

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Reuben L. Musgrave Jr. (CN=Reuben L. Musgrave Jr./OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-NOV-1997 16:32:23.00

SUBJECT: Proposed Presidential letter that should be faxed by tomorrow

TO: Anna E. Cushing (CN=Anna E. Cushing/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

See Dan's question. Do we have an answer yet?

----- Forwarded by Reuben L. Musgrave Jr./WHO/EOP on
11/04/97 04:31 PM -----

Daniel W. Burkhardt
11/04/97 04:05:18 PM
Record Type: Record

To: Reuben L. Musgrave Jr./WHO/EOP

cc:

Subject: Proposed Presidential letter that should be faxed by tomorrow

where does this stand? it just needed a little fine tuning and the proper clearance.

----- Forwarded by Daniel W. Burkhardt/WHO/EOP on
11/04/97 04:04 PM -----

JDorskind @ doc.gov
11/04/97 12:32:00 PM
Record Type: Record

To: Daniel W. Burkhardt, Katherine Hubbard, Stephen B. Silverman

cc:

Subject: Proposed Presidential letter that should be faxed by tomorrow

Hello Bibb,

Here is the draft letter that I told you about. I'm sorry for the rush job,

but, as you know, this letter arises out of a last minute change in schedules, and it took a little while to sort out the best way to address this with the folks over in Rome. I will get you dispatch information (i.e., the fax number) later.

Paul Donovan will be calling Goody about the text of the letter.

All the best,

Jim

TEXT OF THE DRAFT FOLLOWS:

November 5, 1997

Mr. Dana Mead
and Mr. Jan Timmer, Co-Chairmen
Transatlantic Business Dialogue
Hotel Excelsior Roma
Via Vittorio Veneto 125
00187 Rome, Italy

Dear Messrs. Mead and Timmer:

I want to express my best wishes for the success of the Transatlantic Business Dialogue's Rome Conference on November 6 and 7, 1997. U.S. Secretary of Commerce William Daley has informed me that the agenda you have undertaken to improve transatlantic commercial relations is challenging and should make a great contribution to the U.S. and EU New Transatlantic Agenda.

I know that you have been relying on Secretary Daley, as a co-convenor of the Rome conference, to provide U.S. government leadership there. As you are aware, however, Secretary Daley is also playing a key leadership role in our efforts with the U.S. Congress to renew Presidential "fast track" authority. Thus, I have asked him to stay here in Washington this week and to devote all his energy to working with members of Congress to help secure this key objective.

Secretary Daley and I have asked Robert Mallett, Deputy Secretary of the Department of Commerce, to lead the U.S. government delegation to Rome for the TABD conference. He looks forward to working with you at the Conference and to helping Secretary Daley and me ensure that the Rome Conference recommendations are addressed in the U.S.-EU Summit.

I wish you all a very successful conference, and I look forward to a report of your recommendations.

Sincerely
[BC]

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IPM23MVCFK00AXSL@PMDF.EOP.GOV>; Tue, 04 Nov 1997 12:48:28 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IPM23LOQV400T8P3@PMDF.EOP.GOV>; Tue,

04 Nov 1997 12:48:26 -0500 (EST)

Received: from SMTP.OSEC.DOC.GOV ([204.193.255.3])

by STORM.EOP.GOV (PMDF V5.1-7 #6879)

with SMTP id <01IPM237CIU80002M0@STORM.EOP.GOV>; Tue,

04 Nov 1997 12:48:08 -0500 (EST)

Received: FROM COMMOSECMTA.SMTP.OSEC.DOC.GOV BY SMTP.OSEC.DOC.GOV ; Tue,

04 Nov 1997 12:48:09 -0500 (EST)

===== END ATTACHMENT 1 =====

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Daniel W. Burkhardt (CN=Daniel W. Burkhardt/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-NOV-1997 14:27:00.00

SUBJECT: Re: Proposed Presidential letter that should be faxed by tomorrow

TO: Katherine Hubbard (CN=Katherine Hubbard/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

i've already put this in the works. as is standard, we will get the proper clearances. do you want to see and dispatch?

Katherine Hubbard

11/04/97 01:30:57 PM

Record Type: Record

To: Daniel W. Burkhardt/WHO/EOP

cc:

Subject: Proposed Presidential letter that should be faxed by tomorrow

let me know if we can help expedite. thanks.

----- Forwarded by Katherine Hubbard/WHO/EOP on 11/04/97

01:30 PM -----

JDorskind @ doc.gov

11/04/97 12:32:00 PM

Record Type: Record

To: Daniel W. Burkhardt, Katherine Hubbard, Stephen B. Silverman

cc:

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-NOV-1997 16:14:20.00

SUBJECT: 1997-11-04 Mike McCurry's Daily Press Briefing

TO: Thomas Umberg (CN=Thomas Umberg/OU=ONDCP/O=EOP @ EOP [ONDCP])

READ:UNKNOWN

TEXT:

There's something about Mexico in here. Also, as you probably know, we're trying to kill the drug policy council event (although you didn't hear it from me.) I start at my new job in less than 3 weeks, although I'm already starting to go to meetings. I'm pretty excited about it, I have to say.

Have a good day.

-- ----- Forwarded by Neera Tanden/WHO/EOP on 11/04/97

04:06 PM -----

SUNTUM_M @ AI

11/04/97 02:35:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: 1997-11-04 Mike McCurry's Daily Press Briefing

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 4, 1997

PRESS BRIEFING BY
MIKE MCCURRY

The Briefing Room

1:25 P.M. EST

MR. MCCURRY: Good afternoon, ladies and gentlemen. Having no prepared material to entertain you with, I will entertain your questions instead.

Q The Iraqis are saying they're going to kick out the American inspectors in about three hours. Has there been any change in that deadline that you know of, and how would the U.S. view that move?

MR. MCCURRY: Well, the United States would see that as one more indication of willful disregard of relevant U.N. mandates by Saddam Hussein that would provoke the predictable response from the international community. We, of course, will wait to see what judgments are made by the team that has been dispatched by Secretary General Kofi Annan and to meet with authorities in Baghdad. They are expected to return to New York to brief the Security Council on Monday, and we'll be in close consultations as we have been throughout this period with other members of the Security Council, other members of the Permanent Five on what course of action would be appropriate.

Q Mike, you said the reaction of the international community would be predictable. Would you care to predict it?

MR. MCCURRY: No. I think it will have to develop with the same unanimity we've seen so far in the Security Council in declaring Saddam Hussein's actions to be unacceptable. There's been a high degree of unanimity in the response of the world community to this latest provocation from Saddam Hussein, and as always, the resolve and will of the international community we believe will be very clear if he chooses this very unwise course of action.

Q Has the President sent any kind of warning -- in any way, through diplomatic --

MR. MCCURRY: It's been made very clear both privately and publicly through a variety of emissaries from a variety of nations, that Saddam Hussein ought to comply with his requirements under relevant U.N. Security Council resolutions and should not attempt to defy the will of the international community or interfere with those who are appropriately under the auspices of the United Nations carrying out their mandated work.

Q Is it fair to say that until the U.N. diplomats report to the Security Council on Monday, until then there won't be any unilateral U.S. action?

MR. MCCURRY: I'm not -- haven't suggested anything about a course of action other than to say that we will work closely with other members of the international community and we will

certainly be very interested in what report is returned by the

delegation the Secretary General has sent. And again, that is due on Monday.

Q Mike, in the meantime, has the U.S. as a member of the Security Council, passed on to other members of the Council suggestions as to what the U.N. response should be if Saddam Hussein persists?

MR. MCCURRY: We'd remain in very close contact with other members of the Security Council, especially the Permanent Five.

Q But that's not answering the question whether you have --

MR. MCCURRY: It's as much as I'm going to answer it right now.

Q What do you make of reported Iraqi troop movements and, yesterday, apparent test-firing of weapons?

MR. MCCURRY: We monitor vigorously and constantly the state of military deployments there. I'm not going to share all of our assessments other than to say that they appear to be taking seriously the thought that there would be serious consequences if they fail to comply with the will of the international community.

Q Can you say if you've seen unusual --

MR. MCCURRY: I'm not going to go beyond what I just said.

Q Mike, if the U-2 is fired upon, will U.S. forces defend themselves?

MR. MCCURRY: As Secretary of Defense Cohen has already said, we doubt that the Iraqis would be that foolish.

Q Mike, why does the U.N. report wait until Monday? Aren't we in telephone contact with --

MR. MCCURRY: Because it's a long way to Baghdad and they're not there yet, and they have to meet and they have to return to New York and, given the reality of the travel, they'll be back to New York on Monday.

Q Telephone contact?

MR. MCCURRY: They will brief the Security Council in person at the request of the Secretary General.

Q Is the U.S. doing any special troop movements in

relation to the situation?

MR. MCCURRY: I'm not going to talk about operational deployments of U.S. forces either unilateral or deployed in assistance of furtherance of U.N. action.

Q What do you think is going on with Bill Lann Lee's nomination?

MR. MCCURRY: I think that there is a determined effort by Senator Hatch to try to stop that nomination and I think it's very unfortunate. Given the overall quality of that nominee, given his record, given his experience, given his reputation for conciliation, he is someone who clearly can provide superb leadership to the Office of Civil Rights at the Justice Department. That is a position that the President takes very seriously, because enforcement of civil rights laws is something this President cares about a lot. And if Chairman Hatch believes that someone should follow the policies that he wishes to pronounce in the area of civil rights, which I suggest would amount to rolling back some of the progress we've made in civil rights, then Orrin Hatch should resign from the Senate, run for President, and he can name his own assistant attorney general for civil rights. That's not the way our system works.

Q Mike, can you just tell us specifically which groups are going to be --

MR. MCCURRY: They'll be -- I don't have a full list yet, but there will be representatives of major civil rights organizations that will be here to meet with Mr. Podesta in a short while, because we want to mobilize those who believe this is a very qualified, superb nominee and see if we can't do everything possible to get this nomination passed and confirmed before the Senate retires for the year.

Q Mike, this morning you said you would discuss efforts by conservative congressmen to link the abortion issue to fast track with the Mexico City language in the foreign -- bill. Is there any way that the President would ever accept that provision in order to gain passage of fast track where you can consider it?

MR. MCCURRY: Our statements of policy on matters related to international family planning issues and the earmarks that have been attached to previous foreign appropriations bills are very well-known. We, at this moment are trying to work through language that the administration would find acceptable, given that members of Congress want to express themselves on this point. Whether or not we can achieve an amicable resolution is far from clear at this point.

Q Mike, could you reflect on the timing of Saddam Hussein's provocations? Last time, it was in the middle of the presidential campaign, and do you think -- this time it's in the middle of a campaign, the President's been out quite a bit -- do you think that Saddam Hussein's sitting over there, thinking he's not

minding the store, this is a good time?

MR. MCCURRY: It's just literally impossible to imagine what goes into such a convoluted and tortured mind. (Laughter.) It is usually foolhardy, whatever the rationale and why he would elect this particular moment in the calendar to provoke some confrontation with the United Nations is far from clear. There are any number of reasons why one might imagine, but I don't think, given the quality of thinking that goes into his decision-making, it's useful to speculate.

Q Can you tell us about how the President has monitored the situation since he has been doing other things like raising money?

MR. MCCURRY: He's monitored it very carefully, as he always does with national security matter, through briefings that he gets from his National Security Advisor. He's never far away from the information that he needs in order to protect this nation's interests overseas.

Q Mike, on fast track -- Republicans are saying that they hope that Newt Gingrich gets something for kind of carrying the weight of this vote, and I'm wondering what kind of concessions you have in mind.

MR. MCCURRY: Well, I wouldn't think of it in terms of concessions, but we, of course, will work carefully with the Republican leadership to try to understand the concerns they want to bring to the table in the closing hours of this session. And we recognize that it's a process of give and take when you've got a Republican Congress and a Democratic President.

Q What's abortion got to do with fast track?

Q -- understanding about, like the census?

MR. MCCURRY: We have a number of areas that we are looking into. I think in the area of the census the Speaker has made on behalf of his caucus a very impassioned argument about the need to do everything to see whether or not we can achieve by counting an accurate census. And I think the administration is -- even though we still firmly believe that statistical sampling is going to have to be a part of an accurate census, we are willing to concede that there are ways in which we should address that issue in a way that acknowledges some of the concerns that have been raised by the Speaker on behalf of his caucus. And, hopefully, we can figure out a way to bridge the gap and differences between our points of view.

Q On the meeting the President's going to have with the congressional leadership on Bosnia, what exactly is the President asking members of Congress at this point to do?

MR. MCCURRY: Well, first, to think about the enormous

progress that we've made since the Dayton Accords have been signed and as they've been implemented. He will point to a lot of the progress that we've achieved in Bosnia over the last 23 months; and then make the point that we can't turn our backs on that progress, we have to build on it if we want to restore some measure of hope to the people who suffered during the war for so long in Bosnia. And how we protect and preserve those gains, what the international community does, what the international presence is, what role the United States plays, is something that he wants to think through very carefully. And consulting with Congress before they depart for the year is a very wise thing to do, particularly because we have to start making some real-time decisions as we go into next year on drawing down the American presence there -- which will happen. But then the question of what happens beyond June of 1998 is something that the President will have to address after consulting closely with the leadership of Congress and with those who -- particularly in the foreign affairs area who are going to be there.

Q But Mike, does he want them to do something specific legislatively before they leave, or his happy with the wriggle room that they've given him in the legislation --

MR. MCCURRY: There's nothing required in the time between now and when they depart for the year other than that they are here in town and it is an opportunity for us to talk to them and the President's thinking needs to begin developing as we go through the balance of the year and into next year.

Q You talked about the process of give-and-take on fast track. Many of the Democrats are concerned about workers who are going to lose their jobs, who might lose their jobs. What's the President going to do for displaced workers?

MR. MCCURRY: The President has been talking to many members who have expressed those concerns. Many of them raised legitimate concerns about workers who are temporarily displaced when we have a sea change in the global marketplace, when there are trading relationships that allow us to take comparative advantage of areas in which we have strength and as economies adjust and change and shift to reflect the new advantages we have as we export goods and services. And to provide some assistance to workers who are temporarily dislocated because of the effects of trade is something that's long been recognized through programs like the Trade Adjustment Assistance program. And I suspect the President will talk a little bit more tomorrow about some of the things we've developed in close consultations with members of Congress who have raised that as an area of concern.

Q I was hoping you might share some of the previews of it.

MR. MCCURRY: I think you were hoping falsely that I would make the President's news now that he intends to make tomorrow.

Q Mike, do you think it was a mistake when the President yesterday called repeal of the Virginia car tax selfish? The Republicans --

MR. MCCURRY: No, and that's not -- if you go back and look at what he said, he said that you cannot surrender to selfish impulses when you want to take a long-term view about the importance of something like education. This is really a long-term investment in education and the President believes that the citizens of the Commonwealth of Virginia are going to recognize the importance of making that long-term investment in their children.

Q You don't think it was a political mistake? I mean, it's such an easy --

MR. MCCURRY: No. It was a great opportunity for the President to tout the merits of the nominee there, and the nominee has surely gained as a result.

Q Mike, getting back to Bill Lann Lee, will the President be talking to any senators this evening on this nomination -- this troubled nomination?

MR. MCCURRY: I wouldn't rule that out. I think that we're right now caucusing with the groups that have been active on the Hill in support of the nomination. We're going to get an assessment of where we are and we're going to see if we can't find some way to push this nomination forward.

Q Has the President also talked with Bill Lann Lee himself today since Orrin Hatch's statement?

MR. MCCURRY: The President hasn't talked to him directly, but I think others in the administration have been in contact.

Q Were you surprised that Hatch was as tough as he was? A lot of people --

MR. MCCURRY: I am --

Q -- from the Hill were, and they felt that maybe he was responding to pressure from people like Gingrich.

MR. MCCURRY: Well, from the crazies on his right, which is very possibly what he's responding to. But it should not be about politics. It ought to be about the President's right under this Constitution to name someone who will effectively and superbly administer his policies and the right of the United States Senate under the Constitution to advise and consent. Senator Hatch seems to have the Constitution upside down. He thinks that he's got the right to appoint the assistant attorney general for civil rights and he does not.

Q Who would be "those crazies on the right"?

MR. MCCURRY: The groups that really want to roll back the clock when it comes to the progress we've made in civil justice and empowering people of color and minorities and really working to break down the barriers that continue to exist in this society and continue to be a reason why we must have the tool of affirmative action available to correct those injustices.

Q So you weren't referring to members of the Congress?

MR. MCCURRY: I wasn't referring to members of the Congress, but there are certain sympathies in some members of Congress that run in that direction, do they not?

Q -- California electorate.

Q You've had balky chairmen before, Republicans, and you have lost.

MR. MCCURRY: Well, we more often win than lose.

Q Election night readout?

MR. MCCURRY: I don't anticipate anything tonight. I think the President will be out and about tonight and I imagine our reaction will come tomorrow, probably from the Chairman of the Democratic National Committee.

Q What about a readout about -- after Bosnia?

MR. MCCURRY: I can give it to you now. (Laughter.) The President had a very intense, good, productive consultation with the leadership of Congress. They explored all the progress that we've made in Bosnia, all the things that have happened there as we've separated war and parties. The President reviewed the fact that we've now got 370,000 troops that have returned to civilian life as a result of the implementation of Dayton; a stable military environment has been created; 20 indicted war criminals are now awaiting prosecution at The Hague. We are strengthening the role of a vigorous and free press in Serbia so they can report accurately to the people of the Republic of Srbska, especially; the ongoing developments as civil life is restored.

We have seen real economic progress in Bosnia, real GDP has almost doubled in 1996. We've made a priority of devoting aid from the international community to reconstruction, and that's working because people are returning to jobs. People who were starving and freezing to death in past winters in Bosnia are going to have food and heat this winter, and that progress is not going to be thrown away as we prepare for the future.

All of these points the President will make by way of

saying that we cannot fail to build on that progress. And he will consult, and did consult, with Congress on the best ways to do that.

Q Why don't you say what he's going to do, which is to ask for an extension beyond June?

MR. MCCURRY: Because the President is not going to do that. And I think one thing the President will likely tell the members tonight is that this mission deserves the support of Congress and the American people because it ought to -- and it needs to have that if it's to continue. That has always been a hallmark of American presence overseas when we put people in harms way. And the President will seriously consult on what kind of support there would be --

Q Oh, you mean he wouldn't necessarily ask --

MR. MCCURRY: -- amongst the American people to have that kind of deployment.

Q But is it still the fear that if the U.S. were to leave next summer as originally scheduled, the other NATO allies would leave as well, and that that would unravel the Dayton peace process?

MR. MCCURRY: European governments have made quite clear that their willingness to continue to be present is part of an international effort in Bosnia depends on U.S. leadership. And I think the history is now clear that the solution to that problem in the Balkans pretty much requires U.S. leadership because the Europeans have not been able to go it alone. At the same time, I think we are interested in maximizing the participation by the Europeans as this problem in Europe is addressed in the future beyond the current SFOR mission.

Q Did you say he will not ask for an extension -- an extension of U.S. forces as now composed?

MR. MCCURRY: The President has made no decisions about what the United States role should be in any projected international presence beyond June of 1998, nor has the international community or NATO specifically, made any judgments about what will continue beyond the current exploration of the stabilization force in Bosnia. So there's no decision to convey to the leaders of Congress tonight. But there is a very strong desire on the part of the President as Commander in Chief to have the support of Congress and to ascertain their feelings as we think about and decide what we do in the future.

Q But he wants an open-ended option.

MR. MCCURRY: The President wants to have the opportunity to consult with Congress about how to make a decision

that will be in the best interests of the American people. And this seems like a reasonable thing to do.

Q Why should the American people and the Congress believe in any new deadline that comes out of this --

MR. MCCURRY: Because we have met every deadline -- virtually every deadline set under the Dayton process we have achieved and met. Accomplishments I just said were sketched out in some of the original Dayton Accords . The elections have been held according to the timetables, and we've met those timetables. But the question of how you continue to build on the progress created by the Dayton Accords is a question that's an open question and, frankly, a new question that we have to address. But the President wants to address it in a fashion that will achieve support in Congress and achieve the support of the American people.

Q Does he think he'll have the support of Congress, for example, --

MR. MCCURRY: Well, that's why we're meeting with them tonight.

Q But what's the sense?

MR. MCCURRY: We'll know better after we meet with them.

Q Mike, do you know who is coming -- is it the leadership and chairs of the Foreign Relations --

MR. MCCURRY: A combination of leadership and people with committee jurisdiction, both sides, both aisles.

Q Will other subjects come up or just Bosnia?

MR. MCCURRY: I imagine the President will also take the opportunity to give them an update on where we are on Iraq and will probably thank those present that have been working hard on behalf of fast track authority. I expect those are the only other two subjects that might arise.

Q On Saturday, the President is going to give a -- I guess it's an unprecedented speech to a gay and lesbian organization. Given that Ellen DeGeneris will be there, given the criticism that Al Gore got on the same issue, what is the message that the President is taking by going there?

MR. MCCURRY: The President is going to go to this group of Americans who work, as other Americans do, to break down barriers and discrimination that have existed, facing members of their community and he's going to tell them that his goal as President is to bring us together to celebrate the diversity that is America and

assure that people have the opportunity to rise to their God-given potential -- something the President talks about often. That's the message that he has carried before a host of different groups and it's the one that he intends to deliver Saturday night.

Q Is the President hoping to make entry by being the first one, or is this something he thinks is long overdue?

MR. MCCURRY: I think he's not hoping to make history, he's hoping to bring people from different walks of life together so we can tackle the common problems that we face.

Q Do you expect as well as the President that the former Presidents down in College Station will all speak up on behalf of fast track?

MR. MCCURRY: I don't believe that the President wants to take the occasion of the formal program itself to make that case, and I think he believes that the ceremony itself ought to be on behalf of President Bush. But I think the President is hoping that in and around the event, there is some opportunity for these Presidents who have used fast track authority themselves to open up markets, some opportunity for people to express themselves on the issue. But I doubt it will be during a ceremony that rightfully ought to be devoted on the legacy of George Bush.

Q How does the cloture vote in the Senate look today and the House vote on Friday?

MR. MCCURRY: Looks good enough that they apparently are setting up an opportunity for the President to talk about it in a short while, so --

Q They are?

MR. MCCURRY: They being our friends at WHCA.

Q Where will that be?

MR. MCCURRY: It looks to me like unless there's something else going on I don't know about, they're putting it up out there in the Rose Garden. Did I just announce that we're going to say something after the vote? No, we didn't. Okay. Just to be clear.

Q Mike, can you tell us why the President decided to impose new economic sanctions against Sudan?

MR. MCCURRY: Because they continue to be a persistent source of terrorism in this world, state-sponsored terrorism, and by bringing these specific sanctions against the leadership authorities and others and by freezing their economic assets here in the United States, we hope that we can deter the type of wanton disregard for human life that's been associated with acts of terrorism sponsored by

the government of Sudan, and beyond that, there's a briefing that's occurring right now at the State Department on the subject, and Secretary of State Albright has just had a press conference on the subject, so I won't add to what she said.

Q You just raised a subject that President Clinton hasn't talked about before. What does he think the legacy of George Bush is?

MR. MCCURRY: I have talked about it before and I've suggested several things -- one, the spirit that he kindled in this country is service to community, service to nation is unmistakable, and it's one the President has built upon and secondly, we've spent a large part of this briefing talking about the important leadership role the United States plays in the Gulf region and President Bush successfully prosecuted a war that made clear that we would continue to be a force for stability and peace in that region -- among others. And the President will have much more than that to say on Thursday.

Q One question we've asked you before and never gotten anything out of you -- does he think that he made -- deficit reduction?

MR. MCCURRY: Oh, he surely did set in motion economic policies that we, in part, built upon. But when he left office, we had a projected deficit of \$297 billion, and we've now erased 80 percent of that on our way to erasing all of that, so I think you have to give credit to the Democratic Congress in 1993 that set us on a path of deficit reduction. I know that there are some in Congress that try to make that argument, but remember the Speaker of the House, the current Republican leaders all bolted on President George Bush when it came to that 1990 deficit reduction effort. So it's surely safe to say that President Bush would not have been able to achieve whatever he was able to accomplish in the area of fiscal policy had it not been for the support of the Democratic Congress.

Q Mike, the President has launched a year-long dialogue on race, and in connection with that has made clear his own policy objectives of diversity and affirmative action in trying to enlist national participation, national support for that agenda. Is the Supreme Court getting to be a bit of an obstacle?

MR. MCCURRY: I don't believe the Supreme Court speaks publicly other than in the rendering of opinions to any of those issues. So I don't see how it could be an obstacle. They have presented interpretations of constitutional law that this administration has to live with and has to execute. And we do that fairly. The Court has done nothing to abolish affirmative action or to remove it as a tool available to correct injustice and discrimination. It is only suggested that that tool should be narrowly tailored and the circumstances in which it is used by government ought to be strictly scrutinized. That's the test that's put forth in *Adarand* and this administration has fully complied with that -- is in the process of fully complying with that test.

Q But yesterday the Court went even a step further and allowed an entire circuit --

MR. MCCURRY: The Court refused to hear a case that we'll know -- likely be litigated further in the future. I don't know what you can read from a silent Court that just refused to take one particular case. I wouldn't over-interpret.

Q But when you have as compelling an issue as race in this country, doesn't even silence by one of the three branches hurt the kind of effort the President --

MR. MCCURRY: Well, they have been far from silent, Leo. They have rendered numerous opinions that this administration has had to live with that reflects this current Court's interpretation. One might argue differently, and we have in court sometimes argued differently, but one lives with the interpretations that the Court renders on law and continues to administer and execute law consistent with the deeply-felt principles that this President and this administration has on questions of racial injustice.

Q I guess my shorthand question to you is, do you feel that the Court and the President are going in different directions on race in this country?

MR. MCCURRY: I think they go their separate courses.

Q Mike, will there be a veto threat letter today on an antigun provision in an appropriations bill?

MR. MCCURRY: I heard something related to that, but I don't know enough about it to answer that authoritatively. You might want to check here after.

Q Have you confirmed that you are leaving the White House and Mr. Bowles also --

MR. MCCURRY: That Mr. Bowles is going to take my place? No, I'm not confirming that.

Q Are you taking Mr. Bowles' place?

MR. MCCURRY: No.

What else?

Q What are you confirming?

MR. MCCURRY: I'm not confirming anything.

Q Is Bowles leaving?

MR. MCCURRY: I don't talk about personnel matters here.

I don't talk about your personnel situation; I ask that you not talk about mine.

What else?

Q Why not?

MR. MCCURRY: Because it's not --

Q Do you know anything about ours? Could you fill us in? (Laughter.)

MR. MCCURRY: You're looking good, Plante. That contract renewal, looking good. Wolf, being sought by some of the other networks. Front row here, doing okay so far. Ratings up. (Laughter.) Cochran in here. What could that mean? Maybe? Hmm?, History. He hadn't been around. (Laughter.)

Let's not walk down that road, ladies and gentlemen.

Q Are you worried?

MR. MCCURRY: I'm not worried, no. I have a bright and happy future.

What else? Good-bye. See you tomorrow.

Q Does that mean you're leaving? (Laughter).

MR. MCCURRY: That might be a correct interpretation.

END 1:53 P.M. EST

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MOFFETT_J @ A1@CD@LNGTWY
PR_U=TDIXON@PR_L=AVUOEOb@MRP@LNGTWY
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 5, 1997

PRESS BRIEFING
BY MIKE MCCURRY

The Briefing Room

1:45 P.M. EST

MR. MCCURRY: Thank you to Secretaries Daley and Herman for their help; and for Gene, who had to leave early. I think that helps you on the trade adjustment package. Any other subjects today that would be of note?

Q Mike, the U-2 flight cancelled this week against

the wishes of the United States -- isn't that just the kind of concession Saddam Hussein was looking for in the standoff?

MR. MCCURRY: I doubt very much that that will be a meaningful concession to him, given that flights will resume under the auspices of the United Nations, and that he full well knows there are additional ways in which a community of nations that are pursuing U.N. resolutions obtain the information we need to continue to effectively monitor his activities. So I don't know that it will have any particular meaning to him one way or another.

Q How did the U.N. and the U.S. get out of sync on that?

MR. MCCURRY: I don't know that we were out of sync. You heard the President address this earlier. I think there is a willingness to give the Chairman of the U.S. Sanctions Committee some leeway as he pursues what we hope will be a diplomatic resolution of this matter, which would be preferable to other resolutions.

Q Is Bill Richardson here and is he seeing the President?

MR. MCCURRY: He was down this morning, and I didn't know whether he was going back up to New York, but I believe he is down here. He's been actively -- among the President's advisors, he's been very actively engaged in briefing us about the situation in New York.

Q And when the inspectors -- or the U.N. officials who are meeting with Saddam's leadership meet today, how does the President hear back? Will he be in touch with --

MR. MCCURRY: Well, we'll probably get some general sense of how those discussions go. But a formal presentation, if I understand correctly, will be made to the Security Council no sooner than Monday.

Q It looks, Mike, like the United States is going along with a concession to Iraq at a time when the U.S. said there would be no concessions and no negotiations.

MR. MCCURRY: I've already addressed that. It's not a concession to -- look, we give a window of time -- when the United Nations flies these missions, a window of time is provided for the

conduct of the flight. They made an adjustment here at the recommendation and judgment of Chairman Butler. We accept his judgment. The flight, as Butler has said and as the President indicated to you, the flights continue next week. So I don't know that we attach great significance to it.

Q Mike, the President was asked in his photo op about

this impeachment move by Barr and some other conservatives. Is this on the radar screen of the White House Counsel's Office? What's the level of interest in this --

MR. MCCURRY: Look, there's not any attention being paid to that here. In any body of 535 people, there will always be a denominator that's lowest. We've seen this from Barr before. Every time things get a little quiet on the inquiry front, he pops off about impeachment to get you all excited, and it's been a pattern like that and we don't pay it any attention whatsoever.

Q How do you think the testing compromise the President worked out today affects the atmosphere for fast track?

MR. MCCURRY: Well, we are attempting to work at, to be correct. There are still details that we are pursuing. But I think the President felt it was important to acknowledge some of the things that Congressman Goodling has said, that he's heard from others in the Republican Caucus about the value that ought to be attached to efforts at the state level to pursue education reform. And the President wanted to be accommodating on that point. We're interested, as we try to wind up this session, in reaching bipartisan accommodation so we can make progress. That's better than ending the session on a note of gridlock.

Q But do you think these two things are completely separate, or do you think that this helps the atmosphere for getting other --

MR. MCCURRY: They're not directly linked, but there may be -- there's a psychology that takes over at the end of a session of Congress in which, if you're making progress and people are being accommodating and working together to get things done, you can do good things. We saw that last summer as the session wound up and we achieved some truly significant progress on welfare reform, on health care, on other issues. And we want to end this session in that same fashion.

Q On the testing issue, the President said he had reached an agreement in principle. Can you just explain "in principle" conceptually, what this agreement entails?

MR. MCCURRY: In principle, what the President suggested to you earlier is that it's going to be possible to measure children's educational performance to a uniform standard without undermining the efforts that are now going on in states if they actually measure progress on math and reading skills at that same level in a way that's consistent with what we're trying to attempt at a national level. That's the central principle.

Q Would that then lead to a multiplicity of tests, that the Department Education here somehow would give its stamp of approval to Test B instead of Test A for 4th grade reading or 8th grade math?

MR. MCCURRY: It would recognize if they measure up to the standards that are being tested in the national test developed. If the states have a test that evaluates those same standards, it would recognize the value that should be attached to the testing at the state levels. That's in concept what's being developed, but there are a number of details that are still being worked out at this hour.

Q Would that, though, present any difficulty in terms of getting national results? One of the objectives of the President's program all along has been not just to have local communities know whether Johnny can read, but that the nation as a whole can know how all American kids stack up? And if you're going to have a proliferation of tests, is that going to muddy the statistical waters?

MR. MCCURRY: Not so long as a uniform national standard is evaluated, and that's what they are looking for now. The development of tests at the local level could still measure the same skills and objective criteria that a national test would measure. And the issue is how do you make sure that they are congruent, and that's one of the things that we are exploring at the staff level right now.

Q Mike, one of the things that Republicans say who have been briefed on this by Goodling today is that the President agreed that no tests would go forward, not even in a test marketing or pilot program, until Congress votes again to allow them to go forward. And I thought that was the very thing you guys objected to when this compromise was discussed earlier.

MR. MCCURRY: That is not exactly right, but I'm going to wait until we've got something that -- an agreement in principle is not the same thing as having a deal that we can present in legislative language that can be enacted upon by Congress. And until we get to that point, I just don't think I want to get too deeply into the details, because they're being worked on right now and I don't want to screw up the prospect of getting a bipartisan agreement that would truly be significant. It would represent from the President's point of view the achievement of something he has devoted enormous energy to this year, and I think it would acknowledge that the Republicans have got some perspectives on this that ought to be codified in legislative language.

And so that's what we're working towards, and until we get there, I'm not going to talk about it further.

Q Just to follow up on a question earlier about the Sperling trade package, how far do you think that goes toward addressing Democratic concerns about the fast track authority? And what other packages or inducements do you feel are ready that you have to offer to get over the top?

MR. MCCURRY: I think it was important to address that question of worker dislocation and how the administration would define dealing with that problem. And as you heard Secretary Herman say, there were some things being worked on that could be put together that I think will be reassuring to some members. I suspect you'll hear even later today that this has been compelling enough to some members that they are willing not to declare their intentions for the vote on Friday. But, ultimately, we'll know a lot better Friday.

Q Is he going to talk about trade tomorrow at the Bush library?

MR. MCCURRY: I don't expect during the ceremony itself that he will address that subject unless he just generally compliments the former President on the work that he did personally to open markets overseas for U.S. goods and services. But the President really intends his own remarks, which will be short by design, since everyone is speaking for a fairly short period of time, he intends that to be a tribute to the legacy of George Bush.

Now, in and around the event tomorrow, there may be an opportunity for President Clinton and maybe some of the other Presidents to address that issue on the eve of the vote, but we'll just have to see how that unfolds.

Q Mike, does the administration feel it might have prevailed on the U-2 issue if Richardson had been at the U.N. instead of on Capitol Hill pitching fast track?

MR. MCCURRY: I believe he was at the U.N.; I'd have to go back and check on his whereabouts. I think he was at the United Nations. I don't think that's a question that arises.

Q On election questions, is the President distressed at all that Virginia voters did buy into the car tax issue, and what's his general reaction of going 0 for 4 in the races that he was involved in, in the last week?

MR. MCCURRY: The President provided his election analysis earlier.

Q The President's speech on Saturday for the Human Rights Campaign -- can you characterize how the President's comfort level or feeling about issues surrounding sexual orientation has changed since he was inaugurated?

MR. MCCURRY: I don't know that it's changed so much. I think he's always had comfort around Americans of diverse backgrounds and has worked hard to try to bring Americans from diverse backgrounds together so we can tackle common problems. Otherwise, as far as the speech itself, I think as I told you yesterday, it's one

that will be consistent with a theme he has articulated regularly, which is, we have to find ways of getting communities working together to address common problems.

Q But have there been any changes in either views toward the military or views toward marriage or other family issues?

MR. MCCURRY: Not that I'm aware of.

Q Why is he doing this now instead --

MR. MCCURRY: They're having their --

Q No, no, instead -- he's had many years to go to this group that supported him pretty strongly.

MR. MCCURRY: I don't know that it's ever worked out in scheduling -- I'd have to go back and check to see if there was any particular reason why we didn't do it, other than just scheduling conflicts in the past.

Q Senator Moynihan today proposed a bill requiring federal agencies to take a more proactive stance in opening up records pertaining to Nazi war crimes and the U.S. government's knowledge of Nazi war criminals. Do you anticipate the President supporting such a measure?

MR. MCCURRY: We're sort of ahead of that legislation by the work that Stu Eisenstadt did in really pulsing our own government records and making available publicly what we have and continue to encourage government agencies to come forth. So I think we're a little bit ahead of Senator Moynihan on that, having already done a lot of that work and having really reported through the Office of Historian at the State Department on those documents available to us in our own records that would shed light on the issue.

Q Is the Bill Lann Lee nomination doomed, or would the President consider a recess appointment?

MR. MCCURRY: It is not doomed. The President is working hard to see if we can't confirm him before the Congress retires for the year, and that's the only focus of the administration's work at the moment, which is seeing if we can't achieve confirmation.

Q Any thought of a recess appointment?

MR. MCCURRY: I think I just answered that.

Q Mike, back on the elections, in almost every one of the major races yesterday, Republicans outspent the Democrats, and the Republicans won a great deal of those races. Are you concerned, is there concern out there that the continued advantage of fundraising by the Republicans is going to carry over into next

year's elections?

MR. MCCURRY: Well, the advantage the Republicans have in fundraising is historic. It has always been a fact of life for Democrats running contested races that we are outspent by the other side. I think our concern, though, has been that there seems to be a calculated effort on the part of the Republican Party to tie up the Democratic National Committee and tie up a lot of its funding and legal procedures and in lawyer's fees so that money would not be available for campaign activity. And that is a source of real concern to us and we're going to have to be aggressive in challenging that kind of thinking next year to make sure we have resources to run competitive campaigns. But we will always be outraised and outspent. They're better at raising soft money, they raise a lot more of it, which is why the Republican Party collectively is against abolishing soft money.

Q Are you saying that other than the historical disadvantage the Democrats have and lawyers' fees, those are the only two reasons for the shortfall?

MR. MCCURRY: Well, there are lots of reasons historically why the Republicans have outraised Democrats. They just have access to -- greater access to people and entities with wealth.

Q No, I'm asking in terms of your current problems with raising money. Are you saying that legal fees are the reason?

MR. MCCURRY: No, I said there are a range of reasons, and they are partly historic, but also partly impacted by legal proceedings.

Q Getting back to the elections, in Houston, for the record, there was a defeat earlier this week to -- affirmative action. What is the White House's thought today on what happened in Houston yesterday?

MR. MCCURRY: I think the President addressed that earlier. He was gratified and encouraged by the results in Houston. They suggested there are different ways of thinking about the issue of race, and specifically, the issue of affirmative action.

Q Is the President wearing his hearing aides yet?

MR. MCCURRY: I haven't checked -- I don't know the answer to that. I'd have to check.

Q Can you shed some light on why Erskine Bowles was in such a tearing hurry to yank Gene Sperling out of the briefing?

MR. MCCURRY: Yes, because he had an appointment on the Hill, and we are not in the business of offending members of Congress at this particular hour. Erskine was a little more interested in having him on the Hill than having him here with you, and it was

obviously related to Gene's capacity for explaining some of the steps we took today connected to fast track.

Q Who was the appointment with?

MR. MCCURRY: I'm not going to say. Mostly because I don't know. (Laughter.) But even if I knew, I don't think I'd be inclined to say because we've got people, we have members -- you're going to see, probably, shuttle buses back and forth from the Hill today with members of Congress coming here --

Q How many members are -- do you know at this point?

MR. MCCURRY: A number, and I'm not going to identify them.

Q Mike, on the meeting last night on Bosnia, can you give a little readout on how that went?

MR. MCCURRY: I think we did that last night, but it was a very encouraging meeting. The President heard and listened very carefully to the responses that he made -- responses to the presentation that he made. He gave an analysis of the progress that we've made since the Dayton Accords were signed, the work that lies ahead in dealing with the problems that continue to exist in Bosnia, the importance of working together within the international community to define what our objectives are into the future as we support the transformation taking place in Bosnia, and then he made it very clear what criteria he would have in mind as he makes the decision of what our own contribution should be to any international presence that does exist beyond the expiration of the current SFOR mission.

He got very good responses around the table. It was a very constructive meeting. The President said it was an excellent discussion with not a lot of rhetoric, but a real probing discussion of what our responsibilities should be in Bosnia and how we can meet them. And I think as a result that the President was encouraged that this is a subject that will lend itself to bipartisan cooperation as we fashion the correct policies in the interest of the United States.

Q Did it change his thinking at all? Did his thinking change as a result?

MR. MCCURRY: I think he became far less pessimistic that there would be a lack of support for the work the United States is doing in Bosnia.

Q Is that why Madeleine Albright just said there seems to be consensus now for extending the presence of U.S. troops in Bosnia?

MR. MCCURRY: I think she was giving her own sense of what -- I mean, it was her analysis of the room. I don't think it would be fair to say that there is any consensus now. I think what

was clear at the meeting was that there is the prospect the President could build that consensus with hard work. A number of members suggested the President is going to have to make this argument very clear to the American people over time and the President certainly believes that that's true. But again, we've got to concentrate, as the President often says, on the work we're doing today that makes the future a lot easier to define once you get there.

Q Does that mean there is a consensus emerging or you're going to build a consensus?

MR. MCCURRY: We clearly have to build it. It's not there now, and I think those of you that had an opportunity to talk to Senator McCain, who has been one of the most thoughtful voices in Congress and one of the most skeptical voices in Congress about our presence in Bosnia, made it quite clear that there is a lot of work that lies ahead. But I think the spirit of the discussion was very much along the lines of the discussion he had with some of you last night.

Q Mike, I wonder if you can tell what are the principal issues that President Clinton is going to discuss with the President of Mexico next week?

MR. MCCURRY: I'll do that next week. Right now, I can tell you that they will be the issues that are always a part of our bilateral agenda that reflect the close cooperation we have as we deal with issues related to the border, related to the environment, related to immigration, related to the trafficking of drugs -- all of those things that we work so well and together on. But there will also be an opportunity to look beyond the issues that are always part of our binational relationship and make them talk a little bit about larger global issues that we work on together.

I'll be able to do a lot more on this next week, after I actually figure out what it is we are talking about. (Laughter.)

Q Back on Iraq, whether or not you view the U-2 decision as a concession, the U.S. hasn't always been so eager to let the U.N. take the lead in dealing with Iraq. Can you explain why in this situation the United States is so eager to go along with the crowd?

MR. MCCURRY: Yes, because we have, after some cracks in the armor, we have reconstituted a strong consensus in the Security Council about how to deal with matters related to Iraq. And it makes no sense for the United States to unilaterally jeopardize that consensus at a time when the entire world community seems to be on the same page addressing the provocations that Saddam Hussein is posing. There's great value in holding together the elements of that coalition that successfully prosecuted a war and that continued to bring pressure to bear on Saddam Hussein.

And I think it's very wise for the United States to work cooperatively with the international community at a time when we can reach for the common objectives we share, recognizing that at any point where the President feels that our interests are not sufficiently attended to by the world community, we'll have to go it alone. That's the reality of U.S. leadership in this world, in this era. And the successful way to try to prosecute our aims and objectives are working with others when we can. But there are times, of course, when we must go it alone, and we're prepared to do that, as well.

Enough said. Good-bye.

Q How many people is the President meeting with this afternoon?

MR. MCCURRY: Lots.

Q Can you give us a guesstimate?

MR. MCCURRY: No. We'll see. We'll see. I thought he was already --

Q Will you announce who they are before they show up?

MR. MCCURRY: No.

Q How long will the meetings go on?

MR. MCCURRY: Look, we're trying to wrestle this thing to a conclusion. We're not there yet, we're short. And we're going to go after a lot of votes, and people may not want to be pestered by all of you if they want to take some time to think about it. If they want to tell you that they're down here and meeting with the President, that's up to them.

Q Yes, but you could tell us numbers without naming.

MR. MCCURRY: Well, I don't know at this point. We don't know exactly how many.

Q How many were invited -- can you tell us that?

MR. MCCURRY: We've got 12 to 15, or something like that, right? What would you say, 12 to 15, in that neighborhood. It may grow.

Q And these are all undecided Democrats we assume.

MR. MCCURRY: I wouldn't assume anything.

Q Mike, back to the Houston ballot measure, do you or the President or the White House see any significance in the wording of that measure, that when, as I understand it, initially it was going to be a kind of a mini 209, and then the wording was changed to, say, shall Houston abolish its affirmative action programs, and the people in Houston said no. Do you reach a conclusion that if you frame the issue, are you for or against some affirmative action, then you do get support; but if you frame it like what Connolly or what Pete Wilson in California, that the state should not discriminate on the basis of race, you lose the argument?

MR. MCCURRY: I think you're correct in how you frame the question can affect the answer. It is not unlike polling in that respect, and great care and attention was placed by the Mayor in the correct phrasing of the question, so that the verdict rendered is one that makes clear the sentiments of the people of Houston.

THE PRESS: Thank you.

END 2:08 P.M. EST

#428-11/05

Message Sent

To:

Sharolyn A. Rosier
Lori E. Abrams
Jeannetta P. Allen
Lori Anderson
Brenda M. Anders
Eli G. Attie @ OVP@EOP
Patrick Aylward
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Kyle M. Baker
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Marsha E. Berry
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Daniel W. Burkhardt
Diane Ikemiyashiro
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R. Scott Michaud
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Elizabeth R. Newman
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Michael A. O'Mary
Jonathan Orszag
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Sally P. Paxton
Julia M. Payne
Jonathan Prince
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Nicole R. Rabner
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wh-outbox-distr @ clinton.ai.mit.edu@INET@LNGTWY
BARBUSCHAK_K @ A1@CD@LNGTWY
BARTHOLOME_M @ A1@CD@LNGTWY
BARTHOLOW_T @ A1@CD@LNGTWY
CAPLAN_P @ A1@CD@LNGTWY
CUTLER_L @ A1@CD@LNGTWY
DICKY_L @ A1@CD@LNGTWY
GRAY_W @ A1@CD@LNGTWY
GRIBBEN_J @ A1@CD@LNGTWY
HAAS_L @ A1@CD@LNGTWY
JOHNSON_WC @ A1@CD@LNGTWY
LIZIK_C @ A1@CD@LNGTWY
MOFFETT_J @ A1@CD@LNGTWY
PR_U=TDIXON@PR_L=AVUOEOb@MRP@LNGTWY
RILEY_R @ A1@CD@LNGTWY
NAPLAN_S @ A1@CD@LNGTWY
SMITH_BD @ A1@CD@LNGTWY
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1=US@2=WESTERN UNION@3=@5=ATT.COM@*ELN\62955104@MRX@LNGTWY
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ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-NOV-1997 13:44:11.00

SUBJECT: Fast track

TO: mike.frisby (mike.frisby @ news.wsj.com @ inet [UNKNOWN])

READ:UNKNOWN

TEXT:

MAKING IT POSSIBLE FOR ALL AMERICANS TO SHARE
IN THE BENEFITS FROM OPEN TRADE

November 5, 1997

PRESIDENT CLINTON,S STRATEGY TO HELP WORKERS AND COMMUNITIES SUCCEED IN A GLOBAL ECONOMY. The Clinton Administration rejects the view that in the new economy, workers should be &on their own.⁸ This plan -- developed with Members of Congress -- illustrates the Administration,s vision of economic growth: While we tear down foreign barriers and open foreign markets, we are going to work to bring more Americans into the winner,s circle. In order to help more Americans succeed in a global economy, this plan, which will be part of the President,s fiscal year 1999 budget, increases funds for worker and community adjustment, while doing more to tap the untapped potential of our inner cities and poor rural communities.

Worker Adjustment:

- I. Improve and expand Trade Adjustment Assistance and ensure a quick response for worker dislocation;
- II. Expand dislocated worker funding by \$750 million over five years -- so that funding in 2003 would be triple what it was in the year before President Clinton took office;
- III. Dedicate \$250 million over next five years in existing funds for secondary workers -- while initiating an information campaign to reach out to them more effectively;
- IV. Create a Trade Adjustment Assistance Contingency to ensure that funds are available to help workers who lose their jobs due to trade -- including those who lose their jobs due to future trade agreements negotiated under Fast-Track authority -- receive benefits;

Community Adjustment:

- V. Provide \$250 million for community adjustment -- create an Office of Community and Economic Adjustment to coordinate the response to trade-impacted areas;

VI. Improve and expand the North American Development Bank (NADBank);

VII. Improve environmental protection along the border by making infrastructure financing more affordable;

VIII. Improve Export Assistance Centers so that they do more to help small businesses; and

Tapping The Untapped Potential of America's Poor Rural and Urban Communities:

IX. Expand current initiatives that have proven records of helping to create jobs and opportunity for disadvantaged Americans.

I. IMPROVE AND EXPAND TRADE ADJUSTMENT ASSISTANCE AND ENSURE A QUICK RESPONSE FOR WORKER DISLOCATION. To make economic adjustment easier for workers, the Administration proposes a series of actions to make the dislocated worker and trade adjustment programs work better.

REAUTHORIZE TAA AND NAFTA-TAA FOR TWO YEARS. Both the House Ways and Means and the Senate Finance Committees have approved an extension of TAA and NAFTA-TAA for two years. (TAA and NAFTA-TAA expire on September 30, 1998.) The Administration supports this reauthorization. CBO estimates the costs of the NAFTA-TAA extension for two years at about \$102 million. While a two-year TAA extension costs \$662 million, it does not require offsets since it is already included in the baseline.

GIVE WORKERS IN FIRMS WHICH SHIFT PRODUCTION TO ANOTHER COUNTRY TRADE ADJUSTMENT ASSISTANCE. Under TAA, workers may only be certified for assistance if their firm is adversely affected by imports. Under NAFTA-TAA, workers may be certified if either their firm is adversely affected or their firm shifts production to Mexico or Canada. As part of the President's FY99 budget, the Administration would propose legislation to give workers in firms which shift production to another country trade adjustment assistance. Covering shifts in production under TAA, as well as NAFTA-TAA, would cost \$69 million per year or about \$345 million over five years.

ISSUE GUIDELINES TO PROMOTE GREATER USE OF RAPID RESPONSE FOR WORKER DISLOCATION. Based on the recent experience with layoffs at Fruit of the Loom in Louisiana, the Labor Department will issue guidelines to the states promulgating that rapid response should be used for all substantial layoffs and plant closures. Rapid response is the initial information sharing activity (for employees, as well as employers) to facilitate access to all public programs -- this process helps individuals look for new jobs, while assessing their needs for reemployment services. The activity would occur as soon as the State receives a Worker Adjustment and Retraining Notification (WARN) notice of any substantial layoff or plant closure, or when the State becomes aware of such event through other sources.

CUT CERTIFICATION TIMES BY ONE-THIRD. In order to cut the TAA certification time from 60 days to 40 days, the Department of Labor will take the following four steps: (1) reduce investigator caseload to allow for more timely follow-up in obtaining relevant company and customer data; (2) develop an enhanced in-house system for tracking import trends and performing import-impact analysis; (3) reduce the amount of time from 21 to 14 days between the day the Labor Department requests and receives data from companies; and (4) reduce the response time for the customer survey from 21 to 14 days. Technological improvements as well as possible staffing increases will allow the Department to assemble, review, and analyze investigative data and information in a more timely manner. The total cost for these improvements would be about \$2.5 to \$3 million over five years.

MODIFY WAIVER FOR TRAINING REQUIREMENTS FOR TAA AND NAFTA-TAA SO THAT THEY ARE SIMILAR. TAA requires that a participant be enrolled in training in order to qualify for income support; however, waivers of the training requirement are granted very often. In contrast, there is no waiver authority under NAFTA-TAA. As part of the President's FY99 budget request, the Administration would propose to narrow waiver authority under TAA and loosen it under NAFTA-TAA. This would serve to both reduce the abuse of the waive provision under TAA and to harmonize the two programs. The costs of this proposal are undetermined, but it is likely revenue-neutral.

IMPLEMENT PERFORMANCE MEASURES FOR TAA/NAFTA-TAA PROGRAMS. The Labor Department does not receive information on how workers do after they participate in either TAA or NAFTA-TAA programs. To ensure that the programs work effectively, the Labor Department is developing and implementing performance measures, and collecting outcome-based performance data for workers who receive adjustment assistance. This will permit better tracking of TAA/NAFTA-TAA program effectiveness, and promote improved outcomes for participants. These performance measures will be implemented within current administrative cost and program budgets.

CREATE PRESIDENTIAL COMMISSION ON &WORKERS AND ECONOMIC CHANGE IN A NEW ECONOMY.⁸ The Administration will create a commission on &Workers and Economic Change in a New Economy.⁸ This commission will study businesses, best practices in the areas of education and on-the-job training, and the opportunities for improving trade-related training programs; specifically examining the Federal-State and public-private partnerships in helping educate and train America's workers for the next century. The Administration will seek to include workforce development professionals, academics, state workforce or labor commissioners, union leaders, business leaders, and Members of Congress. This commission will be appointed by the President and will report back to him with its results by December 1, 1998.

II. EXPAND DISLOCATED WORKER FUNDING SO THAT FUNDING IN 2003 WOULD

BE TRIPLE WHAT IT WAS IN THE YEAR BEFORE CLINTON TOOK OFFICE.

\$750 MILLION DOLLAR INCREASE IN DISLOCATED WORKER FUNDING OVER FIVE YEARS. In the year before President Clinton took office, the dislocated worker program was funded at \$517 million. Since President Clinton took office, dislocated worker money has more than doubled, allowing some 300,000 more dislocated workers to receive training this year than five years ago. The Administration proposes to increase funding so that a total of \$750 million more in dislocated worker funding is provided over the next five years. And that means that the resources for dislocated workers in 2003 will be more than triple the \$517 million funding in the year before President Clinton took office.

III. EARMARK \$250 MILLION IN EXISTING FUNDS FOR SECONDARY WORKERS -- WHILE INITIATING AN INFORMATION CAMPAIGN TO REACH OUT TO THEM MORE EFFECTIVELY.

\$250 MILLION OVER FIVE YEARS IN SECRETARY,S DISCRETIONARY FUND EARMARKED FOR SECONDARY WORKERS. In conjunction with the passage of fast-track authority, the Department of Labor will issue a Statement of Administrative Action extending the Secretary,s discretionary authority to use JTPA Title III funds to serve secondary workers in firms doing business with primary firms eligible for or certified for TAA. To ensure that adequate funding is available the Secretary of Labor will fence off \$250 million over the next five years to provide job training and income support for secondary workers.

CLARIFY THAT SECONDARY FIRMS CAN BE CERTIFIED FOR ASSISTANCE EVEN IF PRIMARY FIRM DOES NOT APPLY FOR CERTIFICATION. Some have expressed concern that secondary firms were being denied benefits because the relevant primary firm had not obtained certification. There are cases when the primary firm does not go through the certification process, but the secondary firm is adversely impacted from trade. Therefore, the Secretary of Labor will clarify that secondary firms -- adversely affected as a result of business lost with a primary firm -- can be certified for assistance, even if the primary firm does not apply for TAA or NAFTA/TAA certification. In order to certify these firms, the Labor Department will need to do broader, two-tiered investigations. This will cost an estimated \$5 million over five years.

INITIATE INFORMATIONAL CAMPAIGN TO INCREASE THE TAKE-UP RATE OF SECONDARY WORKERS. Many secondary workers do not know they are eligible for training and income support. This informational campaign will work to raise their awareness of these programs. Outreach efforts can successfully reach many workers who are not, but should be, receiving job training and income support. The resulting increased case load could require 4-5 FTEs, at a cost of \$2 million over five years. The Administration proposes four methods to raise the secondary worker take-up rate:

a. The best way for the Labor Department to find secondary workers is to start with the primary firm and work outwards. By December 1997, the Labor Department's Employment Training Administration will issue guidelines to the states requesting that they seek information from primary firms about their suppliers during or immediately following the certification process. This information will form the basis of a concerted effort to identify and locate potentially eligible secondary workers.

b. By December 1997, the Labor Department will issue a set of guidelines so that direct contact with potentially eligible secondary firms and their workers is made. The Labor Department will also disseminate fact sheets and posters to these secondary businesses, and will make information available to personnel offices. The Labor Department will also set up a bilingual web site to help contact secondary workers.

c. The Labor Department will distribute information to State Employment Service and Unemployment Insurance offices where workers go to file unemployment benefits.

d. In order to increase the take-up rate among secondary workers, the Labor Department would run a public education campaign using public service announcements in English and Spanish in trade-impacted areas. Specifications for the bidding process will be in place by December 1997 and the competition will begin soon thereafter. In seeking bids for the project, the Department will include in the specifications a requirement that the firm have experience with the Hispanic media in the region and will ask bidding firms to submit evidence of prior successful public education campaigns.

IV. CREATE TRADE ADJUSTMENT ASSISTANCE CONTINGENCY TO ENSURE THAT ALL WORKERS WHO LOSE THEIR JOBS DUE TO TRADE -- INCLUDING THOSE WHO LOSE THEIR JOBS DUE TO TRADE AGREEMENTS NEGOTIATED UNDER FAST-TRACK AUTHORITY -- RECEIVE BENEFITS.

CREATE TRADE ADJUSTMENT ASSISTANCE CONTINGENCY. While the Administration believes that trade agreements are beneficial for the country -- with more jobs being created on net than lost -- we understand the concerns of those who believe workers will be adversely affected by these agreements. Thus, to be certain that no one is left behind, we are proposing a Trade Adjustment Assistance Contingency that automatically will make additional adjustment assistance available for workers who have lost their jobs due to trade -- including those people who lose their jobs due to trade agreements negotiated under fast-track authority. Additional funds will be made available in increments if adjustment assistance demands ever exceed the estimate in our budget. While we fully expect this contingency will not trigger on, with this safety net added to the Trade Adjustment Assistance program there should be no question that resources will be there if the need ever arises.

V. PROVIDE \$250 MILLION OVER FIVE YEARS FOR COMMUNITY ADJUSTMENT --

CREATE OFFICE OF COMMUNITY AND ECONOMIC ADJUSTMENT TO COORDINATE RESPONSE TO TRADE-IMPACTED AREAS.

EXPAND COMMUNITY ADJUSTMENT BY \$250 MILLION OVER FIVE YEARS -- CREATE OFFICE OF COMMUNITY AND ECONOMIC ADJUSTMENT TO DEAL WITH TRADE-IMPACTED REGIONS. DOD,s Office of Economic Adjustment (OEA) was

the Administration,s first point of contact with communities experiencing a military base closure or defense plant closing. Learning from the defense conversion experience, we would create an OEA-type body -- the Office of Community and Economic Adjustment -- to coordinate the Administration,s response to trade-impacted regions by working with Labor, Commerce, SBA, HUD, Treasury, and other government entities. This group would provide planning grants and expertise to help communities develop comprehensive economic adjustment strategies. They also would bring the appropriate state, local and federal groups to the table to provide adequate resources for implementing plans. The expert staff at OEA could be detailed to this body to help trade-impacted regions and workers. Moreover, to ensure there is proper

funding for regions adversely impacted by trade, the Administration will expand the Economic Development Administration (EDA),s Title IX budget. In 1997, Title IX had \$27 million in funding to help areas with sudden and severe economic dislocation, such as major plant closings. The Administration will propose \$50 million per year -- or \$250 million over five years -- in community adjustment funding, more than doubling EDA,s Title IX budget each year, while creating an Office of Community and Economic Adjustment. This will allow for comprehensive economic development assistance to regions adversely impacted by trade, or other severe economic dislocations.

VI. IMPROVE AND EXPAND NADBANK. The Administration proposes a three-point plan to improve and expand the North American Development Bank (NADBank):

EXPAND FINANCING FOR THE NADBANK CAIP. The Administration proposes expanding paid-in capital for the North American Development Bank (NADBank) Community Adjustment and Investment Program (CAIP) by \$37 million -- a full 160 percent increase over existing funds. These new funds will allow the Bank to leverage private capital markets to provide over \$150 million in additional financing to trade-affected communities. The additional resources could finance new activities, such as permitting the CAIP to provide matching grants, permitting more affordable financing for business development in trade-impacted communities, and to develop a micro-lending program to address the specialized needs of dislocated workers by encouraging small start-ups. The CAIP could also use the additional funding to expand its direct lending program by providing direct loans or innovative credit enhancements through intermediaries to assist a wide range of commercial and nonprofit borrowers who would otherwise lack access to commercial lending institutions.

EXPAND OUTREACH AND TECHNICAL ASSISTANCE. The CAIP will work to increase awareness about its programs and improve accessibility for trade-impacted communities. To that end, the CAIP will work to refine the criteria of the direct lending program to better address community needs and disseminate them widely through a variety of media, including by developing a bilingual Web Site with detailed explanations of the direct lending criteria and application forms. In addition, CAIP would work with trade-impacted communities to provide technical assistance in the development of strategic plans to help identify opportunities and attract investment.

PUERTO RICO ELIGIBILITY. Efforts must be made to permit communities within the Commonwealth of Puerto Rico that have been adversely impacted by trade and production shifts associated with NAFTA to access CAIP resources. To that end, the CAIP Finance Committee will develop a marketing plan identifying the appropriate authorities and community development organizations in Puerto Rico that should be provided with extensive information about CAIP eligibility requirements and programs. CAIP staff will work directly with Department of Labor (DOL) and Economic Development Administration (EDA) staff to identify communities in Puerto Rico that may be eligible for assistance through CAIP as well as EDA and workers who may be helped through NAFTA-TAA. In these eligible communities, CAIP will hold round tables with community groups, bankers, elected officials, and community leaders to market the program.

VII. IMPROVE ENVIRONMENTAL PROTECTION ALONG THE BORDER. The Administration will improve environmental protection along the border by making infrastructure financing more affordable for poor communities, strengthening community environmental capabilities and accelerating project approvals.

MAKING ENVIRONMENTAL INFRASTRUCTURE MORE AFFORDABLE. The North American Development Bank (NADBank) and the Border Environment Cooperation Commission (BECC) will take steps to address the needs of poor communities: NADBank is establishing co-financing arrangements with U.S. and Mexican grant programs to provide affordable financing for border environmental infrastructure. We will seek appropriations of \$250 million for this program over the next three years. NADBank is working on a proposal to help smaller U.S. communities access the tax-exempt bond market by establishing reserve funds for debt servicing in cooperation with the State Revolving Funds. This would leverage \$4 million per year in NADBank financing to make available an additional \$16 million per year for smaller border communities. Finally, BECC and NADBank will establish a program to assist residents in poor communities to finance residential hook-ups of water and wastewater services by providing lines of credit (through a public utility or other intermediary) to fund the costs of such services.

STRENGTHENING COMMUNITY CAPABILITIES: NADBank and BECC are developing new programs to provide technical assistance to border communities for environmental infrastructure development and management. In cooperation with the EPA, BECC is establishing a Project Development Assistance Program (PDAP) to help border communities develop environmental infrastructure project proposals. This Program will commit and disburse up to \$10 million to communities by the end of the year. NADBank has established an Institutional Development Program (IDP) to help communities on both sides of the border achieve effective and efficient operation of their water, sewage and solid waste management services. So far, NADBank has approved \$1.8 million in technical assistance for 12 projects, and we will seek to double total IDP resources to \$4 million.

ACCELERATING PROJECT DEVELOPMENT: NADBank and BECC have developed a work plan for accelerating project development. Their 1997-99 work plan has identified more than 30 projects and potential projects with a total cost of more than \$500 million. They will also take steps to expedite project approvals, especially for smaller border communities: Small projects (typically costing \$100,000 or less) will be eligible for expedited processing, provided they are sponsored by an appropriate Federal or state agency (e.g., the Texas Water Development Board). Similar projects that meet BECC/NADBank requirements for project quality and review will be considered for certification as a group and financed through a NADBank line of credit with an appropriate Federal or state agency.

VIII. IMPROVE EXPORT ASSISTANCE CENTERS SO THAT THEY DO MORE TO HELP SMALL BUSINESSES. There are over a hundred Export Assistance Centers located across the United States helping businesses export American goods abroad. Small businesses are an essential part of America's export strategy, accounting for almost 96% of all exporters, but only 30% of the value of exports. As part of our National Export Strategy, we will:

INCREASE BOTH THE NUMBER OF RURAL BUSINESSES AND SHARE OF SMALL AND MEDIUM-SIZED BUSINESSES RECEIVING EXPORT ASSISTANCE. By the end of 1999, the Export Assistance Center Network will increase by 20 percent the number of small and medium-sized firms receiving export assistance in the United States. To ensure this increase, the Export Assistance Center Network will do more to fully engage the programs of all its strategic partners to reach out to those businesses which have not ventured into foreign markets. Many small businesses in poorer rural communities have not realized their full export potential. To ensure more is done for rural small businesses, the Export Assistance Center Network will increase its focus on manufacturers and service companies located in rural areas -- with the goal of increasing by 20 percent the number of rural businesses who report exporting successes through the Export Assistance Network.

ENHANCE AND REGULARIZE TRAINING FOR EXPORT ASSISTANCE

CENTER STAFF. The Department of Commerce will enhance and regularize the training of all Export Assistance Center staff, improving customer service. Part of this training will be increasing the familiarity of the Export Assistance Centers field staff with all Trade Promotion Coordinating Committee (TPCC) agency programs, particularly in the trade finance area.

IX. EXPAND INITIATIVES THAT HAVE PROVEN RECORDS OF HELPING TO CREATE JOBS AND OPPORTUNITY FOR DISADVANTAGED AMERICANS. In order to create jobs and opportunity for disadvantaged Americans, the Administration proposes to:

MAKE FLEXIBLE FUNDING AVAILABLE FOR SECOND-ROUND URBAN EMPOWERMENT ZONES. The Administration would request \$100 million per year in flexible grant funds for second-round urban EZs. This funding could be used for a wide range of activities, including economic development and housing projects, project-based rental assistance, and job training. Providing flexible grant funding for the second-round of urban Empowerment Zones would cost \$500 million over the next five years.

EXPAND THE YOUTHBUILD PROGRAM. YouthBuild provides high school dropouts 16-24 with general academic and job skills training, as well as apprenticeships constructing and rehabilitating affordable housing. The FY 1998 appropriation for YouthBuild is \$35 million. This proposal would provide, beginning in FY 1999, an increase of \$10 million per year -- or \$50 million over five years -- for YouthBuild (above the FY 98 level).

CREATE OPPORTUNITY AREAS FOR OUT-OF-SCHOOL YOUTH. The Administration requested and continues to advocate strongly for \$250 million in competitive grants to selected high-poverty urban and rural areas, including designated EZs and ECs, to increase out-of-school youth employment. The House Labor-HHS-Education Appropriations bill includes \$100 million in funding for FY 1999; the Senate bill \$250 million (also advance funded). The Administration will work to ensure that the out-of-school youth program receive \$250 million per year, or \$1.25 billion over five years.

\$500 MILLION IN WELFARE-TO-WORK TRANSPORTATION FUNDS. The Administration requested \$100 million for an unspecified number of projects. The initial House bill provided \$42 million for 10 projects. The Senate transit legislation reported by the Banking Committee fully funds the President's request. To help move people from welfare-to-work, the Administration will continue working to secure full funding for welfare-to-work transportation funds. The Administration will work to ensure that welfare-to-work transportation funds receive \$500 million over the next five years.

\$225 MILLION FOR CDFIs TO EXPAND THE AVAILABILITY OF CREDIT IN DISTRESSED URBAN AND RURAL AREAS. The Community Development Financial Institution (CDFI) fund is designed to expand the availability of credit, investment capital, financial services, and other development services in distressed urban and rural communities. The Administration requested \$125 million for CDFIs, but the Treasury-Postal conference report provided \$80 million for FY98. The Administration will propose a \$45 million increase

over the conference report in our next budget -- that ,s \$225 million over five years for CDFIs.

ENHANCE AND BUILD ON TAX PROVISIONS FOR EQUITY INVESTORS IN SSBICs. The Administration is committed to ensuring the success of the initiatives contained in the President ,s 1993 Economic Plan to encourage investments in specialized small business companies (SSBICs). The Administration would work with Congressman Jefferson and Congressional tax-writing staffs to enhance the effectiveness of these provisions through proposed modifications. These proposed modifications would cost on the order of \$50 million over five years.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lowell A. Weiss (CN=Lowell A. Weiss/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-NOV-1997 07:45:54.00

SUBJECT: draft 7:45am

TO: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Draft 11/5/97 7:45am

PRESIDENT WILLIAM J. CLINTON

REMARKS ON FAST TRACK TRADING AUTHORITY

THE WHITE HOUSE

November 5, 1997

This week, Congress confronts a choice that will profoundly affect America's growth, prosperity, and leadership into the new century -- whether to extend the President's fast track authority to negotiate agreements that tear down unfair trade barriers to American exports and create high-wage jobs for American workers. Yesterday, a bipartisan majority in the Senate voted resoundingly to extend fast trade authority. Tomorrow the House of Representatives will vote on a similar bill, and I strongly encourage the House to take the same bold stand for America's national interest.

The key to increasing American incomes and creating American jobs is expanding American exports. Our markets are open to the world. The core of our national economic strategy has been to open the world's markets to us. If we now turn our backs on trade and fail to seize these opportunities, our competitors will eagerly take our place. That's an &America last strategy -- and it's unacceptable.

But it would be equally unacceptable to press for open markets without doing everything possible to help all Americans benefit from the new economic opportunities. The social compact on which this nation was founded requires that when our nation moves forward, we leave no one behind. And that is why we have worked hard with members of Congress to create a package of initiatives, which I will include in my next budget, to equip all of our people to reap the rewards of change.

First, we must greatly expand our efforts to help workers who lose their jobs because of trade, technology, or any other economic change. Over the next five years, we should increase funding for retraining dislocated workers by \$750 Million dollars, eventually tripling the resources that were devoted to this initiative the year before I took office. We should create a special fund that triggers automatically in times of need to guarantee that there will always be adequate resources to help workers who are hurt by trade. And we should target funds to help so-called secondary

workers; that is, if a textile plant closes down, we should help not only the textile workers but also the workers in the nearby button factory who depended on the textile plant.

Second, we must step up our efforts to help any community or region that might be hurt by trade. Building on our successful efforts to help communities cope with military-base conversions, we should create a new Office of Community and Trade Adjustment to provide planning grants and expertise, and to coordinate rapid assistance from a host of federal agencies. We should double funds to help areas that have experienced major plant closings. And we must improve and expand the development bank that serves communities affected by trade, by helping that bank secure \$150 Million in private funding.

Third, we must develop the untapped potential of our inner cities and rural areas. For example, we should greatly increase investment credit for people who live in distressed rural and urban communities, make \$100 Million in flexible grants available every year in new inner city empowerment zones, and provide much more job skills training to young men and women in high-poverty areas.

By giving a helping hand to workers at home and a strengthened hand to our negotiators as they open markets abroad, we will bring more Americans into the winner's circle of the new economy. There is no reason why our nation cannot see to it that every American has the tools and conditions to succeed in the new economy. Our prosperity enables it. Our social compact demands it.

The House faces a crucial vote tomorrow, and for me the options are clear: We can rise to the challenges of the future, write the trade rules, and continue America's remarkable economic growth -- or we can turn our back on the world and fail to compete for new markets, new contracts, and new jobs. I believe America cannot afford to return to a mindset rooted in the past. We must seize the opportunities of the future. If we expand trade the right way -- making sure all can benefit -- we will enter the new century stronger than ever before. Thank you.

ARMS Email System
RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eli G. Attie (CN=Eli G. Attie/O=OVP [UNKNOWN])

CREATION DATE/TIME: 5-NOV-1997 10:01:51.00

SUBJECT: Draft of VP Fast Track remarks

TO: Lowell A. Weiss (CN=Lowell A. Weiss/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
draft 11/5/97 10am
REMARKS BY VICE PRESIDENT AL GORE
FAST TRACK/T.A.A. ANNOUNCEMENT
Wednesday, November 5, 1997

Thank you for joining us for this important announcement. At its heart, this week's vote on Fast Track authority is about more than tariffs or trade treaties. It is about our economic future: whether we move forward, and lead the world in the global economy -- or whether we choose the path of pessimism and retreat, hiding from the challenges of the 21st Century, and shrinking from its opportunities.

Critics argue that by leading the world in opening markets, we are destined to leave working people behind. But that is not the reality of this debate -- nor is it the record of this President.

These past five years, President Clinton has negotiated and signed more than 200 tough and fair trade agreements, expanding American exports by more than 50% and tearing down tariffs around the world. At the same time, our economy has created more than 13 million new jobs; the standard of living has risen; and the wage gap has fallen. Because of the strong and steady growth that has been fueled in large part by exports, we have been able to double our assistance to dislocated workers; raise the minimum wage and expand job training; cut taxes for the hardest-pressed working families; and infuse our central cities with new capital and investment.

While we have led the world in trade, we have also led the world in environmental protection -- toughening clean water standards, tightening restrictions on smog and soot, increasing food safety, and setting aside millions of acres of our precious natural lands.

This much we know for sure: turning our backs on the world won't create a single new job, won't close down a single sweatshop, won't clean up a single toxic waste site. Those who would compromise the very growth and strength that enable us to protect our workers and our environment are asking us to make a false and dangerous choice indeed.

Today's announcement is further proof of this President's commitment to working Americans and to our communities -- to the economic

growth and job creation they demand, and to the transition assistance and support they deserve. I am pleased to present America's true economic President, President Bill Clinton...

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lowell A. Weiss (CN=Lowell A. Weiss/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-NOV-1997 08:13:25.00

SUBJECT: draft 8:15 am

TO: Melissa Green (CN=Melissa Green/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Draft 11/5/97 8:15am

PRESIDENT WILLIAM J. CLINTON

REMARKS ON FAST TRACK TRADING AUTHORITY

THE WHITE HOUSE

November 5, 1997

This week, Congress confronts a choice that will profoundly affect America's growth, prosperity, and leadership into the new century -- whether to extend the President's fast track authority to negotiate agreements that tear down unfair trade barriers to American exports and create high-wage jobs for American workers. Yesterday, a bipartisan majority in the Senate voted resoundingly to extend fast trade authority. On Friday, the House of Representatives will vote on a similar bill, and I strongly encourage the House to take the same bold stand for America's national interest.

The key to increasing American incomes and creating American jobs is expanding American exports. Our markets are open to the world. The core of our national economic strategy has been to open the world's markets to us. If we now turn our backs on trade and fail to seize these opportunities, our competitors will eagerly take our place. That's an &America last strategy -- and it's unacceptable.

But it would be equally unacceptable to press for open markets without doing everything possible to help all Americans benefit from the new economic opportunities. The social compact on which this nation was founded requires that when our nation moves forward, we leave no one behind. And that is why we have worked hard with members of Congress to create a package of initiatives, which I will include in my next budget, to equip all of our people to reap the rewards of change.

First, we must greatly expand our efforts to help workers who lose their jobs because of trade, technology, or any other economic change. Over the next five years, we should provide \$750 Million in additional funding to retrain dislocated workers, eventually tripling the resources that were devoted to this initiative the year before I took office. We should create a special fund that triggers automatically in times of need to guarantee that there will always be adequate resources to help workers who are hurt by trade. And we should target funds to help so-called secondary workers;

that is, if a textile plant closes down, we should help not only the textile workers but also the workers in the nearby button factory who depended on the textile plant.

Second, we must step up our efforts to help any community or region that might be hurt by trade. Building on our successful efforts to help communities cope with military-base conversions, we should create a new Office of Community and Economic Adjustment to provide planning grants and expertise, and to coordinate rapid assistance from a host of federal agencies. We should double funds to help areas that have experienced major plant closings. And we must improve and expand the development bank that serves communities affected by trade, by helping that bank secure \$150 Million in private funding.

Third, we must develop the untapped potential of our inner cities and rural areas. For example, we should greatly increase investment credit for people who live in distressed rural and urban communities, make \$100 Million in flexible grants available every year in new inner city empowerment zones, and provide much more job skills training to young men and women in high-poverty areas.

By giving a helping hand to workers at home and a strengthened hand to our negotiators as they open markets abroad, we will bring more Americans into the winner's circle of the new economy. There is no reason why our nation cannot see to it that every American has the tools and conditions to succeed in the new economy. Our prosperity enables it. Our social compact demands it.

The House faces a crucial vote on Friday, and for me the options are clear: We can rise to the challenges of the future, write the trade rules, and continue America's remarkable economic growth -- or we can turn our back on the world and fail to compete for new markets, new contracts, and new jobs. I believe America cannot afford to return to a mindset rooted in the past. We must seize the opportunities of the future. If we expand trade the right way -- making sure all can benefit -- we will enter the new century stronger than ever before. Thank you.

ARMS Email System
RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: economist-business-return@postbox.co.uk@INET@LNGTWY (economist-business-
return@postbox.co.uk@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 6-NOV-1997 18:29:23.00

SUBJECT: Business This Week (October 31st - November 6th 1997)

TO: Allan Villabroza@eop (Allan Villabroza@eop [OMB])
READ:UNKNOWN

TO: Peter R. Orszag@eop (Peter R. Orszag@eop [OPD])
READ:UNKNOWN

TO: Christopher S. Johns@eop (Christopher S. Johns@eop [OMB])
READ:UNKNOWN

TO: Jozelyn R. Davis@eop (Jozelyn R. Davis@eop [OMB])
READ:UNKNOWN

TO: catherine a. poynton@eop (catherine a. poynton@eop [OMB])
READ:UNKNOWN

TO: Jonathan Orszag@eop (Jonathan Orszag@eop [OPD])
READ:UNKNOWN

TO: Andrew Friendly@eop (Andrew Friendly@eop [WHO])
READ:UNKNOWN

TO: james boden@eop (james boden@eop [OMB])
READ:UNKNOWN

TEXT:

Welcome to Business This Week (October 31st - November 6th 1997)
A summary of the world's main business events from The Economist
Also available at <http://www.economist.com>

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Contents

1. Business This Week
2. Information about this newsletter and The Economist Web Edition

PAIRING OFF

- + Two old rivals, KRUPP and THYSSEN, have agreed to a full merger that will create Germany's biggest engineering firm, with almost 200,000 employees and annual sales of \$42 billion. The agreement on a friendly union follows the failure in March of Krupp's unGerman attempt to acquire Thyssen by means of a hostile takeover. The next big question is who will be the boss of the merged entity.
- + Although unwelcome, HILTON HOTELS has not abandoned its bid to acquire ITT. The hotel company has raised its offer to \$80 a share for 55% of the shares of the conglomerate. That is still less than the \$82 a share offer ITT has accepted from STARWOOD LODGING, a property investment trust. The annual shareholder meeting on November 12th could settle the issue.
- + LAIDLAW ENVIRONMENTAL SERVICES, America's leading disposer of hazardous waste, would like to clean up SAFETY-KLEEN, having made an unsolicited \$1.52 billion bid for the firm, which specialises in the disposal of fluids from auto-repair shops. If the deal goes through, Laidlaw expects to be able to save \$100m a year.
- + USAir confirmed that it will buy 124 airliners from AIRBUS INDUSTRIES for \$5 billion, the largest order in the European consortium's history. USAir also took options on an additional 276 Airbus planes.
- + Britain's MARKS AND SPENCER said it would spend 2.1 billion pounds (\$3.5 billion) to expand in Asia, America and continental Europe, chiefly Germany. The retailer's strategy is to increase the percentage of business done outside Britain, where domestic competition has slowed earnings growth. M&S also announced pre-tax earnings of 452m pounds for the first half of the year.

BOUNCING BACK

- + THAI MARKETS welcomed the resignation of the prime minister, Chavalit Yongchaiyudh. On November 4th, the day the former general announced his resignation, the market rose 6.9% and the baht 4.6% against the dollar. In a separate move, the cabinet decided on a package of budget cuts and tax rises that should allow Thailand to meet targets set by the IMF. But bad news continues to arrive. Toyota, a Japanese car firm, announced that it is scaling down production at its Thai plants until

the end of the year, in a reaction to slumping sales throughout the region.

+ With a Gallic esprit that irritated its allies to distraction, France has nominated Jean-Claude Trichet, head of the Bank of France, to lead the new CENTRAL BANK Europe requires when the single currency is launched.

Most of the other 14 EU members thought there was a consensus to appoint

Wim Duisenberg, the Dutch head of the European Monetary Institute.

+ Two affirmative votes in the American Senate have made it likely that President Clinton will win "fast-track" authority to negotiate TRADE AGREEMENTS. Under this procedure, Congress can approve or spike trade agreements, but not change their terms.

+ The Bank of England increased BRITISH INTEREST RATES from 7% to 7.25%. It was the fifth quarter-point rise in seven months. The Bank said it raised rates because strong demand and upward pressure on wages threatened to increase inflation.

RUSSIA-BOUND

+ Western firms continue to find Russia a land of opportunity. RENAULT signed a preliminary agreement with the city of Moscow to spend \$350m for a 50% stake in the AO Moskvich factory. Idle for most of the past two years, the factory has capacity to produce up to 120,000 cars a year. And a group led by George Soros has taken the lead in the competition for NOVOLIPETSK METALLURGICAL KOMBINAT, one of Russia's biggest and most modern steel mills.

+ President Boris Yeltsin, under pressure from the IMF to raise revenues, revoked a ban on foreign ownership of RUSSIAN OIL FIRMS. Rosneft, the next state-owned oil firm set for privatisation, said it expected Shell to put in a bid jointly with Russia's gas monopoly, Gazprom.

+ The employee-friendly image cultivated by LEVI STRAUSS was dented by the garment-maker's announcement that it plans to lay off more than 6,000 employees from North American manufacturing plants -- a third of the total. But the workers affected are to receive generous severance pay and will remain eligible for a bonus due in 2002 that could be worth a year's salary.

+ Regulators in Thailand have decided to go ahead with the gradual privatisation and liberalisation of the TELECOMS industry. Full liberalisation is scheduled for 2006.

+ BRITISH PETROLEUM shrugged off a 10% drop in crude-oil prices, reporting third-quarter profits up 6.3%. Most of the increase came in refining and marketing operations.

CLOUD IN THE EAST

+ Yasuo Matsushita, the governor of Japan's central bank, expressed pessimism about JAPAN'S ECONOMIC PROSPECTS. He said he did not expect Japan to maintain a consistent recovery.

+ For the first time since the second world war, a Japanese brokerage has filed for bankruptcy. SANYO SECURITIES reported debts of Y373.6 billion (\$3 billion).

+ INDONESIA closed 16 banks, as part of its effort to conform with the requirements the IMF has attached to its multibillion-dollar bail-out for the stricken economy. SOUTH KOREA denied rumours that it might need an IMF bail-out of its own.

+ For the eighth year running, European executives have voted LONDON the best European city for doing business in. Paris was second and Frankfurt third.

That man again

is the cover story in this week's issue of The Economist. You can read the full article, which is about Saddam Hussein, and 19 others, in the free area of The Economist Web Edition, at <http://www.economist.com>. The free selection is changed every Friday, Monday and Wednesday. In the coming week

it will include articles about France, American TV networks, the Lousie Woodward trial, Russian science, China's puzzling suicides, diversification, making computers prettier, hunting and more.

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=====
ATT CREATION TIME/DATE: 0 00:00:00.00

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RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)

id <01IPP6EP5SZK00BFV9@PMDF.EOP.GOV>; Thu, 06 Nov 1997 18:24:19 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov)

by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IPP6EJRTYO00UCFH@PMDF.EOP.GOV>; Thu,

06 Nov 1997 18:24:10 -0500 (EST)

Received: from postbox.co.uk ([194.205.1.110])

by STORM.EOP.GOV (PMDF V5.1-7 #6879)

with SMTP id <01IPP6DK6R7S000C7B@STORM.EOP.GOV>; Thu,

06 Nov 1997 18:23:25 -0500 (EST)

Received: from [194.154.62.72] by postbox.co.uk (NTList 3.03.12)

id ja281927; Thu, 06 Nov 1997 19:04:02 +0000

Received: from nobody by stingray.ivation.co.uk with local (Exim 1.62 #1)

id 0xTWnH-0002tI-00; Thu, 06 Nov 1997 18:36:39 +0000

Errors-to: list-support@economist.com

Precedence: bulk

X-List: economist-business@postbox.co.uk

===== END ATTACHMENT 1 =====

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lowell A. Weiss (CN=Lowell A. Weiss/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-NOV-1997 19:39:52.00

SUBJECT: draft

TO: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Draft 11/6/97 7:30pm

PRESIDENT WILLIAM J. CLINTON

REMARKS ON UNEMPLOYMENT REPORT AND FREE TRADE

THE WHITE HOUSE

November 7, 1997

Good morning. Today we received more good news for America's workers and their families. We learned that real wages continue to rise, the American economy added another _____ new jobs, and unemployment dropped to __%. The American economy has added ____ Million new jobs since I took office, and unemployment has remained below 6% for more than three years. All this provides further evidence that America's economy is the strongest it has been in a generation.

This is also further evidence that we would be foolish to reverse course on the strategy that has brought us to this place of prosperity. Our economy is growing, our opportunities are expanding, our nation is thriving in large part because we have produced great progress on eliminating the deficit, investing in our people, and opening new markets to our exports. Later today, the House of Representatives will decide whether to move forward on a crucial element of this winning three-part strategy when it votes on whether to extend the President's fast track authority.

To me, the choice is clear: We can rise to the challenge of the future, write the trade rules, spur further economic growth; or we can turn our back on the world and fail to compete for new markets, new contracts, and new jobs. Rejecting fast track won't create any new jobs or raise any American incomes. It won't advance environmental or labor standards abroad. It will give away economic opportunities to our competitors and send a damaging signal about America's willingness to lead the world on economic and national security issues. It's an &America last strategy -- and it's unacceptable.

As we have seen once again this morning, our economy is moving swiftly ahead on the right track. A vote to reject fast track is a vote to slow our progress. Once again, I call on Congress to do what is right for America's national interest. A Member of Congress who votes for fast track is doing the right thing for America. Thank you.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barbara D. Woolley (CN=Barbara D. Woolley/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-NOV-1997 18:20:43.00

SUBJECT: Vice President - Statement

TO: Herzog John (Herzog John @ 6390317 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Cheney Carolyn (Cheney Carolyn @ 4665283 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Webster Jim (Webster Jim @ 17035254917 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Senter David (Senter David @ 4293741 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Fersch Rob (Fersch Rob @ 9862525 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Raposa Bob (Raposa Bob @ 3933034 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Meyers Larry (Meyers Larry @ 4840770 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Hill Jerry (Hill Jerry @ 7788087 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Graves Ed (Graves Ed @ 8331349 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: English Glenn (English Glenn @ 17039075511 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Mitchell Larry (Mitchell Larry @ 5541654 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Howell Jay (Howell Jay @ 6268722 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Tank Al (Tank Al @ 3475265 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Newpher Dick (Newpher Dick @ 4843604 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Keys Chandler (Keys Chandler @ 6380607 @ FAX [UNKNOWN])

READ:UNKNOWN

TO: Keith Susan (Keith Susan @ 6281933 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Huntoon Ellen King (Huntoon Ellen King @ 15152844859 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Guenther Kenneth (Guenther Kenneth @ 6599549 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Galvin Tim (Galvin Tim @ 2053872 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Dearian Mike (Dearian Mike @ 7209286 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Johnson Jim (Johnson Jim @ 3312065 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Vickers Linda (Vickers Linda @ 17032710072 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Phelps Laura (Phelps Laura @ 4087763 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Scott Shearer (Scott Shearer @ 7834381 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: McCoy Steve (McCoy Steve @ 6596891 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Maguire John and Perry Louie (Maguire John and Perry Louie @ 4834040 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Kushner Gary (Kushner Gary @ 6375910 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Guffain Pam (Guffain Pam @ 5448123 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Borschow Barbara (Borschow Barbara @ 17037393915 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Cashdollar Bob (Cashdollar Bob @ 4665283 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Swenson Lee (Swenson Lee @ 5541654 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Weber Bill (Weber Bill @ 6268718 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Penrey Chuck (Penrey Chuck @ 17039075516 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Matz Marshall (Matz Marshall @ 2343550 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Kemp Todd (Kemp Todd @ 2895388 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Keith Kendall (Keith Kendall @ 2895388 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Harden Krista (Harden Krista @ 3317036 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Grau Thomas (Grau Thomas @ 15152541573 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Dunn Mike (Dunn Mike @ 7205775 @ FAX [UNKNOWN])
READ:UNKNOWN

TO: Danielson Nancy (Danielson Nancy @ 5541654 @ FAX [UNKNOWN])
READ:UNKNOWN

TEXT:

THE WHITE HOUSE

Office of the Press Secretary

For Immediate
Release
November 6, 1997

REMARKS BY THE VICE PRESIDENT ON FAST TRACK LEGISLATION

Roosevelt Room
10:19 A.M. EST

THE VICE PRESIDENT: Today really is a critical day because we are on the verge of a crucial vote on one of the key issues for America's prosperity in the years ahead. This meeting, obviously, is one to collect our forces before we go in masse to Capitol Hill and talk with individual members of the House about the meaning of this vote for our country. There is no partisanship involved here. This crosses party lines, and that is appropriate because it really affects the future of America.

You know, the best evidence of why this authority, this fast track authority for the President is needed, is the success in the economy right now. You are seeing continued strong economic growth, the creation of more jobs, more businesses, more small businesses particularly, at the same time that inflation is going down.

That is really a remarkable record that is different from what we used to experience, and there are three key reasons for it, all

traced back to the economic policy we are following: fiscal responsibility, investment in key priorities, and opening of markets overseas so that we can sell our products to the overwhelming majority of the customers and consumers in the world that are outside our borders.

The fact that we have been able to negotiate 200 new trade agreements over the last five years and reduce tariffs overseas is responsible, in significant measure, for the economic success that we have been having. It fits like a hand in a glove with the other elements of this strategy and makes the overall policy work.

We are in a period right now when the world is kind of sorting itself out in the aftermath of the Cold War, just as in the late '40s after World War II we saw the creation of NATO and the General Agreement on Trade and Tariffs and the World Bank and the UN and all the arrangements that have characterized the last 50 years of American progress in the world.

In the same way, after the Cold War there is a period of change with new arrangements being created, new trading agreements particularly; and it is unthinkable that the United States of America, looked to by every nation of the world as the leader of the world now, would not give its President the authority to sit down at the negotiating table to make our clear views known about how these new arrangements should be handled.

Of course, our tariffs are already way lower than those of practically any other country in the world, and so when we use this negotiating authority to tear down barriers overseas, it is always more to our advantage than to that of other countries. But it is what is called a win-win outcome. The world economy benefits, and when that happens, we benefit. But we benefit even more because we are getting access to markets that have been closed off to us, markets that other nations have had greater access to. So it is particularly important that we win this vote in the House of Representatives tomorrow.

Now, one final point and then we will take a couple of questions before we continue with the meeting here. This President has demonstrated that he knows how to use this authority to protect labor rights and protect the environment. He is not going to bring back an agreement that isn't adequate on those points. And so in a very basic sense, it is a question of whether or not we trust this President who has done such a spectacular job bringing America's economy back, solving America's problems, seizing the opportunities for our nation, to continue leading our nation toward the kind of prosperity that we have now. He has demonstrated he knows how to use the authority well and now is the time when he has to have it for the future.

So, we are going to go up and do our very best to lay that message in front of the members of Congress who are trying to make up their minds in the final moments of this debate, and we are very optimistic about the result -- a very tough, close, battle, but we are up to it, and we are on the way up to talk with them in the final hours.

I will be glad to take a couple of questions before we continue with the meeting.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Suzanne Dale (CN=Suzanne Dale/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-NOV-1997 14:11:34.00

SUBJECT: 1997-11-06 Remarks by the Presidents at Bush Library

TO: Lisa J. Levin (CN=Lisa J. Levin/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Sky Gallegos (CN=Sky Gallegos/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Cecily C. Williams (CN=Cecily C. Williams/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Fred DuVal (CN=Fred DuVal/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Suzanne Dale/WHO/EOP on 11/06/97 02:10

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Subject: 1997-11-06 Remarks by the Presidents at Bush Library

THE WHITE HOUSE

Office of the Press Secretary
(College Station, Texas)

For Immediate Release

November 6,

1997

REMARKS BY PRESIDENT BILL CLINTON,
PRESIDENT GEORGE BUSH, PRESIDENT JIMMY CARTER,
PRESIDENT GERALD FORD,
AND MRS. NANCY REAGAN
AT GEORGE BUSH PRESIDENTIAL LIBRARY DEDICATION CEREMONY

George Bush Presidential Library
Texas A&M University
College Station, Texas

11:25 A.M. CST

MRS. REAGAN: Thank you very much. And thank you, Jeb.

First
of all, for Ronnie and me, congratulations, George and Barbara, on this
beautiful library. It captures the spirit of your life, certainly, as war
hero, business leader, family man, diplomat, and leader.

Many will speak today about George Bush's legacy and
impressive record of achievements in far more eloquent ways than I could.
So
I'd like to say a few words instead about the personal side of George and
Barbara.

For nearly half a century, many have described me as my
husband's loyal partner -- and I'm proud to have that title. But today, I
want to tell you about his other loyal partner, George Bush. (Applause.)

The Reagan-Bush partnership began in 1980, born in Detroit
at
the Republican National Convention, when two opponents joined forces to
recapture the spirit of America. It grew because they shared a deep and
abiding faith in America. And if it was fair to describe me as Ronnie's
partner, it certainly is true for Barbara. She not only cared for her
husband
and raised five children, but has devoted herself to the very worthy cause
of
helping all of America's children through promoting literacy and
learning.
(Applause.)

One of the things I always remember, George, was the
Thursday lunch that you and Ronnie shared, and never missed,

regardless of war, peace, Congress, weather, whatever.
(Laughter.) And, George, those luncheons meant so much to him -- not just because they were enjoyable, but because he valued your

counsel so much. And in Washington, where there are no secrets, whatever went on in those luncheons stay right there.

When we came home to California after George's inauguration, Ronnie began work in his new office the next day of the busy and exciting first week. But when Thursday came around, it just didn't seem to be the same. As Ronnie sat down to his desk to have a sandwich the phone rang and the White House operator said President Bush was calling. And when he picked up the phone, Ronnie heard George's friendly voice saying that he, too, was about to eat lunch and it just wasn't the same without him. Ronnie was so touched. (Applause.) Ronnie was so touched, and I'll always remember how much that phone call meant to him.

I wish Ronnie could be here today to tell you in person what I know is true. I know he'd say, thank you, George, for your service, your steadfastness, but most of all, for being his good friend. I know Ronnie is very grateful to you, and so am I. Thank you. (Applause.)

JEB BUSH: Mrs. Reagan, I think I can speak for the thousands of people here and the millions of Americans that are praying and thinking about President Reagan, and thank you for coming. (Applause.)

Ladies and gentlemen,, the 38th President of the United States, Gerald R. Ford. (Applause.)

PRESIDENT FORD: Thank you very much, Jeb.

Mr. Presidents, our First Ladies, our distinguished guests from overseas, and all of the wonderful people here on this terrific occasion. Jeb, today is a proud occasion for all of your dad's friends, and his many, many worldwide admirers. But it is especially so for Betty and for myself.

We feel very fortunate to have enjoyed a 40-year friendship with you and Barbara. Our relationship went through many, many chapters and covered a wide variety of circumstances. We treasure, deeply treasure, the opportunities we had to work with you, to relax with you, and to make some very serious decisions over those years.

Some in this audience will recall that, as a freshman House member, I had the honor of serving in the Congress with your father, Senator Prescott Bush, whose character was as rugged as his beloved Maine coastline. Later, as the Republican Leader in the House, I welcomed you, George, his son, to Capitol Hill, where you quickly demonstrated a commitment to public

service that was, and is, all in the family.

As President, I reserved some of the very toughest assignments for George and Barbara, who won countless friends for the United States in Peking before coming home to restore honor

and direction to the Central Intelligence Agency at a most difficult time in our intelligence community problems.

That's not all. You may not know it, but George Bush and I have much in common. To begin with, each of us married above himself -- (laughter) -- thereby demonstrating that behind every great woman is a man wondering what on earth she ever saw in him. (Laughter and applause.)

Today, of course, is a day of glorious dedication; even more than that, it is a day of celebration. We have assembled on this great campus of this wonderful university to celebrate a life of service and the countless other lives it has touched for the better. We marvel at the courage and the patriotism that made George Bush America's youngest fighter pilot in World War II. (Applause.) We express our love and admiration for Barbara, the embodiment of the Bush family values, who is as staunch and strong in her character as she is unpretentious in her manner. (Applause.) We give thanks for the extraordinary skill with which America's 41st President guided the United States to victory in both the Gulf War and the Cold War. (Applause.)

President Bush has described himself as a man with a mission. Today, we would be perfectly justified in saying, mission accomplished; well and faithfully done. (Applause.)

In a very larger sense, Mr. President, your mission is far from over. In fact, you have still much to teach us. In an era where politics and politicians have fallen in some considerable disrepute, you remind us that the public service remains what it has always been in the Bush household -- a noble calling. (Applause.)

In your very first race for the Congress more than 30 years ago, you revealed yourself to be a leader, not a label. "Labels are for cans," you said, as a congressional candidate back in 1964. In all the years since, you have steadfastly appealed to what Abraham Lincoln called "the better angels of our nature."

This, too, is a cause for celebration, for, in George Bush's America, civility is never confused with weakness, nor are political differences mistaken for a holy war. In George Bush's America, there are no political enemies, merely adversaries, who may disagree with you on one day and yet be with you on the next roll call.

There are many kinds of heroism. Yours, George, is a land full of quiet heroes, men and women with a great mission of their own. You would be the very first to agree this magnificent facility that bears your name is as much a monument to them as it is to you.

Lest we forget, a presidential library is much more, much more than a library. It's a classroom of democracy, a place to find inspiration as well as information. Visitors to this magnificent facility, this library, will find both. They will be renewed in their democratic faith even as they are reminded of those virtues synonymous with George and Barbara Bush -- with generosity, with sacrifice, integrity and compassion and unabashed love of our great country. (Applause.)

There may be some who call these old-fashioned virtues. In George Bush's America, they never go out of style, never out of fashion.

God bless you, Mr. President. (Applause.) You and Barbara will forever have our faith and trust and support. You make us all proud to be one of your countrymen. Thank you very much. (Applause.)

JEB BUSH: Ladies and gentlemen, the 39th President of the United States, Jimmy Carter. (Applause.)

PRESIDENT CARTER: Thank you. Fellow members of a very small fraternity -- (laughter) -- friends and associates of a great former President, it's an honor for me and Rosalyn to be here today to join in this celebration of a wonderful achievement -- one of many, obviously, in the lives of George and Barbara Bush.

In thinking about our small fraternity, I thought I'd list a few things we have in common -- some of which may be of surprise to you; others are not. First of all, anyone who runs for President is certainly adequately endowed with both ambition and ego. Sometimes, there are factors that occur in our lives, unanticipated factors, that tend to reduce the level of ego. I recall, for instance, the elections of 1976 and 1980, and 1992. (Laughter.)

Others are brought about by members of our own family. I remember when I was inaugurated -- some of you who may be older remember those ancient days -- I walked down Pennsylvania Avenue, watched the parade go by, and then my family walked over toward the White House. My mother was with us, and so was my press secretary, Jody Powell. The members of a news media wanted to have an interview, obviously, with the new First Family. And Jody Powell, my press secretary, said nobody talks

to news reporters. And my mother typically said, Jody, you can go to hell, I'm talking to whom I please. (Laughter.) And the first question my mother got from the news reporters was, Miss Lillian, aren't you proud of your son? And Mama said, which one? (Laughter and applause.)

So, all of us have a tendency, as you know, to realize at some stage in our lives that America is a country within which the highest possible achievement is to be a citizen
,
of the United States. (Applause.)

We also have something else in common. As you know, America is a melting pot -- or rather better, I would say a mosaic -- where people from different countries come here and live and find a wonderful life. This year, earlier, there was a book published that's been interesting to me to some degree, and that is "Ancestors of the President." And if you thumb through this book you'll find that a lot of us are related to each other. (Laughter.)

President Ford and I, for instance, share three former Presidents with whom we are related -- the two Harrisons and one more -- President Bush and President Ford and I all share a cousinship with President Richard Nixon. So we have not only the heritage of the White House, we also have the heritage of common family ties.

Another thing that we share is a need to earn a living after we leave the White House. Rosalyn and I make most of our income by writing books. I understand that President Bush is soon going to come out with a book coauthored by Brent Scowcroft. Rosalyn asked me to announce, by the way, that our books are still on sale. (Laughter and applause.)

Another thing that we inherit is a constant series of common opportunities or challenges. All of us recall the great moment in history when Harry Truman within a few minutes recognized the new nation of Israel. And since then, of course, all of us on this stage have struggled to bring peace, harmony to the people who live in the Middle East.

Harry Truman also was deeply involved, and some of us have inherited the problem of the Korean Peninsula. John Kennedy faced, as all of us have faced since then, with the challenge of Cuba. And I'm sure Bill Clinton appreciates inheriting from George Bush the challenge of Saddam Hussein and Iraq.

So the point is that as you go down through history, even back earlier in this century, you'll find that Presidents of the United States not only have to face similar challenges, similar problems, but we also face the overriding greatness of

the same nation -- a nation endowed with unlimited natural resources, unlimited human resources, unlimited prestige around the world. So we've had a natural asset as we've served at different times, but in very similar circumstances in the Oval Office in our great country.

One other point I'll make, and that is perhaps one of the most serious challenges, particularly for a former President, and that is to raise money to build a presidential library. As many of you may not know, all the funds that are invested in presidential libraries, none of it comes from the

federal government. We have to raise the money and then turn over the library to the federal government. I think George Bush has done an absolutely indescribably good job in providing for the people of America one of the most beautiful places that I have ever seen. (Applause.)

And as he has excelled as a congressman, as a director of the CIA, as a Cabinet member, as our representative in the People's Republic of China, as Vice President and as President, I'm sure that he's going to be extraordinarily successful in his years beyond the White House -- which, George, I hope that you and Barbara will enjoy many, many more as the years go by. Thank you for letting us be part of a wonderful ceremony. (Applause.)

JEB BUSH: All the former Presidents also seem to have a sense of humor in common, as well, President Carter. Thank you very much.

Ladies and gentlemen, the President of the United States, Bill Clinton. (Applause.)

PRESIDENT CLINTON: Thank you very much. President and Mrs. Bush, President and Mrs. Ford, President and Mrs. Carter, Mrs. Reagan, Mrs. Johnson, David and Julie Eisenhower, Caroline Kennedy Schlossberg, Reverend Graham, Governor and Mrs. Bush, Vice President and Mrs. Quayle; and to all the foreign dignitaries and American officials who are here.

The sun is shining on Texas A&M today. (Applause.) And the sun is shining on America today. You know, we have an interesting country, with a lot of religious, racial and political diversity. Once in a while, we all get together. This morning, I think it's fair to say that all Americans are united in tribute to President George Bush for his lifetime of service to America. (Applause.)

I enjoyed immensely listening to the previous speakers. When Mrs. Reagan spoke -- I hope some day Al Gore will be glad that we had lunch once a week. (Laughter.) When President Ford spoke, I said, I hope I will look that good when I

am 25 years younger than he is. (Laughter.) When President Carter spoke, I thought, thank goodness he just reminded the whole world that Presidents have to raise all the money for their libraries. (Laughter.)

In 1942, young George Bush heard Secretary of War, Henry Stimson, challenge his generation to be -- and I quote -- "be brave without being brutal; self-confident without boasting; part of an irresistible might, but without losing faith in individual liberty." President Bush not only heard those words, he has lived them. And he has rallied his fellow citizens to serve as well in their communities, for their country and for the cause of democracy around the world.

There are many things that I, not only as President, but as a citizen, am grateful to George and Barbara Bush for. I'd like to just mention a few today. As President and afterward, he has worked to ensure that A Thousand Points of Light is not merely a striking image, but a lasting legacy. I thank him for that initiative and for cochairing the President's Summit on Service. (Applause.)

As President, he summoned all the governors, including me, to the University of Virginia for a Summit on Education, where we stayed up more than half the night in a totally bipartisan fashion to write national education goals for our country. And when he was President, Mrs. Bush espoused the importance of literacy and the importance of citizens volunteering to make sure all our children can read. I thought of that when we launched our America Reads initiative, which now has tens of thousands of college students at hundreds of universities all across America, trying to do what Barbara Bush always said we should do make sure every one of our fellow citizens could read and read well. And I thank them both for that. (Applause.)

As President and afterward, President Bush stood for American leadership for peace and prosperity, for freedom and democracy. He was the last President of the Cold War, but he knew that American responsibility could not end with the Cold War. And he showed us that in Desert Shield and Desert Storm.

The vigilance President Bush displayed in dealing with Iraq, as we all know, is required again today. And I believe the American people support that vigilance, thanks in no small measure to your example not so long ago. And I thank you for that, Mr. President. (Applause.)

As President and afterward, President Bush pushed America to embrace new alliances of trade as instruments of both economic growth and growing democracy. He launched NAFTA and the talks that led to the World Trade Organization. I was proud to

complete those efforts, and I am very grateful for the support he continues to give, along with our other former Presidents, to the imperative of American leadership in expanding alliances of trade -- not only for our economic welfare, but to support our political ideals.

Tomorrow, the House of Representatives will vote on whether to extend fast track authority to negotiate trade agreements. I hope Congress will follow the lead that President Bush and the other former Presidents have set to expand trade and our vital horizons in the 21st century. I thank you, Mr. President, for that. (Applause.)

For more than four and a half years now, even though our relationship began under somewhat unusual circumstances, I

have been very grateful that whenever I call on President Bush, he was always there with wise counsel and, when he agreed, with public support. It's hard to express to someone who hasn't experienced it what it means in a moment of difficulty to be able to call someone who, first of all, knows exactly what you're up against, and secondly will tell you the truth. And he has done that time and time again. I am persuaded that the country is better off because of it. And I thank you, Mr. President, for your counsel and your assistance. (Applause.)

This magnificent library will be a place for scholars who try to understand what has happened in some of America's most important years. It's a place for citizens who want to know right now what went on in the life and career of George Bush. It's also a place from which any person would draw enormous inspiration. A place for the reaffirmation of our faith in America.

Benjamin Franklin told our Constitutional Convention, "The first man put at the helm will be a good one, but no one knows what sort will come afterward." Mr. President, I think if Benjamin Franklin were here today, he would say that in George Bush, America has had a good man whose decency and devotion have served our country well. And that is the story this library will tell to generations to come. Thank you and God bless you. (Applause.)

JEB BUSH: The next speaker is perhaps the most caring, loving father and grandfather a family could ever have. In fact, I'm confident that that's the case. The 41st President of the United States, my dad, George Bush. (Applause.)

PRESIDENT BUSH: Thank you all very much. (Applause.) Thank you very, very much for that warm welcome. Thank you so much, on this beautiful Aggie day, thank you. (Applause.) I am very grateful to all of you for being here. My friends from overseas; those in this rather unique club of former

Presidents -- and, of course, deeply honored that President Clinton, who has enormous problems facing him, one of which -- two of which he referred to today -- is here with us, in spite of that busy agenda. He and Hillary honor us by their presence.

I couldn't help but note when Gerry -- when President Ford talked about different things, he mentioned appointments. I am grateful to him for appointing me to be the Director of CIA, to sending me to China. I am very grateful, of course, to my former colleague and esteemed friend, Ronald Reagan -- and, Nancy, we were so honored to have you with us today. (Applause.) Grateful to him for giving me a shot at this job by naming me to be the vice presidential nominee. And, of course, I'm very grateful to President Clinton, who, fair and square, saw to it that I have a wonderful private life. (Laughter.)

And let me thank Dr. Ray Bowen and others here from

the A&M fraternity, all of whom made this magnificent facility possible. In just a few minutes, this magnificent structure, as President Jimmy Carter said, paid for with private funds, will be handed over to former Governor John Carlin, the Archivist of the United States, whereupon his capable team will operate it in this marvelous setting right here on this Texas A&M campus on behalf of the American people. (Applause.)

Clearly, it goes without saying that a lot of people have put a lot of hard work on this project, and today marks the end of three years of painstaking effort. And finally the exhibits are in place and the paint is dried, and an eager library staff awaits its first guests.

There is one thing left for me to do -- apologize to my mother. My mother taught my siblings and me never to be what she called a "braggadocio." We had to go up and look up what that meant. And then we tried to do what she taught. Mother always lectured us in a kinder and gentler way against using the big "I". And I'm afraid that some of these exhibits here today might violate her "no bragging" rule. I just hope that in some ways we have given proper credit to all with whom I've worked during every chapter of my life.

I had a superb Cabinet, many of whom are here; I had a superb Vice President, Dan Quayle, who is sitting here. (Applause.) And I am very grateful to the Cabinet, to the Vice President and, of course, to the governors who turned out here today.

Surrounded by family and friends, it's tempting to dwell on the past, to reflect and reminisce about a superb team, steadfast allies, multitude of friends, and the strength of family; about the honor of serving with the finest men and women to wear our uniform, whose liberation of Kuwait lifted our

nation; and the undaunted courage of people the world over who cast aside the yolk of tyranny and totalitarianism, risking all for liberty. Today, one thing is for sure, I did not lack for inspiration or support during those four years.

As to whether we got some things right or could have done some things better, the beautiful thing about this library and the 40 million documents here is that history can make that determination, rendering its judgment based on these documents and other materials safeguarded in this building behind us.

And more important to me is how these records will serve to educate future generations of Americans and give them a broader understanding of how their government responded in the way it did to the challenges it faced at a watershed moment in history. And hopefully, the insights gained and the impressions left by the events on display here will do for our visitors what they have done for those who lived them -- make deeper our appreciation for the blessings of freedom and democracy, and make

stronger our devotion to them.

And, of course, this distinguished gathering of Americans is a fitting tribute to the ideals for which America stands. Each reunion of First Families is a very special one, and I am indebted for the kindness of the men and women here with us today. I mention Nancy Reagan, but I would be remiss if I didn't mention the number one Texan, Lady Bird Johnson, whom we're so honored to have with us today. (Applause.) And, of course, another friend to all Presidents, to all America, our beloved pastor, Billy Graham. (Applause.)

As each can readily attest, the honor of serving in and around the presidency is as overwhelming as the responsibility. Those of us who have been privileged to occupy that high office share a common bond. We are part of a continuum, one that spans 208 years of triumph and tribulation, from Washington and the birth of a nation to our defining hour under Lincoln, to the modern era and those represented here.

A man born to lead, Dwight Eisenhower, turned the tide of history against tyranny. And it's wonderful to see David here today. (Applause.) President Kennedy inspired a new generation to serve others and stared the Soviets down at the brink of nuclear war. And, Caroline, thank you very much for being with us today. (Applause.)

I mentioned Lady Bird, but it was a fellow Texan, LBJ, who steadied a shocked and shaken America and launched an ambitious agenda to keep us moving forward. And Richard Nixon demonstrated his visionary statesmanship by opening the door to China. And, Julie, we are pleased you are with us here today. (Applause.)

And by the strength of his innate decency, President Ford healed a nation, torn. And we're honored that he and Betty are with us. (Applause.)

And Jimmy Carter, a true man of faith, sowed peace where enmities are as old as the clashing of swords. And thank you, sir, and Rosalyn, for being with us here. (Applause.)

And Ronald Reagan's unfailing optimism belied a fierce commitment to freedom -- a personal commitment, which tipped the balance of the Cold War. And I learned a lot from this most honorable of men. We miss him and we wish him well. (Applause.)

And President Clinton has guided us through the turbulence and unpredictability of this new era, and kept our nation going strong. And in the process, he and Mrs. Clinton have been exceptionally gracious to Barbara and to me. And we are very honored and happy that they are with us today. And I know I speak for everybody in the Texas A&M family. (Applause.)

And thanks to the leadership of these men, the remarkable women who served at their side, and the stalwart friendship of our allies, some of whom are here and have been introduced. Like every day, it's a day of celebration, and the superpower struggle is no more. The Berlin Wall is gone. Indeed, the prospects for peace and prosperity have never been better; the outlook for our kids and our grandkids never brighter.

And Barbara and I will never, ever adequately be able to thank the American people, especially the people of Texas, for the many opportunities that they have afforded us to serve our nation. And to everyone who has stood by us, from those who helped us climb the highest political mountain in the world, to those who helped make this day possible, the gratitude in our hearts knows no bounds.

And I have, thanks to President Ford and President Reagan and President Nixon, and then to the electorate, been privileged to hold a number of high-level posts over the years. But now that my political days are over, I can honestly say that the three most rewarding titles bestowed upon me are the three that I've got left -- a husband, a father and a granddad. (Applause.) And to that, I can only add the rich blessings of friendship.

I don't know if Lou Gehrig, my great idol, said it first, but I do know that he said it best -- today, I feel like

the luckiest person in the world. (Applause.)

JEB BUSH: Dad, I think your mom, Ganny, is up in heaven right now and she'll give you a break today. I think you're okay. I think you'll be fine. (Laughter.)

I am pleased to be joined by the honorable John W. Carlin, the Archivist of the United States.

John, as President of the George Bush Presidential Library Foundation, I hereby present to you and to the American people the key to the George Bush Presidential Library Museum. (Applause.)

END

12:07 P.M. CST

Message Sent

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wh-outbox-distr @ clinton.ai.mit.edu@INET@LNGTWY
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CUTLER_L @ A1@CD@LNGTWY
DICKEY_L @ A1@CD@LNGTWY
GRAY_W @ A1@CD@LNGTWY
GRIBBEN_J @ A1@CD@LNGTWY
HAAS_L @ A1@CD@LNGTWY
JOHNSON_WC @ A1@CD@LNGTWY
LIZIK_C @ A1@CD@LNGTWY
MOFFETT_J @ A1@CD@LNGTWY
PR_U=TDIXON@PR_L=AVUOEOb@MRP@LNGTWY
RILEY_R @ A1@CD@LNGTWY
NAPLAN_S @ A1@CD@LNGTWY
SMITH_BD @ A1@CD@LNGTWY
STUMPF_D @ A1@CD@LNGTWY
TCSmith @ dol.gov@INET@LNGTWY
WEINER_R @ A1@CD@LNGTWY
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CREATION DATE/TIME: 6-NOV-1997 10:00:00.00

SUBJECT: Media Reaction Trade;Santiago

TO: RONNEL_S (RONNEL_S@A1@CD) (WHO)
READ: 7-NOV-1997 09:04:27.49

TEXT:
Fast track/Protectionism/U.S. Anti-dumping legislation

1. Conservative, financial, Santiago daily El Diario (11/6) ran an editorial entitled (quote) Trade Policies, Discourse and Practice (end quote). Block quotes follow:
2. (Quote)...the (trade) policy followed for many years by the United States has been distinguished by a high degree of protectionism and, in many occasions, by seeking to solve problems by raising the possibility of imposing sanctions.
3. (Quote) This reality becomes more evident if one considers the numerous restrictions on trade with our country via the application of non-tariff measures, as has occurred in the salmon case.
4. (Quote) Thus, there is an obvious lack of consistency in the U.S. President's words and what in fact occurs. The Presidential line doesn't reflect U.S. producers' trading practices.
5. (Quote) For this reason, the approval of fast track (authority) -if it occurs- might be the occasion for President Clinton to demonstrate his personal commitment and that of his country's to make trade liberalization a reality, rather than something that just reduces tariffs. It's essential that the agreements signed by the United States also include a modification of its anti-dumping legislation, making it less discretionary for those who export to that country. (End quote)

Maria Luisa Sanz
Press Section
USIS SANTIAGO
Tel: (562) 330-3352
Fax: (562) 330-3160
Internet: mlsstgo@usia.gov

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 6-NOV-1997 10:02:00.00

ATT BODYPART TYPE:D

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IPOOSQ4HE800P4A4@PMDF.EOP.GOV> for RONNEL_S@a1.eop.gov; Thu,
06 Nov 1997 10:00:12 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IPOOSO166800MXBM@PMDF.EOP.GOV> for
RONNEL_S@a1.eop.gov; Thu, 06 Nov 1997 10:00:10 -0500 (EST)

Received: from xgate.usia.gov ([198.67.64.2])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with SMTP id <01IPOOSGETQ00006OP@STORM.EOP.GOV> for RONNEL_S@a1.eop.gov; Thu,
06 Nov 1997 10:00:00 -0500 (EST)

Received: from Connect2 Message Router by xgate.usia.gov via Connect2-SMTP
4.31.02; Thu, 06 Nov 1997 09:56:01 -0500

Organization: USIA

X-Mailer: Connect2-SMTP 4.31.02 MHS/SMF to SMTP Gateway

X-SMF-Hop-Count: 3

===== END ATTACHMENT 1 =====

ARMS Email System
RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: uucp@whitehouse.gov@INET@EOPMRX

CREATION DATE/TIME: 6-NOV-1997 18:54:00.00

SUBJECT: scanner results

TO: binns_m (binns_m@A1@CD) (WHO)
READ: 7-NOV-1997 09:26:32.18

TO: horn_s (horn_s@A1@CD) (WHO)
READ: NOT READ

TEXT:
SCANNER RESULTS

passes the House this Friday.

I hope your daughter is enjoying her studies at Stanford.

--Jamie Pehling

MESSAGE BODY

From jpehling@uci.edu Thu Nov 6 18:53:24 1997
Received: (from uucp@localhost) by WhiteHouse.gov (8.7.1/uucp-relay) id SAA02346 for
<President@WhiteHouse.GOV>; Thu, 6 Nov 1997 18:53:24 -0500 (EST)
Received: from storm.eop.gov/198.137.241.51 via smap
Received: from DIRECTORY-DAEMON by STORM.EOP.GOV (PMDF V5.1-7 #6879)
id <01IPP7DXVME8000C04@STORM.EOP.GOV> for President@WhiteHouse.GOV; Thu,
6 Nov 1997 18:52:42 EST
Received: from SCAN-DAEMON by STORM.EOP.GOV (PMDF V5.1-7 #6879)
id <01IPP7DW2SAG000CHV@STORM.EOP.GOV> for president@Whitehouse.GOV; Thu,
06 Nov 1997 18:52:39 -0500 (EST)
Received: from e4e.oac.uci.edu ([128.200.80.21])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with SMTP id <01IPP7DOAT78000BVU@STORM.EOP.GOV> for president@Whitehouse.GOV;
Thu, 06 Nov 1997 18:52:31 -0500 (EST)
Received: from LOCALNAME (dialin9135.slip.uci.edu) by e4e.oac.uci.edu with SMTP
id AA11568 (5.65c/IDA-1.4.4 for <president@whitehouse.gov>); Thu,
06 Nov 1997 15:52:20 -0800
Date: Thu, 06 Nov 1997 01:36:48 -0800
From: Jamie Pehling <jpehling@uci.edu>
Subject: Please desist in seeking fast track authority
To: Bill Clinton <president@WhiteHouse.GOV>
Reply-to: jpehling@uci.edu
Message-id: <34618FB0.7239@uci.edu>
Organization: This Vicious Cabaret
MIME-version: 1.0
X-Mailer: Mozilla 3.0C-PBXG (Win16; U)

Content-type: text/plain; charset=us-ascii
Content-transfer-encoding: 7bit
Comments: This message scanned by SCAN version 0.1 jms/960226

Citizen--

I strongly urge you to abandon your quest for so-called "fast track" authority.

The goal you seek will even more grossly distort federal power in the direction of the presidency. You will not occupy that office forever, and your successors may not be so scrupulous as you in the application of its power.

The House bill you have endorsed is reckless in its limitation of Congressional debate and its extended duration. Moreover, it appears to outlaw even the ineffectual environmental and labor protections added as an afterthought to NAFTA. I do not wish to spend the rest of my life watching the federal government sell my freedoms at low cost to corporations. Corporations are the greatest threat to freedom and justice in the world today, and this bill only strengthens their tightening fist.

Please withdraw your support for the bill, and kindly veto it if it passes the House this Friday.

I hope your daughter is enjoying her studies at Stanford.

--Jamie Pehling

--

The only thing you can do is love, because it is the only thing that leaves light inside you, instead of the total, obliterating darkness.

--Creina Alcock, in Rian Malan's My Traitor's Heart

=====

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 6-NOV-1997 18:54:00.00

ATT BODYPART TYPE:D

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IPP7G2T67K00HJX7@PMDF.EOP.GOV>; Thu, 06 Nov 1997 18:54:27 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IPP7FV73B400BG5X@PMDF.EOP.GOV>; Thu,
06 Nov 1997 18:54:21 -0500 (EST)

Received: from WhiteHouse.gov ([198.137.241.30])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IPP7FCE0EE000BVU@STORM.EOP.GOV>; Thu,
06 Nov 1997 18:53:50 -0500 (EST)

Received: (from uucp@localhost) by WhiteHouse.gov (8.7.1/uucp-relay)

id SAA02427; Thu, 06 Nov 1997 18:53:49 -0500 (EST)

===== END ATTACHMENT 1 =====

ARMS Email System

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Dag Vega@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 7-NOV-1997 11:04:00.00

SUBJECT: ABC: World News Tonight, 11/6/97

TO: ABERNATHY_P (ABERNATHY_P@A1@CD)
READ:NOT READ

TO: ANDERSON_L (ANDERSON_L@A1@CD) (WHO)
READ:NOT READ

TO: BERNAL_D (BERNAL_D@A1@CD)
READ:NOT READ

TO: BLICKSTEIN_J (BLICKSTEIN_J@A1@CD) (OMB)
READ:NOT READ

TO: COHEN_SA (COHEN_SA@A1@CD) (WHO)
READ:NOT READ

TO: CRISCI_M (CRISCI_M@A1@CD) (WHO)
READ:NOT READ

TO: EDWARDS_A (EDWARDS_A@A1@CD) (WHO)
READ:NOT READ

TO: EMANUEL_R (EMANUEL_R@A1@CD) (WHO)
READ:NOT READ

TO: ENGSKOV_K (ENGSKOV_K@A1@CD) (WHO)
READ:NOT READ

TO: FINNEY_K (FINNEY_K@A1@CD) (WHO)
READ:NOT READ

TO: GAINES_J (GAINES_J@A1@CD) (WHO)
READ:NOT READ

TO: GIBBONS_J (GIBBONS_J@A1@CD) (STP)
READ:NOT READ

TO: GOLDBERG_JS (GOLDBERG_JS@A1@CD) (WHO)
READ:NOT READ

TO: GREEN_J (GREEN_J@A1@CD)
READ:NOT READ

TO: GUNIA_D (GUNIA_D@A1@CD) (OA)
READ:NOT READ

TO: HILLIARD_B (HILLIARD_B@A1@CD) (NSC)
READ: 7-NOV-1997 12:41:31.82

TO: HOLSTEIN_E (HOLSTEIN_E@A1@CD)
READ:NOT READ

TO: HORWITZ_R (HORWITZ_R@A1@CD) (WHO)
READ:NOT READ

TO: KUKIS_H (KUKIS_H@A1@CD) (VPO)
READ:NOT READ

TO: LATTIMORE_G (LATTIMORE_G@A1@CD)
READ:NOT READ

TO: LEWIS_P (LEWIS_P@A1@CD)
READ:NOT READ

TO: LEWIS_PF (LEWIS_PF@A1@CD) (WHO)
READ:NOT READ

TO: LI_G (LI_G@A1@CD) (WHO)
READ:NOT READ

TO: MARSHA_T (MARSHA_T@A1@CD)
READ:NOT READ

TO: MASON_J (MASON_J@A1@CD) (WHO)
READ:NOT READ

TO: MELLODY_A (MELLODY_A@A1@CD)
READ:NOT READ

TO: MORAN_K1 (MORAN_K1@A1@CD) (WHO)
READ:NOT READ

TO: MUSCATINE_A (MUSCATINE_A@A1@CD) (WHO)
READ:NOT READ

TO: NAPLAN_S (NAPLAN_S@A1@CD) (NSC)
READ:NOT READ

TO: ODONNELL_T (ODONNELL_T@A1@CD)
READ:NOT READ

TO: ROBINSON_C (ROBINSON_C@A1@CD) (OPD)
READ:NOT READ

TO: SALAZAR_R (SALAZAR_R@A1@CD)
READ:NOT READ

TO: SCHAEFER_V (SCHAEFER_V@A1@CD) (OMB)
READ:NOT READ

TO: SCHWARTZ_L READ:NOT READ	(SCHWARTZ_L@A1@CD) (WHO)
TO: SILVERMAN_J READ:NOT READ	(SILVERMAN_J@A1@CD) (WHO)
TO: SPERLING_G READ:NOT READ	(SPERLING_G@A1@CD) (OPD)
TO: STOTT_D READ:NOT READ	(STOTT_D@A1@CD) (WHO)
TO: TABERSKI_D READ:NOT READ	(TABERSKI_D@A1@CD)
TO: TERZAN_V READ:NOT READ	(TERZAN_V@A1@CD) (VPO)
TO: TOIV_B READ:NOT READ	(TOIV_B@A1@CD) (WHO)
TO: VOLES_L READ:NOT READ	(VOLES_L@A1@CD) (VPO)
TO: WALDMAN_M READ:NOT READ	(WALDMAN_M@A1@CD) (WHO)
TO: Brenda M. Anders READ:NOT READ	(Brenda M. Anders@EOP@LNGTWY@EOPMRX)
TO: Megan C. Moloney READ:NOT READ	(Megan C. Moloney@EOP@LNGTWY@EOPMRX)
TO: Jonathan Murchinson READ:NOT READ	(Jonathan Murchinson@EOP@LNGTWY@EOPMRX)
TO: Joseph P. Lockhart READ:NOT READ	(Joseph P. Lockhart@EOP@LNGTWY@EOPMRX)
TO: Jake Siewert READ:NOT READ	(Jake Siewert@EOP@LNGTWY@EOPMRX)
TO: Jordan Tamagni READ:NOT READ	(Jordan Tamagni@EOP@LNGTWY@EOPMRX)
TO: Beverly J. Barnes READ:NOT READ	(Beverly J. Barnes@EOP@LNGTWY@EOPMRX)
TO: Brian D. Smith READ:NOT READ	(Brian D. Smith@EOP@LNGTWY@EOPMRX)
TO: Elizabeth R. Newman READ:NOT READ	(Elizabeth R. Newman@EOP@LNGTWY@EOPMRX)

TO: Julia M. Payne READ:NOT READ	(Julia M. Payne@EOP@LNGTWY@EOPMRX)
TO: Julianne B. Corbett READ:NOT READ	(Julianne B. Corbett@EOP@LNGTWY@EOPMRX)
TO: Jeffrey M. Smith READ:NOT READ	(Jeffrey M. Smith@EOP@LNGTWY@EOPMRX)
TO: June Shih READ:NOT READ	(June Shih@EOP@LNGTWY@EOPMRX)
TO: Lowell A. Weiss READ:NOT READ	(Lowell A. Weiss@EOP@LNGTWY@EOPMRX)
TO: Laura K. Capps READ:NOT READ	(Laura K. Capps@EOP@LNGTWY@EOPMRX)
TO: James T. Edmonds READ:NOT READ	(James T. Edmonds@EOP@LNGTWY@EOPMRX)
TO: Estela Mendoza READ:NOT READ	(Estela Mendoza@EOP@LNGTWY@EOPMRX)
TO: Jonathan A. Kaplan READ:NOT READ	(Jonathan A. Kaplan@EOP@LNGTWY@EOPMRX)
TO: Jonathan Orszag READ:NOT READ	(Jonathan Orszag@EOP@LNGTWY@EOPMRX)
TO: Thurgood Marshall Jr READ:NOT READ	(Thurgood Marshall Jr@EOP@LNGTWY@EOPMRX)
TO: Kara Gerhardt READ:NOT READ	(Kara Gerhardt@EOP@LNGTWY@EOPMRX)
TO: Elisabeth Steele READ:NOT READ	(Elisabeth Steele@EOP@LNGTWY@EOPMRX)
TO: Jennifer Ferguson READ:NOT READ	(Jennifer Ferguson@EOP@LNGTWY@EOPMRX)
TO: Mark D. Neschis READ:NOT READ	(Mark D. Neschis@EOP@LNGTWY@EOPMRX)
TO: Eleanor S. Parker READ:NOT READ	(Eleanor S. Parker@EOP@LNGTWY@EOPMRX)
TO: Matthew I. Fraidin READ:NOT READ	(Matthew I. Fraidin@OVP@LNGTWY@EOPMRX)
TO: David K. Chai READ:NOT READ	(David K. Chai@EOP@LNGTWY@EOPMRX)

TO: Ruby Shamir (Ruby Shamir@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Nanda Chitre (Nanda Chitre@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Amy W. Tobe (Amy W. Tobe@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TEXT:
Message Creation Date was at 7-NOV-1997 11:02:00

WORLD NEWS TONIGHT with Peter Jennings
Aired on NOVEMBER 6, 1997, 6:30 pm ET

HEADLINE: PRESIDENT SEEKING FAST-TRACK AUTHORITY
BYLINE: JOHN COCHRAN, PETER JENNINGS
HIGHLIGHT: CLINTON SENDS ALLIES TO LOBBY ON HILL

BODY:

PETER JENNINGS: In Texas today, as you saw earlier in the broadcast, it was an impressive gathering...

(voice-over) ...of important people. They were all there, these former presidents, for the dedication of the George Bush presidential library at Texas A&M University. And all the living presidents were there, except Ronald Reagan. Mrs. Reagan, as you can see there in her red coat on the right, was there in his place. And President Lyndon Johnson's widow, Ladybird, there on the left, was there as well. The library itself took five years to build and is a celebration of Mr. Bush's life and career.

President Clinton didn't stay at the Bush library for lunch. He rushed back to Washington to lobby members of Congress, his own party very much included, for the authority he wants to negotiate trade deals with other countries.

(on camera) It is called fast-track authority, and he has spent an enormous amount of time in the last week focused on this subject. Why is it so important to him? Here are some answers.

(voice-over) If he has fast-track authority, the President has the power to negotiate a trade agreement with another country without congressional interference, though Congress then has the power to kill the whole deal, but they can't peck it to death. Presidents want this authority because many countries will simply not bargain with 535 members of Congress and the president.

Congress has given fast-track authority to every president since Gerald Ford. The argument for fast-track authority is that in a very competitive global economy, the president must be able to act as quickly as the global marketplace demands before a country takes its business elsewhere.

C. FRED BERGSTEN, Institute for International Economics: Virtually every American would lose if fast track were rejected. We'll lose jobs. We'll lose access to foreign products. Our whole economy will be weaker.

PETER JENNINGS: (voice-over) Many who are unwilling to give the President fast-track authority say that they might, if he were required to protect American jobs and insist that other countries meet U.S. environmental standards.

Prof. JEROME LEVINSON, American University: Right now, the whole system is weighted towards the protection of corporate property rights, and there's virtually nothing that protects core worker rights or the environment.

PETER JENNINGS: (on camera) Though how important is all this for the President? Well, as ABC's John Cochran reports tonight, by Washington standards, the lobbying effort has been extraordinary.

JOHN COCHRAN, ABC News: (voice-over) With the outcome very much in doubt and time running out, a panicked White House dispatched a small army of administration officials to Capitol Hill to twist arms. There's the Vice President, the Secretary of the Treasury, the Commerce Secretary, the Transportation Secretary. There's the Energy Secretary.

FEDERICO PENA, Secretary of Energy: I think it's going to be very close.

JOHN COCHRAN: (voice-over) There's Bill Richardson, ambassador to the UN. You'd think he would be at the UN dealing with Iraq. But the President said, "Get down here and lobby for fast track."

BILL RICHARDSON, U.S. Ambassador to UN: I think four or five votes either way will determine the outcome.

JOHN COCHRAN: (voice-over) His boss, Secretary of State Albright, went on satellite TV to local stations in every corner of the country.

MADELEINE ALBRIGHT, Secretary of State: It is a national security matter.

JOHN COCHRAN: (voice-over) Even the firm backing of three former presidents today may not be enough.

Pres. BILL CLINTON: You know we have a lot of opposition, and I think you all know where it's coming from. I wish we could have a secret vote in the Congress. We'd pass it three or four to one.

JOHN COCHRAN: (voice-over) The President would like a secret vote so that Democrats could vote without worrying about pressure from labor unions. All over the country, big labor has organized opposition to fast track, as at this New Jersey clothing plant where union officials provided cell phones, even telling workers what to say to their congressman.

UNION OFFICIAL: Tell him fast track does nothing for us.

PLANT WORKER: That's right. Fast track does nothing for us.

UNION OFFICIAL: All it does is create sweatshops and exploit people everywhere

else.

PLANT WORKER: Yes. No, we don't want no sweatshop.

Rep. RICHARD GEPHARDT, Minority Leader: What you're seeing here is an awakening of working people in the country.

JOHN COCHRAN: (on camera) Tonight, the President is still short of the votes he needs to stave off defeat -- a defeat some of his aides believe could shake confidence in his administration and rattle financial markets around the world. John Cochran, ABC News, the White House.

PETER JENNINGS: Several other international items. In the former Yugoslavia, Serbian paramilitary fighters made a chilling public confession. Slobodan Mistic admitted to a newspaper that he tortured and killed 80 Muslims and Croats. He said that he was sick of lying and that, once and for all, we should tell it as it was. It is not at all clear whether Serbia will turn him over to the international war crimes tribunal.

In Cuba today, a court has convicted a Miami man of crimes against state security. The prosecution says that Walter Van der Veer distributed anti-government leaflets and smuggled in U.S. military clothing last year. He claims he was in Cuba to distribute food and toys, but he could get 20 years in prison.

A repair job today has almost restored Russia's space station to full power.

(voice-over) In a six-hour space walk, two cosmonauts successfully installed a new solar panel, and they fixed most of the damage done in a collision last June. The crew has also managed to do some early Christmas shopping. An American company is letting them order gifts through the Internet. The two Russians so far have chosen exercise equipment, a Chicago Bulls cap and a Barbie doll.

(on camera) When we come back, high-tech help for firefighters...

(voice-over) ...cameras and diapers.

(Commercial Break)

HEADLINE: PRESIDENT'S NOMINEE TO HEAD CIVIL RIGHTS

BYLINE: LINDA DOUGLASS, PETER JENNINGS

HIGHLIGHT: NASTY POLITICAL BATTLE OVER BILL LANN LEE

BODY:

PETER JENNINGS: In Washington today, there's a nasty political battle going on about the fate of a man who everyone seems to acknowledge has been, at least up until now, a classic example of an American success story. His name is Bill Lann Lee, and he is the President's choice to run the civil rights division at the Justice Department.

Mr. Lee, who is Asian American, has been a supporter of affirmative action, as is the President, which makes Mr. Lee's nomination the latest battleground in the campaign to end affirmative action. Here's ABC's Linda Douglass.

LINDA DOUGLASS, ABC News: (voice-over) Bill Lann Lee seemed to be the perfect candidate to be the nation's head of civil rights. He grew up in Harlem, the son of penniless Chinese immigrants, and watched his father suffer discrimination as he worked in a laundry. But Lee went on to win a scholarship to Yale and later became one of the country's leading civil rights lawyers, representing the NAACP.

Sen. EDWARD KENNEDY, (D) Judiciary Committee: He has devoted his life and career to finding practical solutions to real-life problems of discrimination and bigotry.

LINDA DOUGLASS: (voice-over) But today, the Republican chairman of the Senate Judiciary Committee described Lee as an affirmative action zealot who would twist the law to fit his political agenda.

Sen. ORRIN HATCH, Chairman, Judiciary Committee: It's time for us to take a stand against these policies that are dividing America and ripping us apart.

LINDA DOUGLASS: (voice-over) Hatch's stance is only recent, coming after weeks of pressure by conservative groups to defeat Lee. And last week, House Speaker Newt Gingrich took the unusual step of sending a letter to the head of the Senate, arguing that Lee "seems to ignore the colorblind nature of the Constitution." But Democrats charge Republicans are just using Lee as a way to attack President Clinton for supporting affirmative action.

Sen. JOSEPH BIDEN, (D) Judiciary Committee: I think you all have the wrong Bill. I think this is about Bill Clinton, not about Bill Lee.

LINDA DOUGLASS: (voice-over) Some of Lee's defenders believe it is easier for Republicans to go after Lee because he is not black, but Asian American.

KAREN NARASAKI, Asian Pacific American Consortium: The senators have been much more aggressive about going after Bill Lee because many of them come from states where there are not large Asian-American constituencies.

LINDA DOUGLASS: (voice-over) Most Republicans chose not to speak today. But with civil rights leaders looking on, emotions ran high. Vermont Democrat Patrick Leahy choked back tears as he talked about the discrimination faced by his father, an Irish immigrant.

Sen. PATRICK LEAHY, (D) Vermont: There was not a Bill Lann Lee or anybody else willing to enforce a civil rights law. Had there been, my father's life would have been a lot different. I do not want to see us backtrack.

LINDA DOUGLASS: (on camera) Privately, some Democrats are gleeful, believing that Republicans' attacks on Lee may backfire with minority voters. But many Republicans are willing to take that chance, gambling that the time is right to take on President Clinton over affirmative action. Linda Douglass, ABC News, Washington.

PETER JENNINGS: When we come back, we'll have some of the day's other news.

(voice-over) The dangerous problem of hypertension. Millions of Americans, millions, don't even know they have it. Some of the material that is in a baby's diaper could save a firefighter's life. And what is all the fuss about over this San Antonio home? Take a look at it.

(Commercial Break)

HEADLINE: IRAQ ADMITS IT TAMPERED WITH UN SECURITY CAMERAS

BYLINE: JOHN MCWETHY, PETER JENNINGS

HIGHLIGHT: UN DIPLOMATIC TEAM READY TO DEPART BAGHDAD

BODY:

PETER JENNINGS, ABC News: (voice-over) On World News Tonight this Thursday -- Iraq admits to tampering with UN inspection cameras. Millions of Americans with high blood pressure who do not even know it. And the new high-tech ways to fight fires. Some of the technology comes from surprising places.

ANNOUNCER: From ABC, this is World News Tonight with Peter Jennings.

PETER JENNINGS: Good evening. For yet another day, Saddam Hussein has managed to keep the United States and the United Nations at bay. And now, the UN diplomatic team is getting ready to leave Baghdad after failing to resolve the very serious differences between Iraq and the United Nations.

A UN spokesman said the team urged Iraq to lift the order banning the American inspectors, but to no avail. The other thing the Iraqis did today was to admit they were tampering with the UN security cameras that have been monitoring their weapons. Here's ABC's John McWethy.

JOHN MCWETHY, ABC News: (voice-over) Much to the amazement of American officials, Iraqi deputy prime minister Tariq Aziz admitted that Iraq had tampered with a UN monitoring camera. "One single incident took place," Aziz claimed, "to one camera." UN officials say at least 10 cameras were blocked. Iraqi officials also acknowledged weapons-making equipment was moved from in front of the cameras, arguing it was necessary because they feared an American attack.

BILL RICHARDSON, U.S. Ambassador to the UN: Iraq is not being responsive. They're obfuscating. They're blocking access. They're once again snubbing their nose at the international community.

JOHN MCWETHY: (voice-over) So without the cameras, the inspectors or the U-2 spy plane photographs, UN monitoring of Iraq is blind.

KEN BACON, Pentagon Spokesman: It is badly impacted, and it's a real setback.

JOHN MCWETHY: (voice-over) Though the United States has multibillion dollar spy satellites watching Iraq, the satellites cannot see through rooftops or inside warehouses. For the moment, Saddam Hussein seems to be having his way with the UN and with President Clinton. Today, at a dedication of the George Bush presidential library, the former president was again forced to defend the way he dealt with the Iraqi leader seven years ago.

GEORGE BUSH, Former President: Now, if you're asking me am I happy he's still there, no. But for those that now say ex post facto we should go in and have killed him, I would then ask the question -- whose son, whose daughter would I ask to give their lives in a perhaps fruitless hunt in Baghdad where we would have become an occupying power? I have no regrets.

JOHN MCWETHY: (on camera) Now it is again Bill Clinton's turn trying to contain this Iraqi leader who will not go away, will follow no one's rules but his own and seems willing to sacrifice his own people to stay in power. Peter?

PETER JENNINGS: Thanks, John. John McWethy at the State Department another day.

END

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Murchinson (CN=Jonathan Murchinson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-NOV-1997 11:56:53.00

SUBJECT: 1997-11-07 President's Remarks on Fast Track

TO: Julia M. Payne (CN=Julia M. Payne/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Jonathan Murchinson/WHO/EOP on
11/07/97 11:56 AM -----

SUNTUM_M @ A1

11/07/97 11:27:00 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: 1997-11-07 President's Remarks on Fast Track

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 7, 1997

REMARKS BY THE PRESIDENT
ON ECONOMIC NEWS AND FAST TRACK AUTHORITY

The Roosevelt Room

10:50 A.M. EST

THE PRESIDENT: Good morning. Today we received more good news for America's workers and their families: real wages continue to rise, the American economy added another 280,000 jobs in October alone, and unemployment dropped to 4.7 percent. The American economy has now added 13.5 million new jobs since 1993, while inflation has remained low and stable. All this proves further evidence that our economy is the strongest it has been in a

generation.

This also shows we have to move forward with the strategy that is working, the strategy of balancing the budget, investing in our people, and expanding American exports. That has brought us to this place of prosperity.

The choice before Congress is clear. I think it is imperative that we understand that a key reason more people are working and that wages are rising and that unemployment is down to the lowest level in more than two decades is that we have opened new markets and won new customers for American goods and services.

The vote by the House of Representatives on fast track will determine whether we continue to move ahead confidently with the strategy that has brought us 13.5 million new jobs and the lowest unemployment rate in nearly 25 years.

Every time there is a trade agreement, we hear dire predictions of the consequences for American workers. The opponents of fast track would have you believe that if we hadn't done these trade agreements in the last five years, we'd still have all the good new jobs we have and we wouldn't have lost any jobs. That is simply not true. We wouldn't have nearly as many of these good new jobs, and most of our job losses are due to changes in technology and consumer buying choices.

Today, with 4.7 percent unemployment, we see that America's trade policy creates good new jobs; it does not lose them. It boosts incomes rather than undercutting them. It would be a folly to turn back now.

The right answer is to give us the authority to break down more trade barriers and to do more, more quickly, to help those who are displaced by economic changes, and to do more to raise labor and environmental standards in other nations. That is our policy.

If America is restricted in its ability to make trade agreements, then our national interest in creating good jobs, protecting the environment, advancing worker rights will be restricted as well. We must not give other nations a boost in the global economic competition so vital to our own economic strength. The question is not whether we are going to have a system of world trade but whether we have one that works for America, whether we have a level playing field or one tilted against us.

Let me just give you one example. Now that Canada has negotiated a trade agreement with Chile, every major economy in the hemisphere has duty-free access to Chile's markets, but one -- the United States. And just yesterday, Canada signed a comprehensive agreement with Argentina, Brazil, and other nations ahead of the United States. That's a strategy of America last. It is

unacceptable.

Again, I say the choice before Congress is clear: We can rise to the challenge of the future, write the trade rules on our terms, spur further economic growth and more jobs; or we can turn our back on the world and fail to compete for new markets, new contracts, new jobs. More than ever, our economic security is also the foundation of our national security. Our strength depends upon our economic allies, our trading partners, and our economy. It affects our ability to get other nations to cooperate with us militarily and against the new threats of terrorism and drugs, organized crime, and weapons proliferation.

If we want to keep our leadership strong and our economy on the right track, Congress simply must give our nation the power to negotiate pro-growth, pro-jobs, pro-American trade agreements. To maintain the momentum and confidence our economy enjoys, a member of Congress who votes for fast track is doing the right thing for America.

Q Mr. President, given the statement of Chairman Butler this morning that he got nothing out of Saddam Hussein and given that Saddam Hussein hasn't responded to the international community positively unless military action has been taken, are you going to recommend either U.N.-sponsored or unilateral military action that would involve in some way, shape, or form U.S. forces? And when would that be?

THE PRESIDENT: Well, first of all, the delegation that was in Iraq is on its way home now, and they will report, and then the international community must decide what to do. I think it is important that we be resolute, and I think it would be a mistake to rule in or out any particular course of action at this moment.

Q How long will you be willing to wait --

THE PRESIDENT: Wait, go ahead. Terry and then --

Q Actually, I was just going to ask you, Mr. President, do you think that -- do you see any sign that Saddam Hussein is anything but defiant, that he is willing to give at all? He is still threatening to shoot down the U-2 spy planes and he's refusing to let the Americans be part of the inspection teams. Do you see any reason for hope here?

THE PRESIDENT: No. I don't. But we have to be resolute and firm. Keep in mind what is at stake here. The international community has made a decision, embodied in the United Nations resolution that Saddam Hussein must not be permitted to resume producing weapons of mass destruction. The advisers in UNSCOM, the inspectors there, they are the eyes and ears of the international community. They have been very successful, as you know, in doing their job. That is the issue.

And whether he's firm or weak, in the end, the international community has to be firm to make sure that his regime does not resume its capacity to develop weapons of mass destruction.

Q Mr. President you seem willing to wait until the U.N. diplomats come back. How much longer are you willing to wait for compliance?

THE PRESIDENT: Well, let me say, I think we have to wait until the U.N. diplomats come back. We have to counsel with our allies. We have to give them a chance to be heard and see what we're going to do. But I have seen no indication that any of our allies are weakening on this. Everyone seems to be united in their determination to restore the inspections on terms that the United Nations decides, not on Saddam Hussein's terms.

Q Mr. President, will you give a visa to Tariq Aziz -- and also will you recommend to the Security Council or to the U.S. Ambassador to the U.N. that they do take military action in the Security Council? That is one of the options.

THE PRESIDENT: Well, on the Tariq Aziz question, we normally give anybody a visa to come to the United Nations, and that has been our policy. However, I don't think it ought to be used for stonewalling or foot-dragging, and we have that under review.

On the second issue, I can only say what I said before -- I think we have to be firm and resolute. At this moment, in my view, it would be a mistake to rule in or out any option.

Q On fast track, Mr. President, what's wrong with leaving the policy as it is now -- you negotiate the deal, let Congress tinker with it?

THE PRESIDENT: First of all, the main thing that's wrong with it is that other countries aren't interested in negotiating with us this way. No other country has to face that. Every country recognizes that a nation's parliamentary body has the right to vote up or down on the action by the executive. But no one -- these deals are very complicated to negotiate; there are always lots of different aspects to it. And you can't say, well, we're going to negotiate it and then subject it to a thousand amendments. Even within this framework there are ways to deal with major concerns.

But I asked Ambassador Barshefsky last night, I said, just tell me one more time, do you really think we can negotiate seriously with any country without this authority. And she said, no -- unambiguously no.

Let me emphasize, however, something we have done in this. Because I think it's very important and it's been completely

lost in the debate. We have agreed to have congressional observer groups in every single trade negotiation the way we have congressional observer groups now on NATO expansion, the way we have congressional observer groups on the chemical weapons treaty. Any member of Congress who has ever been on one of those observer groups will tell you that that dramatically increases the effective input of the Congress into the process on the front end. And we have agreed to very specific stages of involvement for the Congress here. And, presumably, the observer group in the trade issues would be just like the observer group in NATO. It would include people who are strongly for what we are doing, people who are skeptical, people who may be opposed. All of them get their input.

You know, I took a number of the Congressional observers with me to Madrid, to the NATO conference. I would expect that to be done on all these trade issues. So we have offered Congress -- including those who have reservations about certain trade agreements -- an unprecedented amount of input on the front end into this process.

I strongly support it, by the way. I think it is a good idea. But it ought to be recognized for what it is. The question that Congress should ask themselves is, are we going to have more or less influence over trade policy if this bill passes. Are we going

to have more or less input in labor and environmental issues and more advance of that if this bill passes or if it fails? The answer is more influence in other countries on labor and environmental issues, more input for Congress if the bill passes.

No fast track legislation has ever proposed this before. I support it. My policy is to push the labor and environmental issues. My policy is to push Congressional involvement. And my policy is to do more at home to help people who are dislocated from their jobs for whatever reason. But that is not an excuse to send a signal to the world that we just don't expect to do trade agreements anymore with other countries and we don't expect to be partners.

And other countries do not understand -- what is America afraid of? No other country has 13.5 million jobs in the last five years. No other country has a 4.7 percent unemployment rate, except for Japan, which has a different system, as you know. This country has out-performed every other country in the world, and the 220 trade agreements that we negotiated had a lot to do with that.

Our barriers are lower on average than virtually every other country in the world. We have more to gain from this economically. What they want is the sort of long-term, stable political relationships that will stabilize democracy and guarantee long-term economic growth for them and give them access to high-quality products. This is a no-brainer on the merits. And it is in the interest of working people, and it is especially in the interest of working people who either have or want to get higher wage jobs,

because they are the jobs that are created by the expansion of trade.

One of the reasons you've got these income figures going up now is not only that unemployment is low and therefore the labor markets are tighter, but we are slowly changing the job mix in America because as we get into more trade, trade-related jobs pay higher wages. So this is clearly the right thing to do, and I'm determined to keep working until we convince a majority of the House of Representatives that it is.

Thank you.

Q How close are you?

THE PRESIDENT: Close.

END 11:07 A.M. EST

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TEXT:

THE WHITE HOUSE

Office of the Press Secretary

Embargoed For Release
Until 10:06 A.M. EST
Saturday, November 8, 1997

RADIO ADDRESS OF THE PRESIDENT
TO THE NATION

The Roosevelt Room

THE PRESIDENT: Good morning. This weekend the United States House of Representatives will decide whether America will continue to move forward with confidence on the road to continued prosperity, or give in to fear and fail to seize all the opportunities of the 21st century. There's a lot at stake.

Over the past five years, our economic strategy has worked to make the new economy work for all Americans. We're

balancing the budget, investing in our people through education and health care, and expanding exports through tough trade deals.

Yesterday, we learned again that this strategy is succeeding. Unemployment is at 4.7 percent -- that's the lowest in 24 years. A quarter million new jobs in October alone, and 13.5 million since I took office. Inflation in check, exports booming. And after dragging for decades, incomes for American workers are rising strongly -- up \$2,200 after inflation since 1993.

Now, wages are rising in part because more American jobs are high-paying, export-related jobs. And if exports keep expanding, that will help to keep wages rising. We must press forward with this economic strategy. That's why I'm asking Congress to renew the so-called fast track authority that enables America to negotiate new trade agreements. A strong bipartisan majority in the Senate backs this bill, which simply gives me the same authority to lower barriers to American products that Presidents of both parties have had for more than 20 years. That's why Presidents Bush, Carter and Ford support this measure. Now it's up to the members of the House of Representatives to decide.

A yes vote means America stays in the lead in fighting for new markets -- that's now at risk. Just this week, Canada gained an advantage on us by signing a comprehensive agreement with Argentina, Brazil, and others. That means their products will sell in those countries at lower prices than ours because we'll still have to pay tariffs they don't. Now, that's a strategy of America last, not America first.

A yes vote means that America helps to write the rules for the new global economy. That's the only way to make sure that it works for the American people. We already have lower barriers in our country on foreign products than most countries. Other countries have higher barriers on the sale of our products and services.

A yes vote means that we can also address labor protections and environmental concerns around the world as part of our trade negotiations. This is the very first time this has been a part of the President's negotiating authority. Walking away from this will not create a single job or clean up a single toxic waste site, here or in any other country around the world.

Finally, and perhaps most important, a yes vote means that American leadership in this hemisphere and elsewhere -- not only on trade, but in fighting drugs and terrorism and dealing with our other security problems will be strengthened.

In the post-Cold War world, national security requires economic strength and economic leadership. If America, with the world's strongest economy, withdraws from nations who want to be our economic partners, they're much less likely to be our partners in fighting crime and drugs and terrorism and the proliferation of

dangerous weapons.

A yes vote is a vote for confidence in the world's strongest economy. But a no vote says, we don't want our country to negotiate lower trade barriers; we're pulling back; we're afraid we can't compete; and we're willing to walk away from our unique world leadership at this moment.

Other countries look at us and ask, with 4.7 percent unemployment and 13.5 million new jobs, what could America be afraid of? No other country has an economy so strong with so much promise.

Now, will some people be hurt if we lower our already low trade barriers more? Yes. Though most of our job losses have come because of technological changes and changes in consumer buying habits, trade does cause some. But overall, we're way ahead in the last five years.

The answer is to help the people who lose their jobs -- for whatever reason -- get good new ones, and to do it more quickly. We've got to a plan to do that. And we're already spending more than twice as much as we were when I took office helping dislocated workers.

By expanding trade, we expand opportunity for working families and give more and more of them a shot at the American Dream. It's working. Why in the world would we turn back now?

I ask every member of Congress, Republican and Democrat alike, to look to the future. Cast the vote you know is right. If we move to seize the opportunities of this new time and to help the people in the communities who need an extra push to get ahead, then our country will enter the 21st century stronger than ever before.

Thanks for listening.

END

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-NOV-1997 00:37:28.00

SUBJECT: Re: draft

TO: Lowell A. Weiss (CN=Lowell A. Weiss/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Lowell:

It needs a soundbite with "opening markets" in it. I think something like this may work. But it may be too strong.... we can check with Gene in the morning. SEE CAPS FOR CHANGES, BUT IT WILL ALL CHANGE IN THE MORNING ANYWAY:

"A key reason why unemployment is down to a 24-year low, wages are rising, and we have 13.X million new jobs is because we have aggressively fought to open foreign markets to American goods. Without fast track, our hands will be tied when we try to fight to tear down foreign barriers. To keep America's economy on the right track, to keep exports expanding, and the American jobs machine at full speed, the House of Representatives must to pass fast track."

LOWELL A. WEISS

11/06/97 07:39:46 PM

Record Type: Record

To: Jonathan Orszag/OPD/EOP

cc:

Subject: draft

Draft 11/6/97 7:30pm

PRESIDENT WILLIAM J. CLINTON

REMARKS ON UNEMPLOYMENT REPORT AND FREE TRADE

THE WHITE HOUSE

November 7, 1997

Good morning. Today we received more good news for America's workers and their families. We learned that real wages continue to rise, the American economy added another _____ new jobs, and unemployment dropped to __%. The American economy has added ____ Million new jobs

since I took office, and unemployment has remained [AT OR BELOW 5% FOR 7 MONTHS WHILE INFLATION HAS REMAINED LOW AND STABLE]. below 6% for more than three years. All this provides further evidence that America's economy is the strongest it has been in a generation.

This is also further evidence that we would be foolish to reverse course on the strategy that has brought us to this place of prosperity. Our economy is growing, our opportunities are expanding, our nation is thriving in large part because we have produced great progress on eliminating the deficit, investing in our people, and opening new markets to our exports. Later today, the House of Representatives will decide whether to move forward on a crucial element of this winning three-part strategy when it votes on whether to extend the President's fast track authority.

To me, the choice is clear: We can rise to the challenge of the future, write the trade rules, spur further economic growth; or we can turn our back on the world and fail to compete for new markets, new contracts, and new jobs. Rejecting fast track won't create any new jobs or raise any American incomes. It won't advance environmental or labor standards abroad. It will give away economic opportunities to our competitors and send a damaging signal about America's willingness to lead the world on economic and national security issues. It's an &America last strategy -- and it's unacceptable.

As we have seen once again this morning, our economy is moving swiftly ahead on the right track. A vote to reject fast track is a vote to slow our progress. Once again, I call on Congress to do what is right for America's national interest. A Member of Congress who votes for fast track is doing the right thing for America. Thank you.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Dag Vega@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 7-NOV-1997 10:39:00.00

SUBJECT: PBS: News Hour, 11/6/97

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TO: ANDERSON_L (ANDERSON_L@A1@CD) (WHO)
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Message Creation Date was at 7-NOV-1997 10:35:00

News Hour with Jim Lehrer
Aired on November 6, 1997

UP HILL BATTLE

Two months ago, President Clinton asked Congress to renew his "fast track" authority to negotiate trade agreements. But "fast track", the ability of the President to send to Congress a trade agreement only for a simple up or down vote, is facing stiff opposition from members of his own party. After a background report by Tom Bearden, Margaret Warner discusses the "fast track" debate with four experts.

MARGARET WARNER: And we continue the debate now with Fred Bergsten, director of the Institute for International Economics--he was assistant treasury secretary for international affairs in the Carter administration; Harley Shaiken, a labor and global economics professor at the University of California, Berkeley, who's been advising members of Congress opposed to fast track; George Harris, chairman and CEO of Harris Chemical Group, a multinational chemical and minerals company--he served on trade policy advisory committees for Presidents Bush and Clinton; and Jay Taylor, president of Taylor & Fulton, a tomato and cucumber-growing company. He also serves on the board of the Florida Fruit & Vegetable Association. Welcome all.

Fred Bergsten, all right make the case more fully. Why do you think it's important for the American economy to give the President this authority?

The benefits of "fast track".

FRED BERGSTEN, Institute
for International Economics: I
think virtually every American
will benefit from the trade
agreements that can be
negotiated if the President
has fast track authority.
American consumers gain because they get
lower-priced, better products from around the world.
Practically every American worker gains because we
create lots of jobs in the export sector. Those are high paying, good wage
jobs, jobs
with a big future. The economy as a whole gains because more trade with
more
international competition we're able to have lower rates of inflation.
That permits us to
run much lower rates of unemployment, without worrying about the Fed
raising interest
rates, the economy going off the rail. Practically every American gains.
And there's one
more crucial point. If fast track gets turned down, we'll have another
black Monday in
the exchange markets.

The crucial point is that the world economy proceeds on the assumption of
international
cooperation with active participation, leadership from the United States.
A vote against
fast track would represent a United States withdrawal essentially from the
world
economy. In the shaky financial markets we got today that would cause a
huge
reassessment of economic expectations around the world. The dollar would
drop
sharply in the exchange markets. Our interest rates would shoot up, and
we'd have big,
big problems in financial markets, stock markets, in the countries around
the world that
depend on our market, but here as well because of interdependence. The
cost of this
one would just be huge, both in the short run and in the long run.

MARGARET WARNER: All right. And explain briefly, though, why can't the
President negotiate these trade deals without fast track?

FRED BERGSTEN: The President has to have fast
track to negotiate trade deals. Other countries would
simply not be willing to talk with us if they thought a deal
made with the President could then be torn up,
amended, changed in manner after manner by the
Congress. The Europeans have said it flatly. The
Americans have said it flatly. Even little Chile has said it
flatly. If we don't have fast track, there are no more trade deals with

the United States,

the rest of the world will go ahead without us, and we'll lose, we'll be discriminated against, we'll be hurt.

MARGARET WARNER: All right. Harley Shaiken, you see it differently. Why?

"Fast track" = NAFTA?

HARLEY SHAIKEN, University of California, Berkeley: Yes, I do. I think Fred makes a very compelling case, but if we substituted NAFTA for fast track is precisely the arguments that were made four years ago. The problem with those arguments is none of that came to pass. I think expanding trade is very important for this country. It can bring real benefits. The issue isn't expanding trade. The issue really isn't expanding trade. The issue really isn't even fast track. Many members of Congress who are voting no accept the principle of fast track. The real issue is the rules of the game by which we expand trade and whether labor and environmental standards ought to be part of those rules. In effect, I think we have an opportunity here for real leadership in the world, to promote economic growth and to promote democratic values, and, in fact, they're really intertwined. If minimal labor rights are met as part of trade agreements, if the environment is respected, then I think what we wind up with is people who can buy what they produce, earn a fairer share of what they do, and trade expands. And I think that's what's healthy.

MARGARET WARNER: What exactly would you want to see in the fast track bill that would make it acceptable?

HARLEY SHAIKEN: I think the fast track bill really needs two things. It needs labor standards and environmental standards. And by labor standards I don't mean superimposing what exists in the U.S. but rather that a country agree to certain minimal standards, so workers can organize freely and have collective bargaining, and also that they agree to enforce their own laws. On this minimal basis we can really see trade grow, engage with the world in a way that ordinary people in the country we trade with and in the United States benefit.

MARGARET WARNER: All right. Jay Taylor, take us to the real world for us. What's at stake for growers like yourself?

JAY TAYLOR, Florida Fruit & Vegetable Association: Well, what we've seen since the implementation of NAFTA is a 50 percent reduction in the number of tomato farmers in the state of Florida alone, much more across the United States. What we've had is a very poorly negotiated trade agreement that we've had to live with ever since. What we need now is the ability for our Congress to go in and amend agreements that the administration might try to enter into.

MARGARET WARNER: All right. And George Harris, why is it important to your company to have fast track? I apologize for my voice. I have a cold, but--

GEORGE HARRIS, Harris Chemical Group: (New York)
Well, actually, I can't talk about all this theoretical thing that we've been hearing about, but our company employs--Harris Chemical Group employs about 2400 people in the United States. About a third of our sales are international. We produce things like soda ash and boron, which go into making glass. And those industries are very flat. There's no growth in North America, or in Europe. And the growth really is in Asia and in Latin America. And what we've done is our two major markets, for instance, for especially fertilizers, another one of our products, are places like China and Japan and, for instance, the need for glass in places like China was indicated a few years ago when there wasn't enough glass, and the people who wanted to drink beer actually had to have their own buckets over to pick up beer in China. When--

MARGARET WARNER: Just let me interrupt you one minute. So what it would mean then if the President had fast track authority? Why would that make it--would the tariffs go down for you? What exactly?

What "fast track" would mean?

GEORGE HARRIS: Basically, we have tariffs, for instance in India, which are--were about 100 percent. They're now down to a little less than 50 percent, but those are still prohibitive. We have people, places in Merkatur, which essentially are talking about putting in a 25 percent tariff to prevent soda ash, one of our major products, from going into there. Since NAFTA, our sales to Mexico have increased from the chemical industry by about 238 percent, over 200 percent. Since

the Uruguay Round it's about 140 percent. So these things have been very influential in increasing the amount of employment in the United States. We have spent \$100 million in California and \$25 million in Utah to increase our capacity in order to be able to meet the kind of shipments that we need to the Far East and to Latin America.

MARGARET WARNER: Okay. Jay Taylor, come back in on this now. Have you seen or growers like yourself seen any of the benefits that a company like George Harris has?

JAY TAYLOR: Well, you know, agriculture and fruit & vegetable industry specifically in Florida are huge exporters.

We've exported to Japan, citrus to Japan, tomatoes to Canada. I probably ship 25 percent of my tomatoes to Canada. But he wants to talk about real world. Let's

talk about a farmer in Amaklee, Florida. Billy Darn Grant--a thousand employees--they're not open this year. They have been for the last fifteen or twenty. They're gone, and it's directly died to the ill effects of NAFTA. We don't need to get back into that trap again.

The issue of environmental and labor standards.

MARGARET WARNER: All right. And from your perspective, if in certain environmental and labor standards were included, such as the ones Harley Shaiken talked about, would that make it acceptable to you?

JAY TAYLOR: It would go a long way towards it. I mean, remember, as we go into these developing countries and into these trade agreements, the very first thing that they have to offer to our market is agricultural products, just by nature of the development of their country. So at that point they are impacting American agriculture across the border--not just Florida--but everywhere in the United States. By putting some of these things into place we're protecting the farmers in America, and I think that that's a wise thing to do. I don't think that we want to export the production of our food products overseas.

MARGARET WARNER: Fred Bergsten, why not include standards like this?

FRED BERGSTEN: I'm all for better labor standards. I'm all for better environmental standards. But you can't put everything together in a trade bill; you can't put everything together in a trade negotiation. Listen to

Congressman Gephardt. He doesn't want just environment and labor. He wants human rights. He wants native citizens rights. He wants everything lumped into trade. And the reason is clear. He wants to block future trade agreements. It's a smoke screen. The issue is essentially a red herring. There are lots of ways to pursue those other objectives; they should be pursued; they are being pursued. But to link them to trade is a red herring because we know other countries won't agree to change the standards in the way that the advocates want. You know that even if they did change them, they would provide very minimal effects for our own workers. Suppose we got everything that Harley and others want by way of improvement in labor standards in other countries. What would be the impact on wages, living standards, jobs in the United States? Very, very modest, very, very minimal. My belief is that we do have to worry about the people who lose from trade expansion. And there are losers. They should be helped through worker training, through relocation allowances, through all the kinds of things that the administration belatedly and inadequately is now talking about. That is a healthy response to the real problems that do occur from trade expansion. But I must admit when I hear a representative of American agriculture complain about trade legislation, it boggles the mind. American agriculture is hugely competitive in world markets. American agriculture exports a third to a quarter--to a third to a half of its total production. As Mr. Taylor was saying, his own people export huge amounts. So how can they oppose a free trade agreement when they're big beneficiaries from those trade agreements?

MARGARET WARNER: All right. Mr. Taylor.

JAY TAYLOR: We're not talking about Archer Daniels Midland here. We're talking about a family farmer in Amakalee, Florida, or in the Eastern Shore, Virginia.

FRED BERGSTEN: And your own citrus exporters you talked about.

JAY TAYLOR: Fred, I think you're being--

FRED BERGSTEN: --own citrus exporters.

JAY TAYLOR: They talk about a 50 percent reduction in the number of tomato farmers in the state of Florida.

FRED BERGSTEN: How many--

JAY TAYLOR: --in four years.

FRED BERGSTEN: How many tomato farmers lost their jobs?

JAY TAYLOR: Over 100 tomato farmers, but, more importantly than that--

FRED BERGSTEN: A hundred?

JAY TAYLOR: More importantly than that we're talking about over ten thousand jobs lost in the state of Florida alone. And those are not people--those are not jobs that are easily replaced.

MARGARET WARNER: All right. Let me let Harley Shaiken back in this. I mean, Fred's saying it's just a smokescreen, red herring; Gephardt and others just want to kill the bill, period.

HARLEY SHAIKEN: I don't think he's been listening to Mr. Gephardt or Mr. Bonior. This isn't a smokescreen. I think what you're raising is a bit disingenuous. Trade has made tomato juice out of the tomato industry in Florida. But the real issue here is that there's a double standard you're talking about. On the one level if the impact were so minimal that it would just do it, but on another level, let me make the following proposal.

Let's talk about China and the ability to get high quality, pirated disks in China. In Beijing, you can buy Microsoft Word for \$5 a copy. I did an informal poll of my friends. They're anxious to get disks like this. The consumer benefits; the market works. Why don't we simply say let's have a free trade agreement with China; let's not worry about all this copyright stuff now. Patent protection will come later. Bill Gates just needs a little patience. Now he's got the money to have patience. In effect, Bill Gates nor anyone else in the business community that I know would accept that, and they're right not to accept it, because we need rules of the game for trade, and if we need rules of the game for patents, and if we need to protect investment, and we do and we've all benefitted as a result, then I think to say that we need

protection for

labor standards and the environment is the least we can do. This is hardly
a
smokescreen. These are very minimal proposals that would ensure ordinary
people
benefit from trade.

Mr. Harris spoke about trade with Mexico and it going up 238
percent for his company. Well, overall, since NAFTA, trade
with Mexico has gone up; U.S. exports have gone up almost
40 percent. That ,s great until we look at the character of that
trade. Almost 2/3 of what we ship to Mexico comes right
back for sale in the United States. It ,s industrial tourists. Our
shipments to Mexico stay there just long enough to be assembled so they
can be sold
in Peoria or Bakersfield or Chicago. That ,s not trade. That ,s
corporations and the
small elite in Mexico benefitting. What we want is engagement with the
world, where
ordinary Americans who are working families benefit, where our economy
grows, and
where trade results in benefits for the most amount of people, not for a
small group.
That ,s real trade.

MARGARET WARNER: Go ahead, Mr. Harris.

The goal of global free markets.

and the
the
our
living, so
GEORGE HARRIS: We need to stay true to the U.S. goal of
global free markets, which helps the standard of living
wealth everywhere, so that we can help the people ,s of
world into greater affluence so they can actually buy
products, so they can actually raise their standard of
they can have the same concerns that we do about the
environment and about working.

MARGARET WARNER: Mr. Harris, would you--let me ask--would you have any
difficulty if some labor and environmental standards were added to these
negotiations?

GEORGE HARRIS: I certainly agree with the gentleman who said you
cannot--you
don ,t want to put something else into a labor--into a trade negotiation.
Trade
negotiation had to be concerned with trade and opening up the kind of
liberal trade that
we ,ve had over the last 50 years, which have increased our standard of
living and
increased the standard of living of the rest of the world.

HARLEY SHAIKEN: Mr. Harris, could I ask a question. Would you accept a trade agreement with Mexico that refused to guarantee your investment in Mexico, or said that any copyrights you had with Mexico were really unimportant; that what was at stake is simply trade, would you accept an agreement like that?

GEORGE HARRIS: What does that have to do with the things that we're discussing? I really fail to follow your line of reasoning.

HARLEY SHAIKEN: NAFTA is 1200 pages long, and it really lays out some fairly detailed--

MARGARET WARNER: Let me ask Fred Bergsten on this point--the point I think Harley Shaiken is making is certain things have been deemed includable, like intellectual property, and other things are deemed uncludable, like labor and safety standards. Why the distinctions?

FRED BERGSTEN: I think there are two reasons for the distinction. One is the linkage between intellectual property rights, the patents and such, is much clearer to trade than some of the labor and environmental questions. And second, related to that, there's an international consensus that you can and should deal with those sets of questions. They had been negotiated successfully in the GATT, in the NAFTA, elsewhere. We know because the U.S. has tried it now on several occasions that the labor and environmental issues cannot be. A final point: all this discussion about loss of jobs, it's also a red herring. The United States economy is at full employment. We've been creating tens of millions of jobs. Yes, there's a dynamic, a few hundred people lose a job here, a couple of thousand lose it there, but they gain it elsewhere. More than that, in fact, gain it, because we've been reducing the unemployment level for seven years and trade has been a major factor in achieving that.

MARGARET WARNER: All right.

FRED BERGSTEN: We can create jobs more in the future, with more trade.

MARGARET WARNER: I'm sorry, gentlemen. We have to leave it there. He has the last word. Thanks.

NEWSMAKER: AMBASSADOR BUTLER

For the fourth straight day, Iraq barred UN inspectors from examining weapon sites. During the halt in inspections, Iraq has reportedly tampered with the sites'

surveillance cameras and removed sensitive equipment. Elizabeth Farnsworth talks about Saddam Hussein's latest moves with UN Amb. Richard Butler, the man who leads the UN Special Commission in Iraq.

ELIZABETH FARNSWORTH: Under UN resolutions adopted after the 1991 Gulf War inspecting and dismantling Iraqi weapons of mass destruction has been the job of a UN Special Commission in Iraq known as UNSCOM. Now heading that commission is Australian diplomat Richard Butler. Thank you for being with us.

RICHARD BUTLER: A pleasure.

ELIZABETH FARNSWORTH: You reported to the Security Council yesterday that in the absence of monitoring this week, in the absence of inspections, Iraq has moved equipment and tampered with cameras. Is that continuing?

RICHARD BUTLER: Well, not today. Today I sent our inspectors out to look at those sites, those places where they have moved equipment and tampered, but they wouldn't let us in. I've issued instructions for us to go back tomorrow, but we will see. But they did move equipment. They did prevent us from seeing things that it is our right to see and that they have agreed in the past. We should be able to see, so this is clearly disturbing.

ELIZABETH FARNSWORTH: Help us understand what they might be doing and why they might be doing it. In your letter yesterday you wrote that moving equipment or damaging cameras could be very significant because, for example, it would take only a matter of hours to adapt fermenters to produce seed stocks of biological warfare agents. Explain that.

RICHARD BUTLER: Well, that's right. We have photographs from cameras that were still operating that show the kind of before and after photographs. Yesterday, as it were, there were two fermenters in place, i.e., small pieces of equipment in which you could ferment the seed stock to make biological weapons. And then the

next day

our photographs showed that they had been removed.

Questioning Iraqi actions.

Now, if those fermenters were set to work, they could create the seed stock, which after 48 hours could be put into a larger container, where they could then proceed to make--anthrax--a very serious biological substance, which could then in turn another two or three days later be filled into a warhead and made into a biological weapon. We're very concerned about that--before and after. Why were they there before? Why aren't they there afterward? Why did they move them? For what purpose? Let's see them. But they wouldn't let us in today to see that site, so we don't know.

ELIZABETH FARNSWORTH: I don't know if he was referring to that site specifically, but Iraq's foreign minister today, as you know, informed the Security Council that, yes, they had moved some equipment because they were afraid of a military attack and whatever was moved would be moved back, and you'd be able to check it then, and he said, yes, one camera had been destroyed because they were testing an engine for a missile that was not prescribed. How do you respond to that letter that he wrote?

RICHARD BUTLER: Well, in the first instance I won't comment on the stated reason for moving the site. You know, that's a political matter which I'll leave to him and to the Security Council. But as far as moving the equipment is concerned, that's wrong. That's illegal. They should not have done it. He says they will return it. But we're in a circumstance where because Iraq decided on the 29th of October to exclude American inspectors and to impede our work, as every day goes by we're in a situation where we don't know what they're doing. They've obliged us to look away, to turn our back. But what we've been able to see is that they've used that time--at least to move equipment. My point is where have they moved it, for what purpose? They give their stated political reasons--so be it--but we still need to know to what

purpose are they putting that equipment in the intervening time. As I said, a week could be enough to start off production and mainly complete production of a biological weapon. We need to know what the facts are.

ELIZABETH FARNSWORTH: Mr. Ambassador, is that why you think this happened in the first place? Do you think Iraq blocked American inspectors from entering because they wanted to precipitate this sort of opportunity for themselves?

RICHARD BUTLER: Well, I am not sure that it is as simple as that. Everyone is asking the question why did Iraq take those decisions on the train last of October that were directed against American members of my staff but which, of course, precipitated the much larger practice because we cannot accept that any one nationality would be separated or discriminated against in that way. Why did they do it?

Two theories.

There are two theories out there. One is a political theory. The other is a real technical practical theory that says that we were getting closer to finding the last vestiges of their weapons of mass destruction, and they wanted to prevent us from doing that. I am not sure which theory is the right one, but I do know from within my responsibility that this blockage that they have caused in the last ten days or so is serious, and there is this example of the movement of equipment--the shutting off of cameras demonstrate. This has opened up a possibility where we might lose it. We might lose some of our database. We might lose some knowledge of what they have been doing with this equipment, and as every day goes by, with blockage, it becomes more serious.

ELIZABETH FARNSWORTH: You reported last month to the U.N. Security Council that there was a pattern of blocking investigations; that this is--in other words, this has been happening for some time. What do you see in the blocking of investigations and in the other movement by the Iraqis. Is there a particular biological program, for example, biological warfare program they seem to be trying to hide?

Amb. Butler: "We've made good progress in the last few months in missiles and chemical weapons. But I also reported that biology was what I called...it's a black hole."

RICHARD BUTLER: Well, let me say you've overstated slightly what I reported to

the council, and I'm not just trying to be argumentative with you. I really prefer to have

the facts. And the fact is that we reported some very good progress with them, and I'm

happy to reaffirm that now. We've made good progress in the last few months in

missiles and chemical weapons. But I also reported that biology was what I called--and I said this to the deputy prime minister of Iraq to his face--it's a black hole. They've never really told us the truth of the biological program. And that's a matter of serious concern. So to the council I reported some good things and what you referred to as some blockages. Towards the end of the reporting period they did block some of our inspections; they threatened one of our helicopters, and of course, I had to report that. Then they blew up; they did what they did on the 29th of October, and you

have to ask why, especially as there had been some progress. And I think one of the

possible reasons why they did that was maybe because we were getting closer to

putting the finger on their very serious biological capability.

ELIZABETH FARNSWORTH: Is Iraq in material breach of the cease-fire?

RICHARD BUTLER: Well, this is an interesting question. Strictly speaking, only the Security Council can form

that

judgment, a bit like a court, a bit like a verdict. As

the senior

official dealing with this I said to the council a few

days ago

that I thought it would be a fair legal opinion that they were in material breach. And

that's all I can do. I can express that view. And I did express it. But whether or not the

council will accept that view or decide for itself otherwise; that they are or are not in

material breach, is something that only they can do. But I did present to them the view

that I thought they probably would.

ELIZABETH FARNSWORTH: Would you explain the consequences of the Security Council accepting that view.

RICHARD BUTLER: Well, material breach is the legal term, but it's more than that.

It's quite serious. It comes from the basic international law, the law of

treaties, which

says that, you know, if there is a treaty that states have entered into and one of them or more than one behaves in a way that breaches the fundamental precepts of the treaty, then they are in material breach of it.

Under those circumstances the convention under the law of treaty says that other

parties can take all manner of action, and in the case of the Iraq situation, where what

we are basically dealing with is a cease-fire agreement after the Gulf War and in

disarmament obligations on Iraq, if they were--if the council judged--I can not judge that,

but if the council judged that they were in material breach, then the council would be

free to take the whole range of actions available to it, whether it was sanctioned or

military action or whatever. I am not trying in any way to talk up military action. I am just

telling you the facts. The council would be free to decide on whatever course of action it was thought most appropriate.

ELIZABETH FARNSWORTH: Well, Mr. Ambassador, thank you very much for being with us.

RICHARD BUTLER: Thank you.

END

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael W. Williams (CN=Michael W. Williams/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-NOV-1997 01:06:47.00

SUBJECT: Talking Points

TO: Raymond E. Donnelly III (CN=Raymond E. Donnelly III/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Can you cut and paste this in Word Perfect and attach it to the briefing paper. Also can you read over the briefing paper to make sure it is alright. Thanks--goodnight.

TALKING POINTS FOR FAST TRACK MEETINGS WITH REPRESENTATIVES JACKSON-LEE AND DICKEY

Introduction/General Economic Points

I think you know the arguments for fast track authority. One-third of our growth since I became President has come from exports. About 96% of the world's consumers live outside our borders. If we are to continue to grow, we must export. It's that simple.

We are in a perfect position to compete. Our economy is the envy of the world. We are once again the world's most competitive economy, the world's largest exporter, the leading producer of automobiles, semiconductors, and pharmaceuticals. It makes no sense to sideline ourselves now.

Fast Track and American Leadership

We also must understand that the importance of fast track extends beyond trade alone; it is about American leadership in the world today. I can tell you that this debate is being viewed in Latin America and other world capitals as nothing less than a test of whether we intend to maintain our leadership role -- or to retreat and turn inward.

Defaulting on our leadership role would be a terrible mistake. Under our lead, average tariffs have fallen from 40% at the end of World War II to about 5% today. This has led to a 90-fold increase in trade, which has benefited us enormously. One-third of our strong economic growth over the past five years has come from exports. We must not turn our back on those achievements.

We cannot afford to take our leadership for granted. Throughout the world, especially in Latin America, others are moving to reach trade deals opening their markets. And they are not waiting for us -- with some 20

preferential trade deals already that exclude the United States. The EU is seeking such an agreement with MERCOSUR -- a market of over 200 million people with a GDP exceeding \$1 trillion. And President Chirac has stated that "the future of the region rests with Europe, not the United States." 8

Let's face it: American leadership is not divisible. If we do not lead on trade, our influence is bound to suffer in other areas as well. The patterns of trade affect our national security and strategic interests as well -- particularly in this hemisphere. Trade agreements can bind us together through shared interests and institutions. If by default in our leadership we permit Latin America to turn increasingly to Europe and Asia in its trade relations, it will weaken our relationship with them in other areas as well -- from drug interdiction to immigration to environmental protection to fighting corruption.

Rejecting fast track would send the wrong signal to developing countries in particular. After decades of failed experiments and anti-Americanism, many today are embracing free markets, democracy, and other American values. But this progress is still fragile -- and it will continue only if we continue to press countries to embrace free trade policies, build stronger middle classes, and strengthen the building blocks of democracy. Having preached the benefits of open trade to these countries for so long, the United States must not turn in precisely the opposite direction at this critical time.

Efforts to Address Members' Concerns

Let me also tell you why our critics have it wrong on labor and the environment. I am convinced we can break down foreign trade barriers and advance worker rights and environmental protection at the same time. The Ways and Means Committee bill strikes a sensible, balanced approach to allow us to do just that. And look at it this way: if we have fast track, Chile will conclude labor and environmental side agreements with us -- in fact, they already have agreed to do so. If we don't, they won't. Rejecting fast track is the best way to ensure that labor and environmental concerns simply are ignored in the years ahead.

Conclusion

This is a very important vote. We face a critical choice. We can continue to make our economy the model for the rest of the world, open foreign markets, and exert global leadership. Or we can convince ourselves that we cannot compete, turn inward, and cede that leadership to others eager to take our place. The choice is that stark -- and that important. That's why I feel so strongly about fast track, and why I ask for your support.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dag Vega (CN=Dag Vega/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-NOV-1997 22:49:47.00

SUBJECT: inside politics, 11/7/97

TO: Mark D. Neschis (CN=Mark D. Neschis/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Inside Politics

Aired November 7, 1997 - 4:00 p.m. ET

The Latest on Fast-Track and Elections

ANNOUNCER: From Washington this is INSIDE POLITICS with Bernard Shaw and Judy Woodruff.

JUDY WOODRUFF, CNN HOST: Thank you for joining us. The White House says President Clinton has been doing

everything

imaginable to prod house members to vote for fast track

trade

legislation. But today, he still came up short -- a

personal and

political setback which Mr. Clinton will try to turn

around in the

coming days. Our John King has the latest on fast

track, off track.

(BEGIN VIDEOTAPE)

JOHN KING, CNN WHITE HOUSE CORRESPONDENT

(voice-over): Facing certain defeat, President Clinton

called off

Friday's showdown house vote over his trade policy.

MIKE MCCURRY, WHITE HOUSE PRESS SECRETARY: We clearly don't have the magic number yet.

KING: The house will now vote over the weekend on

whether to

grant Mr. Clinton fast-track authority, the power to

negotiate

international trade deals without amendments by

Congress. The

delay saved Mr. Clinton from an embarrassing loss on a

major

second-term priority, for now anyway, buying him more

time to
success. make the case that his economic program is a proven

WILLIAM J. CLINTON, UNITED STATES PRESIDENT:
Today, with four- point-seven percent unemployment, we
see that
America's trade policy creates good new jobs. It does
not lose
them. It boosts incomes rather than undercutting them.
It would be a
folly to turn back now.

KING: And more time to deal for votes.

MCCURRY: You know the debate about what to do with the
budget surplus. I think that has all been settled now.

KING: The White House says Mr. Clinton won several
converts in
one-on-one meetings Friday. But Democratic liberals are
furious at
the president for suggesting they are captive to
organized labor and
its campaign cash.

REPRESENTATIVE NANCY PELOSI, (D) CALIFORNIA:
Instead of debating the substance of the Republican
fast-track
proposal, the president has chosen to question the
integrity of the
Democratic members who oppose it. Any president who
resorts to
this tactic, I believe, diminishes the great office he
holds.

KING: Mr. Clinton is clearly frustrated by the fierce
opposition
from within his own party.

CLINTON: That's a strategy of America last,
unacceptable.

KING: Speaker Newt Gingrich says two-thirds of
Republicans will
support Mr. Clinton on fast track. Finding the
necessary votes
among Democrats is up to the president.

REPRESENTATIVE NEWT GINGRICH, (R) HOUSE
SPEAKER: The labor union pressure, and frankly,
blackmail has
been so extraordinary that I think they have found it
much harder

than they thought it would be.

(END VIDEOTAPE)

KING (on camera): Mr. Clinton takes credit for redefining the Democratic party, helping it shed its tax-and-spend image. But trade remains a glaring area of disagreement with liberals and labor, and no matter who wins on fast track, it is a bitter fight likely to carry on into the presidential primaries of campaign 2000. Judy.

WOODRUFF: All right, John King, thanks. Bernie.

BERNARD SHAW, CNN HOST: OK.

Some observers liken the president's arm-twisting and horse-trading on fast track to the old game show "let's make a deal." Our Bob Franken tells us what lawmakers are finding behind door number one.

(BEGIN VIDEOTAPE)

BOB FRANKEN, CNN CORRESPONDENT (voice-over): Pity the poor house member who can't even walk down the capitol hallways without being accosted by lobbyists.

Keep pushing.

CLINTON: This is a no-brainer on the merits.

FRANKEN: It was when the supporters realized fast track was a no-winner that the white asked Congressional leaders to delay their vote. The intense lobbying will continue. Consider Philadelphia Democrat Chaka Fattah, for instance, U.N. Ambassador Bill Richardson and the many other administration big guns, traveling the capitol, have suddenly made his office an essential stop.

REPRESENTATIVE CHAKA FATTAH, (D)
PENNSYLVANIA: So I got a chance to talk to the president.

FRANKEN: But he's also talking to the other side,
constantly --
organized labor, and Democratic Leader Dick Gephardt,
who's
leading the Democratic resistance against fast track.

FATTAH: There are issues that are important that
sometimes you
can't get people to listen to that now, in these kinds
of moments, you
can get everyone to focus in on those things that you
think are
important.

FRANKEN: The Republicans, providing the bulk of the
president's
support, suddenly have a bargaining wedge with him too.
Remember, there are huge differences in the
appropriations bills, the
bills that must be passed before Congress can adjourn.

GINGRICH: There is no linkage.

FRANKEN: But right now, it's the Democrats who are
anything but
linked -- some because the president claimed they'd
support him
overwhelmingly if there were a secret vote.

REPRESENTATIVE ROSA DELAURO, (D) CONNECTICUT:
I am just saying that we have a message for the
president: no secret
votes and no secret deals.

(END VIDEOTAPE)

FRANKEN (on camera): So now the president has gotten
more
time to try and rally support and bargain not only with
Democrats,
but with Republicans who would like him to cave on some
of the big
issues like family planning and census sampling. And no
one is
saying what happens if the wheeling and dealing fails.
Judy.

WOODRUFF: All right, Bob Franken, thanks.

WOODRUFF: So why, despite all the president's lobbying
efforts,
has he failed so far to muster enough votes to get fast
track through
Congress? Ron Brownstein, political writer for "The Los

Angeles

Times," has been exploring that question. Ron, you --
in the piece that you wrote in the "Times" today, you spelled out a
number of reasons, the 800-pound gorilla you described is
organized labor.

RON BROWNSTEIN, LOS ANGELES TIMES: There are sort
of political and policy problems he has, the policy
side is a lot of
disappointment over the North American Free Trade
Agreement.

there is a lot of hangover of disillusionment of this
vote. And there is
also Republicans made this difficult by drafting a
fast-track that
minimizes his ability to pursue the labor and
environmental issues
that Democrats really care about. They skewed a little
bit in this in a
direction it makes it hard to get Democrats, but you
add to that the
political side. The public opinion is not as strong on
this in his favor
as it has been on other issues where he has been in
conflict with
base. Finally you get to the base itself, organized
labor made this a
crucial issue, and despite what Nancy Pelosi said she
is shocked to
think Republicans are affected by the pressure, but the
fact is
Democrats are increasingly dependent on organized
labor, since
they've gone to the minority. Their business support
and money has
reduced significantly since they lost control of the
agenda. It's very
hard for these marginal districts to buck organized
labor on the vote.

WOODRUFF: What is organized labor doing, and what are
they
saying to these members?

BROWNSTEIN: You get different interpretations of that.
Some
members say that they're flat out threatening them
they'll not support
them in 1998 if they support the president on
fast-track, others say

it's more subtle. In either case you're looking at a

sense among
Democrats-- one White House official said it to me very
well if you
voted for NAFTA in 1993 you saw very few business guys
who
patted you on the back that day, coming to your
fund-raisers and
supporting you. They disappeared. Organized labor is
going to be
there. And the fact is, if you vote on this, that there
will be fearful
there will be less enthusiasm, less money, volunteers
support. That's
a very real and a very tangible concern.

WOODRUFF: But just to be clear, you're not saying it's
only
politics here? You're saying there are some legitimate
policies?

BROWNSTEIN: Absolutely. The NAFTA in 1993, President
Clinton got 43 percent of Democrats, it was a weak
showing, but
this is even weaker. NAFTA left a bitter residue for a
lot of
Democrats.

WOODRUFF: I spoke briefly with Dick Gephardt today. He
said
now it looks as if right now it wouldn't pass, and may
not pass on
Sunday when they vote.

BROWNSTEIN: There has always been a circuit breaker on
these
types of things. You go back to Smooth Hawley(ph), to
see the free
traders lose a big vote like this. The fact is that in
the past when the
prospect of defeat has been right there, there have
been enough
members that have switched. That may or may not be
case, but the
reality is that President Clinton is looking at an
historic repudiation
by his own party. Very rarely has a president,
certainly not this
president have seen 75 percent of his own party vote
against him on
a key issue, that really is extraordinary.

WOODRUFF: Ron Brownstein of the Los Angeles Times,
thanks
very much. Bernie. I'm sorry.

razor-thin
Coming up next, was Governor Christie Whitman's
victory more heartening for republican Moderates or
conservatives?
Ralph Reed and Olympia Snowe discuss the message for
candidates in 1998, when INSIDE POLITICS returns.

(BEGIN VIDEO CLIP)

(BEGIN GRAPHIC)

Dole will
Secretary of State Madeleine Albright announces Bob
head an international commission examining the fate of
40,000
people missing in the Yugoslav war.

(END GRAPHIC)

MADELEINE ALBRIGHT, SECRETARY OF STATES: Good
afternoon everybody. It is an honor to be joined by
everyone today.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

SHAW: Even before election day this past Tuesday,
members of
both parties were thinking ahead to campaigns '98 and
2000. Now
they're trying to incorporate what they learned from
this week's big
races. Two guests join us now to discuss political
strategy for
Republicans, Senator Olympia Snowe, a G.O.P. moderate
from
Maine and conservative G.O.P. Strategist Ralph Reed.
Senator, can
a moderate Republican outside the south be pro-choice
and win the
White House?

SENATOR OLYMPIA SNOWE, (R) MAINE: Oh, I think so.
And I would hope that those of us who are Republicans
across this
country can recognize that. I think it's very difficult
to be a majority
party, very difficult to win a presidential election
without having
strong moderates within the Republican party and being
represented
as moderate Republicans in the northeast. I think

that's why Christie

Whitman's election was so important to New Jersey. I saw Rudolph

Giuliani win big in New York City and also, we won a Congressional race. We have to have the strength to win nationwide. I think a moderate can be successful in the

Republican

party, that we can be broad based and encompass all the principles and work on those issues upon which we all agree.

SHAW: Ralph reed, any trouble with that?

RALPH REED, GOP STRATEGIST: Well Bernie, I think it's pretty self-evident that it's possible for those political figures to be

significant in national players in the party. Rudolph Giuliani is.

Christie Todd Whitman has been, clearly Senator Snowe is and

there are a lots of others, but I think in terms of whether or not

they're going to be viable as a presidential candidate, I think one of

the messages coming out of the 1997 elections is if you're to the left of Moynihan and Dick Gephardt and Patrick Kennedy on

the partial birth abortion plan, you're going to have an awfully hard time with

your base. Christie Todd Whitman saw a pro-life libertarian

candidate bleed off over a hundred thousand votes of people who

wanted to vote for her on fiscal issues but couldn't stomach some of

those, they felt out of the mainstream views on moral and social

issues and really turned an election that should have been a

comfortable one into a cliff-hanger. I think, conversionally, if you

look at Virginia, where Jim Gilmore hung tough on his pro-life stand,

in spite of a barrage of negative ads by the Democrats, he won a

landslide, he won 50 to 49 network exit polls among all others, but

among self-identified conservative religious voters, he won 90 to

nine percent over Don Beyer turned what was a close election in

early October into the biggest sweep for the Republican party in the

history of Virginia.

SHAW: Ralph Reed before he hear from the senator is it not a fact that Mr. Gilmore supports abortion rights in a woman's eight to 12-week of pregnancy.

REED: Well I think ...

SHAW: Is that not a fact?

REED: I believe it's the fact that Jim Gilmore would allow for abortion in the first trimester and after the first trimester, he would clearly allow for protection of innocent human life that could survive outside the womb and even pre-viable ...

SHAW: But you have no quarrel with that?

REED: It's obviously not my position. I don't think it's the position of most of those in the Republican party. I think my view would be in a primary environment, but I will say this. The real issue in that campaign was that Don Beyer said he would veto a parental consent bill. Jim Gilmore said he'd sign it. I was involved in a survey that showed that was a 24-point spread. So all I am saying Bernie, is that the conventional wisdom on abortion is wrong. It's not the Republicans who have a problem on this issue. It's the Democrats.

SHAW: senator?

SNOWE: I obviously disagree with that. First of all the libertarian candidate in the state of New Jersey drew both from McGrevey as Whitman. He only received five percent of the vote. Furthermore, Christie Whitman drew 80 percent of the Republican vote, and that was stronger than McGrevey was in drawing the Democratic support. I think what these elections indicated whether it was in New York, New Jersey or even in Virginia, is that people really do

focus on what matters to them and those are the fiscal issues. I hope that the Republican party can learn from that, because I think we all agree on what our fiscal agenda ought to be. That's what Christie Whitman represented, the Republican agenda, in controlling government spending, reducing taxes, limiting government's role in one's life. So I think that if we, as Republicans, focused on those issues, of the appropriate role of government in that respect, we'd be far more successful than focusing on social issues which I don't think people in this country are comfortable with having government dictating social policy from the federal level or from any level.

SHAW: Ralph Reed, does what the senator just said put to shreds your position and your strategy memo on social issues, moral values that you say are very important?

REED: Not at all. In fact, I think that the election results are really clear that Christie Todd Whitman, not only got on the wrong side of some of the moral issues, but frankly got malpositioned a little bit on the tax issue because while she'd cut income taxes by 30 percent, New Jersey had the highest property taxes among any state in the nation. McGrevey had a plan to cut them. She really didn't. So I think she got hurt there as well. But getting back to Virginia, the number three issue, Bernie, according to network exit polls, was family values and moral decline. And of those voters who listed that as their number one issue, about one out of every seven voters, they cast 83 percent of their ballots for Jim Gilmore, only 17 percent for Don Beyer. Had it not been for those issue, Gilmore wouldn't have won.

SNOWE: But Bernie ...

SHAW: Yes, very quickly, we have run out of time.

SNOWE: I should indicate New Jersey only three percent
of those
indicated

polled indicated abortion was the issue. I think Ralph
exactly what mattered and that was the issue of taxes
and cutting
government spending.

REED: I think it was both.

SHAW: I have to thank you for joining us. I certainly
will revisit this
subject. Coming up next how a lame duck managed to win a
"political play of the week."

(COMMERCIAL BREAK)

WOODRUFF: It never hurts to expect the unexpected. So
if you
thought a candidate was going to win the political play
of the week,
think again. Here's our Bill Schneider.

BILL SCHNEIDER, CNN POLITICAL ANALYST: Judy, you
know on Monday affirmative action looked like a doomed
cause.

Without comment or dissent the Supreme Court let stand
California's Proposition 209. The initiative passed in
November
1996 ending that state's affirmative action programs.

On Tuesday, however, the prospects for affirmative
action got
noticeably brighter. All because of one city and one
man.

(BEGIN VIDEOTAPE)

SCHNEIDER (voice-over): Proposition A on the Houston
ballot
was modeled after Proposition 209. Organizers of the
California
effort even contributed about \$20,000 to the Houston
campaign.
The original wording was very similar. Voters would be
asked
whether the city should, quote: "... not... grant
preferential treatment
to..." anyone on the basis of race, sex, ethnicity or
national origin. A

poll of Houston voters showed almost 70 percent in favor of such a measure. But it had to contend with Houston's popular mayor, Bob Lanier, a wealthy developer who believed Proposition A was a step backward for his city, one that would be bad for business.

BOB LANIER, MAYOR, HOUSTON, TEXAS: I think it'll raise the question of whether we're a cosmopolitan, diverse, international city has we claim or whether a redneckville.

SCHNIEDER: Lanier got the city council to change the wording of Proposition A. The new version asked voters whether the city should, quote: "... end the use of affirmative action for women and minorities..."

(END VIDEOTAPE)

SCHNEIDER (on camera): National polls have shown that Americans make a crucial distinction. The public approves of outreach programs to help disadvantaged groups meet the prevailing standards of competition, such as special educational efforts, job training programs and targeted talent searches. The public disapproves of preferential treatment programs that suspend the prevailing standards of competition and make exceptions for women and minorities, such as quotas and set-asides. To many Americans affirmative action means outreach and not necessarily preferential treatment.

(BEGIN VIDEOTAPE)

SCHNEIDER (voice-over): Lanier rallied Houston's business establishment to defeat Proposition A and raised a quarter million dollars to do it.

LANIER (clip in Houston commercial): Now a group from California wants to turn back the clock to the days when guys who

looked like me got all the city's business.

upheld
Proposition A 55
Proposition
SCHNEIDER: It worked! One day after the Supreme Court
the California measure, Houston voters defeated
to 45 percent. Precisely the reverse margin by which
209 had passed in California.

The Houston vote sent a message to the country.

well
CLINTON: I was profoundly grateful for a vote which may
have some national significance in Houston.

the
alive. And yes it
that would kill
SCHNEIDER: It was Bob Lanier's shrewd political play,
political of the week, that kept affirmative action
does appear to be alive. On Thursday the House Judiciary
Committee voted to delay action indefinitely on a bill
federal affirmative action programs.

a vote on
the Civil
Committee
of his
doomed.
The same day, the Senate Judiciary Committee postponed
President Clinton's nomination of Bill Lann Lee to head
Rights Division of the Justice Department. When
Chairman Orrin Hatch said he would oppose Lee because
stand on affirmative action, Lee's nomination appeared

Lann Lee
unequivocally
would continue to push for constitutional suspect
racial preferences
until every possible exception under the law is
foreclosed by the Supreme Court.
SEN. ORRIN HATCH, (R-UT), JUDICIARY CHAIRMEN:
Apparently, then, the Civil Rights Division under Bill

nomination out of
action program,
is endangered but still alive.
SCHNEIDER: The postponement gives Democrats more time to
find the one more vote they need to get Lee's
committee. The Lee nomination, like the affirmative

(BEGIN VIDEOTAPE)

like affirmative
make
handle those
the voters of
message:
before?

SCHNEIDER (on camera): Delay, postponement. You know, politicians don't like to deal with divisive issues
action. Whichever position they take, they're going to
enemies. Better to let the courts, or the voters,
Well last year, the voters of California, and this year
Houston, did just that. The two votes together send a
mend it, but don't end it. Now where have we heard that
Judy.

WOODRUFF: Where have we heard that before?

SCHNEIDER: I can't imagine.

WOODRUFF: Bill Schneider, thanks.

Thanks for
joining us.

And that's it for this edition of INSIDE POLITICS.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eli G. Attie (CN=Eli G. Attie/O=OVP [UNKNOWN])

CREATION DATE/TIME: 7-NOV-1997 18:41:45.00

SUBJECT: Re:

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

By the way, in case it's useful, here is the actual "Ellen" speech the VP gave -- with the offending sentence in bold...(the key point is, most of the people who attacked the speech never read it; it's actually pretty heavy on the entertainment industry's responsibility. Plus we said almost the same thing about Archie Bunker that we did about Ellen, and we certainly weren't endorsing his lifestyle...)

Remarks as prepared for delivery by Vice President Al Gore
Hollywood Radio and Television Society
Thursday, October 16, 1997

It is an honor to be here today at this Newsmakers Luncheon.

Fifty-eight years ago tonight -- October 16, 1939 -- Washington was abuzz because a slice of Hollywood had come to visit. On that night, a new movie by Frank Capra called &Mr. Smith Goes to Washington⁸ had its premier in Constitution Hall. The audience that night included Supreme Court Justices and cabinet members, admirals and generals, congressmen and senators. The lights went down to much applause, but by the time a half-hour had passed people began leaving the theater and giving thumbs-down signs to their fellow audience members. When the film ended, the audience dispersed with little applause. Even Harry Carey's brilliant portrayal of a wise-yet-humorous Vice President did not -- for some reason -- bring the house down.

Over the following weeks, the film was attacked by the press and politicians for showing senators and reporters in a poor light. The Majority Leader of the U.S. Senate -- and a future Vice President -- Alben Barkley called the film -- quote -- &silly and stupid.⁸ The President of Columbia Pictures, Harry Cohn, received an angry cable denouncing the film for doing -- quote -- &harm to American prestige all over the world⁸ from the American Ambassador in London -- Joseph P. Kennedy.

As is often the case, the politicians were poor judges of entertainment. Instead of subverting democracy, as the politicians of the day had feared, &Mr. Smith Goes to Washington⁸ became one the greatest cultural affirmations of what makes freedom and liberty so special. And in that Fall of 1939, as Nazi troops were beginning their goose-steps through Europe, the movie became an instant hit in those lands threatened by oppression and repression. A trip to the movie theater see young Jimmy

Stewart speak out against corruption on the very floor of the United States Senate became a form of pro-democracy protest in nations all around the world. For all these years, &Mr. Smith⁸ has been a part of our national heritage here at home -- still a part of our vision of what democracy means.

The lesson is clear: the products of America's entertainment industry are about more than transmitting images or sounds. All of us know that they are the world's window on America -- and they are our window on ourselves, and our most cherished values. This is true for the media in general as well. They give us the means with which we define ourselves, and they brings us together as one nation. For example, America has never been more united than when we watched American children marching for their civil rights being attacked by dogs and firehoses; when we watched Eastern Europeans tearing down the walls of tyranny which had locked them away from freedom; when we watched athletes from all over the world striving in Los Angeles and in Atlanta; when we watched the little old rover from Pasadena traversing the dust-swept, rocky surface of the planet Mars.

The basic truth is this: the media transmits more than just images and sounds, it transmits values. You not only reflect who we are, but you form our national -- and, increasingly, our world -- consciousness.

From the very beginning of our Administration, President Clinton and I have worked hard to promote the basic bargain at the heart of the American experiment: opportunity for all, and responsibility from all. Whether the issue has been economic growth or national service, expanding education or reforming welfare, fighting crime or cleaning up the environment; we have worked hard to make sure that opportunity and responsibility are part of the lives of every individual and industry.

The entertainment industry is no exception. The past five years have been an era of enormous opportunity and growing responsibility for this industry. Today the entertainment industry is booming. You are this region's economic leader, providing not just capital but high-paying jobs -- and this year alone an estimated 14,000 new positions will be created. You are leading the pack in a rejuvenated and reborn California economy, tied as never before to global trade and enterprise. In fact, in the first three years of our Administration alone, California's exports increased by nearly 50% -- and there is no doubt that a large part of that increase is coming from the work you produce. This incredible rise in exports is about more than dollars and cents, it is about uniting people across the nation and connecting us to others around the world. When you fill out the ledger sheet that measures America's growing exports be sure to count not only the numbers reflected in the balance of trade; be sure to include the rapidly growing numbers of young people around the world who feel they grew up in &Beverly Hills 90210⁸ or with the Huxtables, and the cars on every continent reverberating the latest song by Babyface or Mariah Carey.

Moreover, your industry's growth in the last few years has been not just about quantity, but about quality. Your innovation and imagination has put you on the leading edge of the emerging new economy.

A new economy driven by creativity, innovation, knowledge, and technology. An economy that values the productivity of our people above all else. An economy that is part of a thriving global marketplace, where we zap dollars, deutschmarks, and data around the world at the speed of light.

With the multimedia boom, the new economy has woven computers and creativity together -- transforming the way we see both entertainment and technology. In fact, a recent study of multimedia companies throughout California showed that employees with a technical background were outnumbered 2 to 1 by those employees with training in illustration, writing, editing, cinematography, and musical composition.

The promise of continued technological advancement is just part of the reason the next few years can be a golden age of opportunity for the entertainment industry. As we stand near the dawn of a new century, we can see a future of more choices and more content -- where the lines separating technologies fade, bringing together a vast array of possibilities for spreading ideas and entertainment to the world. By some estimates, the ranks of producers, directors, actors, entertainers, and creators of all kinds will grow by more than 50% in the next 8 years. Every ounce of this new creative talent will be needed to fill the explosion of global bandwidth that digital technology is bringing to this industry. And digital television -- whether it's high definition or multicast -- is only the tip of the iceberg. Digital cable, streamed audio and video on the Internet, direct-to-home satellites and broadband wireless cable will all bring untold potential and opportunity. These technologies do not stop at our borders. They provide a global footprint -- letting the 96% of the world's consumers who live outside our borders have greater access to your work. Today -- as you well know -- about half of the film industry's revenues come from foreign markets. Tomorrow has the potential for even more global growth.

For all its promise and possibility, this golden age will not just appear. It will take hard work and new thinking from you here in Hollywood. It will require that same hard work and new thinking from those of us in Washington. Most of all, it will require us to work together. Together, we need to push those in Congress to give the President the traditional trading authority called fast track -- so that our Administration does not fall behind in opening global markets to your products. No nation in the world can hold a candle to the imagination of Hollywood, but if we are shut out of foreign markets or have an uneven playing field, then you will carry an unfair burden in trying to compete.

The President also needs fast track authority if we are to keep up our fight for intellectual property protections in international trade agreements. If it's true that imitation is the sincerest form of flattery, entertainment is an industry that is virtually drowning in compliments. This has been a major concern of our Administration from the very beginning. I can tell you that in the last five years I've had hundreds of meetings with foreign heads of state around the world, and nearly every single time the agenda has included intellectual property.

Since we took office, we have brought some 25 trade enforcement

actions against foreign countries to ensure the development of honest markets for our most valuable commodities. We fought and won our battle for the World Intellectual Property Organization -- or WIPO -- treaty and we are now working to get it ratified quickly by Congress. Just last month I was able to convince Prime Minister Chernomyrdin of Russia to crack-down on piracy -- protecting creative products in that booming new market.

If we are to really build the entertainment industry of the future, we must continue investing -- both privately and publicly -- in the technologies of the future, and in the people you will hire -- the creators of the future. This has always been an industry where technology defines the cutting edge because the magic you create is built on evoking a sense of wonder from your audience. We are always waiting for the next invention -- like color, sound, steady-cam, blue screens, or digital graphics -- that will transport us to a place that we cannot even imagine today.

This truly is -- and increasingly will be -- an age of opportunity for the entertainment industry. But as I said before, with that opportunity comes a deep responsibility. A responsibility we all share. This is not a new idea in Hollywood. Few communities in this nation care as deeply about social and ethical issues. So many television shows, songs, and movies have changed the way we see vital issues. In this sense, the very term &entertainment industry& is incomplete; for while you entertain, you also open minds and hearts. Children who grew up with the Oscar the Grouch, Grover, and the Count on &Sesame Street& are now parents themselves and are passing on its lessons to their own children. Archie Bunker's wisecracks made America confront the prejudices that eat away at our nation's core. The TV movie &The Day After& brought home the danger of nuclear holocaust to millions. And when the character &Ellen& came out, millions of Americans were forced to look at sexual orientation in a more open light.

For too long, we have been debating a false choice -- a choice between imposing government regulation and censorship on the one hand and abdicating personal responsibility on the other. Obviously, both are wrong.

We tried the path of censorship, with the Hollywood of the Hays Commission -- a body which ruled with absolute power and constrained the freedom needed to create. The old Production Code set rules and regulations governing what was and was not permissible -- laying down the boundaries of where free expression was allowed to roam. In 1939, for instance -- the same year that Mr. Smith went to Washington -- the great producer David O. Selznick was fined \$5,000 because he refused to change the ending of his new movie. In order to shield the ears of Americans, the Hays Commission was adamant that Rhett Butler should stride to the door, take one last look at Scarlett and utter the unforgettable line: &Frankly my dear, I don't care.&

Well, the rest is history -- and thankfully, so is the Production Code. But while censorship was wrong -- and is wrong, so is the opposite extreme of ignoring the important impact you have. Your power is

undeniable, and with that power comes a responsibility that can never be neglected. Whether you like it or not, Hollywood produces the world's role models and helps shape children's minds. Everyone in this room understands that basic fact.

So what we need is neither the tight grasp of government control nor throwing our hands up in resignation. What we need instead is a third way -- a partnership that seeks to find ways we can work together to tackle the tough issues and meet our responsibilities to the American community.

There are voices in both Hollywood and Washington that reject this partnership. There are those who believe that government must lay down the law regarding the industry's obligations, on the other side there are those that say any government action is a violation of an absolutist right of expression. My friends, the partnership we have started to create over the past few years proves both sides wrong. With fits and starts, we have begun forging a partnership that exercises our mutual responsibility. And we have made some real strides forward. When it comes to your voluntary ban on liquor advertising, warning labels on records, the voluntary TV ratings agreement, the 3-hour rule agreement for children's programming; you have shown that this community can be a community of leaders, a responsible community, a community that cares.

And taking responsibility means looking at where our duties lie. In recent years the entertainment industry has received its fair share of criticism for promoting violence, tobacco, and drugs. But Hollywood does not bear sole responsibility for violence in America. That is why President Clinton and I have tried to do our part -- by putting more police on our streets and taking guns off our streets. By pursuing every means possible to protect our kids from the evils of tobacco. And, along with General McCaffery, waging a war against drug use in America -- at our borders, on our streets, and in our schools. But, at the same time, whether it is violence or tobacco or drugs you help set the moral tone for the nation. All I ask is that you show our young people a full picture of what these killers do to people's lives.

There is still a great deal we can -- and must -- do together, but we cannot do it alone. Because what record warning labels, TV ratings, children's programming, or the V-chip are all about is giving parents the tools they need to guard what their children watch -- without resorting to any censorship. Now we must call on parents to do their part. We must say to America's parents, &It is up to you to take up these tools and finish the job -- to make sure your children aren't being exposed to unnecessary violence or adult situations. Government and the media can do their part -- and we have done a lot -- but in the end no one else but you can do the job of parent.⁸

We have established a partnership that is working. I hope we can take this partnership and apply it to some of the other challenges facing America. One area where we can do more by working together is that of campaign finance reform. The spotlight of public scrutiny has shined brightly on campaign finance reform this year, but this is not a new dilemma. In fact, campaign finance reform is the most filibustered

legislation in the history of the American republic.

If Mr. Smith entered the Senate today as the champion of lost causes, this is one area where he would have his work cut out for him. Just last week, a sweeping, bipartisan campaign finance bill -- supported by every Democratic senator -- failed by only a few votes to break a Republican filibuster.

But there are things we can do together to make the job easier.

In Mr. Smith Goes to Washington, the new Senator -- embattled on all sides -- makes a desperate last stand on the Senate floor. He tries to lay out his case so that the people back home can hear the truth about what is going on in Washington -- but his constituents don't hear a word of it. The media back home is controlled by powerful political bosses who decide who is heard and who is silenced. Today, the political bosses are mostly a thing of the past. But today, it is the ability to purchase campaign commercials that decides who is heard and who is silenced. And when today's Mr. Smiths go to Washington they quickly find that if they want the people back home to hear the truth, they must spend far too much of their time raising the vast sums of cash necessary to pay the high cost of TV time. This race for dollars is subverting the democratic process -- and it is wrong. With the opportunity of a future with hundreds of channels comes the responsibility to offer candidates free air time -- so that their voices can be heard and the public can engage in a real debate. Next week, our Administration's Commission on Public Interest Obligations for Digital Television will meet for the first time -- and I hope this meeting will mark a new beginning in working together to tackle political reform and other issues such as children's television. Working together, we can fashion public interest obligations that let all of us exercise our responsibility to create a better future for America.

Ladies and gentlemen, we meet today on the cusp of a new century and a new era of opportunity for the entertainment industry. Working together we can and will build a better future -- a golden age here in this golden state, for all our communities. A hundred and thirty years ago, Walt Whitman wrote a poem entitled "Facing West from California's Shore," where he described this land and its people as: "Inquiring, tireless, seeking what is yet unfound." That is as true today as it was then. And it is you in the entertainment industry who are helping to lead this state, this nation, and -- indeed -- the world in discovering the unfound. So together let us embark on this voyage of golden discovery -- but as we make this journey let us never forget who we are and who we strive to be. Thank you.

ARMS Email System
RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-NOV-1997 12:56:16.00

SUBJECT: FOX News Sunday, 11/9/97

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

----- Forwarded by Ruby Shamir/WHO/EOP on 11/09/97 12:53
PM -----

Dag Vega
11/09/97 12:29:15 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: FOX News Sunday, 11/9/97

FOX News Sunday
Aired on NOVEMBER 9, 1997

Speakers: TONY SNOW, JUAN WILLIAMS, MARA LIASSON and BRIT HUME.
Guest: DAN QUAYLE, FORMER VICE PRESIDENT, SENATOR TRENT LOTT (R-MS), REP.
CHARLES RANGEL (D-NY), REP. JOHN BOEHNER (R-OH), GERALDO RIVERA and WALTER
ISAACSON, TIME MAGAZINE

SNOW: Iraq, taxes, scandal -- can Republicans seize the political
initiative in Washington? Senate Majority Leader Trent Lott has the answer.

Fast track -- will Bill Clinton win or lose? A debate between
Republican John Boehner and Democrat Charles Rangel.

Murphy Brown's favorite politician comes calling. Former Vice President
Dan Quayle talks about Hollywood, Saddam Hussein and the next presidential
campaign.

And the media -- good, bad or ugly -- Geraldo Rivera and Time Magazine
Managing Editor Walter Isaacson join our all-star panel of Brit Hume, Mara
Liasson and Juan Williams on the high-impact, high-concept November 9
edition of FOX NEWS SUNDAY.

SNOW: Good morning and welcome to FOX NEWS SUNDAY. I'm Tony Snow.

(NEWS CLIP)

SNOW: It's been a tumultuous week in Congress. Iraq, fast-track,
spending bills -- we have the man at the center of the action, Senate
Majority Leader Trent Lott.

Senator Lott, good morning.

LOTT: Good morning, Tony, glad to be with you.

SNOW: Glad to have you here. Let's begin with Iraq. What should the president do?

LOTT: Well, I think this may be a very, very telling moment for the administration on how they are going to deal with Iraq. We cannot let stand what they are doing. They have been pushing the envelope for quite some time, trying to get all the sanctions relieved while trying to keep our investigators, our people that are in there, trying to see what they're doing on nuclear weapons, biological and chemical weapons. They're trying to hide that.

I think the administration has got to be tough. The UN has to stand with us, even Russia and France. They have got to let our inspectors in there.

And if they don't, I think we've got to take immediate, firm action, including putting all the sanctions 100 percent in place. And we must be prepared to take military action.

SNOW: Meaning bombing?

LOTT: If that's what it takes. I'm not, you know, saying here that's what it should be. That should be left up to the Department of Defense.

But we should have the overflights tomorrow. And if they dare fire on them, we should take very firm, aggressive action.

SNOW: Now, if President Clinton were to order bombing runs as he did earlier with Iraq, Congress would support him immediately, right?

LOTT: I think we would in a very bipartisan way. I do think they've got to be better than they were last time. It can't be a pin prick that actually left, I think, Saddam Hussein stronger after that, you know, very small slap.

I think they've got to be targeted at where we think, or we have reason to know, that chemical, biological or other activities are going on that should not be.

SNOW: Do you think they're actually close to or do you think that they have developed chemical or biological weapons?

LOTT: I think they have some capabilities that are very dangerous in the chemical area and perhaps other areas. I think they are close to it. I think our inspectors have been closed in on them. And that's why they're trying to stop us.

SNOW: It has been suggested in the past that the United States should have taken out Saddam Hussein in 1991. Should the United States take him out?

LOTT: I, you know, wish we could find a way to do that through the normal process of the people making that decision. But I do think we should use actions to try to get him out, you know, within the diplomatic arena by keeping sanctions on.

But also, I think if we go into another military confrontation, we should make sure that it's a very stern one, very serious. Certainly, I'd like to see him taken out.

SNOW: In the Gulf War, George Bush assembled an international fighting force. This time it seems a little more difficult. A lot of people don't feel as threatened by Saddam.

Does the United States have the strength, or even the responsibility, if nobody else goes along to go ahead and act unilaterally.

LOTT: I think we do have the strength and should have resolved to go in and act unilaterally.

But I think we should be very firm with our allies, including the French and the Russians, that they need to stay with us.

Look, it's very easy to develop capability to have some sort of chemical or biological weapon that can be sent into the middle of thousands, maybe millions, of people with very rudimentary technology, and we'd better watch that.

SNOW: If the president were to do this kind of action and do it soon -- and I'm not going to suggest that he would do this for political reasons -- but if he did, that would completely change the political complexion of the fast-track debate, wouldn't it?

LOTT: Well, fast-track is going to be resolved one way or the other today. I don't see any indication, and I've heard none, from the administration that some straw action would occur in the next 24 hours.

I did speak to Secretary Albright late Saturday night; she didn't mention that. I would expect that we would be briefed, notified by the secretary of defense or state.

You know, I don't want to signal what we are going to do or where we are going to do it, but I don't see it happening today.

SNOW: Now, on the fast-track issue, this, of course -- fast-track would give the president the ability to send a trade agreement to Congress. Congress would have to vote on it without amendment.

It seems as if there is one sticking point in particular. Republicans want to put in language, insert language, that would make it -- and correct me if I've got this wrong -- that would make it impossible for countries or organizations that receive foreign aid from us to use that money to lobby other governments on their abortion policy.

LOTT: That's not directly related to fast-track, but at this point, everything is related to other pending issues.

The problem with fast-track is that the president has not been able to convince his own people in the House that this is the right thing to do for the economy and for trade in this country and around the world.

It doesn't look to me like he has more than 40 or 45 votes at the most out of, you know, approximately -- what is it? -- 200 or so Democrats. He's not been able to do his job.

Republicans, on the other hand, I believe have significant portion of their numbers, perhaps 160 or more. There are some others that feel strongly in the foreign operations bill that we should not have language that allows the taxpayers' dollars to be used to promote and push abortion policies on foreign governments all around the world.

A group of extremists at the White House have refused to give up on that. And that is affecting the thinking and the attitude of a few that can make the difference.

I mean, this fast-track vote could be within six or 10 votes if they would show some reasonable compromise on this question of the so-called "Mexico City language" and give up on their desire to use taxpayer dollars to lobby for abortions in Africa and Asia. They could win on their foreign operations bill and maybe even on fast-track.

SNOW: So what you're saying is, if they don't change the language on abortion, they could lose the foreign operations bill, which includes \$3.5 billion for the International Monetary Fund, plus nearly a billion dollars for the United Nations.

LOTT: Right. The resolution of the UN arrearage problem; State Department reorganization; the funds for IMF, all the other funds for foreign operations.

When I spoke to Secretary Albright last night, I said, ``Madam Secretary, it's on the verge of having your entire foreign operations budget and proposals collapse over wanting to use taxpayers' dollars to promote abortions around the world."

SNOW: And yet the White House yesterday said it would not give on that issue.

LOTT: They had representatives from the administration go and meet with the Democratic caucus and the House, and the chief of staff and others were savaged by that caucus because of that language.

SNOW: Do you think Democrats fully trust Bill Clinton? Is that another one of the problems he's having right now in selling fast-track?

LOTT: Well, apparently they don't. But, you know, I don't think they're very trustworthy either, because I think their demands are not in the best interests of the American people.

SNOW: Do you trust the president on any word that he's given to members that he will perform some favor if they vote for fast-track?

LOTT: We have our disagreements philosophically, but when we have had agreements, I have to say he's kept his word to me.

SNOW: Last week, there were a couple of gubernatorial elections, Virginia, New Jersey. One of the big issues was taxes. IRS reform has been on the agenda in both the House and Senate. What's the prospects for that, and when should we expect a vote?

LOTT: Well, first of all, I think it's been a good year for the taxpayers in America. They have gotten tax relief from the Congress, the Republican-controlled Congress, for families with children, for IRAs and capital gains tax rate cuts. And then when we had the hearings in the Finance Committee, in the Senate, we saw for the first time in a long time, the horrors of what IRS has been doing -- the politics internally, externally; threats; intimidations; you know, using liens and all kinds of processes to destroy people's lives and businesses, when it wasn't even justified.

It was a big issue in the election on Tuesday in Virginia, and of course in New Jersey. So...

SNOW: So taxes are still at the center of the GOP agenda?

LOTT: That is the biggest issue.

My own grandfather was a supervisor for 12 years, and he -- I've heard him say, you know, pocketbook issues, that is the issue.

The economy is good in America. You know, we are seeing the deficit be reduced and eliminated. We should allow the people to keep more of their own hard-earned money. That's the message.

SNOW: Do you support Newt Gingrich's plan to spend \$30 million studying the IRS?

LOTT: I do. I mean, first of all, that is a teeny amount of money. Shouldn't the people be able to have every way possible to express their feelings about IRS? What we need to do is to eliminate the tax code. We need to sunset it by a date certain, say, you know, March 15 or April 15, 2001, this tax code is dead forever.

We need to have tax fairness in the interim. We need to get IRS under control, and we shouldn't just nibble around the edges.

We have reason to believe that there's a lot more out there. We're now concerned that the acting IRS director at least misled the Senate Finance Committee when he said he didn't know about these abuses. We now find that...

SNOW: So you think he perjured himself in front of the committee?

LOTT: I said ``at least misled." When he said he didn't know of abuses and yet we have reason to believe now that he saw a memorandum from the IG making it very clear that these horrible abuses had been occurring.

I think we've just seen the tip of the iceberg of this IRS problem, and what we need is fundamental tax reform.

Wherever I go in America, whether it's New Jersey or New York or Florida or Mississippi or Idaho, people are fed up with the present tax system. They want a fair, simple, flat, understandable tax code. To get that, we've got to get rid of the existing system.

SNOW: Very quick final question. Bill Lann Lee, he's been nominated to be head of the Civil Rights Division. The president promoted his cause last night. Will he get out of the Judiciary Committee?

LOTT: I don't believe he will. I think Orrin Hatch has taken the correct position.

It's not about Bill Lann Lee. It's about the positions he's advocated, which are contrary to Supreme Court rulings, contrary to the people of California and that Proposition 209. He's been an advocate of bussing, which has been an abysmal failure. He's not the issue. It's the positions he's taken. And they're important issues.

You know, preferences and quotas and mandates from the federal government that discriminate are not going to be tolerated any more.

SNOW: All right. Senate Majority Leader Trent Lott, thank you so much for joining us this morning.

Fast-track, will the House vote it up or down? The debate when we come back.

(BEGIN VIDEO CLIP)

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES: ... call upon the House of Representatives to vote for American leadership, for America's economic future, and pass the fast-track trade-negotiating authority.

(END VIDEO CLIP)

SNOW: It's the most contentious issue facing Congress, fast-track. President Clinton has forged an unlikely alliance with the Republicans in hopes of getting it passed.

Here to debate the merits and the politics, Republican Representative John Boehner and Democratic Representative Charles Rangel.

SNOW: Also here, Brit Hume, Washington managing editor of Fox News.

John Boehner, give me the vote count right now.

BOEHNER: I think we're still a few votes short. But we're going to continue to work on it. It is Sunday. It's an unusual day for the Congress to be in session. But I think it's going to be a long day.

SNOW: Do you think you're going to get it?

BOEHNER: It's going to be tough. I think that you see Republicans have already produced far more votes than what we thought we could. But we're continuing to try to get every Republican we can for fast-track, because this is for the future of the country. It's the right thing to do.

And even though the president is coming up short on his side, we're trying to make up for those votes on our side.

SNOW: Charlie Rangel, why don't Democrats support their own president?

RANGEL: Well believe me, it's a rough choice. And I think everyone should support the president. There is no question that he should have the authority to negotiate foreign policy and trade policy. It's just the insecurity of so many Americans about their jobs.

And those that had supported NAFTA had thought that there would be some protections. And as a result of it, many of their communities have just

gone into economic depression.

And so they love the president. They want to support the president. It sounds like the right thing to do. But you've got to get back home and...

SNOW: You've got the lowest unemployment rate in 24 years. The insecurity can't be that widespread.

RANGEL: Well, those statistics are great for a nation. But it doesn't really mean too much when you talk about rural areas and inner cities and the millions of people that are unemployed -- some hopelessly unemployed. There is no question in my mind that if the president had thrown in fast-track with a job bill, this thing could have passed on the suspension calendar.

BOEHNER: Well, the real problem here on the Democrat side of the aisle is the absolute fear amongst Democrat members of the big labor bosses here in Washington. They've run ads in members' districts. They're threatening to withhold campaign funds next year.

And it really is unfortunate, the flat-earth view that they've taken on this issue of fast-track, because this, fast-track, reduces trade barriers around the world.

If we really want to keep jobs...

SNOW: No, no -- fast-track doesn't do anything to trade barriers. It's just a negotiating...

HUME: But freer trade, freer trade reduces trade barriers around the world. It will help keep jobs here.

And the labor bosses just don't see it that way. And they're causing big problems.

SNOW: Congressman.

RANGEL: Nothing could be further from the truth. It should be said, however, that when the issue first came up -- and most people in the United States and some in the Congress didn't have the slightest idea what fast-track was all about -- the president got a slow start and the labor unions were out there. And so when they came to the issue, there was opposition, but there was no positive force actually pushing authorizing the president to negotiate foreign treaties.

And even today, there is an absence of information out there among our constituents.

HUME: What would the president have to do, Congressman Boehner, on the Republican side to pull enough votes to turn this? Is there any single move he could make, action he could take?

BOEHNER: I think the effort that's under way on the three remaining appropriation bills -- whether it's Mexico City, the issue of census...

HUME: Now, the Mexico City -- that's this abortion issue, right?

BOEHNER: Yes.

HUME: That has to do with -- explain, if you could, please.

BOEHNER: It has to do with using family planning funds for other countries, that we supply those funds.

HUME: Right.

BOEHNER: We don't want to give those funds to countries that engage in public funding of abortion. We don't use public dollars in America for abortion. And we don't think that when we give family planning funds to other countries, they should use...

HUME: Can you give us a sense of how many votes that might pick up?

BOEHNER: I think it's -- there are some votes there.

HUME: Right.

BOEHNER: If we can move the policy more in our direction. But I think

it's a bigger sense. If the president will work and give a little more on the three remaining appropriation bills, there is an opportunity for us to really go to our members and twist a few more arms to get them to see the bigger picture.

SNOW: Are you saying pork for votes?

(LAUGHTER)

BOEHNER: No. What I'm talking about is cooperation. If the president is willing to cooperate with us, on our objectives, we're willing to work and cooperate with him.

BOEHNER: And I think we've demonstrated that over the last week as we've turned up a lot more votes than they expected.

HUME: There's been a lot of complaining on the Democratic side that the president, in the words of one, is "making a deal with devil," that he's cutting agreements with these Republicans on various things, and this is the kind of unholy alliance.

My question is, what do Democrats expect if they won't support him? He's kind of got to go for the votes where he can get them, doesn't he?

RANGEL: Well, we'd like to believe that even in politics there's principle. We'd like to believe that the Democratic Party....

HUME: You mean these appropriations bills arrive to the level of principle?

(LAUGHTER)

RANGEL: I mean, if we're negotiating as to how we treat abortion abroad as though this is a international trade issue, or if we're talking about bridges and tunnels, are we talking about getting a fair count in the census, I don't think those issues are negotiable. I think those are separate issues; they should be treated separately.

SNOW: Well, Congressman, if the president does as Congressman Boehner suggests and makes concessions on the various measures that the congressman has just outlined, how many Democratic votes is that costing?

RANGEL: I can't say a number. But every

SNOW: Well, roughly. Is it going to offset the gain?

RANGEL: Listen, we're probably only talking about a handful of votes now.

SNOW: What? Six, Eight, 10, What?

RANGEL: Yes, I would say about a half-a-dozen. I think people are locked in now. I don't think there's going to be anything that's going to change most of the votes as we talk today.

SNOW: Pull the bill?

RANGEL: That is very, very possible. As a matter of fact, some people have suggested...

BOEHNER: I have serious doubts whether we're going to pull this bill. In the end, it's going to be the president's call along with the speaker.

But I think you're going to see this day unfold in a way that will actually produce the votes that we need to give this to the president.

SNOW: Is it conceivable if you don't have the votes by days end, that it will be held off yet another day or another two days?

BOEHNER: Well, everything's conceivable in the legislative environment, but I don't think so. We've had a long year. It's time to get the members home to meet their constituents, and we want to wrap up our work today.

RANGEL: You should understand though that everybody, especially the Democrats, want the president to have fast-track authority. It's a question of how the legislation is packaged and whether we can give security not to the labor unions -- after all, most of them are going out

of business anyway. It's a question of how you can give security to your constituents, those that are working and feel they may lose their jobs, those that are hopelessly unemployed.

And you have to recognize they're major multinational corporations collapsing and going to Mexico and almost putting out press releases about it.

HUME: Well, why not just vote down the trade agreements that you don't like? Why nullify the authority? It isn't clear to me why that's sensible.

RANGEL: Because we want the president to have the authority but we want protection ahead of time. Once you give him the authority, then you have to vote up and down on every trade agreement.

It would seem to me that it's very easy for the president to give a security to people who are looking to work.

This idea about high-paying, high-tech jobs coming to you in the next century is not very appealing to someone's that's been unemployed for a year. And I'm suggesting the president can put a jobs bill together with fast-track and pass it.

SNOW: OK, gentlemen, I want to turn quickly to another topic. We had you both on this show one time earlier this year.

The discussion was about an intercepted cell phone call made by Congressman Boehner that turned up on the front page of The New York Times.

Let's show you that clip.

(BEGIN VIDEO CLIP)

RANGEL: What has been reported is, that some jerk using a cellular phone did not understand that you can pick up a conversation....

SNOW: OK, he's just called you a jerk, John Boehner.

RANGEL: I'm sorry. I apologize. I apologize.

(END VIDEO CLIP)

SNOW: John Boehner.

(LAUGHTER)

BOEHNER: All right, Charlie, now that we're both here together, I can take it out on you.

SNOW: John Boehner.

RANGEL: I had no idea it was you. I really didn't.

BOEHNER: I know you didn't. I could tell.

SNOW: There's a report in Legal Times that you're going to sue Congressman Jim McDermott over that phone call. Is that true?

BOEHNER: That is correct. We've waited for 10 months for the Justice Department to investigate this and bring those that were involved in it to justice, and it hasn't happened. And the fact that it was my phone call, I've got other remedies available to me, and filing a civil case against McDermott is about to happen.

SNOW: OK. Well, that's the last word. John Boehner, Charlie Rangel, thanks for joining us today.

SNOW: When we return, former Vice President Dan Quayle on Iraq, presidential politics and Murphy Brown.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

CLINTON: Being gay, the last time I thought about it, seemed to have nothing to do with the ability to read a balance book, fix a broken bone, or change a spark plug.

(APPLAUSE)

(END VIDEO CLIP)

SNOW: That was President Clinton speaking last night to a gay and

lesbian advocacy group.

Joining me now from Phoenix for a reaction to that speech and more is former Vice President Dan Quayle.

Good morning, Mr. Vice President.

QUAYLE: Good morning, Tony.

SNOW: In that speech last night, Mr. Clinton also said that the gay rights movement was analogous to the civil rights movement of the '50s and '60s. Your reaction?

QUAYLE: I don't agree with that, because today we have a policy of nondiscrimination, as we should. Where I come down on this issue, where most Americans come down on this issue, is one of tolerance. We are tolerant of different viewpoints, different lifestyles. If gays want to live together, that's their business.

But there's a difference between tolerance, and approval and endorsement. And you have to realize that this is the radical left's agenda.

They don't want to practice the virtue of tolerance. They want approval and endorsement. And that's where most Americans draw the line.

So what you have today in America is the new intolerance coming from the left.

SNOW: Was the president practicing tolerance last night or advocacy?

QUAYLE: I didn't hear his speech.

SNOW: Yes.

QUAYLE: Therefore it's hard for me to comment on it. The sound bite that you put on was perfectly fine with me. Perhaps there's much of his speech I would agree with. I'd have to wait and see.

And I have no problem with Bill Clinton going and speaking to his constituency. That's fine. That's what America is all about.

But when they have a radical agenda, where they're not just preaching tolerance but preaching intolerance, there's where some of us are going to resist.

SNOW: Now, a lot of folks -- it's been -- Democrats are often accusing the Republicans of trying to impose their values.

(LAUGHTER)

They would say that what you have just said is that you're using the word "tolerance," but at the same time you're trying to demonize sexual orientation.

QUAYLE: That's -- that's just ridiculous.

What is at work here is a left-wing agenda to change people's attitudes, and they are trying to impose their particular viewpoint on us.

This is America. We're going to have different viewpoints. We're going to have different opinions. We're going to have different lifestyles. And we will always be tolerant of those.

But what we are going to disagree is from time to time whether we approve or endorse those things. That's what it is at work...

SNOW: So...

QUAYLE: As I said before, the intolerance today is coming from the left.

SNOW: Speaking of advocacy, sir, Murphy Brown, your favorite television character, was smoking medicinal marijuana this week, and the producer of the show said that that was part of an agenda to promote the medicinal use of marijuana.

What's your reaction to that?

QUAYLE: Of course it is. This is part of the radical left-wing agenda that comes out of Hollywood that is trying to not just reflect society but

to shape society. And as far as this particular TV sitcom dealing with breast cancer, which is a very serious and no laughing matter, in our house, unfortunately, we lost Marilyn's (ph) mother to breast cancer. One out of nine women will get breast cancer. Forty thousand to 50,000 women will die of breast cancer.

And this is not just a woman's issue. This is also a man's issue, because we lose our mothers, our mother-in-laws, our sisters, our daughters, our wives, and it's a very serious issue.

And now we're having drugs back on television.

QUAYLE: Imagine what would have been the reaction if it had been a cigarette.

I hope that we can begin to be rather judgmental when it comes to illegal drugs. And that is that it's wrong and that we really should not have drugs on television, in the movies. And we certainly aren't going to allow it in the school house or the state house or even the White House.

So we need to get very vigorous in trying to eradicate illegal drugs, which are destroying the American family.

SNOW: Mr. Quayle, you were in the White House during the Gulf War. President Bush obviously successful in that endeavor.

What do you think President Clinton ought to be doing with Saddam Hussein right now?

QUAYLE: Clearly, this is a test of presidential leadership. Saddam Hussein is once again testing an American president.

First, the administration has to decide whether they're going to let Saddam Hussein thumb his nose at the world. I hope that they won't.

If they decide that they're going to do something to try to change Saddam Hussein's behavior, they have to decide what that's going to be. They have to, right now, be studying what the options are going to be to respond to Saddam Hussein to get him to change.

And then, Tony, it's very important to have world support in this, because Saddam Hussein sees some weakness. He sees the coalition beginning to fracture. And this is where presidential leadership is very important.

I mean, you've got to get on the phone. You have to have an understanding, a rapport, with other leaders around the world to have them support what America is going to do.

Now clearly, we can do it by ourselves, and perhaps we will do it by ourselves. But it would be far more meaningful and it would have a far more impact if you would have the other members of the coalition behind us.

And from reading the reports in the papers today, it looks like the coalition is not together. And this is a lack of leadership that I'm very concerned about.

SNOW: How long do we have to wait before we decide whether we have to act unilaterally, in your opinion?

QUAYLE: Well, I'm not going to get into the time table. That's for the president and his national security team to decide. It would be very inappropriate for me, for senators, for Congress, for men and women to start giving it a timetable.

But we do need to make sure that one, we're not going to let Saddam Hussein get away with it; two, the response has got to be one that will change his behavior. A pin prick won't work.

Saddam Hussein -- the tyrant that he is -- understands one thing, Force.

SNOW: So you're saying big force?

QUAYLE: I'm saying, you cannot use a pin-prick response. He won't pay attention to it.

Saddam Hussein is in this for the long term. And he has to know that we are serious. Foreign policy is serious business. You have to pay attention to it. You have to work it, and you have to know exactly what you're doing.

And I hope the administration has these options available to them. And when they use those options, I'm sure that there will be a great deal of support from the American people if it is going to be sufficient to change the behavior of Saddam Hussein.

SNOW: Recently -- when you were in the Bush White House, President Bush negotiated an environmental treaty with the UN in Rio de Janeiro. Timothy Wirth -- then a senator -- was harshly critical. He recently told members of Congress they ought not to talk about the administration's position when it goes to Kyoto, Japan, to negotiate a similar set of agreements. What's your reaction?

QUAYLE: I believe that Tim Wirth -- and I know Al Gore -- they were in Brazil criticizing an American president in a foreign country. And I know that George Bush and most of us in the administration were rather appalled at that time.

The criticism should be here at home. I do not encourage members of Congress to go to Kyoto and to criticize an American president abroad. Save that for home. There's plenty of time for disagreement here at home.

But there are some very serious concerns about this agreement, because the way that it's set up and what the Clinton administration may do is to unilaterally impose some very severe standards on the United States that will retard our economic growth.

The real problem with the environment today, Tony -- and it is a serious problem -- is with getting the developing countries to take environmental issues seriously.

I have a son that is in China and recently visited him. And the environmental situation there is just deplorable.

QUAYLE: We need to work with the Chinese. We need to work with the Russians. We need to work with other developing countries to let them appreciate the importance of environmental concerns. And this is where the focus should be, not on the United States, which has the most restrictive environmental laws in the entire world.

SNOW: OK, Mr. Quayle, most people think you're running for president. Are you?

QUAYLE: I will run for president some day. I haven't finally decided whether I will run in 2000. I'm campaigning around the country for others at this time.

I was in Virginia, New Jersey. I'll be going to several states this week.

My vision for America is a smaller, more efficient government; dramatic cuts in taxes; strengthening of our national defenses; and a commitment to the American family. That is a vision I hope that the majority of the Americans approve of.

I'll take my vision to them. I'll be talking to them, and at the appropriate time, I'll be making a decision.

SNOW: OK, former Vice President Dan Quayle, thanks for joining us and we look forward to hearing from you when you make that decision.

QUAYLE: Thank you.

SNOW: This week's war of words with Iraq over U-2 spy plane flights brought back memories of an earlier time when a U-2 and its pilot were in the spotlight.

Fox Movietone News was there, too.

(MOVIE CLIP)

SNOW: When we come back, the media. Muckrakers or muckmakers!

(COMMERCIAL BREAK)

SNOW: So, is the press as awful as everybody says?

I'll throw the question to a gaggle of media worthies. Time Magazine Managing Editor Walter Isaacson joins us in New York. And from New Jersey, Geraldo Rivera.

Here in studio, Brit Hume, Washington managing editor of Fox News; Mara Liasson of National Public Radio and Fox News; and Juan Williams of The Washington Post and Fox News.

Walter Isaacson, the question a lot of people are asking these days is have all the media, including the so-called "mainstream media," gone tabloid?

ISAACSON: Absolutely not. I mean, most of what we do, say at Time Magazine, is Alan Greenspan on the cover, George Soros on the cover, Steve Jobs, Steve Case, that sort of thing.

I think every now and then we probably do get sort of overheated about one of the stories of the moment, and occasionally that has infected the mainstream press as well.

But I think we have to guard against that and probably ought to work a little bit harder to guard against it than we have in the past.

SNOW: Geraldo Rivera, you have often been accused of somebody who has made tabloid press respectable. What do you think?

RIVERA: I think it was actually Time Magazine, when they put the colorized version of O.J. Simpson's face on the cover, that it showed the distinction between the mainstream and the so-called "tabs" to be virtually nonexistent.

There are some stories that we all get overheated about. I was reading yesterday's New York Times. They had two separate Diana stories, one about the fact that French people were complaining about the expenses involved in her investigation, and the other one was about the Diana as saint.

So those are two stories that I think in the past would have been considered tabloid that now have become very, very accepted in terms of mainstream. I think the line is very blurred these days.

SNOW: Walter Isaacson, this concentration on such things. Is that merely a reflection that the press is starting to connect with people -- with what people actually care about?

ISAACSON: Yes, I do think that that's part of it. I do think that some of these stories people care about, and for awhile, we were too elitist in a way.

I don't make any apologies for running stories that interest our readers, and if that's what "tabloidy" means, then I don't make any apologies for that.

However, I do think we have to draw a line between some stories that we're just doing to titillate or be salacious. And it's a tricky balancing act, but that's what we do for a living.

LIASSON: Well, Walter, let me ask you about what you've got on the cover this week, which is a picture of JFK...

ISAACSON: Yes.

LIASSON: ... and a lot of salacious tidbits that might or might not be true about him. This is on the eve of a moment when the United States might be getting ready to attack Iraq. Why is that more important?

ISAACSON: This is a big book coming out, as you know, on John Kennedy. Most of what's in the book and most of what we explore in the book,

involves the Bay of Pigs, involves Vietnam, involves the

Cuban missile crisis. It does involve some of the women, some of the connections with the mob, some other things involving Kennedy.

I think that book deserves some scrutiny. because I don't believe it's a very accurate portrayal, but a lot of the reporting in that book turns out to be right. We went back, and we interviewed a lot of the sources, and then we tried to put it in perspective.

And I think, looking at the Kennedy administration; how they handled international crises; and for that matter, the personal side of it is all a very valid story.

HUME: Well, Walter,...

RIVERA: I think the difference -- or, I'm sorry...

HUME: Go ahead, Geraldo.

RIVERA: I just think the difference between the way Time Magazine would handle that story and the way I would is that they're more embarrassed about putting it on the cover. You did exactly the right thing, Walter. You led with what is of greatest interest to the public.

Here was an alleged affair between the young and gracious 35th president of the United States and Marilyn Monroe, the sex goddess of her time. There were all the disquieting innuendo about the fact the mob was in on some of the relationships John Kennedy had extramaritally.

I have seen the documents that back that book. I am unconvinced that Roone Alridge (ph) was right, that the book is based on fraudulent documentation. I think the vast majority of it is absolutely factual.

It is fascinating. It is very interesting. And you know, just have the courage of your convictions. Just say, yes, I put it on the cover because that's what people are most interested in.

ISAACSON: Yes. I put it on the cover because that's what people are most interested in...

RIVERA: There you go.

ISAACSON: ... and it's a very valid...

HUME: You know, Geraldo...

ISAACSON: ... inquiry into a very important public figure.

RIVERA: I agree.

HUME: Geraldo, you...

RIVERA: I agree.

HUME: Geraldo, you mentioned that Roone Alridge (ph) had made a statement and taken a position with regard to that. You mean, maybe you could explain the background, what happened there with ABC, with Seymour Hersch (ph) and the book and the documents.

RIVERA: Well, let me just start back in 1985, when I was fired because I complained very bitterly that Roone Alridge (ph) was, in my view, censoring a story that Sylvia Chase had done that proposed exactly the contention now being widely circulated as absolutely true about this clandestine relationship and how it affected Kennedy's tenure in the White House.

I think that that was absolutely a factual story then. I believe it to be even more documented now. Now comes Sy Hersh (ph), and he has these documents, theoretically obtained from a lawyer of the -- of the Catholic Church here in New York. His son inherited the documents, found out he had a treasure trove of inside accounts.

Sy Hersh (ph) based the huge book on it, sold a \$2-million documentary to ABC News. Upon very close and critical examination by ABC, after they paid for it, which is very unusual, there was a determination some of the

documents perhaps not -- not as accurate, not as truthful as once they thought.

HUME: I thought there was -- they determined they were forgeries, didn't they?

RIVERA: Well, they found, for instance, that maybe there was a zip code and zip codes didn't quite exist in the time that the...

HUME: That's a little damning, wouldn't you say?

RIVERA: It is exactly damning. But there are many hundreds of pages of documents. And I suggest and it is my theory that some of them were fake -- they tried to gild the lily -- but that the vast majority of them seemed true. There were hand writing analysis done, whole pages of JFK's very unique penmanship explored.

I think the vast bulk of them were true. Someone tried to enhance the property they had, sell it to a bunch of investors. And when you lie a little bit, everything you say is false, and therefore, the whole house of cards fall.

WILLIAMS: Let me just change this a little bit to say Walter Cronkite recently said, you know, listen, the problem with news is we don't talk about the news, that if you look at a newscast these days, you know, 22 minutes of a national newscast, a lot of it's taken up with soft features about people who are crying or their children are hurt, and we don't tell the news about how power is used in this country, about where the money's going.

We just listened to this discussion about this salacious book and the fact that Hersch (ph) gets these millions of dollars. Who's telling the news in this country? It seems to me that throne has been vacated.

RIVERA: Well, you know, I saw The Washington Post do a big take out on a guy involved in a menage-a-trois about three weeks ago, and we looked at it for the daytime program. And I said, no, it's too salacious for us to do. And it had already been picked up in most of the major publications in the country.

WILLIAMS: Well, I guess that's an example of them. But I mean, generally speaking, if you go beyond The New York Times, The Washington Post, Wall Street Journal, pretty much, it seems to me, that there is a huge war.

But specifically in television, Geraldo, I think television no longer tells people how power is being used in Washington, in the state capitals, in the city halls. Instead, it's all this sweeps week stuff about, you know, witchcraft and children being hunted down and all that nonsense.

RIVERA: Well, witchcraft, you look at Pearl, Mississippi. I watched that with some chagrin, having done a devil worship special and being widely chastised as fictionalizing it. And then I watched in Matamoros, Mexico, and Pearl, Mississippi, when it was proven to be exactly true.

The point, however, is a good point, I believe. There isn't enough analysis. Programs like this one, however, divide their time in a way that I think is probably exactly right. You had, you know, the majority leader and then you talk about Saddam Hussein.

And then toward the end of the book, you say, OK, what about the media, what about some of this other stuff.

Let's mix it. Let's not be priests of the media where we have to pontificate from on high lecturing down to the ignorant masses that this is what you should believe in.

WILLIAMS: Well, one of the things that you saw in the Fox News/Dynamic poll right at the top was that many people view news reporters like you,

Geraldo, and like me, I guess, as arrogant and insufferable and out to make big bucks. Do you think that's a legitimate criticism of someone?

RIVERA: Oh, I don't know. I remember when the criticism was that we all used blow dryers on our hair. I think it's very hard to generalize about an entire industry in a way that says arrogance or insufferability. And if I were going to characterize thusly the reporters who are practicing the trade, I think those on the Potomac are probably more in that category than those who've had their sleeves rolled up and are out there trying to find out the dirt on Marv Albert.

SNOW: Let's get Walter Isaacson back in the conversation.

Walter, poll after poll demonstrates that Washington-based reporters tend to be Democrats and not Republicans. Why is that?

ISAACSON: I don't think that there's a bias in the media now the way there used to be. I do think that -- I'm not sure I really believe those polls. I think some people on the beat reporters are, but I think the people doing analysis, the people doing punditry are evenly divided on both sides of the spectrum.

I know that at Time we're pretty careful to make sure everybody's open-minded, that you're not bringing a political bias to this. But also that's why you have a broad diversity of other media so if somebody says we're biased, they just cancel the subscription. So, that keeps us in line to make sure we're not biased.

LIASSON: Yes, I agree with Walter.

RIVERA: I think it's -- oh...

LIASSON: Yes, I think there's a big problem when you talk about "the media" as if it's some single organism that has one brain and we all discuss things in advance before we do the stories.

But look, there is a plethora of different medias. I mean, there's Fox, and there's The Weekly Standard, and there's The New Republic, and there's The Nation, and there's NPR, which, in the past, I think, has been accused of liberal bias. But quite frankly, you can hear just as many conservative voices in the commentaries in NPR as you can liberal voices today.

HUME: If that's true, though, Mara, what accounts for that poll number?

HUME: I mean, the striking number -- the big number in that survey we took was the number of people, 44 percent -- that's a huge plurality -- thought the media were biased.

LIASSON: One way or another.

HUME: Do you really think that a large part of that 44 percent thought the media was biased to the right?

LIASSON: Well, you didn't ask that question. But I think ...

SNOW: Let's let Walter Isaacson in. Walter.

ISAACSON: Let me jump in just cause I happen to have been blasted on two different panels in the past three weeks -- one in which I was on a panel sponsored by the Nation Institute that said everybody in the press was part of some, you know, establishment, right-wing conspiracy to suppress the real news; and then I got on some other panel, which they said we were all part of some left-wing liberal elite.

I do think we get blasted from both sides, those of us in the mainstream media, and that's kind of comfortable to make sure that ...

HUME: Walter, do you really think the news rooms of America are equally divided between conservatives and liberals? Do you really think that?

ISAACSON: I think that our news room at Time and the people who write there are open-minded and are not Democrats and liberals as the popular perception is.

SNOW: Geraldo, what's your view on this?

RIVERA: Well, my view is, first of all, the media is the most self-loathing profession there is. You can't see a Hollywood presentation, a movie that involves a news reporter. Look at Dustin Hoffman with this movie with John Travolta now, where the reporter totally manipulates a hostage situation to get a good story.

The reporter is always portrayed as sleazy, as self-involved, as anti-social, as ultimately very destructive force. We really hate each other. We jump on the errors or the foibles of our colleagues in a way that almost gives a kind of malicious glee.

I think there was, however, a real liberal bent to the media, and I'm the first one to cop to it. And I think a lot of that has to do with the chronological accident of the bulk of us, the baby boomers, coming up through the '60s and early '70s and witnessing Watergate and the near impeachment of President Nixon.

Now we are aging out of it, I believe. Now you get a lot of people who were once fiery radicals or at least limousine liberals who are evolving toward Republicanism, if not beyond that, as I have gone all the way to libertarianism.

Therefore, I think Trent Lott is wrong or Dan Quayle is wrong when he suggests Murphy Brown, who smokes dope to alleviate the pain from cancer, is someone who's anti-social. It happens to be legal in California to use dope for medicinal reason.

SNOW: All right. Well, on that note of political self-confession, Geraldo Rivera, thank you so much. Walter Isaacson, thanks for joining us, and of course, thanks to our panel.

(SPORTS BREAK)

SNOW: We'll be back with your mail and parting thoughts right after this break.

(COMMERCIAL BREAK)

SNOW: Today, I'm proud to introduce an important addition to the program, our mail bag.

First, this e-mail from V. LaBlanc. "I just watched your Sunday show for the first and last time. This production was perhaps the worst sensationalized, biased, sports commentator-like political roundtable I have ever witnessed.

Who is your target market? Folks who eat at McDonald's and shop at the mall? Scary. The American public is far more informed than you seem to think."

SNOW: "Good luck, V. LeBlanc, human race."

Dear V., thanks for your crisp, eloquent letter, and congratulations on the promotion.

Next up, this note from Larry Beasley (ph) for Brit Hume: "You're quickly becoming my favorite commentator. Your remarks about race relations today on FOX NEWS SUNDAY were right on target. You, sir, are a logical, no-nonsense guy, as am I. You also share another trait with me, double-jointed thumbs. I found them great for crushing beer cans."

(LAUGHTER)

Dear Mr. Beasley (ph), thank you for writing. Mr. Hume is speechless, as am I.

(LAUGHTER)

And now for my parting thoughts.

Americans agree the national press has a liberal bias, but the tilt isn't as deeply rooted as you may think.

Consider this: When reporters cover a beat, they go to folks who count, not the powerless fringe figures. Between 1932 and 1994, Republicans on Capitol Hill didn't matter. Democrats ran the town. So journalists talked to Democrats, hung out with them, got to know their arguments, and over time, developed greater personal and intellectual sympathy with liberals than with conservatives.

Press bias springs from the fact that journalists tend to roam and think in herds. Too often, they know only what they see or understand what they hear from sources. So, if Republicans hold power a few more years, I guarantee conservative bias will displace liberal bias, except here of course, where we'll continue to strive for fairness and balance.

That's it for today. Join us next week, when we turn our spotlight on crime and answer the question, are recent reports of lower crime the beginning of a trend or a lull in the hostilities?

Have a great week, and be sure to join us next Sunday for another edition of FOX NEWS SUNDAY.

END

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Today's Papers From Slate Magazine (<http://www.slate.com>)

Iraq and Roll Call
By Scott Shuger

The Washington Post leads with U.S./U.N. reactions to the continuing

Iraq stand-off. USA Today and the Los Angeles Times lead with congressional fast-track maneuvering. And the New York Times goes with the announcement of a Pentagon job cut.

According to the WP, President Clinton is urging the U.N. to put enough pressure on Iraq to compel Saddam Hussein to give internal access once again to the U.N. weapons inspection teams. The Post says that Clinton is especially focused on getting France, Russia and Arab states to stay firm. Meanwhile, says the paper, Hussein made a statement on Iraqi television that appeared to be bucking up his countrymen to continue the impasse.

The WP says Clinton is proceeding on two paths. One, he is making it clear that military options are not off the table--"We will not," he said yesterday, referring to Hussein's vow to shoot down U.S.-piloted U.N. surveillance U-2s, "tolerate his efforts to murder our pilots." And two, he is trying to ensure that the U.N. maintains a united front against Iraq.

USAT and the LAT both report that the fast-track roll call will probably take place early Monday morning, and that Clinton seemed unable to persuade enough House Democrats to vote his way and so the emphasis has turned towards the hunt for Republican votes. The LAT says Republican leaders predict the bill will pass.

You have to sympathize a bit with the situation the dailies are in with fast-track. Fascinated by the bill's strange bedfellow coalition of supporters and convinced that a dramatic vote was imminent, the papers started hitching their leads to the vote in the middle of last week, which meant that as the vote kept not materializing, the papers were stuck in bed with a story that wouldn't undress and was ugly anyway. But the majors didn't help themselves out much--they could have been doing much more substantive reporting from the outset about what sorts of trade agreements fast-track authority was likely to spawn. Why, for instance, is there no mention of NAFTA in these stories? After all, that's the last time the president meaningfully used the authority. The whole episode is a good example of the press's weakness for covering the how of a political story over the why or the what.

The NYT lead says that Secretary of Defense Cohen announced his plan to cut thousands of administrative jobs at the Pentagon under pressure from Congress to reduce the Pentagon's own bureaucracy before ordering cuts in troops or weapons. The paper reports Cohen's plan could save \$6 billion a year. (That's only a little more than a 2 percent cut.) The plan also includes proposed base closings, which the

Times notes, require congressional approval and may not get it. And shades of the balanced budget deal, none of the projected pain takes place until Clinton is out of office. The WP runs substantially the same Cohen plan story on its front as well.

The Wall Street Journal runs a front-page feature about a federal

affirmative action program for female highway contractors (the only one that cites women as a disadvantaged class) and the backlash it has created among black, male construction workers, who feel squeezed out of the trade by it. Under the program, reports the Journal, women's share of federal highway funds has tripled. But meanwhile, the share going to blacks, the program's original beneficiaries, plummeted. "The white women--95% of them are fronts," the WSJ quotes a black trucking business owner as saying. Now there's a move afoot in Congress to end the program, which the paper reports, might well mean a lot of female subcontractors will go bankrupt.

The WP runs a front-page piece detailing how since returning to office in 1995, Mayor Marion Barry has used more than \$240,000 from a special unaudited fund, generated by the D.C. hotel tax and political contributions, for such goodies as a Waterford crystal wedding gift, a lavish staff Christmas party and extensive travel abroad. The story runs under the headline: "Barry Used Unaudited Funds For Gift, Parties and Travel." That's F6 on Post keyboards.

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