We are the members of the Amtrak Customer Advisory Committee, a group of some 30 citizens from all walks of life chosen last year by the President of Amtrak to represent the 20 million American and foreign visitors who each year ride Amtrak intercity passenger trains.

You are now faced with a critically important task: the selection of a new Reform Board of Directors of Amtrak. The Board then will face the task of selecting Amtrak's next president.

The survival and ultimate success of the men and women who will fill these Reform Board positions will depend on their knowledge of—and their own—positive posture are essential in the 21st century.

Amtrak has come a long way. The quality of service and the safety of service cuts, up 2% over the previous year. Through the year—earlier months.

If rail passenger transportation is to be environmentally friendly, we must have a resource pool that any business—especially the transportation service industry—will rise or fall by the degree to which the needs and desires of its customers are met.

Foreign rail passenger services capture a substantial share of the intercity transportation market in part because their officers and directors solicit, understand and satisfy customer needs.

We implore you to exercise great care in the selection process. Your choice of the most capable persons will greatly enhance Amtrak's chances for fiscal independence and ultimate prosperity.

Our committee is honored to donate our time to Amtrak. We would be pleased to assist you in this process of strengthening Amtrak for a viable and productive future.

Sincerely,

H. Lawrence Swartz, Ph.D.

H. Lawrence Swartz, Ph.D.

Chair

Amtrak Customer Advisory Committee



March 6, 1998

The President
The White House
Washington, DC 20500

Dear Mr. President:

'98 MAR 9 AM 11:49

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You are now faced with a critically important task: the selection of a new Reform Board of Directors of Amtrak. The Board then will face the extraordinary challenge of selecting Amtrak's next president.

The survival and ultimate prosperity of Amtrak will rest on the shoulders of the men and women who will fill these Reform Board positions. They must be persons with a knowledge of—and a passion for—the rail passenger business. Vision, creativity and an innovative posture are additional attributes that will help Amtrak meet America's travel requirements in the 21st century.

Amtrak has come a long way from the early 1970s. Equipment, station conditions and service quality have improved substantially. In fiscal 1997, after a difficult few years of service cuts, Amtrak ridership began to rise again. Passenger-miles in fiscal 1997 were up 2% over the previous year. Through the first four months of fiscal 1998, they are up 7% over the year-earlier months.

If rail passenger transportation is to reach its true potential for producing economical, environmentally friendly transportation for all, you must reach deeper into the resource pool than ever before. You must find those few highly qualified, highly motivated persons who understand that any business—especially a passenger transportation service industry—will rise or fall by the degree to which the needs and desires of its customers are met.

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We implore you to exercise great care in the selection process. Your choice of the most capable persons will greatly enhance Amtrak's chances for fiscal independence and ultimate prosperity.

Our committee is honored to donate our time to Amtrak. We would be pleased to assist you in this process of strengthening Amtrak for a viable and productive future.

Sincerely,

A handwritten signature in cursive script that reads "H. Lawrence Swartz, Ph.D.".

H. Lawrence Swartz, Ph.D.

Chair

Amtrak Customer Advisory Committee

AMTRAK CUSTOMER ADVISORY MEMBERS

Richard H. Rudolph, Ph.D
Prof. University of Massachusetts
Rippling Waters Organic Farm

M. Paul Brott
Chairman and CEO
Ewing Cherry Cole Brott

Doras M. Briggs
Retired - California Physical Planning

Philip R. Copeland, LISW, BCD
Psychotherapist
Private Practice

Frank Eppinger
O'Brien, Shafner, Stuart, Kelly & Morris, P.C.

Richard H. Halladay
Vice President
Comerica Bank California

David Johnson
Student, University of Maryland

Joseph S. LaLumia
New York State Office of General Services

Ralph Menzano
South Eastern Pennsylvania
Transportation Authority

Virginia C. Poyer
Retired-New York Dept. of Taxation & Finance

Charlie St. Clair
Executive Director
Laconia Motorcycle Rally & Race Week Assoc.

Gloria M.D. Sharples, Ph.D.
Social Psychologist

Michael R. Weinman CTC
PTSI Transportation

Thomas A. Beaumont
Psychiatric Social Worker
University of Minnesota

Dr. Eric Clausen
Professor of Earth Sciences
Minot State University

Peter Bryan, CFP
Advisor Financial Group

Lee L. Davis
Executive Director
National Transportation Consortium

Noel Hancock
Retired-Supt. Juvenile Rehab. Facility

Wilson Hulley
President's Committee on Employment
of People with Disabilities

Mark Kristoff
Teacher, Archdiocese of Chicago

Jean Milford
Milford & Associates Consulting

Patrick V. Montague
Director of Development
Notre Dame High School

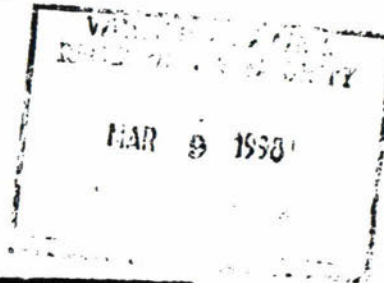
John A. Ross
Retired - Elementary School Principal

Stephanie D. Nellons
Manager, Industry Relations
Ryder Public Transportation Services, Inc.

Richard D. Terebecki
Stock Broker

Park Woodworth
Supervisor Accessible Services
Seattle Metro Transit

National Railroad Passenger Corporation
60 Massachusetts Avenue, N.E.,
Washington, DC 20002



0000



20500

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the right of the return address

CERTIFIED

P 346 428 307

MAIL

Betty W. Currie
Personal Secretary to the President
The President
The White House 1WW
Washington, D.C. 20500

**RETURN RECEIPT
REQUESTED**

3/9/98

Mr. President

Spence down

When you tried to
call on Friday

has filed —

Craig asked me
to tell you

yes -
no letter *yes*

'98 MAR 9 PM3:17

3-9-98

TO CRAIG SMITH
FOR LETTER?

yes —

no —

cc: NH

*cc: [unclear]
[unclear]
[unclear]*

WHITE HOUSE
WASHINGTON

*Copied
Hennreich
intern
office*

March 9, 1998

Ann Kamps
3005 Breckenridge Drive
Little Rock, Arkansas 72227

Dear Ann:

Thanks so much for your thoughtful letter. I was touched by it.

I'm glad David is applying for a White House internship -- I'd like to see him have that opportunity.

Hillary and I appreciate your support, friendship, and good work over the years. Thank you for taking the time to write.

Sincerely,

Bar

*at 7:30
Su 10:00*

WHITE HOUSE
WASHINGTON

March 5, 1998

Ann Kamps
3005 Breckenridge Drive
Little Rock, Arkansas 72227

Dear Ann:

Thanks so much for your thoughtful letter. I was touched by it.

I'm glad David is applying for a White House internship. ~~I'm sure he's a fine young man.~~

Hillary and I appreciate your support, friendship, and good work over the years. Thank you for taking the time to write.

Sincerely,

Bill

U H

*I'm known David
since he was a small
boy - also up to
41' & like to see him
get an internship*

3-9-98

Eugene -

*please re-do
per Phil C.*

Thanks.

Delia

Ann Kamps
3005 Breckenridge Drive
Little Rock, AR 72227
February 19, 1998

The Honorable Bill Clinton
President of the United States
The White House
Washington, D.C., 20003

Dear Mr. President:

I am writing for two reasons. First, I wanted to tell you that our son, David, has applied to be a White House Intern for the summer of 1998. He is a sophomore at Lyon College and has declared Political Studies as his major. He has become a fine young man who grew to admire you many years ago. He has held tight to his principles, and while we may not always agree on issues, he has learned to reason and think in a way that makes Wally and me very proud. I hope that he will be considered in the selection process.

However, the real reason I am writing, is to tell you how very proud I am that I was given the amazing chance to work for you and Hillary. Both of you have played such a remarkable role in my life! I look back so many years ago at how unprepared I was and how wonderful you were to me, giving me chances and showing me the blessing of public service. Those were truly days of awe. Today, as I reflect back, I realize how broadly you defined my capabilities, by encouraging me and trusting that I could do the job. That trust gave me confidence I never had and a belief that just one person could change the world! I look back on those years as the very basis of who I have become. And, in no small way, it made my mother and father so proud to know their daughter worked for the Governor of Arkansas!

During the past elections, friends in other states have asked me why they should vote for you. I tell them simply that you epitomize all that is honorable and good in government. I tell them that I would have worked for free. You taught me that the best work could come from the smallest person as long as someone believed and shared his dream.

Today, as State Director of Communities In Schools of Arkansas, I am constantly reminded of the importance of tutoring and mentoring. You and Hillary filled that role for me even though I doubt you ever realized it. Thank you for your caring, your friendship, and for changing my life.

Sincerely,



Should
be 74 to
Cardinal
too

cc: gift
unit



copied.
Eugenie
gift unit

WHITE HOUSE
WASHINGTON

March 9, 1998

Anne Monaghan Saueracker
20 Scenery Hill Drive
Chatham, New Jersey 07928

Dear Anne:

Thanks so much for "Meeting Other Believers."
I'm looking forward to reading it and
appreciate your thinking of me. It is
particularly meaningful to have Cardinal
Arinze's inscription.

I'll see you at the Georgetown Reunion in May.
Thank you again, and best wishes.

Sincerely,

Bar Clinton

EB

20 Scenery Hill Drive
Chatham, New Jersey 07928
(973) 377-7999
fax (973) 377-7999
email scenhill@prodigy.com

March 3, 1998

President William J. Clinton
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500-2000

Dear Mr. President:

This past summer my husband and I were given a book, "Meeting Other Believers", as a gift from Cardinal Francis Arinze. I thought the book presented a very pragmatic, positive, and non-threatening approach that can be applied to most instances of dialogue between those of different beliefs, not restricted to religious beliefs only. The title itself differentiates the approach from the old "believers vs. non-believers" or "us vs. them" attempt at dialogue. I requested several additional copies and remarked that with on-going efforts at dialogue in many areas there might be some people in Washington that would enjoy this book.

In January of this year my husband met with Cardinal Arinze when he was visiting St. Benedict's Preparatory School in Newark, New Jersey and was given several copies of the book. After being informed that you and I were former classmates at Georgetown University's Foreign Service School, the Cardinal autographed one copy for you.

Cardinal Francis Arinze was the Archbishop of Onitsha, Nigeria from 1967 to 1985 and then has been the President of the Pontifical Council for Interreligious Dialogue at the Vatican since 1985. He combines extensive experience in establishing lines of communication with a wonderful sense of humor. He will probably travel with Pope John Paul II to Nigeria for the papal visit on March 21, 1998.

My husband and I hope you enjoy the book, and we look forward to seeing you again at the Georgetown University Class of 1968 30th Reunion on May 30, 1998.

Cordially,

Anne Monaghan Saueracker
Anne Monaghan Saueracker

encl

WHITE HOUSE GIFT REGISTER

GIFT INTENDED FOR

President ☒

Both/All ☐

First Lady ☐

Chelsea ☐

DONOR INFORMATION

Name: Anne Monaghan Saueracker

Address: 20 Scenery Hill Drive

Chatham, New Jersey 07928 Phone: _____

PRESENTATION

Date: 3/5/98 Event: _____

Handed to President ☐ Other Method ☐

Gift Description: Meeting Other Believers by

Cardinal Francis Arinze

Send Gift and Register to OEOB, Room 457 x7133

MEETING OTHER BELIEVERS

Cardinal Francis Arinze

To President Bill Clinton
with the compliments of
Francis Card. Armitage
Vatican City
16th Jan 1998

First published in 1997

Gracewing
Fowler Wright Books
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Herefordshire HR6 0QF

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THE WHITE HOUSE

WASHINGTON

March 2, 1998

3-4-98

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✓
Spelling
McGinty
Bowles
Stern

*to all members
to discuss - utilities
to agree by
Eisenstadt*

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN *Phil*

SUBJECT: Electricity Restructuring -- one unresolved issue

With the exception of one issue, your advisors have agreed upon a legislative proposal that would restructure the way consumers buy electricity. It is unlikely that legislation will be enacted this year, but our proposal will strongly influence the debate; therefore Gene and Katie seek your guidance on the unresolved issue in the attached memo. The split comes on whether to include in our proposal a "cap-and-trade" system for CO2 emissions from utilities. The VP, Adm. Browner and Katie support its inclusion while Todd, Larry Stein, Secy Pena, Stu Eisenstadt and Gene do not.

Overall Proposal. In short, our legislation emphasizes customer choice by occupying a middle ground on the Federal government's role in restructuring. Under our "flexible mandate," utilities would enable all retail customers to purchase power from other suppliers by January 2003, but also permit states or non-regulated utilities to opt out of competition if they find (through a public proceeding) that consumers would be better served by an alternate system. Details of the plan are outlined in the appendix to the underlying memo.

Cap-and-Trade/Options. This issue is closely tied to your October climate change policy statement and the Kyoto agreement. While the agencies generally agree that restructuring will reduce emissions modestly to significantly, there is no guarantee. The disagreement among your advisors therefore centers on whether the Administration should send a legislative signal and include cap-and-trade in case emissions don't go down vs. whether cap-and-trade will be viewed as premature, unfair to utilities, and will drag down the legislation.

✓ 1) Option 1 - *Include authority for a cap-and-trade system.* Under this option, our legislation would include authority for you to direct EPA to institute a rulemaking upon a future finding that (i) restructuring did not achieve emissions reductions and (ii) with regard to CO2, that such a system is necessary to meet our obligations under a climate change treaty. Those that favor this option believe that, without a "backstop" provision on emissions, it will be difficult to ensure that restructuring will do no harm on emissions. Furthermore, they believe the provision should be included in order to live up to your October statement. *Pros:* strong commitment to "environmentally-friendly" restructuring and domestic climate change agenda; sends signal to utility industry that need to consider future emissions commitments. *Cons:* could drag down proposal; could transform climate change debate into a 1998 issue; utilities will argue that proposal is unfair to them before national cap-and-trade policy in place.

2) Option 2 - *Do not include cap-and-trade authority.* Those that favor this option believe that

including cap-and-trade would amount to a “backdoor” attempt to implement the Kyoto treaty before its ratification and that a “utility-only” cap-and-trade system is premature; the appropriate vehicle for a CO2 cap-and-trade system should be the Kyoto implementing legislation; the emissions reductions predicted from restructuring meet the commitment you made in October . Proponents of this option believe there is a way to signal, through a Presidential statement rather than legislation, that the Administration will be monitoring the results of restructuring and utilities must adjust their emissions behavior. *Pros:* avoids premature climate change debate; helps solidify coalition supporting lower electricity prices; our proposal is already very “green,” and should provide a modest down payment on carbon reductions; proposal is fully consistent with our three-stage climate change policy. Please note that Secy Pena has made restructuring his top legislative priority and feels very strongly that inclusion of cap-and-trade will drag down the whole bill. *Cons:* strongly criticized by environmental groups as inconsistent with October statement; no guarantee on down payment.

____ Option 1 - include cap-and-trade (VP, Katie, Carol Browner)

____ Option 2 - do not include and send non-legislative signal (Secy Pena, Gene, Todd, Larry Stein, Stu Eisenstadt)

____ Discuss

THE WHITE HOUSE
WASHINGTON

'98 FEB 20 PM 7:09

February 20, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING AND KATHLEEN McGINTY

SUBJECT: Electricity restructuring

As you know, the NEC and CEQ have been working closely with the Department of Energy, EPA, and other interested agencies to develop an Administration proposal on electricity restructuring. At this point, we are ready to move forward with that proposal, pending your approval, except for one controversial issue: the scope of any environmental control authority over certain emissions (known as transport pollutants). The issue, and options for resolving it, are examined below.

One motivation for unveiling our proposal now is that momentum is starting to gather on the Hill for legislation to repeal the Public Utility Holding Company Act (PUHCA) of 1935. PUHCA -- which gives the SEC authority over financing, non-energy transactions, and the expansions or acquisitions of utility holding companies -- was passed following a series of abusive practices in the early 20th century. It is clearly now an outdated piece of legislation that should be repealed as part of a comprehensive restructuring package. But if done by itself, PUHCA repeal would be a partial step that would fail to capture the full benefits of competition, could harm the environment, and would dissipate support for the comprehensive approach we advocate. Rolling out our full proposal would help to head off the possibility of a PUCHA-only bill.

It is worth noting that while legislative activity will be ongoing this year, it is unlikely that any electricity restructuring legislation will actually be passed during this Congressional session. Nonetheless, it will be important for the Administration to be engaged in that process, for our proposal is likely to strongly influence the extended discussions with the public and the Congress on this issue.

Background on electricity restructuring

Under electricity restructuring, competition would replace regulation as the primary

mechanism to set electricity generation prices. Consumers would be allowed to choose their own electricity supplier -- much as they have been able to choose their own long-distance telephone service provider for over a decade. Restructuring has proceeded at a wholesale level under FERC Order 888, which requires investor-owned and some publicly owned utilities to open up transmission lines to qualified sellers. A dozen states, including California and Massachusetts, have taken steps to require their utilities to open up to retail competition as well.

The economic benefits of restructuring are potentially quite large. Electricity sales amount to over \$200 billion per year -- the industry is larger than the telecommunications industry -- and DOE estimates that retail competition could save American consumers roughly \$20 billion per year in lower electricity costs. EPA notes that some portion of these savings will accrue even without Federal legislation, as some states move to retail competition themselves.

Politics

Electricity restructuring involves a variety of difficult political issues. And views on the subject generally do not fall along partisan lines. For example, Senator Bumpers and Senator Gorton recently teamed up to introduce a comprehensive restructuring bill.

One of the most important issues in electricity restructuring is the role of the Federal government. As noted above, states are already moving ahead in promoting retail competition. Some legislative proposals have Federally mandated retail access for all utility consumers by a date certain, notwithstanding state policies to the contrary. For example, Representative DeLay (H.R. 1230) mandates such access by January 1, 1999, Representative Schaefer (H.R. 655) by December 15, 2000, and Senators Bumpers and Gorton (S. 1401) by January 1, 2002. On the other end of the spectrum, Senator Lott and Speaker Gingrich have reservations about a Federal mandate. And some legislation (including S.722, introduced by Senator Thomas, and S. 1276, introduced by Senator Bingaman) removes Federal impediments to retail competition rather than mandating it. Note that Speaker Gingrich and Majority Whip DeLay have diametrically opposite views on this issue.

The Administration proposal would steer a middle course between the two extremes on a Federal mandate. It would endorse customer choice through a flexible mandate that would require each utility to permit all of its retail consumers to purchase power from other suppliers by January 2003. But it would permit states or non-regulated utilities to opt out of the competition mandate if they find, on the basis of a public proceeding, that consumers in the state would be better served by an alternative policy -- including a state-crafted retail competition plan or the current regulated monopoly system. This position, we believe, encourages all states to move toward retail competition, but recognizes the vast differences in conditions across states.

Other aspects of the draft Administration proposal, which have inter-agency agreement, are included in the Appendix.

Electricity restructuring and the environment

One very difficult set of issues, upon which we have *not* been able to reach inter-agency agreement, involves how to address the environmental effects of electricity restructuring -- the most important of which is the impact on CO2 emissions.¹

Electricity restructuring could have a variety of complicated effects on carbon emissions. On one hand, retail competition should reduce electricity prices -- which would tend to increase energy use and reduce the incentive for energy efficiency. On the other hand, retail competition will offer stronger incentives for improved generation efficiency (as the Trigen example illustrates). And perhaps more importantly, the agencies have agreed to a variety of proposals within the restructuring package that should help reduce carbon emissions:

- We have reached agreement on a \$1.4 billion Public Benefit Fund, which will finance energy-efficiency programs, consumer education, demonstration of emerging technologies such as renewables, and low-income assistance.
- We include provisions for "green marketing," which would provide information to consumers to allow them to purchase power from environmentally friendly generators.
- We have agreed to include a renewable portfolio standard -- to require that 5 percent of electricity sales be generated from non-hydroelectric renewable sources.

With no policy changes, CO2 emissions from the utility sector are expected to rise by 39 percent between 1990 and 2010. With the provisions outlined above, DOE estimates that retail competition should reduce carbon emissions from the utility sector in 2010. EPA, however, has concluded that restructuring would raise carbon emissions modestly. While both agencies could find outside support for their positions and the issue involves substantial uncertainty, NEC and CEQ have examined the evidence and concluded that our version of retail competition would reduce utility emissions by roughly 1.5 to 3 percent relative to the business-as-usual path in 2010 (10 to 20 million metric tons, relative to projected emissions of 663 million metric tons).

¹ The major pollutants that are relevant include SO2, mercury, NOX, and CO2. CO2 emissions are the most important because they are inextricably linked to the more controversial and larger climate change debate, while the other pollutants -- SO2, mercury, and NOX -- are not. In addition, providing clear authority for capping CO2 emissions would represent the most significant shift from acknowledged EPA authority, which already covers SO2, NOX, and mercury. The Clean Air Act establishes a binding national emissions cap for SO2. EPA has proposed and plans to promulgate later this year a cap for NOX in 22 States that significantly contribute to interstate air quality problems. EPA also has authority to develop command-and-control regulations for mercury. EPA believes that it has authority to regulate CO2, but it could impose CO2 regulations under current law only in a process far more controversial and contentious than the one that led to last year's ozone and particulate matter standards.

Treasury and CEA staff concur with the conclusion, and both DOE and EPA are willing to subscribe to the numbers.

EPA and CEQ position on the need for contingent cap-and-trade authority

EPA and CEQ emphasize that the electric power industry faces significant new environmental challenges over the same period during which it will undergo restructuring. Electric power plants are the single largest source of four air pollutants (NOX, SO2, mercury, and CO2) that will have to be reduced over the next 5-10 years in order to fulfill the Administration's commitments to clean air and climate protection. Given the uncertainty of achieving even the relatively modest emission reductions projected by NEC/CEQ as a result of restructuring, without some "backstop" provision on emissions it will be difficult to provide reliable assurance that restructuring does no harm regarding future emissions from the utility sector.

In addition, without a "backstop" the bill will be severely criticized by the environmental community and northeastern states as inconsistent with the commitment made in the Administration's October climate change policy statement to deliver "even greater progress" towards clean air standards and "a significant down-payment" on greenhouse gas reductions. Finally, EPA analysis shows that with appropriate signals concerning future environmental requirements, utilities would have the opportunity to save as much as several billion dollars per year by integrating environmental compliance efficiently into investment and operational decisions made in the restructuring process.

Therefore, EPA and CEQ believe that the Administration proposal must directly address this issue. The proposal would provide assurance that, should it become necessary, emissions can be addressed in the most cost effective way without further legislation. The result would be analogous to the 1996 resolution of the Federal Energy Commission's (FERC) Order 888 which opened competition in electricity sales at the wholesale level. Concerns were raised with CEQ that the Order should not go forward because it would cause increased emissions from the utility sector. Because of disagreement among the experts, there was uncertainty about the effect of the Order on emissions. (EPA continues to believe that wholesale competition under Order 888 will result in increased emissions.) After a referral to CEQ, the issue was resolved with the agreement that emissions would be strictly monitored following the issuance of the Order. If emissions exceeded acceptable levels, additional mitigation measures would be automatically triggered, in effect creating a "backstop" as part of Order 888.

EPA and CEQ believe that such a backstop provision for CO2 could be drafted to closely track our October climate policy statement, which acknowledged the likelihood that such a system would be necessary, but that our judgement would be informed by the experience of at least the next five years of other activity. In this regard, the provision would state explicitly that no mandatory cap-and-trade system for carbon could be implemented until at least 2008. The provision also should provide any necessary legislative authority to provide credit for voluntary

early action that may emerge from our upcoming consultations with the industry.

DOE and economic agency views on this issue

On the other hand, our climate change strategy has emphasized that we are first seeking “win-win” solutions. Many on your climate change team are concerned that including *any* type of CO2 cap-and-trade authority in an electricity restructuring proposal would cross the line of seeking only win-win solutions at this point, could undermine our general three-staged strategy on climate change, and could thus set back the entire climate change effort.

Relatedly, many on your climate change team are concerned that including any CO2 cap-and-trade authority would be viewed as a backdoor attempt to implement the Kyoto treaty before its ratification. Such an attempt would likely elicit substantial Congressional opposition. (We have decided not to sign the Kyoto Protocol immediately, but will do so within the next year, precisely to avoid unnecessarily provoking Congressional opposition.) They also note that the appropriate legislative vehicle for a CO2 cap-and-trade system is the Kyoto implementing legislation, and that providing authority for a *utility-only* cap-and-trade system now is premature and potentially inconsistent with possible approaches to limiting *national* emissions.

Third, NEC, CEQ, CEA, and Treasury have concluded that restructuring should reduce emissions modestly -- and DOE has concluded that the reductions could be more substantial. The reductions reflect the many environmental provisions of the restructuring proposal -- including the public benefits fund, green marketing, the renewable portfolio standard -- as well as NOX trading (see below). The package is thus already relatively “green,” without becoming so extreme as to surrender its viability. Furthermore, the \$20 billion reduction in energy bills expected from restructuring is essential to our defense of the Administration’s overall climate change strategy, and has already been incorporated as a central element in our economic analysis which Janet Yellen will present on March 4.

Finally, Secretary Pena has invested substantial effort into developing this proposal and moving it forward. It is his top legislative priority, and he is extremely concerned that including CO2 cap-and-trade authority would make restructuring a much more partisan issue, drag down the entire bill, and thereby prevent American consumers from realizing up to \$20 billion in lower energy prices.

Two areas of agency agreement on environmental issues

Despite the fundamental disagreement over whether to include broad cap-and-trade authority, it is worth noting that all agencies agree on the following:

- NOX trading. While EPA has the authority to limit NOX emissions, and has recently proposed to do so in 22 state areas, it has no clear authority to set up a trading system across states. Establishing such a trading program could lower the costs of meeting the

new national air quality standards, and could help to make the overall restructuring bill more green. All agencies are willing to support authority for NOX trading in the restructuring legislation, which would help rationalize existing environmental policy without imposing any new regulatory requirements, if such authority helps to address some of the concerns addressed by environmental interests.

- No other new cap-and-trade system should be implemented immediately. While agencies differ on whether to include authority for a future cap-and-trade system, which would be implemented only after reaching certain findings, all agencies agree that no new cap-and-trade system (other than NOX trading) should be implemented immediately.

The fundamental question we face is thus whether to include legislative authority for a contingent cap-and-trade system for CO2 and other pollutants in the restructuring package.

Options for Moving Forward

There are two basic options:

Option 1: Authority for a Future System of Cap-and-Trade on All Transport Pollutants upon a Future Finding that Emissions Reductions Are Not Otherwise Achieved

Under this option, our proposal would include explicit authority for the President to direct EPA to institute a rule-making for a cap-and-trade program for any of the major transport pollutants if the President finds that (1) utility emissions have not been adequately reduced through existing law and voluntary action; and (2) in the case of CO2, that such a system is necessary to meet our obligations under a climate change treaty. The CO2 cap and trade system could not become fully operational prior to 2008.

To inform the President's ability to reach such a finding, the proposal would also require DOE and EPA to provide a joint report on emissions from the utility sector to the President on an annual basis. The report would be based largely on existing monitoring processes to track emissions of all pollutants from the utility sector, including CO2, beginning in 1998.

This provision also should include legal authority for rewarding voluntary industry actions to reduce carbon emissions, including early action or international credits.

Sub-options within this approach are: (1) to seek legislative authority for a cost-effective backstop mechanism, but indicate that we want to work with Congress on the appropriate structure for such a mechanism as well as the circumstances in which it could be used; or (2) to provide specific backstop authority as set out above, but only in the event that emissions increase following enactment of restructuring legislation, thereby preventing harm as a result of restructuring but stopping short of seeking additional emissions reductions.

Pros:

- Would be a strong commitment to environmentally friendly electricity restructuring legislation by ensuring that restructuring will not raise emissions.
- Will be seen by environmental groups as a first test to moving forward on the domestic side of our climate change agenda.
- Sends a clear signal to the utility industry that, as they plan for the future, they need to consider not only the emission reductions required by current Clean Air Act standards, but future emissions issues including CO2 reduction.
- Since the proposal seeks only contingent CO2 cap-and-trade mechanism and in no event imposes the actual cap before 2008, CEQ and EPA believe that it is fully consistent with the staged approach on climate change announced in October 1997.

Cons:

- Although restructuring faces many obstacles, inclusion of this authority could be sufficient to drag down the Administration's electricity restructuring proposal, and thereby deny American consumers up to \$20 billion in lower energy bills.
- Could transform the full debate over climate change policy into a 1998 issue.
- The utilities will argue that since they account for only one-third of total CO2 emissions, imposing a cap-and-trade system on them is unfair and that it pre-judges many of the decisions about a *national* cap-and-trade system.
- Given that the terms and conditions of the eventual cap-and-trade system are not defined, provides little if any additional certainty to utilities about their future obligations.
- Any Presidential determination in the future of whether emissions have been adequately reduced, regardless of its conclusion, will likely be controversial.

Option 2: No Cap And/or Trade Authority in Proposal

Under this option, the Administration proposal that is sent to the Hill would exclude any explicit new cap-and-trade authority for carbon and other pollutants (except for NOX trading, as noted above). The argument would be that electricity restructuring is not the appropriate legislative vehicle for addressing problems with the Clean Air Act. In addition, we expect modest environmental benefits given the green provisions of our approach.

A sub-option within this approach is to signal through non-legislative means that we will

be monitoring the results of restructuring, and that utilities should be adjusting their behavior to begin achieving carbon reductions. For example, we could issue a statement that the President is firmly committed to reducing carbon emissions, and that he would consider supporting cap-and-trade systems for carbon and other pollutants should certain conditions be met -- such as if the Administration reached a determination that restructuring was deleteriously affecting the environment or that adequate emission reductions were being achieved.

Pros:

- Avoids prematurely engaging in a debate over climate change, and highlights the “win-win” aspects of the first stage of our three-stage climate change policy.
- Helps to shore up the support of major groups which will benefit from lower electricity prices.
- The Administration’s proposal already includes several crucial environmental elements: NOX trading, the renewable portfolio standard, provisions for green marketing, etc.
- According to DOE, NEC, CEQ, CEA, and Treasury, the proposal should provide a modest down-payment on carbon reductions, and is fully consistent with the Administration’s climate change policies.

Cons:

- Will be strongly criticized by environmental groups.
- Would not provide a backstop that would ensure an environmental benefit. Regardless of which analysis we believe, we could not *guarantee* a down-payment.
- Unless accompanied by a strong statement on climate change, could be read by utilities as a signal that they don’t need to consider carbon reductions in their near-term decisions.

RECOMMENDATIONS

Administrator Browner and Katie McGinty strongly support Option 1 because they are (1) concerned about the environmental impact of restructuring, (2) believe that the environmental community will be viewing our actions on this issue as a signal of our commitment to climate change and clean air and will line up against our proposal if Option 2 is accepted, and (3) believe that this option merely puts into legislation for CO2 what has already been announced as part of your October climate change policy announcement -- contingent authority providing that a CO2 cap-and-trade system may be appropriate post-2008.

Secretary Pena, Deputy Secretary Summers, Undersecretary Eizenstat, Todd Stern, Gene Sperling, CEA, and OMB are all extremely concerned that including any authority to cap CO2 -- even if the actual system were not to be implemented immediately -- would undermine our general environmental efforts by prematurely initiating a debate over climate change and by re-opening a wide array of Clean Air Act issues. In particular, they argue that CO2 cap-and-trade authority will be viewed as backdoor implementation of the Kyoto agreement and that the appropriate legislative vehicle for such authority is the Kyoto implementing legislation. They also feel strongly that including such authority in the electricity bill would provoke a partisan reaction and derail the electricity restructuring effort. They are therefore strongly opposed to Option 1 and support Option 2.

- _____ Option 1: Future Cap and Trade Authority for All Transport Pollutants, Conditional on a Presidential Finding of Adverse Environmental Impacts
- _____ Option 2: No Cap And/or Trade Authority in Proposal, with Possible Non-Legislative Signal
- _____ Discuss further

Appendix: Summary of Interagency Agreement on Electricity Restructuring Issues

1. Retail Choice Policy- Flexible Mandate.

Endorse customer choice through a flexible mandate that would require each utility to permit all of its retail customers to purchase power from other suppliers by January 2003, but would permit States or non-regulated utilities to opt-out of the competition mandate if they find, on the basis of a public proceeding, that consumers in the State would be better served by an alternative policy such as a State-crafted retail competition plan or the current monopoly system.

2. Stranded Cost Principle

Stranded costs arise from plants built in the regulated era that are unlikely to be profitable at the lower prices under retail competition (those plants could often still earn operating profits, but are unprofitable once capital costs are included). The key question is: Who will make up the gap between tomorrow's low prices and the cost of production from power plants built when costs were high -- utility shareholders, ratepayers, or both? All states that plan to implement retail competition have provided for at least some utility stranded cost recovery in some manner.

The agencies have reached consensus that we should endorse the principle that utilities should be able to recover prudently incurred, legitimate and verifiable retail stranded costs that cannot be reasonably mitigated. States would continue to determine appropriate allocation of costs, including stranded cost recovery, under State law. (If State regulators lack authority under state law to adjudicate the issue, FERC would step in. We will ensure that this backup FERC authority does not entail any Federal liabilities.) This approach, we believe, allows utilities to recover the costs that they prudently incurred, while protecting consumers against unreasonable stranded cost charges. The proposal also balances the need for Federal leadership with the flexibility that a state-led approach allows.

3. Reciprocity Requirements

Provide States that have implemented retail competition with the authority to preclude an out-of-state utility with a retail monopoly from selling within the State unless that out-of-state utility permits customer choice.

4. Federal and State Jurisdiction

- Federal Power Act (FPA) amendment to provide that it does not preempt States from ordering retail competition.
- Provide that FPA does not preempt States from imposing a charge on the ultimate consumers receipt of electric energy.

- Provide FERC with clear authority to order retail transmission in a State other than where the end user is located to complete an authorized retail sale.
- Clarify FERC jurisdiction over rates, terms, and conditions of unbundled retail transmission.
- Clarify FERC authority relied upon to promulgate Order 888.
- Provide that FERC's open access rules apply to municipal utilities, cooperatives, TVA, and Federal power marketing administrations.
- Amend federal law to encourage the development of regional transmission planning and siting groups.

5. Federal Power Agencies

- The Administration supports the application of the Commission's open access requirements to the PMAs, TVA and cooperatives financed by the Rural Utility Service with the proviso that it may be necessary in some instances to adopt special stranded cost mechanisms that take into account the unique facts and circumstances surrounding these federal investments or loans.
- The Administration is favorably inclined toward the recommendations made concerning BPA by the Comprehensive Review of the Northwest Energy System a process sponsored by the Governors of Washington, Oregon, Idaho and Montana. However, issues such as stranded costs, which were not resolved by the Review, must be resolved before we have a complete blueprint for adapting BPA to competition.

Because the resolution of BPA restructuring issues is closely intertwined with the Administration effort to recover endangered salmon in the Columbia River Basin, these issues are to be resolved in a separate ad hoc interagency group that involves DOE, NEC, CEQ, OMB, Commerce, Treasury and others.

- The Administration supports the creation of a regional public stakeholder process to develop recommendations on how TVA should be adapted to competition.

TVA and its stakeholders agreed that such a process was needed but were unable to reach agreement on the structure of such a process. In response, DOE has convened an independent advisory committee to make recommendations to the Administration and the Congress on how TVA should be adapted to competition.

6. Public Benefits Fund

The agencies have reached consensus in support of a \$1.4 billion public benefits fund (PBF) to provide matching funds to States for low-income assistance, energy efficiency programs, consumer education and development and demonstration of emerging technologies with emphasis on technology with regional or national benefits, particularly renewables. The PBF would be funded through a generation or transmission fee of up to 0.5 mills per kilowatt hour. The Administration is also willing to consider a separate rural benefit fund, if the ongoing analytical effort being conducted by USDA and DOE indicates that such a fund is necessary to protect rural consumers.

7. Consumer Information

Secretary of Energy authorized to conduct rulemaking to require all suppliers of electricity to disclose information on price, terms, and conditions, the type of generation source, and generation emissions characteristics.

8. Renewable Portfolio Standard

A Federal portfolio standard would be established, with the requirement placed on retail sellers. Renewable energy credits would be issued for renewable energy generation and trading of credits would be permitted. Renewable energy would be defined as solar energy, wind, geothermal energy, waste, and biomass, but would not include energy generated at hydroelectric facilities. Retail sellers would be required to hold renewable energy credits corresponding to 2 percent of their sales from 2001 to 2004, 3.5 percent for 2005 through 2009, and 5 percent of sales thereafter. Treasury has proposed, and DOE has agreed, that a cost-cap mechanism should be included to ensure that the total costs of this approach do not exceed a pre-specified level.

9. Repeal Mandatory Purchase Requirement of PURPA

Repeal the "must buy" provision prospectively, but preserve existing contracts and exemptions.

10. Independent System Operators

Amend FPA to provide FERC with the authority to require transmitting utilities to turn over operational control of transmission facilities to an independent system operator. Additionally, amend the Federal Power Act to provide that FERC shall not approve an ISO unless the ISO operates the control area(s).

11. Market Power

Authorize FERC to remedy wholesale market power if FERC finds market power in wholesale markets. Authorize FERC, upon petition from a State, to remedy market power in retail markets

if the State is implementing retail competition, finds market power, and has insufficient authority to remedy the market power. FERC would be authorized in these circumstances to require generators with market power to submit a plan to mitigate market power, which FERC could approve with or without modification. FERC would be authorized to order divestiture to the extent necessary to mitigate market power.

12. Repeal Public Utility Holding Company Act

Repeal of substantive requirements of PUHCA. FERC and State Commission provided with additional access to the books and records of holding companies and affiliates of public utilities within holding companies to guard against increased interaffiliate abuse following repeal of PUHCA.

13. Merger Review

Amend FPA to eliminate the requirement of an on-the-record hearing and to provide FERC with jurisdiction over mergers of public utility holding companies (SEC currently has such authority under PUHCA) and generation-only utilities.

14. Reliability

Amend the FPA to require FERC to approve and oversee a national electric reliability organization that prescribes and enforces mandatory reliability standards. Require that operators of generation and transmission and power marketers join national electric reliability organization.

15. Tax Issues

Reference to "cost-of-service" should be removed from the provision in the Internal Revenue Code relating to deductions to a qualified nuclear decommissioning fund. With regard to the "private use" rules, DOE and the Treasury reached the following consensus, subject to DOE review of the anticipated regulations on tax-exempt bonds: (1) private use limitations inapplicable to existing bonds used to finance facilities subject to retail competition; (2) tax-exempt financing unavailable for new generation or transmission facilities; (3) tax-exempt financing continues to be available for distribution facilities subject to private use restrictions; and (4) a publicly-owned system which elects to be subject to FERC's open access rules would not jeopardize the tax-exempt status of their transmission facilities.

16. Other Regulatory Provisions

- (a) amend Bankruptcy Reform Act to make nuclear decommissioning costs a nondischargeable priority claim
- (b) direct EIA to study impacts of competition in electricity markets
- (c) provide that nothing in Act affects operation of antitrust laws
- (d) eliminate antitrust review by NRC

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1999 BROADWAY, SUITE 2235
DENVER, COLORADO 80202
TEL: 303 296-8700 FAX: 303 296-8900

3.9.98

MR PRESIDENT - 3-17-98

WITH COMPLIMENTS

LEE AND I VERY MUCH HAVE
YOU AND HILLARY ON OUR MINDS THESE
DAYS AND KNOW THAT YOU WILL
PREVAIL ON BEHALF OF OUR COUNTRY
AND OUR CHILDREN -

- any

S. Burger (use) / cc Sec. Cohen
See Albrecht

See Mr. M. Rice
What do you think -

copied
Burger
use
Sec Cohen
See Albrecht
COS

THE PRESIDENT'S OFFICE
3-17-98

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MEXICO CITY

ASSOCIATED OFFICE

RIOS FERRER Y

GUILLÉN-LLARENA, S.C.

March 9, 1998

President William J. Clinton
The White House
Washington, D. C.

Dear Mr. President:

For the first time since the end of the Cold War, the time is right for transformation of our national security structure.

Premise one: Consensus is forming in the defense community that our military systems must be fundamentally transformed over time to respond to dramatic global change;

Premise two: Our present defense structure is the creation of early-Cold War statutory authorization;

Conclusion: A new statutory base will be required to authorize this transformation.

Argument: The National Security Act of 1947 formed the consensus statutory basis for our nation security structures for the past 50 years. The central organizing principle of that consensus and the 1947 Act was "containment of communism." This foundational statute no longer conforms with 21st century realities. As the National Defense Panel recently reported: "If we are to succeed in meeting the challenges of the future, the entire U.S. national security structure must become more integrated, coherent, and proactive. The national security structures laid out by the 1947 National Security Act have served us well over the past 50 years. It is time, however, to think through what changes are necessary and to update accordingly."

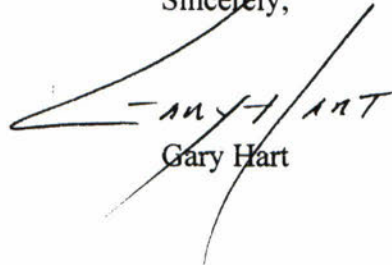
Recommendation: I respectfully suggest that you consider appointing a working group (not a commission, task force, or panel) with a mandate to draft a National Security Act of 2000. Its purpose should be to create a statutory framework for the defense transformation that the National Defense Panel and an increasing number of defense experts acknowledge must take place. This

COUDERT BROTHERS

working group, of no more than six people, should report to the National Security Advisor, have a life of 90 to 180 days, have no staff, and receive no publicity.

As before, if this idea is of interest to you and your staff, I would be happy to discuss it further with Sandy Berger, Bill Cohen, and Madelyn Albright.

Sincerely,

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Gary Hart

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MR. PRESIDENT - 3-17-98

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-my

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See Albrecht

See Mr. M. Price
What do you think -

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Benger
USE
Sec Cohen
See Albrecht
COS

THE PRESIDENT HAS SEEN
3-17-98

Copied
Benger
COS

Mr. President
This is something you
could get for
signature on it
(circled signature)
I like it but

Need USC
opinion

BC

Additional Notes
from the President
on Gary Hart letter

THE PRESIDENT HAS SEEN
3-19-98

COUDERT BROTHERS

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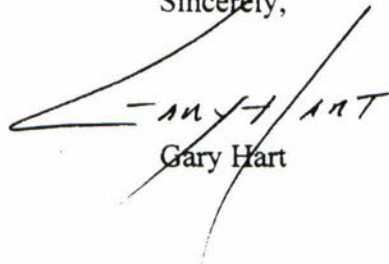
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