

ARMS Email System
RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Philip J. Crowley (CROWLEY_P) (NSC)

CREATION DATE/TIME:16-APR-1998 09:27:55.31

SUBJECT: News Summary

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Remote Addressee (Gene B.
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CC: S. Lael Brainard (BRAINARD_L) Autoforward to: Remote Addressee (Lael
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CC: Jake Siewert (Jake Siewert@eop@LNGTWY@EOPMRX)
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TEXT:
COMMENT
AUTHOR : National Security Council
OPERATOR : Philip J. Crowley
COMMENT :
PRINTER FONT 12_POINT_ROMAN
NATIONAL SECURITY NEWS SUMMARY
THURSDAY, APRIL 16, 1997

LATIN AMERICA/CARIBBEAN

POTUS TRIP: President arrives in Santiago both speaking softly and carrying a small stick. He and other heads of state will formally launch a grueling seven

-year process to create the FTAA, which recognizes untapped Latin American market, but President is handicapped by lack of fast track authority, which dimmed U.S. leadership and confused trading partners. U.S. comes to the summit being criticized for not keeping up with its neighbors. Buchanan continues his campaign against free trade. (WP1; LAT/B5; WSJ19; USA13; WT4)

BREARD CASE: MKA says that the U.S. did the right thing in handling issues surrounding the execution and hopes case will not endanger Americans around the world. New U.S. law trumps older international law. Paraguayan students will hold vigil outside U.S. embassy. (USA3; WT1, 15)

COLOMBIA: U.S. warns Colombia that offensive against rebels could endanger lives of hostages. (WP28)

CUBA: Dissident says the Cuban government is sustained by self

-repression
by Cuban people. (WT5)
GUATEMALA: U.S. students are back in Guatemala to cooperate with trial of

accused rapists. (NYT4; WP24)

MEXICO: Government defends recent expulsion of foreigners for assisting Chiapas rebels. (LAT3)

ASIA/PACIFIC

POL POT: Reports from the Khmer Rouge say Pol Pot died in his sleep. State is unable to confirm report, while experts caution such rumors have been heard before. (NYT1; WP26; LAT1; WSJ1; USA12; WT1)

CHINA: China again resurrects Lei Feng, its 'model man.' Congress investigates whether space launches have helped China improve its missile program. (NYT4, 5)

INDONESIA: Indonesian protesters gaining numbers. (WP24; WT14)

KOREA: Relief workers report cases of cannibalism in the North. U.S. ambassador says that Korea will be attractive for investments once financial reform is complete. (USA12; WT15)

THAILAND: Wanglee Company prepares to sell its crown jewel, the Nakaornthon Bank, which may be fatal blow to control of Thai economy by a handful of wealthy Chinese families. (NYT1)

EUROPE/NIS/CANADA

NORTHERN IRELAND: The devil of the peace accord is the details, most difficult of which will be prisoners and decommissioning. Hard

-liners

criticize pact. (WP28; LAT2; WSJ1)

BELARUS: Demonstrators tell President Clinton to pay more attention to personal problems and less to internal affairs of Belarus. (WT15)

CANADA: Contrasts are stark and cultural tensions real for Canada's Inuits, balancing traditional way of life and growing financial empire. (WP1)

CZECH REPUBLIC: Havel is out of intensive care. Legislature approves NATO protocols. (WP24; WT13)

FRANCE: French shops go British to avoid taxes. (WP23)

RUSSIA: State Department has declared 20 Russian agencies and research facilities ineligible for U.S. assistance because of aid to Iranian missile program. Move represents a difficult diplomatic and political balancing act, pressuring Russia to stop assistance to Iran and blocking Congressional attempts at wider sanctions. U.S. tries to diffuse a confrontation between Russia and Latvia. INS investigates adoption

agencies for bringing pregnant Russian women to the U.S. who bear children for adoption. Yeltsin aims ire at Berezovsky. Baptist minister is forced out of Russia due to new religious law. (NYT9; WP11; USA1, 7; WT13, 14)

SWITZERLAND/MARCOS: Swiss court denies last appeal against returning frozen Marcos assets to the Philippines. (WP24)

TURKEY: Turkish troops clash with PKK rebels, killing 64 while losing 11 soldiers. (WSJ1)

MIDDLE EAST/SOUTH ASIA

ISRAEL/MEPP: Israel frees Palestinian held for almost six years without charges after complaints by human rights groups. (NYT6; WP23; LAT3; WSJ1)

INDIA: Ancient kumbh mela festival thrives as India both seeks to modernize while protecting its Hindu traditions. U.S. keeps lines open, even as it tries to lure India into nuclear controls. (NYT10; WP24)

IRAN: Tehran mayor is released, representing a possible victory for Khatami

and blow to hard

-liners. Hamilton urges strong overtures to stop containment of Iran and open the way for restoration of relations. (NYT10; WP23; LAT2; WSJ1; USA12; WT13)

LEBANON: Rebuilt Beirut woos new investors. (WT14)

AFRICA

POTUS TRIP: France hopes that U.S. will follow through on pledge to increase aid to Africa, not just trade. (WT15)

CAR: UN peacekeeping force takes over from regional force. (WP24)

CONGO (K): SYG has reportedly decided to end UN investigation of massacres because of government interference. (NYT1; WP29; WSJ1; WT13)

KENYA: Kenya needs to protect wildlife while also promoting tourism. (WT15)

MOZAMBIQUE: Two former Army officers are arrested for gun trafficking.

Tycoon plans game park. (NYT6; WT15)

NIGERIA: Two protesters are killed when police fire to disperse demonstration. (WP24)

SOMALIA: Ten aid workers are kidnapped; Red Cross is negotiating their release. (NYT3; WP24; WSJ1; WT14)

SOUTH AFRICA: Botha appears in court facing charges he failed to cooperate with Truth commission after rejecting compromise. South African school reopens after riot. Mandela sees racism in killing of black baby by white farmer. (NYT6; WP1; LAT3; WSJ1; USA12; WT14, 15)

WESTERN SAHARA: SYG acknowledges that May 31 deadline for referendum is unlikely to be met. (WT15)

GLOBAL/DEFENSE/ECON

DEFENSE: Navy halts the Indiana

-bound shipment of napalm in Missouri until a new destination can be found. Pentagon delays decision on limited

-rate
production of F

-22 fighter, allowing more time for testing prototypes.
Judge sets September trial date for Lockheed

-Northrop merger suit,
considered a setback for defense firm. Secret exercise shows how easy it would be to disable Pentagon computer network. Marines are conducting guerrilla war against Joint Vision 2010. (WP19; WSJ6; USA3, 6; WT1, 5, 10)
ENCRYPTION: Commerce Secretary says government has failed in its effort to set rules for encryption software, which has in turn hurt U.S. competitiveness. Administration may be moving away from Freeh position. (NYT/D2; WT/B8)

EURO: Introduction of the euro could cause major shift in balance of the world financial system and challenge the dollar. (WP/E1)

G

-7: Global finance officials step up their pressure on Japan to expand and reform its economy, but offer little explicit help. World Bank president

says Asia will need time to heal, at least two years. (NYT/D1; WP/E1;

LAT/B6; WSJ2; USA/2B; WT1, 20)

GLOBAL WARMING: Administration will ask industry to help fill in the remaining blanks of the Kyoto treaty, but there is no consensus within industry whether the treaty can succeed. (WSJ24)

HOLOCAUST: California state committee approves a bill strengthening the state's ability to suspend insurance licenses for firms not cooperating with Holocaust claims. (LAT4)

HUMAN RIGHTS REPORT: U.S. rejects UN report on death penalty. (WP29; WT13)

NORTHERN RIGHT WHALE: Deputies consider proposal for UN maritime organization to protect whales from ships. (WT10)

SPACE: Astronauts will experience experimental changes in aging while in space. (WP22)

ADMINISTRATION

IMF: Camdessus says he is proud to be a bureaucrat. (WT15)

OPINION

WP: Editorial is not surprised by difficult start to North

-South Korean

talks, but supports President Kim's call for family reunions. McGrory lauds President for his success in Northern Ireland peace accord. Hoagland sees broad global economic and political forces at work in Northern Ireland peace agreement. Gavia salutes shared goals and values that mark the Summit of the Americas participants. (20)

-21)

NYT: Editorial says there is more Washington can do to help Latin America both deepen democracy and help the poor and calls on Administration to promote these goals as vigorously as it does free trade. (22)

LAT: Editorial worries about Yeltsin and his increasingly bizarre behavior. Editorial says that Mexican deportations mask the real issue, that the government must reach a fair settlement with Chiapas peasants. Sands says that Virginia execution poses great threat to international law and U.S. interests worldwide. Lerner encourages more American Jews to create political force to balance Netanyahu supporters who don't want the Administration to put forward a peace plan Israel opposes. (4, 10, 11)

WSJ: Editorial says that advice to Japan has been inconsistent, suggesting international impatience may not be justified. (22)

WT: Editorial criticizes MKA for not wanting U.S. to be the world's only superpower. FLOTUS proud of role U.S. and POTUS played in Northern Ireland. Summers says that key to military readiness is skill of lieutenants and sergeants, acknowledging hidden experience benefit when Army units participate in peacekeeping missions. Perlmutter sees TEM report suggesting Saddam is still pursuing biological program as reason to reject Annan agreement. Geyer sees the sociology of Northern Ireland as working in favor of the peace agreement. Bering

-Jensen wonders why we

object to use of word 'free' for Radio Free Iran. (2, 16)

-19)

ARMS Email System
RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jake Siewert (SIEWERT_J) (OPD)

CREATION DATE/TIME:17-APR-1998 15:29:33.84

SUBJECT: Another good trade story

TO: Robert D. Kyle (KYLE_R) Autoforward to: Remote Addressee (Robert D.
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TO: Jonathan A. Kaplan (KAPLAN_JA) Autoforward to: Remote Addressee (Jonathan A.
Kaplan@EOP@LNGTWY@EOPMRX) (WHO)
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TO: Jonathan Orszag (ORSZAG_J) Autoforward to: Remote Addressee (Jonathan
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TO: Jake Siewert (Jake Siewert@eop@LNGTWY@EOPMRX)
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TEXT:

Date: 04/17/98 Time: 15:23

AClinton comes to summit empty-handed on trade powers

SANTIAGO, Chile (AP) Four years ago, President Clinton stood with 33 fellow Western Hemisphere leaders on the steps of a stately Miami mansion and celebrated "a moment when the course of history in the Americas changed for the better."

But at the second Summit of the Americas this weekend, Clinton has little to show for his vision of a free-trade zone by 2005 stretching from Alaska's North Slope to Argentina's Tierra del Fuego.

The course of history may have to wait a little longer.

Not only has the zeal for jettisoning all trade barriers cooled in some Latin American countries, but the "fast-track" authority Clinton needs to seal such agreements is stalled in an election-year Congress.

Some analysts suggest the time for the United States to seize the free-trade initiative may have passed, with Latin American countries forming other economic alliances instead with each other and with markets in Asia and Europe.

"It will take place eventually, but you've had some roadblocks in the way," said Paul Sigmund, professor of politics at Princeton University and former director of its Latin American studies program. "The administration did not push hard enough and fast enough when there was momentum."

The host of the summit, Chile's President Eduardo Frei, said "Latin America will continue advancing" with or without fast-track.

Indeed, on the eve of the summit several Latin American nations sealed their own trade pacts. Chile and Mexico on Friday expanded a 1991 agreement that already exempted 98 percent of goods from customs duties. And Thursday night six Central American and Caribbean nations agreed to create a \$50 million market to strengthen their hand in the hemisphere-wide trade region to come.

Centerpiece of the 1994 Miami summit was a U.S.-drafted agreement to establish a hemisphere-wide free trade pact by 2005, with "concrete progress" toward that objective by 2000.

With its robust economy, Chile jumped in line first, but is still waiting to join the agreement that already covers Canada, the United States and Mexico.

But there's a limit to what he can deliver.

Administration officials had hoped that, after his productive 12-day trip to Africa, the president would go to Chile with trade-negotiating authority under his belt.

"Certainly, in a better world, we would like to have fast-track authority," said White House adviser Mack McLarty. "But I think we can make significant progress in the near term without it."

Commerce Secretary William Daley said the lack of fast-track won't stall free trade goals. "Some people ... are looking for excuses not to move forward but ... in real terms, it should have no effect," he said. But he acknowledged it would be difficult to win congressional approval this year.

Chile and its neighbors are wary of dealing with the administration minus congressional support. Non-trade issues such as education, freedom of expression and the war against drugs are expected to take a more prominent place on the agenda as a result.

Fast-track authority, which presidents since Gerald Ford have exercised, enables U.S. negotiators to strike trade deals without congressional interference. The finished agreements are then put on a "fast track" to passage with Congress able to approve or reject but not amend them.

Clinton had the authority but it lapsed.

In an embarrassing setback, he was forced to withdraw the bill in the House last November when it became apparent he didn't have enough Democratic votes. He vowed to fight again this year, but has not yet mounted a new offensive. Administration officials privately say it is not likely until 1999.

Environmental groups and organized labor oppose fast-track, contending the existing North American Free Trade Agreement has harmed the environment and cost American jobs. Some conservatives oppose it on the grounds that it sets too many conditions unrelated to trade.

"I think it's time to slow down on the question of fast track until and unless we have a mechanism for correcting mistakes in previous agreements," Sen. Kent Conrad, D-N.D., a fast-track opponent. He said grain farmers in the upper Midwest have been battered by Canadian imports under the existing NAFTA.

"I hope we are undermining the president's position (at the summit) on trade, because our trade policy is a disaster," said

Rep. Bernard Sanders, a Vermont independent, contending U.S. wages have gone down and the trade deficit has widened under NAFTA.

"I think we've lost the moment," said David Scott Palmer a professor of international relations at Boston College. He noted that Latin American countries, tired of waiting for U.S. action, are seeking other trading opportunities. Argentina, Brazil, Paraguay and Uruguay, for instance, have formed an economic alliance, and Chile may soon join.

Not all students of Latin America are pessimistic.

"It's true that fast track was not granted," said Chilean-born Claudio Grossman, dean of American University's law school. "But it's also true that we have more consensus on economic and political institutions than ever in the history of the region. I would not sing a song of death here on free trade."

"The moment has not passed," said Grossman, who is attending the summit on behalf of the International Commission on Human Rights.

APNP-04-17-98 1523EDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Debra S. Wood (CN=Debra S. Wood/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-APR-1998 16:23:31.00

SUBJECT: 1998-4-21 McCurry briefing

TO: bholbe (bholbe @ aol.com @ inet [UNKNOWN])

READ:UNKNOWN

TEXT:

----- Forwarded by Debra S. Wood/WHO/EOP on 04/21/98
04:23 PM -----

SUNTUM_M @ A1

04/21/98 04:08:00 PM

Record Type: Record

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

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Subject: 1998-4-21 McCurry briefing

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 21, 1998

PRESS BRIEFING
BY MIKE MCCURRY

The Briefing Room

2:18 P.M. EDT

MR. MCCURRY: Hello, everybody. A couple of announcements to start. Good afternoon, ladies and gentlemen. First, the schedule of the President and the Vice President's commencement addresses for this year. By tradition, the President always does a military academy, a private institution and a public institution. The President will deliver the commencement address May 22 at the United States Naval Academy in Annapolis. On June 5th, he

will address commencement exercises at the Massachusetts Institute of Technology in Cambridge, Massachusetts. On June 13th, he will speak at the Portland State University commencement exercises in Portland, Oregon.

The Vice President will give two commencement addresses, one on May 9th at South Carolina State University in Orange, South Carolina, and one on May 14th at NYU up in New York City -- New York University.

We'll have more to say on this at a future date, or else, actually, there will be a press release by the institution involved. But the President will be receiving an honorary doctor of philosophy degree from Hebrew University of Jerusalem on Monday --

Q Will he go there to get it?

MR. MCCURRY: -- on Monday, April 27th, in connection with the 50th anniversary of celebrations for the state of Israel. That will be here at the White House. And I believe that the American friends of the Hebrew University have got a press release that they're going to put out that will provide additional information on that. We've been getting some press calls on that, so I did want to confirm it.

Second, budget news.

Q Can I ask a question on this? May 22 is the referendum date in Ireland. Will the President be back then from Europe?

MR. MCCURRY: The President's current schedule would have him back here in the United States well before that date.

Q Has the idea for a stopover in Ireland after the G-7 or G-8 -- has that gone away now?

MR. MCCURRY: It's a subject of conversations that we are continuing to have with parties and with the two governments that sponsored the Stormont talks, the Republic of Ireland and the United Kingdom. I expect Deputy National Security Advisor Jim Steinberg to be over in that neighborhood beginning at the end of this week. He's going for a Sherpa's meeting for the Summit of the Eight, and while there he will take the opportunity to consult with both governments and with the parties. I expect him to drop by Belfast and Dublin as

well. I don't imagine we'll make any decision about whether or not to add any stops on the President's European trip until Mr. Steinberg returns.

Q So the idea is technically still alive?

MR. MCCURRY: I think the idea is one that the President

will continue to explore with his advisors and we will continue to explore with the parties and with other governments.

Q When does he come back -- Steinberg?

MR. MCCURRY: Sometime after the weekend, sometime in the middle of next week. The middle of next week.

Q But he wouldn't go unless everybody really wanted him to?

MR. MCCURRY: He would go if it would serve the interest of the peace process and the peace agreement that's been reached in Northern Ireland.

Q He does this from time to time --

MR. MCCURRY: No, that's the President. Mr. Steinberg has been -- he, Mr. Steinberg, has been over there before and has participated -- has taken the opportunity of some of the preparatory work for the Birmingham Summit of the Eight to consult with the parties.

Q What is the exact date for the European date -- 12 through 18?

MR. MCCURRY: Have we announced that for sure? The 12th through the 19th; 12th starting in Germany, going on to the Summit of the Eight over that weekend, and then concluding Monday, the 18th, with the US-EU Summit in London, given that the United Kingdom is currently the chair of the EU, holding the presidency of the EU.

Q Have you ruled out any other -- for a while, there was some -- Russia as floating around, golfing in Scotland. All those things are off the table?

MR. MCCURRY: Haven't heard of any additional stops beyond those that we've already detailed for you.

Q Just back on Northern Ireland, you heard what David Trimble had to say about it this weekend, and obviously he's an important --

MR. MCCURRY: There are a number of parties that have a number of views about the utility of the President visiting either Ulster or the Republic of Ireland, and we will consult closely with the governments and the parties involved. There's clearly not a unanimous view on that subject.

Q Well, in the absence of a unanimous view, he probably wouldn't go, would he?

MR. MCCURRY: We would probably consult with the parties and make a reasoned assessment and a good decision.

Q Beyond the Berlin airlift, what kind of agenda is there in Germany?

MR. MCCURRY: I'm not at a point where I can detail the itinerary for that trip.

Q Budget news?

MR. MCCURRY: Budget news.

Q Do you have the exact dates of the China trip? Do you have the exact dates of the China trip?

MR. MCCURRY: This is about the travel for the press, making their arrangements.

MR. LOCKHART: The travel channel.

MR. MCCURRY: Say again, Wolf? What was that?

Q The China trip. Do you know the dates of the China trip?

MR. MCCURRY: It's the end of June, coming back I think July 4th weekend. But that's tentative and you ought to regard that for planning purposes.

Q Some guess how long that trip is? Is it two weeks or less?

MR. MCCURRY: I don't believe it's two weeks long. We haven't put the dates of that out.

Q More like one?

MR. MCCURRY: More like one.

Q Is the President going to see Wang Dan?

MR. MCCURRY: Wang Dan is in the United States now and will be received by appropriate authorities at some point.

Q Have you got any budget news?

MR. MCCURRY: Yes, Mr. Broder. Stunningly, over the last 12 months the federal government has run a double-digit surplus, \$19.3 billion from April of last year through March of this year. Those are interesting numbers because they point to the possibility of a federal budget surplus for the current fiscal year, which would be truly a historic achievement. The deficit so far for this year is \$41 billion lower than last year at this point. These numbers,

provided to us courtesy of the United States Treasury Department. They will know more about the overall picture for the entire fiscal year obviously when they look at the next month's set of figures, because April being a month in which tax receipts accrue to the U.S. Treasury, they will know more at the end of this month.

Q Is this good news?

MR. MCCURRY: Of course. Good, steady, strong fiscal discipline that has kept this economy moving in the right direction and is good news in and of itself, but the fact that we might achieve a federal budget surplus for the first time in a generation is excellent news. Way excellent. Sam, way excellent.

Q What do you say to those who argue that it would even be better if the government weren't spending so much money?

MR. MCCURRY: Well, we would agree, because we are strongly in favor of fiscal discipline and continuing to move in the course of balanced budgets and surpluses as far as the eye can see.

Q Mike, last time you gave us a readout like this, you said, well, it's not a surplus because we haven't gotten to the end of the year yet. Is it a surplus now?

MR. MCCURRY: Well, if you look at the 12-month period from the end of -- from April last year through March of this year, it is a surplus. But that's a rolling calculation, and the one that's more significant is what you -- how you tote up the balance sheet at the end of the fiscal year.

Q Well, can you really have a surplus when you have a \$5.5 trillion national debt?

MR. MCCURRY: You can have an annual budget surplus, of course, you can.

Q Mike, Frank Raines said last night that the annual budget surplus at the end of the fiscal year will be greater than \$18 billion. Are you revising that number now in light of this number?

MR. MCCURRY: I am not in a position to revise it with any specificity, although we don't have any reason to quibble with the esteemed Director of the Office of Management and Budget.

Q It doesn't change as a result of this --

MR. MCCURRY: It doesn't change as a result of this. They won't be in any good position to make estimations on the fiscal year deficit until after they look at the April numbers.

Q Mike, Speaker Gingrich said just a few minutes ago that the House will pass a tobacco bill this year and it will return any increase in tax revenue to the taxpayers in terms of tax cuts for

health insurance. Is that a concept that the President could buy?

MR. MCCURRY: That's not exactly what he said, Scott. He said that they want to give a tax cut to Americans that they could use for whatever purpose they might want to use it for; presumably, some would buy health insurance, others might use it for other purposes. But the President favors --

Q But he specifically mentioned tax cuts for health insurance.

MR. MCCURRY: He said that they could spend it on anything they could spend it on, I think, which is how you -- that's the kind of tax cut they want. What we want is a good piece of comprehensive public health legislation that's now moving forward despite the isolated position that they House Republican leadership put themselves in today. I also heard Mr. DeLay say you're not going to stop kids from smoking, and we just strongly disagree. We think there's a bipartisan majority in Congress that wants to discourage kids from smoking and we know -- all the studies show us that the way you can do that is through the kind of comprehensive approach that the President has been leading and the Congress has been looking carefully at. Senator McCain is here right now meeting with Mr. Bowles and they're working on that kind of legislation. And, unfortunately, it doesn't look like the House Republicans want to be a part of that.

But we want to see a comprehensive legislation that will do the things that we know will discourage kids from taking up smoking -- increasing price, which is a very important element of discouraging tobacco use; increasing the penalties on the companies; restricting advertising; and then also developing ways in which we can discourage kids from smoking. Restricting access to tobacco products, and ultimately giving jurisdiction for the regulation of cigarettes to the Federal Drug Administration.

Q If I could follow up on that for just a moment, Mike --

Q But Mr. DeLay got downright nasty by just saying that the President wanted to stick needles in kids' arms.

MR. MCCURRY: He's -- they are in a world of hurt up there, and you could tell it today, because they elected to side with the tobacco industry and mimic the slogans of the industry that has now declared war on this comprehensive approach to protecting the public health of America's kids. And they're going to find that's a very uncomfortable position to be in. We intend to raise the cost of being in that position, as you saw today.

Q Mike, how does the rhetoric you just used help anyone get to bipartisan legislation?

MR. MCCURRY: Well, it helps us to do what the President

is doing right now, to sit down and talk with Senator McCain, work on the kind of comprehensive approach that Senator McCain was able to get through the Senate committee. That's clearly the vehicle and the approach that's going to move through Congress with the kinds of strengthening elements that we favor, and with the kinds of discussions that we're having with the leaders.

If the House Republican leadership doesn't want to be a part of that, they're going to miss an opportunity to be on a truly historic side of a bipartisan bill that's going to get support.

Q How does that help with the House?

MR. MCCURRY: Say again?

Q Senator McCain is not your problem; how does that help you with the House?

MR. MCCURRY: Well, I think the House Republican leadership is going to find themselves may be at odds with the majority of the members of the House. And that's certainly what we hope.

Q Well, would the President veto a bill that raised taxes on cigarettes and expanded FDA regulation?

MR. MCCURRY: The President is looking forward to signing a bill that offers the kind of comprehensive approach that I just outlined.

Q But would he veto something that was less than that?

MR. MCCURRY: We're in the position of talking the kind of bill we're going to sign, not the kind of bill that would have to be vetoed.

Q Mike, the President's bill earmarks that money. He has decided how he'd like to spend that money. Now Speaker Gingrich says a bill is possible if the money is given back to the taxpayers.

MR. MCCURRY: Well, that's exactly what we're going to do with it. Remember, we're going to give it back to the American people in the forms of protections for kids, the kinds of support for families, for public health programs that we've talked about for the kind of approach that we've outlined in the comprehensive tobacco legislation that's now under discussion. That is literally giving it back to the American people in the form that will help protect America's kids and will represent good public health policy.

Q So the President will not support a direct tax rebate?

MR. MCCURRY: That's not part of the McCain legislation

and not part of the legislation that's moving through Congress, as I understand it.

Q Bruce Reed and others have said the President has general principles, but we're willing to have a debate about what you do with the revenue. So what has Gingrich done that puts him substantively at odds with the President? I mean, you're using all this really harsh rhetoric, but where is the actual policy difference with the President and the Speaker?

MR. MCCURRY: The Speaker didn't outline any significant policy position today. What he outlined was a political position. His political position now is in line with the tobacco industry which has announced that it's going to fight this legislation.

Q Frank Raines over the weekend said, we are open to how the money that would be raised from tobacco would be spent on tax cuts, new programs, whatever. Are you saying you're not open to the possibility --

MR. MCCURRY: No. I'm saying that that's -- that's what we're working on. What I'm saying is that the House Republican leadership adopted the posture today of being outside that discussion. They don't, apparently, want to be a part of that discussion.

Q Well, they just said they're going to pass a piece of tobacco legislation that raises taxes on tobacco --

MR. MCCURRY: They said they're going to raise price. That's not the same as a comprehensive approach to developing a public health program that will protect America's kids. We know what we need to do. The experts are clear, the studies are clear. We know what we need to do to discourage kids from smoking, and we don't adopt the attitude of Congressman DeLay and the other Republican leaders that spoke today that there's just nothing you can do about it and there's no way to stop kids from smoking. We just strongly disagree.

Q That's one of the President's principal elements, is raising price.

MR. MCCURRY: Raising price and the other things that I identified for you that go back to what the President's articulated principles are and that are reflected in the McCain bill. You wire those things together.

Q And we're asking you to say where is the difference between what Gingrich has said in terms of his principles and what the President has said.

MR. MCCURRY: The only thing I heard the Speaker say is that they would favor a price increase on tobacco. They have said nothing about curbing restrictions on access; they said nothing about

advertising; they said nothing about FDA jurisdiction; they said nothing about the kind of penalties that would be imposed on the industry if they failed to meet the kind of targets --

Q He did talk about advertising -- excuse me -- he read a long column, the purpose of it, I take it, was to show it wasn't necessarily advertising, but it was Hollywood.

MR. MCCURRY: I think the purpose was to pay tribute to the First Lady who has been outspoken about some of the issues the Speaker cares about, too, which we're grateful for his acknowledgement of her leadership role.

Q -- it was Hollywood and other factors.

Q -- FDA regulation -- you're already doing it yourself, it's in the courts.

MR. MCCURRY: And the President said much the same, too.

Q Why do you need Congress for the FDA regulation, you've already done it yourselves and it's in the courts now. Why do you need Congress?

MR. MCCURRY: Because as we've always said, it's far better -- we can do it through regulation, but that clearly now would be challenged by the industry in the courts --

Q So would Congress action on this --

MR. MCCURRY: Well, an act of Congress would have a different effect and could -- the challenge to an act of Congress would be different than a challenge to federal regulations.

Q You're saying it's preferable, but it's not the only way to do this.

MR. MCCURRY: We have always said, even at the point that we were promulgating the regulation, that we would prefer to have legislation.

Q Would it be possible to work with Speaker Gingrich on this issue given the differences that you're --

MR. MCCURRY: I suspect it will be because I think that we have created more heat that he will face as a result of this issue, and I think at some point he's going to want to get back to where we believe a majority of the Congress is and he will want to be back on the side of historic legislation that protects America's kids from tobacco addiction.

Q Was there something in particular that sparked this new, more critical tone by the White House?

MR. MCCURRY: Yes, the announcement by the industry that they were pulling out of any positive discussion about how to do --

Q For Gingrich.

MR. MCCURRY: Well, Gingrich clearly wanted to align himself with the industry that's been so supportive of so many of his members.

Q No, it's you want to align him with the industry. He has said he is going to pass a tough teen smoking bill --

MR. MCCURRY: You look at what the industry representatives have been saying the last couple of days and put that next to what the Speaker has been saying and you won't see much difference in what they're saying.

Q But the industry opposes the stripped-down House bill. If what you're saying is correct, they would be supporting --

MR. MCCURRY: The industry opposes the McCain legislation which is the vehicle now moving through Congress which is the same legislation that the Speaker and others announced their strong opposition to today.

Q They also opposed the notion that DeLay and Archer have come up with, the stripped-down --

MR. MCCURRY: To my knowledge, they've not been very clear about what exactly they want to do other than to say they want to increase price.

Q One thing some Republicans say is that raising the price of cigarettes amounts to a regressive tax because low-income people are disproportionately likely to smoke, and that's one reason some Republicans say you need to give some tax break if you're going to raise the price of cigarettes. Does the White House think there's some merit in that argument?

MR. MCCURRY: There may be some economic merit to that argument, but the benefits of the legislation and the comprehensive approach that would be structured as a result would be progressive. The flip side would be true because the benefits then would accrue to those who would otherwise begin to smoke.

Q Mike, how many times have we heard the President get up and say, look, Washington needs to get passed the sort of polluted environment of debate and people need to have policy arguments rather than questioning each other's motives, and yet just because the Speaker has a somewhat different emphasis --

MR. MCCURRY: We're not questioning his motive.

Q The Vice President called him Joe Camel --

MR. MCCURRY: I think there was strong reaction to what the Speaker said last night and then again repeated today, which is that Joe Camel is not part of the problem, it is part of the problem. Journal of the American Medical Association just made it clear that of all the factors that encourage kids to smoke, the kind of concentrated advertising that we've seen from the industry has been the single most significant factor in encouraging young people to smoke.

Q That's why Mr. Gingrich read the First Lady's column.

MR. MCCURRY: Mr. Gingrich is just wrong about that.

Q I mean, that's why he read the column, apparently, to try to say that, look, here is the First Lady even saying Hollywood's influence is a very large part of it.

MR. MCCURRY: Hollywood clearly is an influence, but of all of the influences that lead young people to smoke, as the Journal just reported, advertising is the single most important -- 34 percent of kids who take up smoking cite advertising like the Joe Camel advertising as being one of the inducements that led them to take up the habit.

Q Mike, the Speaker has said today, no liability protection for the tobacco companies. Is that where the President is?

MR. MCCURRY: There's no change in our view on that, and you've heard it often.

Q So you support the cap in the McCain bill, or not?

MR. MCCURRY: We've said that we prefer legislation that does not address any caps on liability, but if they were included as part of a comprehensive approach, we would take a look at those provisions as part of a comprehensive approach. And if it met our public health objectives, we surely would want -- the McCain legislation, with the caps they have, and we've said some things specifically about those caps, is not necessarily a deal-breaker.

Q The President addressed a little bit about the fact that cigar smoking -- but don't you think still even to have a cigar in his mouth and chew it sends a negative message to everyone?

MR. MCCURRY: He acknowledged as much earlier today and that's why he tries not to do it in public. (Laughter.)

Q Tries not to do it in public, right.

Q When was the last time we saw him --

MR. MCCURRY: If any of you want to talk to Senator McCain, you can -- I think that would be more newsworthy than what you're going to get here.

Q What about the Republican argument that the plan would blow up the bureaucracy -- lead a return to big government?

MR. MCCURRY: That's just not true. I've outlined for you that this is not about big government, it's about smart government. It's about the federal -- Food and Drug Administration having the authority to regulate cigarettes as a delivery device for the addictive drug nicotine, it's about putting penalties on the industry for past practices and to create opportunities to correct those practices in the future by protecting kids, it's about restricting access to products, it's about restricting the kind of advertising that leads kids to take up this habit. That's not big government, that's just smart, sensible protections for the public health. And we believe in government that protects public health.

Q Mike, getting back to my original question, is the President possibly thinking about even stopping --

MR. MCCURRY: He talks about that with his family from time to time, yes.

Q Why did McCain come in? Was he trying to coordinate strategy?

MR. MCCURRY: We will be working throughout this week with those who are advancing the legislative prospects of a settlement on the Hill, and Senator McCain has been a leader in that effort, having achieved passage in the committee of his bill. And we will work with others who are interested in seeing if we can't get a comprehensive approach adopted by Congress.

Q Mike, do you see any realistic chance of this education infrastructure bill getting passed?

MR. MCCURRY: It doesn't -- we certainly hope so and we will continue to press the case for it, and we think there is strong public support for the measure. It's pretty clear what the vote count looks like in the Senate, but we don't necessarily think that's the end of the story. I think this is an issue upon which the American public feels strongly, they're interested in the quality of schools and the type of facilities that are available for young people to learn in, and we think there will be strong public support and we can build strong public support for the kind of approach that Democrats are going to be fighting for in the Senate today.

If it takes arguing this in the election in order to build the sufficient public support to pass these kinds of improvements for our schools, we would welcome that debate.

Q In the leadership meeting today, did the President have any kind of outlook on what is possible within the next five weeks?

MR. MCCURRY: They did. They had, in addition to education, which you heard them discuss, they talked about the prospects for the supplemental appropriations bill, which is so necessary to help those who have been victims of some of the natural disasters that have occurred recently. They talked about the highway bill, they talked about the prospects for expansion of NATO, they talked generally about the budget.

Q Will any of these go through?

MR. MCCURRY: We think many of them will. We certainly hope all -- in some fashion, we hope all of them can and all of them should, and many of them we think will. We talked about the tobacco bill, we talked about the Patient Bill of Rights, we talked about a minimum wage increase, talked about child care, talked about getting a discharge petition in the House for campaign finance reform, so there was good, productive discussion that shows you the range of opportunities that are there if Congress would just get on with its business and start addressing some of these issues.

Q Will all these be issues in the November election?

MR. MCCURRY: We would prefer to see them as legislation that we sign down here with representatives of both parties.

Q Did anything come out of the meeting this morning that you mentioned where the highway bill is going to be discussed, and what are Clinton's biggest problems?

MR. MCCURRY: The biggest problems, I mean, I'd refer you to our most recent statement of administration policy from the beginning of April because it outlined in substantive detail all of our concerns. But the principal concerns are those that the President identified that the overall price tag for that bill, which would crowd out necessary investments in other kinds of infrastructure. The President made a good point today -- investing in schools and campuses, that's a form of infrastructure as well, important to learning and that has got -- it's enormously important, both for economic reasons and for just the simple value of having better environments for kids to learn in. And that's an infrastructure investment itself. And you crowd out some of that if you pour all of the money into concrete for highways.

They talked about some of the specific restrictions in the bills and the earmarking, but there's clearly going to have to be a lot more work done on that bill. And the President cited, of course, the failure to act on the DUI provision that we think should

be a substantial feature of a highway bill.

Q Mike, was there any discussion of the fact that Congress keeps referring to the fact that we don't have time to do that this year, we don't have time to -- they're going out of there --- only meeting between Tuesday afternoon and Thursday, and then they just go home and vacation for them every week.

MR. MCCURRY: Sarah, we have made the point that they have a limited quantity of time that they will be at work and that's why they need to get on with business and start passing some of these.

Q They'd have a lot more time at work if they would do it.

MR. MCCURRY: We're reluctant to be overly critical of members who want to be back in their districts listening to their citizens, because we think they will get a good dose of public opinion, which is in favor of many of these things that we've talked about. We just want them to come back here and work when they are working on passing some of this very critical legislation.

Q Is that one reason why the President is traveling so much, he wants to make this budget come from the people on the Congress?

MR. MCCURRY: Well, in part, we want to build support from the President's priorities and initiatives, but also because it's a good way to remind people what the costs are of not acting on some of this legislation.

Q The U.N. Commission on Human Rights in Geneva today projected a U.S. proposal to maintain special scrutiny on Cuba. Does the White House plan to somehow appeal that decision or in any way push for more scrutiny?

MR. MCCURRY: Well, we are obviously disappointed with the outcome of today's vote, and we continue to believe that it's important to promote respect for human rights for all the people of Cuba. And we're going to continue our efforts to draw attention to the shortcomings of the Castro regime in Cuba and the denial of fundamental freedoms and basic human rights to the citizens of Cuba. And we're also going to continue to work in the international community to build pressure on the Cuban regime so that they will consider changing their policies and their practices. And the specific vote, while we regret the outcome, we will have to live with, and we'll see what opportunities arise in the international community and in international discussions of human rights issues to advance our concerns.

Q How strongly does the White House feel about allowing Secret Service agents and officers to testify if subpoenaed in connection with Ken Starr's investigation?

MR. MCCURRY: The President, as the one who is protected, along with his family, believes that is an issue that ought to be dealt with by the Secret Service, by the Treasury Department, with the Justice Department acting as the attorney for the Secret Service. We take no position on that issue.

Q But he is the one who is most involved and most concerned, it would seem to a lot of people, with the outcome of that.

MR. MCCURRY: The President believes for his sake and for the sake of future Presidents that this ought to be dealt with by the Treasury Department, the Secret Service, and argued by the Justice Department. And we've taken no position whatsoever on the matter.

Q But all those people work for him.

MR. MCCURRY: We've taken no position on the matter, not been part of the discussions that the Treasury Department has had with the Justice Department about the case that they will take.

Q -- trust the Secret Service and the people who protect him?

MR. MCCURRY: He believes that he is very well protected, and he has enormous respect for the law enforcement officers, the agents, and the uniformed division that do an excellent job protecting him and his family.

Q Yes, but would he want to be spied on by people protecting him?

MR. MCCURRY: I think the President, whatever his views on that issue, I think he thinks it's appropriate for that issue to be dealt with by the Justice Department acting on behalf of the Treasury Department.

Q Mike, are you saying that only career Secret Service and career Treasury Department officials are making this decision and not political appointees of the President?

MR. MCCURRY: I don't know who is making the decisions, on what case -- what positions they are arguing in court. It's my understanding from the Counsel's Office here that no one here has participated in the deliberation, nor have we seen the documents that have been filed under seal in court.

Q Congressman Archer today has sent a letter to Clinton asking that he support this idea of a bipartisan Social Security commission that his committee is going to vote on tomorrow.

Do you have a response?

MR. MCCURRY: My response is already underway. We are hosting, through the efforts being made by the AARP and the Concord Coalition, a vibrant and good and healthy national debate on the future of Social Security. And that, I think, is a place where we will arrive at consensus on how to deal with long-term issues.

By the way, you should note that the Medicare actuary has announced today that because of some of the changes we've made in the structure of the Medicare program, the long-term actuarial deficit for the Medicare program is now half of what it was as a result of the changes made in the program and is part of the Balanced Budget Act.

Q Archer's office says that the President's process is an effort to make a partisan issue out of Social Security and that setting up this bipartisan commission is an effort to make it truly bipartisan.

MR. MCCURRY: Well, I think the President's goal -- as it was clear from the recent forum -- is to create a bipartisan national consensus on how to proceed, and he has done everything he can to avoid making this a partisan discussion.

Q Mike, the President's Justice Department has filed a brief in the Burlington Industries case that says that there needn't be a show of tangible job detriment to prove sex harassment, a position that seems to be the opposite of that taken by the President's own lawyer in the Paula Jones case. Can you tell us whether the President supports the brief filed by the Solicitor General?

MR. MCCURRY: Your question is inaccurate. The action related to the President is immaterial because there is no consistency in the fact patterns in the two cases. But the Solicitor General has taken those views. I'm not aware that there was any discussion with the White House prior to the filing in that case, but I'm not aware that there is any opposition to the filing made by the Justice Department.

Q Just to follow up on Susan, does the White House have any problem with what Archer is doing?

MR. MCCURRY: With?

Q The commission, setting up the commission.

MR. MCCURRY: He has set up that one be set up, but I think that it's far more useful to proceed with the kind of conversation the President has now generated and to proceed with the three remaining national forums we have, with the White House

conference on Social Security that will occur later this year. That's the venue in which we believe we're going to arrive at long-term solutions for Social Security.

Q Couldn't you have both of those, Mike? If you had a commission, you'd have to stop those other things

MR. MCCURRY: No, but it's clear that you're going to get a lot farther down the road -- the President believes we'll get a lot farther down the road if we pursue some of the discussions that we already have underway.

Q Mike, it's been reported that two lawyers representing the victims of PanAm 103 have reached agreement with lawyers representing the two Libyans accused of the bombing, to set up a mechanism by which a Scottish judge using Scottish law would try the two of them in the Netherlands. Is that a kind of system that would be acceptable to the United States?

MR. MCCURRY: It would not be. The facts remain for us unchanged that Libya is obliged under Security Council resolutions to deliver the two Lockerbie suspects for trial in either the United States or the United Kingdom. The British family member who visited Libya is certainly entitled to his views, but our understanding is that they are not shared by the overwhelming majority of PanAm 103 family members, who themselves believe it's very important to follow the requirements of the relevant U.N. Security Council resolution.

The Security Council reaffirmed as recently as March 6 that Libya must surrender those two suspects to either U.S. or U.K. authorities for trial and pay the appropriate compensation and renounce and cease its support for international terrorism. Those have been our views, those will remain our views, and they are unchanged.

Q What's the President going to do at Harper's Ferry?

MR. MCCURRY: He's going to celebrate the great out-of-doors and the significant contribution made by the environmental movement to the protection of this planet in the years since the original Earth Day, the anniversary of which is celebrated tomorrow in Harper's Ferry.

Q Does he have any specific things he's going to propose or talk about?

MR. MCCURRY: He's got -- there will be a shred of news associated with his journey to the great outdoors tomorrow.

Q Does it have to do with clean water or --

MR. MCCURRY: It would have to do with whatever they talk about tomorrow.

Q Mike, can you confirm a report that the President

is considering holding a full-dress news conference in the next couple weeks?

MR. MCCURRY: Sure.

Q It's true?

MR. MCCURRY: Do I know whether it will happen or not? I don't.

Q Was your announcement about Medicare meant to say that the date by which Medicare goes into the red is now pushed back?

MR. MCCURRY: No. It means that the way in which they calculate the actuarial deficit, the rate that they use related to the payroll tax has been cut in half. The actuarial deficit is based on a projection of the payroll tax that's needed to pay for Medicare benefits. In this case, the actuarial deficit is projected to decline from 4.32 percent of taxable payroll to 2.24 percent.

Q But still runs out of money in --

MR. MCCURRY: That's over 75 years. No, this is not a short-term -- this is the actuarial deficit rate that is used to calculate the long-term cost of the program over 75-year actuarial deficit for Medicare.

Q At the press conference the President is considering, would he answer questions about the Monica Lewinsky --

MR. MCCURRY: He would no doubt be asked them, but I doubt he would answer them much beyond what he's already said.

Q Mike, I was a little unclear. In terms of that Justice Department brief in the Burlington case -- which says you needn't prove tangible job detriment to prove sex harassment -- does he support that position? You said, no objection, but that's not the same as supporting it.

MR. MCCURRY: We didn't participate in the deliberations that led the Solicitor to file that opinion, but there is no objection to it, and I haven't talked to the President personally about whether he is personally supportive of it. And I'd want to do that, given his interest in constitutional law.

Q Could you do that then, Mike?

MR. MCCURRY: I'll see if he has anything he wants to pass on.

Q General Abacha is apparently running unopposed in Nigeria in the fall. Does that represent a --

MR. MCCURRY: He's not even running. He's asking for a

referendum, and that in no way constitutes a fair, open, and democratic election. And the United States government strongly objects to that form and is disappointed by the lack of democratic procedures in Nigeria.

Q Is an oil embargo going to be considered if he goes ahead with this plan?

MR. MCCURRY: I'm not in a position to speculate on that.

Q What difference would you say it made that the President did not have fast track authority last week in Chile?

MR. MCCURRY: Well, that no doubt was addressed on the trip. I think it would have been better to have been in a position with the other leaders of the democratic nations of the hemisphere to have advanced that. But we've made it clear that we're going to continue to press for free and open trade, and that we can continue to promote free and open trade agreements, even absent fast track authority.

THE PRESS: Thank you.

END 2:54 P.M. EDT

#490-04/21

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ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:23-APR-1998 17:42:38.00

SUBJECT: weekly

TO: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

RURAL AMERICA

Good feedback from the Agriculture Groups on your Chile Trip. They were very pleased with your many comments on Fast Track. They continue to want Fast Track authority.

ARMS Email System
RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Steven J. Ronnel (CN=Steven J. Ronnel/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:26-APR-1998 15:10:01.00

SUBJECT: CHIP News for April 22, 1998

TO: MCLARTY_T (MCLARTY_T @ A1 @ CD @ VAXGTWY [UNKNOWN]) (WHO)
READ:UNKNOWN

CC: Eric Farnsworth (CN=Eric Farnsworth/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Patricia A. McHugh (CN=Patricia A. McHugh/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Pls note Gephardt's comments in this report from Chile.

----- Forwarded by Steven J. Ronnel/WHO/EOP on 04/26/98
03:10 PM -----

anderson @ chip.mic.cl
04/22/98 11:02:00 AM

Record Type: Record

To: Steven J. Ronnel

cc:

Subject: CHIP News for April 22, 1998

April 22, 1998

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HEADLINE: STUDY SAYS TRILLIUM HEADED FOR FAILURE

Project Could Be Underway By May 29

KEYWORDS: ENVIRONMENT; ECONOMY

SOURCE: CHIP NEWS

TEXT: (The following story was written by Lake Sagaris, an independent journalist who writes regularly for Business Week, The World and other media, and contributes occasionally to CHIP News).

An independent study released Tuesday says Forestal Trillium's project for harvesting native lenga in Tierra del Fuego is unlikely to succeed as currently designed.

Terram Foundation, an independent study center, prepared the analysis as part of its 1998 program for Protecting Chile's Native Forests, which includes economic studies, lobbying efforts and legal actions, where appropriate, with regards to several forestry projects in Chile.

Trillium's US\$200 million Rio Condor project would manage 103,000 hectares of old-growth lenga forest, and, the company

says, is designed for indefinite sustainability.

The Magallanes Regional Environmental Commission (Corema) approved the venture in late January, under certain conditions, but legal wrangling has kept the project in limbo. Following the approval by Conama, Greenpeace and other environmental opponents filed a motion to withdraw the approval, arguing there had been insufficient citizen participation. In addition, the Magallanes Corema had imposed the condition on Trillium that it must offer guarantees in the event of an ecological disaster or the premature closure of the project. Trillium filed a complaint saying the Corema had overstepped its bounds.

National Environmental Commission (Conama) Director Rodrigo Egana said Tuesday that the agency will decide these issues on May 29.

Marcel Claude and Myriam Urzua, both members of the board of directors of Terram Foundation, said a serious study of the economic, social and environmental viability of Rio Condor has revealed its shortcomings. "If the company uses sustainable forestry techniques, the project won't be profitable," Claude said.

Urzua, an architect, warned that many people mistakenly believe that mega-projects lead automatically to regional development. She cited the case of Chuquicamata, the world's second largest open-pit copper mine, and the city of Calama, where the copper mine's presence has not brought enormous prosperity or progress. Claude also criticized both the regional and the national government's support for the Trillium project. He said that none of the ministries (Economy, National Properties, Foreign Investment Committee, etc.) involved carried out independent studies of the project's viability before the government threw its full support behind it.

"It's discouraging to see the government, which is trying to modernize, accept such a mediocre project," Claude said. "These ministries have seen absolutely no evidence that it will be socially, economically or environmentally beneficial."

Critics say the company also has a poor reputation in its hometown of Bellingham, Washington, and on Tuesday Greenpeace said it is launching an international boycott to halt the project.

Claude further pointed to discrepancies between the company's claims that it has spent US\$80 million to date on developing the project and the Foreign Investment Committee's records, which show that the company has brought only US\$30 million into the country in the past eight years.

"This represents either illegal entry of funds into Chile or a communications strategy that grossly exaggerates the project's value," said Claude, who emphasized the lack of quality information about the project.

He challenged authorities to convoke a group of independent experts to evaluate the project and warned that otherwise, it is headed for failure, just as the Magellan Forest project (Empresa Magallanica de Bosques) failed, leaving losses of US\$2 million. Among the irregularities in the Trillium project, the Terram study mentioned:

- The company is using an estimated growth rate of 6.19 cubic meters per hectare per year, as much as double other

estimates for the rate of lenga growth.

- The company study failed to examine 75% of the area involved and based its figures on estimates, rather than an actual inventory of the forest.

- The state lost US\$5.5 million due to the below-market values at which the land was sold to the company.

CHIP News will be carrying regular information from the Terram project on CHIP's environmental web site (www.chiper.cl), along with offering advisory and other assistance in the area of international communications.

*

HEADLINE: CURRENT EVENTS BRIEFS

KEYWORDS: POLITICS; ECONOMY; INTERNATIONAL; ENVIRONMENT

SOURCE: EL MERCURIO

SOURCE: LA TERCERA

TEXT: Today's other headline stories in brief:

-- SUPREME COURT REJECTS VILLA BAVIERA MOTION. The Criminal Division of the Supreme Court Tuesday rejected two motions by residents of the former Colonia Dignidad to end police action on colony grounds, near the southern town of Parral.

Acting under court order from Special Prosecutor Hernan Gonzalez, Carabineros Police have been occupying Villa Baviera for a month, in search of the German colony's fugitive leader Paul Schaefer, who is wanted for molesting nine children. The colonists filed two motions arguing that police were violating their rights with abusive practices, and that five arrests the officers made on March 24 were illegal.

The Talca Court of Appeals dismissed the motions, and the Supreme Court upheld their decision yesterday. The Supreme Court's decision further offered its full support for Judge Gonzalez, including his thesis that Schaefer remains hidden on colony grounds, possibly in hidden underground tunnels.

In related news, a Parral Court said Tuesday that it did not know the whereabouts of more than 100 young colonists, out of a normal population of 230. A head count in Villa Baviera found that only elderly residents, women, and those with administrative positions were present.

Also Tuesday, the Second Court of Appeals of Talca released on bail seven colony leaders charged with aiding and abetting Schaefer.

-- GEPHARDT BLASTS SUMMIT. Richard Gephardt, minority leader in the U.S. House of Representatives, attacked Tuesday agreements made at last weekend's Summit of the Americas in Santiago to proceed with hemispheric free trade and integration.

"If the global economy goes forward, workers in Brazil, Mexico and Argentina should have the same rights as American workers," Gephardt said before a meeting of the AFL-CIO, the largest labor organization in the U.S. "If workers in other countries do not exercise their rights, ours will not be able to either."

Gephardt is the leading legislative spokesperson opposed to free trade in the U.S. Last November his efforts denied President Clinton's request for Congressional fast track authority, which would expedite the free trade negotiating process. Gephardt says

free trade agreements and hemispheric integration will not safeguard workers' right and environmental regulations.

Gephardt came to Chile last year to meet with labor groups in an effort to create a regional campaign against free trade. Chile, however, has embraced free trade and has bilateral free trade agreements with Canada and Mexico, and is an associate member of Mercosur, a member of APEC and is negotiating a free trade pact with the European Union.

President Frei yesterday said the Summit was a great success. "There was only one winner at the summit and the one winner was Chile," he said.

-- GOVT SHIFTS MAPUCHE NEGOTIATING STANCE. Two local government officials met yesterday with Mapuche groups occupying land owned by forestry companies in Region IX, just a couple of days after the government said it would not negotiate with the indigenous people until they end their takeovers.

The Santa Rosa de Colpi forestry property was peacefully abandoned earlier this week by the Mapuche, while police forcefully evicted 33 Mapuches off property in Pidenco. Two large occupations continue in Region IX, and businesses are growing restless for a solution. The government said over the weekend that businesses "can not take justice into their own hands" and that they must work with local authorities. Both businesses and local authorities said they would not negotiate with the Mapuche until the occupations end.

The Mapuche claim the land belonged to their ancestors and say that the forestry companies should sell it to them.

The local representative for indigenous affairs, Guillermo Pierce, led a small delegation yesterday to meet with the Mapuche on the occupied land. He urged them to end the takeover rapidly and peacefully. The government initiative provoked angry responses from businesses leaders in Santiago. Fernando Leniz, president of Corma, the forestry industry lobby, said the Mapuche will have new incentives to take land if the government negotiates with them.

-- ENVIRONMENTAL ALERT CALLED OFF. Light rain in the Santiago area on Monday night dissipated low clouds and dense smog, said officials at the Metropolitan Region Environmental Commission (Corema), who called off yesterday an air pollution alert that was to last through Wednesday.

Rain frequently clears the skies above Santiago, which can become dangerously polluted in the winter. High levels of carbon monoxide and industrial particles in the air caused officials to announce the environmental alert on Monday. They can predict weather and environmental conditions up to 48 hours in advance.

By mid-day Tuesday, air pollution indices had returned to normal levels. Meteorologists said possible precipitation and wind should keep pollution levels low over the next couple of days.

-- INTERNATIONAL NAVY MEETING CONVENES. Naval delegations from 19 countries kicked off the XIX Inter-American Naval Conference Monday in Vina del Mar, pledging to reinforce gains made by political leaders at last week's Summit of the Americas in Santiago.

Some 17 active squadrons from all over North and South

America are participating, and navies from two nations - Mexico and Nicaragua - are observing. The largest delegation is that of the United States. Delegates are meeting at the Conference Town convention center in Renaca.

The leaders will attend closed-door work sessions to design plans for technology swaps, naval integration in the hemisphere and other maritime issues. Leaders said they would continue the pledge made at the Summit of the Americas to increase hemispheric integration and ensure peace and democracy.

-- TERMITES TAKE OVER SANTIAGO. Termites have invaded 28 Santiago communities and have caused major housing problems in a number of areas, special government researcher Hector Musso said Monday.

Musso has been studying the termite infestation in Santiago in recent months with help from the State Development Corporation (Corfo). His Study on the Impact and Prevention of the Underground Termite is due in late May. Musso said the community of Quinta Normal has suffered the most damage.

"Houses have sunken significantly into the ground and are slanted. I fear that a strong gust of wind will knock them right over," Musso said.

Political leaders reacted to the termite problem by pledging aid money for residents affected by the infestation. Local leaders from Quinta Normal and Independent Democratic Union (UDI) leader Jovino Novoa are working on a bill which would require the Housing Ministry to give subsidies to residents of damaged houses. The subsidies would vary depending on the socio-economic level of the residents.

Novoa, who is a senator in the Quinta Normal district, said the UDI will back the bill in Congress because "termites are not a political issue."

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HEADLINE: WILL THE CONCERTACION ALLIANCE ENDURE?

As Pinochet's Power Declines, The Reason For The Alliance's Existence Also Wanes

KEYWORDS: POLITICS

SOURCE: REVISTA HOY

TEXT: (Ed note: The following editorial analyzing the recent conflicts in Chile's governing Concertacion political alliance was written by Ascanio Cavallo, editor of Revista Hoy).

For the first time in 10 years the Concertacion political alliance has had to seriously think about its survival. It is paradoxical that the issue comes to the fore as a result of the recent defeat of the accusation against retired General Augusto Pinochet. Perhaps there was no other way. Perhaps the alliance has been in a kind of state of asphyxia, with no way out other than with a strong shot of adrenaline, one of those strong emotional kicks that the alliance always knows where to find - the electroshock provided by the retired general.

The accusation had its origins in the December 1997 election and, more recently, in the change in the Army command. The low vote count in the elections made the Concertacion politicians take notice, especially in Christian Democrats. The poor vote results were linked, to a greater or lesser degree, to the politicians' strict

allegiance to the government, or better said, the transition process. The government was stupefied by the large number of null votes and abstentions.

The change in the military command engineered by Defense Minister Edmundo Perez Yoma also helped generate a climate for the accusation, because in the eyes of many it showcased the excessive concessions that have been accorded the general.

In the end what was at issue was the way the Frei government and, ultimately, Patricio Aylwin's government handled themselves. But this supposed a kind of critical openness that the Concertacion, psychologically speaking, was not prepared for. President Frei's criticism of the accusation [became] less and less veiled, suggesting a kind of neurosis [had] set in.

Perhaps what needs to be revisited is the old notion that Pinochet unites his adversaries. Or at least add an addendum: Pinochet's power unites the opposition, but his loss of power will slowly lead to the dissolution of his opposition. The opposition against the military regime had a greater base when Aylwin assumed power and ... has slowly diminished ever since. Will it fall completely to pieces once Pinochet is no longer senator?

Prophets proclaiming the end of the Concertacion alliance have existed even since before the alliance first began. The libido of the right politicians has fed off this dream for nearly a decade, based on the incompatibility between [the alliance's] participants.

The truth is, these past few decades Chilean politics has been full of incompatibility. Perhaps most notably within the parties themselves. Adolfo Zaldívar has little in common with Andres Palma - both Christian Democrats. Socialist Party leader Enrique Correa nothing in common with Socialist Party Deputy Juan Pablo Letelier. And the PPD's Sergio Bitar, what does he have in common with Guido Girardi?

These differences did not arise with the constitutional accusation against Pinochet. They are known by everyone. They have been evident throughout the transition process, and if they did not emerge sooner, it is only because no one wanted to give their adversaries ammunition ...

The accusation was not designed to satisfy any legal principle, but rather to vent a feeling of frustration, of injustice. The sentiment is strong in one part of the Concertacion, while the other part feels successful, triumphant and satisfied, because despite the current limitations, democracy has been restored. The divide between both visions is not strictly political, but for the first time it has become a political issue.

The cost of breaking up the alliance under current circumstances is too great for the members, unless they find new associates, which do not appear to be available anywhere. Which is a good reason why the current upheaval will end with a restoration of order, even if just formal order.

But it is a good reason for political leaders to begin a review of their shared alliance these past years. So that they don't become like one of those unlucky couples that wake up one morning to discover that they don't want to grow old together.

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HEADLINE: BUSINESS BRIEFS

KEYWORDS: ECONOMY; INTERNATIONAL; NAFTA

SOURCE: EL MERCURIO

SOURCE: EL DIARIO

TEXT: Today's top business stories:

-- REAL ESTATE SALES DROP 55 PERCENT. Real estate sales dropped 55 percent in the first quarter of 1998 compared to the same period in 1997. Sales velocity has decreased to levels similar to those during Chile's economic crisis in 1983.

The supply of new homes and apartments dropped 68 percent over the last year. This drop is due to a decrease in demand for new homes, which has caused construction companies to cancel real estate projects. The cancellation of real estate projects falls in line with the Superintendency of Banks' recent recommendation to the entire real estate sector to analyze each project in terms of the Asian economic crisis and its possible repercussions.

Experts from various construction companies estimated that houses take between six and nine months to sell, while apartments take between 12 and 15 months. Offices take 15 months to sell. Construction companies Boetsch and Socovesa agreed that the real estate sector will be seriously affected if this sales decline continues.

-- ENDESA NEGOTIATES US\$650 MILLION IN BONDS. Chilean electric company Endesa launched yesterday a four-year, US\$2.4 billion investment plan. Depreciation of assets will cover US\$1.4 billion, while capital increases and debt restructuring will cover the remaining US\$1 billion.

The company decided at a shareholders' meeting to issue US\$650 million in public offer Yankee bonds on the U.S. market. Despite the opposition of minority shareholders, the group also decided to reduce dividends for 1998 to 75 percent, a move proposed by the board of directors to sustain the company's investment plan over the next few years. Endesa's shareholders also approved a US\$300 million capital increase, which will be carried out within the next few months.

The capital raised from the Yankee bond issue will be used to refinance short-term credit and acquire assets. Endesa President Rodrigo Errazuriz said this means a short-term restructuring of 5 percent of company debt. The company hopes the bonds will be approved in the first half of the year, with a pay period of 30 years.

-- ENDESA MAY PULL OUT OF GASATACAMA PROJECT. Chilean electric company Endesa is studying the possibility of pulling out of the GasAtacama gas pipeline project, in which it is one of the principal investors. Endesa has signed contracts to invest US\$300 million in the pipeline, and has already paid US\$120 million. The GasAtacama project has already begun construction of a gas pipeline to link northern Chile and Argentina. It will also involve construction of a combined-cycle generator in Mejillones to supply the Great North Interconnected System (SING) market. The project's other major partner, U.S.-based CMS Energy, said the project would go with or without Endesa's participation.

Endesa representatives said two weeks ago at a GasAtacama

board of directors meeting that the company would not be willing to continue participating in the project if two other similar pipeline projects in the north go forward. GasAtacama directly competes with the Norandino gas pipeline, headed by Tractabel and Edelnor. The two projects were at the point of merging when CMS refused, saying it would not give up control of the project to these companies. Experts have warned that the demand for natural gas in the north is not sufficient to support two pipelines.

Conversations between Endesa and CMS are currently stalled, but the construction continues at full swing. This Friday, GasAtacama will hold a ceremony in San Salvador de Jujuy to mark the official commencement of construction in Argentina. Argentine President Carlos Menem and other government authorities will attend.

-- PARQUE ARAUCO TO INVEST US\$300 MILLION.

Chilean mall operator Parque Arauco announced yesterday plans to invest US\$300 million during 1998 in its Chilean and Argentine operations. The company expects sales of US\$2 billion in 1998, which will mark a 14 percent increase over 1997. In Argentina, Parque Arauco is currently studying the acquisition of three malls in Cordoba, and will purchase lots in Rosario and Buenos Aires. In Rosario, the company submitted the best technical study for the bidding of a lot close to the train station. The bidding will be decided within the next 10 days. This project will cost Parque Arauco US\$100 million.

To finance its Argentine operations, the company is currently in negotiations with a number of banks for a credit of US\$100 million per year, which will allow Arauco to reprogram its liabilities. A US\$200 million takeover bond, with a life of five to six years, will take care of this credit. This will improve the company's capital/debt relationship and help them plan for future investment projects.

-- POLAR EXPECTS EARNINGS OF US\$13 MILLION. Chilean

Coca-Cola bottler Polar anticipates 1998 earnings of US\$13 million, up from 1997 earnings of US\$10.8 million. Company President Eduardo Chadwick said he expects Polar's operations in Argentina to gain importance in the company's earnings, as they only represented 15 percent of total earnings in 1997.

Polar will refine its Argentine operations by improving its profit margin, which is at 6.9 percent, well below the 17 percent it has achieved in Chile. This is especially relevant since Polar's sales volume in Argentina is superior to that of Chile.

Polar expects to sell 52 million cases of soda this year, 30 million in Argentina and 22 million in Chile, which represents a 13 percent increase in volume over last year. Chadwick also said Polar will merge its Chilean and Argentine operations to improve its comparative advantages in both countries.

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-- BASIC ECONOMIC INDICATORS :

Dollar's value: Observed, 452.65; Accord, 470.86

Interbank, 452.50

Today's Unidad de Fomento, UF: \$14,224.31

Copper Price: Up 1.59% to US\$0.8414

Stock Exchange: IGPA, Down 0.43% to 4,602.02, IPSA, Down

0.09% to 97.52

*

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

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

TEXT:

RFC-822-headers:

Return-path: anderson@chip.mic.cl

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.1-9 #29131)

id <01IW61OB3PS0002CH3@PMDF.EOP.GOV> for ronnel_s@a1.eop.gov; Wed,

22 Apr 1998 11:03:50 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)

with ESMTP id <01IW61O7P9Z400125F@PMDF.EOP.GOV> for ronnel_s@a1.eop.gov; Wed,

22 Apr 1998 11:03:47 -0400 (EDT)

Received: from nexus.chilenet.cl ([200.2.98.4])

by STORM.EOP.GOV (PMDF V5.1-10 #22921)

with SMTP id <01IW61NH279Y00220X@STORM.EOP.GOV> for ronnel_s@a1.eop.gov; Wed,

22 Apr 1998 11:03:20 -0400 (EDT)

Received: by nexus.chilenet.cl (/oo^ Smail3.1.29.1 #29.17)

id <m0yS0YS-000z7sC@nexus.chilenet.cl>; Wed, 22 Apr 1998 10:31 -0400 (AST)

X-Sender: chip@voyager.netalta.cl

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

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jon P. Jennings (CN=Jon P. Jennings/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-APR-1998 11:43:15.00

SUBJECT: Chicago "hot" issues --

TO: helen veit (CN=helen veit/OU=who/O=gov @ who [UNKNOWN])

READ:UNKNOWN

TO: Brian Murphy (CN=Brian Murphy/OU=who/O=gov @ who [UNKNOWN])

READ:UNKNOWN

TEXT:

----- Forwarded by Jon P. Jennings/WHO/EOP on 04/30/98

11:42 AM -----

"James A. Dorskind" <JDorskind @ doc.gov>

04/30/98 07:45:52 AM

Please respond to JDorskind@doc.gov

Record Type: Record

To: Jon P. Jennings/WHO/EOP

cc: edl%ExSec%OSEC @ doc.gov, Jim Doyle <JDoyle @ doc.gov>, Stephen Nolet

<SNolet @ doc.gov>

Subject: Chicago "hot" issues --

These aren't that "hot," but they may be helpful. The International Trade Administration supplied this information, which really just sets forth the views of the Chicagoland Chamber of Commerce on a variety of issues, as well as the views of the governor on renewal of fast track authority. I assume you know most or all of this. I haven't given up getting something more directly related to DoC, particularly EDA or MBDA, but I wanted to get this to you now; Calif. stuff will follow in a separate email in a few minutes. jd

EDUCATION - Chamber supports accountability, deregulation and innovation, quality based foundation level funding, capital and technology investment and funding reforms applied uniformly to all taxpayers.

INTERNATIONAL "OPEN SKIES" AGREEMENTS - Chamber supports bilateral aviation agreements that will result in increased access to O'Hare Airport by international airlines and domestic carriers servicing foreign cities.

HELMS-BURTON ACT - Chamber supports federal initiatives which lead to freer and fairer trade practices worldwide.

FAST TRACK AUTHORITY - The Chamber and Governor Edgar and the State of Illinois support the restoration of Fast Track negotiating authority.

ECONOMIC IMPACT STATEMENT - Chamber is initiating a proposal to require the Illinois EPA to produce economic impact statements for all new and reauthorized legislative and regulatory proposals.

FEDERAL CLEAN AIR REQUIREMENTS - Chamber supports the spirit of the environmental laws that govern the nation, state and city, but these regulations must be balanced with social and economic concerns. Chamber supports maintenance of the current NAAQS standard for Particular Matter and Ozone and specific scientific study on human health and PM.

ILLINOIS INTERNATIONAL COMMERCIAL ARBITRATION ACT -Chambers supports legislation pending in the Illinois State Legislature which encourages arbitration of international commercial disputes and provides comprehensive, easy-to-follow arbitration procedures.

RENEWAL OF CHINA'S MOST FAVORED NATION STATUS -Chamber supports the renewal of China's MFN status.

Jim Dorskind
Director, Executive Secretariat
Office of the Secretary, U.S. Department of Commerce
Ph: 202-482-3934 Fax: 202-482-4576 jdorskind@doc.gov

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jon P. Jennings (CN=Jon P. Jennings/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-MAY-1998 08:45:51.00

SUBJECT: DoC Hot Issues for Detroit; Boston; Delaware; and Orangeburg

TO: helen veit (CN=helen veit/OU=who/O=gov @ who [UNKNOWN])

READ:UNKNOWN

TEXT:

----- Forwarded by Jon P. Jennings/WHO/EOP on 05/06/98
08:47 AM -----

"James A. Dorskind" <JDorskind @ doc.gov>

05/05/98 06:58:24 PM

Please respond to JDorskind@doc.gov

Record Type: Record

To: Jon P. Jennings/WHO/EOP

cc: edl%ExSec%OSEC @ doc.gov, Jim Doyle <JDoyle @ doc.gov>, Stephen Nolet

<SNolet @ doc.gov>

Subject: DoC Hot Issues for Detroit; Boston; Delaware; and Orangeburg

May 5, 1998

MEMORANDUM TO THURGOOD MARSHALL, JR.

FROM: Jim Dorskind

Executive Secretary

SUBJECT: DoC Hot Issues for Detroit, MI, Boston, MA,
Delaware, and Orangeburg, SC

Detroit, Michigan

Detroit to Receive AWIPS: The Advanced Weather Interactive Processing
System (AWIPS) will be deployed in Detroit in August 1998.

Rising Cost of Palladium: The latest problems in Russia are of concern to
the Big 3 automakers. The turmoil has driven up the cost of palladium, a
precious metal used in pollution control. This will cause a price increase
in automobiles and lead to a decrease in production, affecting workers and
consumers.

Automakers Concerned with SUV Regulations: The Big 3 automakers are concerned about the controversy involving Sport Utility Vehicles, as they believe it may lead to more government regulation in the areas of fuel consumption and safety.

Detroit Concerned about Asian Crisis: All industries are very concerned over the Asian crisis, as it has affected sales of all categories of goods.

Chrysler has had to cut back production due to cancellations of sales to many areas.

Significant Minority Business Sold: A major Hispanic-owned company, Munoz Machine Products, was recently sold, raising fears of more deterioration in minority business ownership in Detroit. Generally, there is a feeling by many in Detroit of a lack of interest in the development of the local empowering zone, and there is concern among some that minorities are not supporting the development of Detroit.

Boston, Massachusetts

Massachusetts Labor Shortage: Massachusetts unemployment in March 1998 was at 3.3% (3% in the Greater Boston Area). The shortage of skilled labor now influences virtually every sector: high technology to services to manufacturing. The scarcity of employable workers has made training/retraining programs, including public/private partnerships, a necessity. Among the most dire predictions is that Massachusetts GDP growth will slow to 3.4% from 1997's 4.4%, as companies abandon the state in favor of locations where there is a larger pool of available workers.

Boston Concerned about Asia Crisis: The effects of the economic upheaval in Asian markets is becoming evident in the Boston area.

Boston Business Backs Free Trade: Renewal of fast track authority and the expansion of free trade continue to be hot topics in the business community. Larry Liebenow, CEO of Quaker Fabrics of Fall River, MA, said that if the company "had similar access to the rest of Latin America as we do in Mexico, we would increase sales 15%, adding close to 300 people." Marcos Rosenbaum, President of ConeXion International, Ltd., of Brookline, MA, was quoted as saying "It is easier for U.S. companies to try to get projects in Latin American countries than in Asian countries."

Lowell Brownfields to Receive Funds: Lowell, Massachusetts, has been designated one of 10 brownfields sites to receive federal funds. (A "brownfield", as defined by the U.S. Environmental Protection Agency (EPA), is an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination.) Lowell has recently received funds through two Department of Transportation programs for the redevelopment of abandoned industrial properties. Massachusetts has approximately 7000 brownfield sites.

Delaware

MBOC Renewal: The Wilmington, Delaware Minority Business Opportunity

Committee (MBOC) was scheduled for renewal, effective October 1, 1997. The City submitted an application for renewal of the award; however, a major restructuring of the way in which the Minority Business Development Agency (MBDA) awards these grants has resulted in a delay. We expect final action on the award to be completed within the next 30 days. Both Sen. Joseph Biden and Mayor James Sills have been advised of the status.

Orangeburg, South Carolina

Census Dress Rehearsal: South Carolina is a dress rehearsal state for the 2000 Census.

Orangeburg to Benefit from AWIPS: Advanced Weather Interactive Processing Systems (AWIPS) will be deployed in Charleston, Columbia, and Greenville/Spartanburg, SC, weather offices in October 1998. These systems will provide data for weather forecasting and warnings in the Orangeburg area.

Jim Dorskind
Director, Executive Secretariat
Office of the Secretary, U.S. Department of Commerce
Ph: 202-482-3934 Fax: 202-482-4576 jdorskind@doc.gov

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Woyneab M. Wondwossen (CN=Woyneab M. Wondwossen/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:13-MAY-1998 19:06:28.00

SUBJECT: letter from nga

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

READ:UNKNOWN

TEXT:

Hello Fred --

I have a letter from G. Voinovich and T. Carper forwarding a resolution passed by the nga in support of fast track authority. Can this get penned?

FYI, I am taking over Anna Cushing's position and will be writing on this issue as well as the budget, agriculture, insurance etc... Look forward to working with you more.

woyneab

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Carl Lingenfelter (CN=Carl Lingenfelter/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:19-MAY-1998 15:40:43.00

SUBJECT: fast track timetable

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

READ:UNKNOWN

TO: Eric Farnsworth (CN=Eric Farnsworth/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Ana Maria Salazar (CN=Ana Maria Salazar/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Daniel Lesmez (CN=Daniel Lesmez/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Nelson W. Cunningham (CN=Nelson W. Cunningham/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

Carl Lingenfelter (CN=Carl Lingenfelter/OU=WHO/O=EOP [WHO])

READ:UNKNOWN

TEXT:

TRADE

Barshefsky Wavers On 1999 Timetable For Fast Track Plan

GENEVA, Switzerland * U.S. Trade Representative Barshefsky today declined to

commit the Clinton administration to a timetable for pushing renewal of fast track trade

negotiating authority, despite President Clinton's invitation to host a meeting of World

Trade Organization ministers in the United States in 1999. Asked by CongressDaily

today whether the U.S. invitation to host that meeting in late 1999 meant the

administration would ask Congress to grant it fast track authority earlier in 1999,

Barshefsky would only say, "We will continue to work with Congress to achieve fast

track authority."

Meanwhile, a senior administration official today downplayed the significance of new

trade talks that Clinton mentioned in London Monday. Specifically, he countered a report

in the Financial Times of London that Clinton had planned in his speech to the WTO

here Monday to call for a new round of trade negotiations similar to the European

Union's call for a "millennium" round, but pulled back from that plan in favor of a

sector-by-sector approach. The official said the story resulted from White House Press

Secretary Michael McCurry's imprecise confirmation of a Wall Street Journal story

Monday that said Clinton was considering a call for a new round. The official said

McCurry meant only that Clinton wanted more negotiations, and did not understand that

trade professionals consider the word "round" a technical term to mean a formal set of negotiations.

At her news conference today with Agriculture Secretary Glickman, Barshefsky said

Clinton "wishes to see the WTO examine all the options and make the decision at the

ministers' meeting in 1999." Calling for a new round now "would be terribly premature,"

Barshefsky said, because Third World countries are still trying to absorb the changes

required by the Uruguay Round. Barshefsky also hinted that if a WTO appeals body

rules the United States is in violation of WTO rules for prohibiting importation of shrimp

caught in nets that also catch sea turtles the United States will pay compensation rather

than accept the imports.

Glickman, who along with Barshefsky is the only Cabinet member attending the

meeting, praised Clinton's speech for including a special section on agriculture and

proposals to open up the WTO's decision making process to public scrutiny. Noting that

approval of trade agreements often depends on House members and senators from rural

states, Glickman said secrecy in international organizations "breeds conspiracy theories of

the highest magnitude about who's running the world." * by Jerry Hagstrom

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian D. Smith (CN=Brian D. Smith/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:20-MAY-1998 10:58:27.00

SUBJECT: Congressional Record "...IMMUNITY CONCERNING ILLEGAL FOREIGN FUNDRAISING ACTIVITIES"

TO: Erin E. Green (CN=Erin E. Green/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Douglas J. Band (CN=Douglas J. Band/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Melissa M. Murray (CN=Melissa M. Murray/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Matthew I. Fraidin (CN=Matthew I. Fraidin/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Edward F. Hughes (CN=Edward F. Hughes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Alissa K. Brown (CN=Alissa K. Brown/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Dimitra Doufekias (CN=Dimitra Doufekias/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michael B. Waitzkin (CN=Michael B. Waitzkin/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Sally P. Paxton (CN=Sally P. Paxton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michael X. Imbroscio (CN=Michael X. Imbroscio/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Adam W. Goldberg (CN=Adam W. Goldberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Irwin P. Rajj (CN=Irwin P. Rajj/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: James E. Kennedy (CN=James E. Kennedy/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Rachael E. Sullivan (CN=Rachael E. Sullivan/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TO: Christopher S. Lehane (CN=Christopher S. Lehane/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Charles W. Burson (CN=Charles W. Burson/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Melissa J. Prober (CN=Melissa J. Prober/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Rochester M. Johnson (CN=Rochester M. Johnson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Robert N. Weiner (CN=Robert N. Weiner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michelle Peterson (CN=Michelle Peterson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Dimitri J. Nionakis (CN=Dimitri J. Nionakis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Donald Goldberg (CN=Donald Goldberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Deborah Falk (CN=Deborah Falk/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

SENSE OF CONGRESS THAT COMMITTEE ON GOVERNMENT REFORM AND
OVERSIGHT SHOULD CONFER IMMUNITY CONCERNING ILLEGAL FOREIGN
FUNDRAISING ACTIVITIES (House of Representatives - May 19, 1998)

[Page: H3452]

Mr. COX of California. Mr. Speaker, I move to suspend the rules and agree
to the resolution (H.
Res. 440) expressing the sense of the Congress that the Committee on
Government Reform and
Oversight should confer immunity from prosecution for information and
testimony concerning illegal
foreign fundraising activities.

The Clerk read as follows:

H. Res. 440

Whereas the Committee on Government Reform and Oversight is currently
investigating the
unprecedented flow of illegal foreign contributions to the Clinton-Gore

campaign during the 1996
Presidential campaign;

Whereas more than 90 witnesses in the investigation have either asserted
the fifth amendment or fled
the United States to avoid testifying, including 53 persons involved in
raising money for the
Democratic National Committee or the Clinton-Gore campaign;

Whereas among the 53 persons who have either asserted the fifth amendment
or fled the United
States to avoid testifying are former Associate Attorney General Webster
Hubbell; former White
House aide Mark Middleton; longtime Clinton friends John Huang, Charlie
Trie, and James and
Mochtar Riady; and Chinese businessman Ted Sieong and 11 members of his
family;

Whereas democratic fundraiser Johnny Chung has told Department of Justice
investigators that he
funneled more than \$100,000 in illegal campaign contributions from a
Chinese military officer to
Democrats during the 1996 campaign cycle, according to a New York Times
report on May 15,
1998;

Whereas Chung told Federal investigators much of the \$100,000 he gave to
the Democratic
National Committee in the 1996 campaign came from Communist China's
Peoples Liberation Army
through Liu Chaoying, a Chinese Lieutenant Colonel and aerospace industry
executive;

Whereas Chung's account and supporting evidence, such as financial
records, is the first direct
evidence of Communist Chinese campaign contributions being funneled to the
Democratic National
Committee and Clinton-Gore '96;

Whereas subsequent to the receipt of the illegal campaign contributions
from Communist Chinese
officials the Clinton Administration relaxed export controls and overruled
a Pentagon ban on the sale
and export of sophisticated satellite technology to China;

Whereas on April 23 and May 13, 1998, the Committee on Government Reform
and Oversight
unsuccessfully sought to grant immunity from prosecution to 4 important
witnesses, including 2
former employees of Johnny Chung who have direct knowledge concerning Comm
unist Chinese
attempts to influence United States policy and make illegal campaign
contributions;

Whereas these 4 witnesses, Irene Su, Nancy Lee, Larry Wong, and Kent La, each have direct information concerning the efforts employed by Johnny Chung, Ted Sieong, and other foreigners to violate Federal campaign laws and exercise foreign influence over the 1996 elections;

Whereas the Department of Justice does not object to the Committee on Government Reform and Oversight's desire to confer immunity on Irene Wu, Nancy Lee, Larry Wong, and Kent La;

Whereas Irene Wu, Johnny Chung's office manager and primary assistant, would provide the Committee on Government Reform and Oversight firsthand information and knowledge about Chung's payments to Clinton-Gore '96 and his relationships with foreign nationals;

Whereas Nancy Lee, an engineer at Mr. Chung's company, solicited contributions from her colleagues for the benefit of Clinton-Gore '96, and those contributions serve as the foundation of criminal charges brought against Mr. Chung;

Whereas Larry Wong, a long-time friend and associate of convicted felon Gene Lum, has direct knowledge concerning Lum's method of making illegal foreign money contributions to Clinton-Gore '96;

Whereas Kent La, the United States distributor of Communist Chinese cigarettes, has direct and relevant information about illegal foreign money contributions made to the Democratic National Committee by Ted Sioeng; and

Whereas the inability of the Committee on Government Reform and Oversight to confer immunity on these 4 important witnesses serves as an impediment to the important work of the committee in determining the extent to which officials and associates of the Chinese and other foreign government sought to influence the 1996 elections and United States policy in violation of Federal campaign contribution laws and regulations: Now, therefore, be it Resolved, That it is the sense of the House of Representatives that the Committee on Government Reform and Oversight should vote to direct the General Counsel of the House of Representatives to apply to a United States district court for an order immunizing from use in prosecutions the testimony of, and other information provided by, Irene Wu, Nancy Lee, Larry Wong, and Kent La at

proceedings before or ancillary to the Committee.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. Cox) and the gentleman from California (Mr. Waxman) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. Cox).

[Page: H3453]

Mr. COX of California. Mr. Speaker, I ask unanimous consent to yield my time to the gentleman from Ohio (Mr. Boehner) and that he may be able to yield time as he sees fit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was in objection.

Mr. BOEHNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, yesterday I introduced House Resolution 440. This resolution expresses the sense of Congress that the Committee on Government Reform and Oversight should confer immunity to four witnesses who have direct knowledge about how the Chinese government made illegal campaign contributions in an apparent attempt to influence our foreign policy. This resolution is not about titillating gossip, nor is it about partisan politics. Simply put, this resolution is about determining whether American lives have been put at risk and whether Communist-controlled companies and Chinese officials were given access to sophisticated technology that jeopardizes our national security.

To give my colleagues a sense as to why this resolution is so important, I would like to ask them to consider some disturbing revelations that have come to light about the connection between the Clinton administration and Communist China.

Last week various news sources, including the New York Times, reported that the Clinton administration's decision to approve exports of satellite technology to China in 1996 may have been connected with campaign contributions to the Democrat Party. In short, it is alleged that the Clinton administration granted waivers to two companies in 1996, Loral Space and Communications and Hughes Electronic Corporation, that allowed them to export sophisticated satellite technology to

Communist China.

Loral's chairman, Bernard Schwartz, donated more than \$600,000 to the Democrat Party. Last week the New York Times also reported that in March of 1996, the President overruled both the State Department and the Pentagon, which wanted to keep sharp limits on China's ability to launch American-made satellites using Chinese rockets, and turned oversight of granting such permission for these launches over to the Commerce Department, which was in favor of permitting them.

At the time the Commerce Department was headed by the late Ron Brown, who was previously chairman of the Democratic National Committee.

One of the beneficiaries of that decision, according to the Times, was China Aerospace, a military-run Chinese company that employed Liu Chaoying as an executive. The Times also reported that one-time Democratic fund-raiser Johnny Chung has told the Justice Department investigators that he funneled \$100,000 in cash from Liu to the Democratic National Committee during the 1996 presidential campaign.

[TIME: 1945]

Liu is a lieutenant colonel in the Chinese army and the daughter of a top Chinese military official.

The Times' report is significant in that it represents the most solid evidence yet of a Chinese connection in the campaign finance scandal. More importantly, it opens the door to allegations that the Chinese government was able to jeopardize U.S. national security because of illegal campaign contributions.

Mr. Speaker, one might logically ask, 'How does this affect America's national security?' Well, I think the answer is quite obvious. Any technology transfer that benefits China's space program also benefits China's missile program.

In fact, a little over 2 weeks ago it was reported in The Washington Times that Communist China had aimed 13 long-range strategic missiles at the United States. These missiles have a range of 8,000 miles and are capable of delivering nuclear warheads that can obliterate an entire city in a single blast.

We have also learned that China is aggressively pursuing development and modernization of their entire missile program. Not only are they improving the accuracy of their short-range missiles which threaten their neighbors, they are also developing an entirely new class of missiles capable of bringing their nuclear weapons to American families.

So, Mr. Speaker, we need to know why and if the President of the United States changed the policy in a way that gave sensitive and sophisticated missile technology to a Nation that now aims nuclear weapons at our sons and daughters. Mr. Speaker, I can only ask all of my colleagues to join with me as we try to ensure whether or not our children grow up in a safe world or in a world in the throes of another arms race, or even another Cold War.

President Clinton is expected to travel to China next month where he is also expected to announce new space technology cooperation agreements. Before he leaves, the American people must know exactly if past cooperation with China has undermined our national security.

Congress and the American people must have the answers to some very specific questions:

Why did the President overrule the State Department and turn such important decisions over to the Commerce Department?

How did this transfer of technology jeopardize our national security and American lives?

No Member of this body should rest until we know the answers to these questions. Giving immunity to these four important witnesses is a first step in opening the door to the truth in these very important matters.

Mr. Speaker, I reserve the balance of my time.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as may consume.

Mr. Speaker, I rise in support of the Boehner resolution. I completely agree that the four witnesses should be given immunity. I believe every Democrat on the House Committee on Government Reform and Oversight also supports immunity for the witnesses.

In fact, our only reservation on the merits has been that the witnesses still have not provided proffers of their testimony, which is a standard and essential procedure in an

immunity case. That is what we said when the committee first voted on immunity on April 3, it is what I said in a letter to the Speaker on May 10, and it is what we said again when the committee voted on immunity on May 13.

On May 10, I sent a letter to the Speaker, and I want to quote from that letter. I wrote to the Speaker and I said:

I am writing in the spirit of bipartisanship to work with you to find a constructive solution to the difficult problems facing the Committee on Government Reform and Oversight. During the past several weeks, you have personally attacked me and questioned my integrity without justification. I believe, however, that the American people expect more from us than name calling and partisan battles. Instead of escalating this fight, I want to make a genuine attempt to work with you to meet these expectations.

I said to the Speaker, and I further quote,

I am prepared to recommend to my Democratic colleagues that they support the pending immunity requests, but before I do, I believe the rules and procedures guiding the committee's campaign finance investigation must be changed so that the committee can conduct a fair and thorough investigation.

Well, 2 weeks have passed, and the Speaker still has not responded to my letter and my request that we work together. We have tried to make it as clear as possible that our problem is not with immunity, our problem is with the gentleman from Indiana (Mr. Dan Burton) and his handling of this investigation. That is a problem the Speaker, the gentleman from Ohio (Mr. Boehner), and the other Members of the Republican leadership insist on ignoring.

Since we last voted in committee, new information has come to light, originally in The New York Times, about the possibility that Johnny Chung may have been a conduit for political contributions from China. The new allegations are serious and deserve thorough congressional investigation.

Although there is no indication that the four witnesses seeking immunity have information relevant to these new allegations, the new evidence reinforces my belief that the witnesses should be given immunity. The new evidence also reinforces my belief that the gentleman

from Indiana is the wrong person to be leading this investigation.

We are dealing with extremely serious allegations. We owe the American people a serious, credible investigation. So here we are today, and the Republican leadership has made no attempt to work with us in a bipartisan way. The Republican leadership is not sending this issue to another committee, it is not bringing the issue up on the House floor, it is not proposing to fix the Burton problem. The leadership is here telling us immunity is essential and then insisting on the one immunity option they know we will oppose. It is rare that partisanship and cynicism are this transparent.

Two weeks ago The New York Times, which has been leading the call for a thorough and aggressive investigation into the President's 1996 campaign, printed an editorial called 'The Dan Burton Problem,' and I want to take a moment and read in part from that editorial.

[Page: H3454]

By now, even Representative Dan Burton ought to recognize that he has become an impediment to a serious investigation of the 1996 campaign finance scandals. If the House inquiry is to be responsible, someone else on Mr. Burton's committee should run it.

Coming on the heels of an impolitic remark by Mr. Burton about the President 2 weeks ago, the tapes fiasco is forcing the House Republicans to confront two blunders: The first was to entrust the investigation of campaign finance abuses to Mr. Burton, the chairman of the House Government Reform and Oversight Committee. The second was to give him unilateral power to release confidential information.

Mr. Burton, a fierce partisan, not known for balanced judgment, was plainly the wrong man for a sensitive job. If Mr. Burton will not step aside, Speaker Newt Gingrich should convene the Republican Caucus and ask it to name a replacement. Mr. Gingrich should also agree to rules both to provide a check on the new Chairman's power and to enhance bipartisanship.

By agreeing to improvements in the rules, Republicans would remove a major criticism of the committee's process as well as the Democrats' excuse for denying immunity. For now, Mr.

Gingrich seems determined to back Mr. Burton. That will only delay getting a truthful account of fund-raising in the 1996 election.

My colleagues, this is a serious matter, and that is why we have asked that the Speaker give us leadership on this issue to work with us in a bipartisan manner. It sometimes seems that the Speaker acts as if he thinks he is still in the minority; that he is an insurgent. But the Speaker is the Speaker of the House. He is the Speaker of the whole House, and he should be working to bring all of us together for a fair and credible investigation, not trying to drive partisan wedges between us and trying to impede a serious investigation.

Now, the Republicans have a majority in this House. When the chairman of the investigation calls the President of the United States a scum bag, when he admits he is after the President, when he doctors transcripts that purport to represent evidence the committee obtained, when he issues over 600 unilateral subpoenas and targets 99 percent of his 1,000 subpoena and other information requests to Democrats, we Republicans and Democrats have a very real problem.

When the committee's Republican chief counsel quits because he is not allowed to conduct a professional investigation, when the Republican chief investigator is fired, we have a very real problem. We have a committee out of control. But because Republicans have the majority in this House, it is a problem that they alone can solve. All the Democrats ask is what The New York Times proposed: Act responsibly, solve the problem. We are prepared to vote for immunity if the majority is willing to work with us in even the most minimal way.

I am going to vote for this resolution because it really is tantamount to a meaningless gimmick. It is an empty exercise in political posturing. I should also point out for the record that the resolution contains a number of basic factual errors, and I will submit information correcting these mistakes.

A meaningful act would be to reform the procedures we have in the Committee on Government Reform and Oversight, or send this matter to another committee, so that we can get on with the investigation.

If this matter is as important to the Speaker as he says it is, and it should be, we only ask that he

work with us for a constructive investigation. Please do not posture on such an important issue.

Democrats are ready and have been ready to vote for immunity. All we ask is that the investigation be fair, bipartisan and competent.

And that means, by the way, that we get the facts, and then see what conclusions those facts lead us to, not reach the conclusions first and then try to see what facts will fit into those conclusions.

I have heard incredible statements by some of my Republican colleagues when they talk about money from the Chinese government going to the President of the United States and he knowingly then gives weapons technology to the Chinese that may jeopardize our national security. If that is the allegation, we better have facts to back it up because, quite frankly, that is not just accusing the President of the United States of a crime, that is accusing the President of the United States of the crime of treason.

We ask the Speaker, bring us together to act rationally. We ask the Speaker to work with us. Give us bipartisanship. Make some tough decisions. If the Speaker is going to send this to the committee for another vote, take some time first to meet with the minority Members and try to find common ground. If that does not occur, it will be absolutely clear that this is all about cynical politics not genuine concern, and the American people will have yet another reason to tune us all out.

Mr. Speaker, I provide for the Record the letter to the Speaker and information correcting the factual errors contained in the resolution to which I referred to earlier:
U.S. HOUSE OF REPRESENTATIVES, COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC, May 10, 1998.

Hon. Newt Gingrich,
Speaker, U.S. House of Representatives, Washington, DC.

Dear Mr. Speaker: I am writing in the spirit of bipartisanship to work with you to find a constructive solution to the difficult problems facing the Committee on Government Reform and Oversight. During the past several weeks, you have personally attacked me and questioned my integrity without justification. I believe, however, that the American people expect more from us than name-calling and partisan battles. Instead of escalating this fight, I want to make a genuine attempt to

work with you to meet their expectations.

I am prepared to recommend to my Democratic colleagues that they support the pending immunity requests. But before I do, I believe that the rules and procedures guiding the Committee's campaign finance investigation must be changed so that the Committee can conduct a fair and thorough investigation.

Of course, such changes also require that the chair of the investigation be fair and credible. Mr. Burton, the current chairman, has disqualified himself by his actions. He has called the President a vulgar name and said that he is out to get the President. And he has 'doctored' evidence by releasing altered and selectively edited transcripts of the Webster Hubbell tapes. There are several senior Republican members of the Committee who could immediately take his place and continue the investigation. For the investigation to have any legitimacy, this must happen.

A fair investigation must have fair procedures. Some have asserted that the Democratic members want a veto over the conduct of the investigation. This is not true. We are not seeking the right to block the issuance of subpoenas or the release of documents. All we want is the opportunity to present our arguments to the Committee if we raise objections that the chair is unwilling to acknowledge. We recognize that we are in the minority and that we can be outvoted. Fairness dictates, however, that we should at least have the right to appeal our case to the Committee members if we are summarily rejected by the chair.

I am not asking for unusual procedures. The exact opposite is the case. In the last year, Mr. Burton issued over 600 subpoenas unilaterally, without minority concurrence or a Committee vote. That is more than three unilateral subpoenas for every day the House was in session. To the best of my knowledge, however, no Democratic committee chairman since the McCarthy era forty years ago ever issued a subpoena unilaterally. The congressional subpoena power is an awesome power. It compels an individual to turn over documents to Congress or to testify before Congress against the individual's will. Prior to Mr. Burton, committee chairmen simply did not exercise this power unilaterally.

As Lee Hamilton, the chair of the House Iran-Contra investigation, wrote

me:

As a matter of practice in the Iran-Contra investigation, the four Congressional leaders of the Select Committee--Senators Inouye and Rudman, Representative Cheney and I--made decisions jointly on all matter or procedural issues, including the issuance of subpoenas. I do not recall a single instance in which the majority acted unilaterally.

Likewise, Mr. Burton's unilateral release of subpoenaed documents is the exception, not the rule. I cannot think of a precedent for a committee chairman releasing such personal information--such as Mr. Hubbell's private conversations with his wife and daughters--unilaterally.

There are many precedents in congressional history for fair investigative procedures. You have referred repeatedly to the Watergate investigation as a model of bipartisanship. The House Watergate investigation had fair procedures that provided the minority the right to seek a committee vote if they objected to a proposed subpoena or document release. These Watergate procedures would provide an excellent model for this investigation.

Fair procedures do not lead to gridlock. To the contrary, they lead to bipartisan cooperation and a more successful investigation. They also are a safeguard against the kind of abuses that have characterized Mr. Burton's investigation. Under the rules followed in other congressional investigations, the entire committee is accountable for the investigation. Under Mr. Burton's rules, the Committee has transferred virtually all its power to him alone and he is accountable to no one. The events of the past weeks make it clear why this model should never be used again.

Senator Thompson followed fair procedures in his campaign finance investigation, and he was able to accomplish far more than Mr. Burton. In fact, he held 33 days of hearings and filed a 1,100-page report before Mr. Burton held his twelfth day of hearings. The Thompson procedures would be another excellent model for this investigation.

You have accused me and other Democrats of 'stonewalling' the investigation. That is not accurate. Mr. Burton has had virtually limitless powers. Democrats have blocked none of the 602 unilateral subpoenas he has issued, nor have we blocked any of the 148 depositions that his staff has

conducted. In fact, we even supported the only other three immunity requests made by Mr. Burton.
I want to be part of a thorough investigation of campaign finance abuses. I don't want to be in a position I am in now, where I must oppose immunity requests as a matter of principle.

Mr. Speaker, I am willing to put partisanship aside in addressing the problems on the Committee on Government Reform and Oversight. I hope you will join with me in this effort.

Sincerely,

Henry A. Waxman,
Ranking Minority Member.

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[Page: H3455]

Factual Inaccuracies in H. Res. 440

Claim: '[M]ore than 90 witnesses in the investigation have either asserted the fifth amendment or fled the United States to avoid testifying.'

Fact: This number is misleading because it includes:

12 individuals who have been given immunity and already testified;

8 Buddhist nuns who were never immunized because their testimony would have duplicated other testimony;

21 individuals who are listed as having fled the country who in fact live in foreign countries;

11 individuals who, while not cooperating with Congress, have been convicted by or are cooperating with the Department of Justice.

Claim: '[S]ubsequent to the receipt of the illegal campaign contributions from Communist Chinese officials the Clinton Administration relaxed export controls . . . on the sale and export of sophisticated satellite technology to China.'

Fact: This statement is inaccurate. The Clinton administration relaxed export controls before not after, June 1996, when Johnny Chung reportedly first met Liu Chaoying. The Clinton administration announced its decision to move commercial communications satellites from the Munitions List to the

Commerce Control List of dual-use items, moving export licensing jurisdiction from the Department of State to the Department of Commerce, In March 1996--three months before Mr. Chung allegedly met Ms. Liu. Moreover, the practice of issuing waivers was not begun by the Clinton Administration. According to the New York Times (May 17, 1998), it was first used by the Bush Administration.

Claim: '[T]he Department of Justice does not object to the Committee on Government Reform and Oversight's desire to confer immunity on . . . Kent La.'

Fact: The Department of Justice does have serious reservations about immunizing Kent La. In a letter dated April 22, 1998, the Department of Justice expressed its view that 'if Mr. La were to testify publicly at this time, the Department's criminal investigation could in fact be compromised. Even if Mr. La were to testify in a closed session, any disclosure or leak of that testimony, whether intentional or inadvertent, could seriously compromise the investigation and any subsequent prosecutions.' The numerous leaks of information during the course of Committee's investigation suggests that the confidentiality that the Department of Justice has requested could not be maintained.

Claim: The four witnesses have 'direct knowledge' concerning 'Communist Chinese attempts to influence United States policy and make illegal campaign contributions,' 'illegal foreign money contributions made to the Democratic National Committee by Ted Sioeng,' or 'convicted felon Gene Lum['s] . . . method of making illegal foreign money contributions to Clinton-Gore '96.'

Fact: The four witnesses have had employment or business relationships with Johnny Chung, Ted Sioeng, and Gene Lum. It is not yet clear, however, that any of the four witnesses have significant information about the alleged illegal activities involving foreign contributions. Based on what is currently known about the witnesses, they would appear to be relatively minor witnesses with little new information to provide investigators.

Mr. Speaker, I reserve the balance of my time.

Mr. BOEHNER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DeLay), the majority whip.

Mr. DeLAY. Mr. Speaker, I appreciate the gentleman yielding me this time. This is really a sad day for the House, that we have to bring a resolution like this to the House, and I rise in strong support of the resolution. I wish we did not have to bring it.

To some, bipartisan means as long as they buy into their partisanship, they will go along. To some, they think it is the chairman of the committee that is the problem. This has nothing to do with the chairman of the committee. What it has to do, and the American people have seen it, that if people really wanted to get to the truth, the revelations that came over the weekend, we would have known years ago, at least months ago.

[TIME: 2000]

But the American people have seen this administration stonewalling and dragging their feet, hiding documents, hiding behind their lawyers. We have seen Members of the other party and the other body attacking Chairman Thompson, attacking Chairman D'Amato. And over here they attack the gentleman from Iowa (Mr. Leach), they attack the gentleman from Pennsylvania (Mr. Klink), and now they are attacking the gentleman from Indiana (Mr. Burton), all for one purpose; and that is they are scared to death to get to the truth.

Well, if all the scandals surrounding the Clinton administration had not meant much to the American people in the last 3 months, the latest revelations coming about the White House prove that they matter now.

According to press accounts, the White House accepted campaign contributions from officials of the Communist Chinese army and then later approved the shipment of sensitive defense technology to that country. Now, we do not know if there is a connection there or not. But the American people have the right to know the truth. And this was done over the objections of several foreign policy advisors in this administration. This technology has threatened the balance of power in Asia, giving India an excuse to test nuclear weapons, thereby threatening the security of every human being on earth.

So, Mr. Speaker, where were the Democrats when we asked them for their cooperation earlier this year in finding out the facts about this serious situation? Where were the

Democrats when the House Committee on Government Reform and Oversight tried to interview witnesses who had important information about this national security crisis?

Some of our friends on the other side of the aisle appear to be turning their backs on the truth because they want to play these partisan games. Well, Mr. Speaker, this is no time for partisan games. Our national security is threatened by this new Asian arms race, which has been unwittingly jump-started by the political hacks at the White House.

Now, I hope that these latest revelations would give even the fiercest partisan a reason to seek the truth. My friends, these events have put into motion the greatest crisis the world has seen since the end of the Cold War. Now is the time for Congress to work together to find out the facts, and I urge my Democrat colleagues to join us now in investigating these allegations. The American people have a right to know the truth.

[Page: H3456]

Mr. BOEHNER. Mr. Speaker, I yield 2 minutes to the Majority Leader, the gentleman from Texas (Mr. Arme).

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I will get to the point. The point is we have long since now passed the point at which we can be casual about this. We are not talking about campaign finance violations. We are not talking about small things. We have very big questions here and very grave questions before the American people.

Did the President of the United States permit the sale of technology to China that would allow them to target missiles against United States citizens?

Did the President of the United States allow that sale to be made by an American firm already under investigation for trespasses against American law regarding the sale of such merchandise?

Did the President of the United States allow that sale against the protest of his own State Department and his own Department of Defense and over the objections of his own Justice Department?

Did the President of the United States know that the money received for his campaign, the campaign for people of his party, came from an officer in the Chinese Government who is also a major officer in Chinese corporations that were under sanction by the United States Government?

Did the transfer of the missile technology to China spark India's nuclear testing?

And did India's nuclear testing, in response to China's new capacity, spark the desire to do so in Pakistan?

Does the Defense Department find our national security is threatened?

Is the President, as Bill Safire suggests, the 'proliferation president'?

Does the President of the United States have the standing in the international community to be the leader that America must have in its president?

Just last week, the President failed to convince our major allies to join us in sanctioning India over testing nuclear weapons. Yesterday, he agreed to waive Helms/Burton sanctions on European countries helping Iran develop its oil industry, and I am still wondering where did that come from.

Last year, the President could get very little support for efforts to force weapons inspections in Iraq. And, last year, the President could not even get his own party in the House of Representatives to give him fast track authority.

The President of the United States should command international respect as the leader of the free world. Until President Clinton comes forward with the truth, the cloud hanging over this presidency in not only international affairs but domestic affairs will grow.

Mr. Speaker, I suppose there are times when it is amusing and even entertaining to pretend a wide-eyed innocence as one joins the stonewalling effort of the administration. If it were only a matter of domestic campaign finance law, violations, perhaps America could afford to give a wink and a nod to feigning moral outrage because one does not like the chairman of the committee, or that committee, or the other committee, or this committee.

But this is bigger than that. It is more important than that. It is about the genuine security needs of the American people in a world that may, in fact, be increasingly more

dangerous than we ever thought we would face again and about the President of the United States being respected in the international community so that he can give the leadership in world affairs that this Nation feels it must give.

This is a serious matter. It is time to get serious. It is time to put away all the lawyer tricks. It is time to put away all the cute politics. It is time to get serious and say to the President, to all with whom he has had association in these matters, 'Come forward. Tell the truth. Get it off your chest. You will feel better for it. It is possible that you may make it possible for us to make America safer for it.'

Mr. WAXMAN. Mr. Speaker, may I inquire how much time is remaining on each side?

The SPEAKER pro tempore (Mr. Riggs). Both the gentleman from Ohio (Mr. Boehner) and the gentleman from California (Mr. Waxman) control 9 1/2 minutes.

Mr. WAXMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. Kanjorski).

Mr. KANJORSKI. Mr. Speaker, I am not usually engaged in these type of discussions, but I made it a point to come down tonight because I like the gentleman from Ohio (Mr. Boehner). I have had the occasion to spend some time with him and find him to be a man of admirable quality. I came to the House at the same time that the Majority Leader came to the House, and I find him to be a man of quality.

Indeed, it is a sad day for the House of Representatives and for this government. We seem to be ever increasingly accepting leaks, contentions, illogical reasoning; and bright and intelligent men that exercise unusual influence in this House and in this country are willing to leap ahead and make conclusions, as the gentleman from California said, making a charge that the President of the United States is guilty of treason.

I have served in this House probably longer than most Members here because I started my service as a page and I followed the House through. So I went through the McCarthy hearings. And I am not going to make any reference that this reminds me of that because that is something for historians to determine.

But I have taken the time to read the Record of the House in 1972 and 1973 and 1974, and I would challenge my friends on the other side to examine the statements of then Speaker Carl Albert, the Majority Leader, or at that time the Majority Leader, and the Majority Whip and the Caucus Chairman and show us one instance where that leadership came to the floor of the House of Representatives to assert an indictment and a conviction for the crime of treason against the President of the United States on the basis of leaked information in a New York newspaper by unnamed investigators that have arrived at some facts that they do not draw conclusions from.

I would like to tell my friends on the other side, I have been a very serious member of the Committee on Government Reform and Oversight for 18 months now in this investigation. I have sat through hundreds of hours of hearings and depositions and things that have been thrown around this town and around this world.

The Majority Leader yesterday said that he was going to see that the deposition of Johnny Chung was released. Well, by golly, if he can release it, I wish he would tell me where it is. Because I sat in a meeting when Johnny Chung and his lawyer refused to take a deposition before this Committee but was entertained by the Chairman of our Committee for about 2 or 2 1/2 hours in, quote, a friendly discussion; and at that time and through those 2 hours of testimony never did he remotely indicate where any funds came from from foreign government, foreign agents, or that he, in fact, had any activity that would castigate not only the national Democratic party but certainly not the President of the United States.

Suddenly, the deposition is to be released on Wednesday. Apparently, my friend from Ohio has more information than I have. I have been 2 weeks at hearings asking for proffers.

In his opening statement, my colleague indicated what these four witnesses are going to testify to. Why did not the gentleman from Indiana (Mr. Burton) allow to us have those proffers if he is sharing it with the majority side and conference chairman?

Mr. Speaker, we are not going to solve this. But I want to say one thing. I think the leaks that were made over the weekend are serious leaks. They are not proper. They are not right. They do not

stand for anything. But they are things that we should be investigating. I think it is time to put politics and partisanship aside. We may have serious problems. And we may have none.

If my colleagues want my belief, I am going to tell them this. If I conclude that for an \$80,000 contribution to the Democratic National Committee that the President of the United States committed treason, I will tender my resignation the day that fact is established to me.

I cannot believe that any responsible Representative, Republican, Democrat, Independent, in the Congress of the United States could be so foolhardy to think that the President of the United States would risk that country's security, violate his oath of office, commit treason, and subject not only every man, woman, and child in America, but the 6 billion people of this world, to nuclear war. What a charge. What an incredible charge.

All I suggest, my colleagues, is before we make these wild allegations, statements and charges, please take the time to realize that a bipartisan investigation is necessary; and that is the only thing the gentleman from California (Mr. Waxman) requests.

[Page: H3457]

[TIME: 2015]

Mr. BOEHNER. Mr. Speaker, no one is alleging any specific act. There are questions, lots of questions that we are trying to get answers to.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. Fowler).

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, I rise in support of this resolution. It is unfortunate that this has become a partisan debate. I rise today, not as a Republican, but as a member of the House Committee on National Security.

Make no mistake about it. This is a national security issue. This is about finding out how and why the Clinton administration overruled Pentagon experts to allow sensitive military technology to be transferred to the Chinese.

My colleagues on the other side of the aisle are not happy with the course of the campaign finance investigation. They are opposing immunity for four key witnesses to register their protest with the Chairman. But, Mr. Speaker, who is really being punished? Who is hurt if there is a successful effort to block Congress' attempt to determine the truth? A nation, Mr. Speaker.

Our Nation is at risk. Our men and women in uniform are at risk. The American people deserve to know why their Commander in Chief approved the sale of sensitive military technology to China, not once, but twice, over the objections of his Defense Department, State Department, Justice Department, and intelligence agencies.

This is a national security issue that should not be subject to the same partisanship that has characterized so much of the campaign finance investigation.

I urge my colleagues to consider this Nation's legitimate national security interest and vote yes on the Boehner resolution.

Mr. BOEHNER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Rohrabacher).

Mr. ROHRABACHER. Mr. Speaker, my colleague from Pennsylvania asks how could we possibly think that a donation of \$80,000 could cause the President to do something so terrible as has been suggested here. We are not talking about \$80,000. We are not talking about \$80,000 at all. We are talking about hundreds of thousands, if not millions, of dollars that were funneled into the President's reelection effort by people involved with these transfers of technology.

I have never called to treason and I will not call to treason. I think what we have here is a betrayal of the interest of the people of the United States of America, especially if that had anything to do with those millions of dollars that were funneled into the President's reelection effort from the Red Chinese and the American companies that were involved with transferring the technology.

Why do we have to come to the floor to insist that these four individuals who know about these campaign contributions be permitted to testify? It is absolutely ridiculous that we have had to come this far.

No one will ever be able to know for sure what is going on if you are

saying what is happening here
unless we hear their testimony. We need to get to the bottom of this. This
is a national security issue
as well as a political corruption issue. But no one will ever be perfect
enough when a Democrat
President is being investigated.

Ken Starr had impeccable credentials and now he has been vilified. The
gentleman from Indiana
(Mr. Burton) makes one or two verbal mistakes and all of a sudden that is
being used as a diversion
to pull the public's attention away from these very serious national
security charges.

We need to get to the bottom of this. We need to make sure, and we are not
going to be diverted
by some nonsense about the gentleman from Indiana (Mr. Burton) made a
couple of verbal abuses.
That does not cut it with us when we have weapons technology going to
improve the Communist
Chinese capabilities of launching nuclear weapons against the United
States of America. That is that
serious.

Mr. WAXMAN. Mr. Speaker, may I inquire how much time is remaining on each
side.

The SPEAKER pro tempore (Mr. Riggs). The gentleman from California (Mr.
Waxman) has 4
1/2 minutes remaining, and the gentleman from Ohio (Mr. Boehner) has 6
minutes remaining.

Mr. BOEHNER. Mr. Speaker, I yield 2 1/4 minutes to the gentleman from
Georgia (Mr. Barr).

Mr. BARR of Georgia. Mr. Speaker, I thank the gentleman from Ohio for
yielding time to me.

Mr. Speaker, as usual, when our colleague from California (Mr. Waxman)
speaks I think of many
things. One thing that I thought of was Alice in Wonderland. When Alice is
admonished to say what
she means, she says 'I do. At least I mean what I say. That is the same
thing, you know.' 'Not quite
so,' she was then lectured. 'Saying that you mean what you say is the same
as I mean what I say. I
say what I mean would be like saying I say what I eat is the same as I eat
what I see.'

Unlike Alice in Wonderland, Mr. Speaker, we are in the real world. Mr.
Waxman gets up here and
pontificates about how he will vote for this resolution knowing full well
that then when he goes back
to the committee, he and all of his colleagues or at least those who still

travel in lockstep with him will
vote against it. He means what he says, and he says what he means, but
neither is actually the case.

I did not object when the gentleman from California said he was going to
insert corrective language
in his statement. The reason that I did not object to it was the fact that
I certainly hoped that he will
correct the one misstatement that I find in the resolution on page 2,
paragraph 4, which says that Mr.
Chung's account and supporting evidence is the first direct evidence of
Communist Chinese
campaign contributions.

I presume that the gentleman from California (Mr. Waxman) will insert in
the Record the
voluminous amounts of material and evidence directly related thereto that
is already in the Record of
direct evidence of Communist Chinese campaign contributions.

He may want to go back and I presume he will correct the Record to
indicate and set forth the eight
trips that Ng Lap Seng made to this country in 1994, 1995 and 1996,
bringing large amounts,
hundreds of thousands of dollars of cash in here and within 2 days of each
one of those entries into
this country made a visit to the White House, and on most occasions
visited directly with Mark
Middleton at the White House.

The gentleman from California might also go back and review some of the
tapes in which Mr.
Clinton, the President of the United States, was meeting Chinese officials
and others thanking them
for attending a fund-raising event. He might also review the voluminous
evidence we have of other
money coming from Macao and the Bank of China into the Clinton/Gore
campaign in 1995 and
1996.

Mr. WAXMAN. Mr. Speaker, I yield 4 minutes to the gentleman from West
Virginia (Mr. Wise).

Mr. WISE. Mr. Speaker, the gentleman from Ohio (Mr. Boehner) has made very
serious
allegations and demanded an investigation. I think he is correct in terms
of requesting the
investigation based on the allegations he has made.

The gentleman from Texas (Mr. DeLay), the majority whip, the Republican
whip, has made serious
allegations, and they too should be investigated. The gentleman from Texas
(Mr. Armey), the
majority leader. Has made serious allegations.

As a 16-year member of the Committee on Government Reform and Oversight and one who is a subcommittee chair in my time, I, too, agree that because those allegations have been made they should be investigated.

The gentleman from Texas (Mr. Armey), the majority leader, said something that stuck with me, and I remember he said this is too big, in effect, for partisanship. He is absolutely correct. That is why we ask that to not be a partisan investigation, because these allegations are so serious that are being made that if the American people are to accept the results of any investigation it must be a credible investigation.

So what we have asked those of us Democrats, and I hate to think on the Committee on Government Reform and Oversight we have now gotten to the point of having to identify ourselves as partisan labels, we never had to do that before, but those of us who voted against immunity do not vote against immunity because we want to stop an investigation. We voted because it is not a credible investigation.

The gentleman from Ohio (Mr. Boehner) referred to allegations in the New York Times, and that, on the basis of those, the committee ought to look at it. But it also should be mentioned the New York Times editorial of May 8, which says, and I quote:

[Page: H3458]

By now, even Representative Dan Burton to recognize that he has become an impediment to a serious investigation of the 1996 campaign finance scandals.

If the 1996 campaign finance scandals are such that he is an impediment to them, what about something as serious as the allegations that have been made by the gentleman from the other side?

We have seen an investigation on our committee which was to be bipartisan; and, yet, 1,037 out of 1,049 subpoenas, depositions, interrogatories, and other information requests, in this so-called bipartisan investigation have been targeted at whom? At Democrats, despite the fact that in Republican, in soft, despite the fact that in the soft money raising contest it was the Republican Party that raised the most soft money and indeed it is the soft money that is the basis of 95 percent of all

allegations, whether directed at Republicans or at Democrats.

Mr. Speaker, we want immunity. We want a thorough investigation. We want to walk with or talk and work with the leadership of the other side. We want a credible investigation.

What is a credible investigation? It is one like they did in Watergate. It is one like they did in Iran Contra. It is one like our committee did up until a couple years ago in which, when there is a subpoena to be issued, it cannot be unilaterally issued by one person. That is abuse of power. But that one person must consult with the minority.

If there is no agreement reached, we take it to the committee. That is all. Then the best sides wins. The side that demonstrates the merits of the argument decides whether or not that subpoena is issued. That is all. That is the way this committee has operated and that is the way this Congress has operated until recently.

So, yes, the American people deserve that credible investigation. They must know that these allegations are out there and they are serious, know that those allegations are out there and the American people want this investigation. But it has got to be credible if it is to have any credibility.

So we want to work with you, Mr. Speaker, want to work with the other side. We want that investigation. If it is, and I believe it is, these allegations are that important, simply by being raised, then it demands going the extra level to make sure that that investigation has the credibility and the bipartisanship that is so important.

That is why I will vote for this, because I happen to believe that these individuals ought to be given immunity. I also want to make sure that the committee has to operate in such a way that the investigation and the product is credible and not simply something that at the end of the day was not worthy of the entire Congress.

Mr. BOEHNER. Mr. Speaker, I yield 1 minute to my colleague from Ohio (Mr. Traficant).

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, this debate is not about the gentleman from Indiana (Mr. Burton)

or Bill Clinton. It is not about the Lincoln bedroom or Monica Lewinsky. This debate is about our national security.

This is no fly on our face. This is an elephant eating our assets, and that elephant is China, Communist China, with a foothold on our soil that has missiles, as we speak, pointing and capable of hitting every American city, a nation that threatened Taiwan. What are we, nuts? Now we find out that Johnny chunk got \$300,000 from a member of the Chinese Army to gain access to the White House, and he boasts about it.

Look, the White House is not a one-stop shopping mall for campaign headquarters, folks. Congress must investigate this matter, and a Congress that plays partisan politics with this is a Congress that endangers the national security of every citizen.

I support the resolution, and I am glad to see that the Democrats will be supporting it as well. We must support this resolution, and we must investigate this matter.

Mr. BOEHNER. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. Hayworth).

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Ohio on the other side of the aisle for offering the proper picture here.

Mr. Speaker, I rise without venom or vitriol tonight. My colleague from West Virginia is correct. These are serious allegations that go to the heart of our constitutional republic. This must transcend partisanship. This Congress must do its constitutional duty.

Our founders wisely granted this branch oversight over the executive branch. Accordingly, these witnesses should be granted immunity for all the right reasons, because, as Republicans and Democrats, we recognize that we are Americans first, and we owe it to the citizens of this Nation to get to the bottom of these disturbing allegations.

[TIME: 2030]

Mr. WAXMAN. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I want a serious investigation. I want us to be able to conduct this investigation responsibly, competently and fairly. We have a resolution on the floor like this. After all the months we have asked for bipartisanship, it still seems to me like we are in the

process of kids' play.

Let us work together. This matter must be investigated in a way that speaks well of the House. I ask the Speaker to work with us. This is not the time to fire up your base; this is the time for you to be a leader of the House for the people of this country.

Mr. BOEHNER. Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. Cox), the chairman of the Republican Policy Committee.

The SPEAKER pro tempore (Mr. Riggs). The gentleman from California (Mr. Cox) is recognized for one and three-quarter minutes.

Mr. COX of California. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, what I hear from the minority side is that they are in support of granting immunity to these witnesses; just not now, just not at this time and this place, just not in this way, because they are busy protesting the committee and its existence.

It is perhaps politically acceptable to engage in acts of political protest in an election year, but obstruction of justice is not an acceptable form of protest. Today, the minority stands alone in obstructing the grants of immunity to these 4 witnesses, because the Clinton administration----

POINT OF ORDER

Mr. WAXMAN. Mr. Speaker, I rise to a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. WAXMAN. Mr. Speaker, I would inquire of the Chair whether an accusation of obstruction of justice is permitted on the House floor.

The SPEAKER pro tempore. The reference to obstruction of justice should not be made with respect to specific or certain Members of the House of Representatives.

Mr. COX of California. Mr. Speaker, with the permission of the gentleman, I will withdraw the remark, to the extent that it conveys violation of statute. I do not mean to suggest that. What I mean to suggest very explicitly is that the minority is obstructing what the Justice Department itself wishes to do.

In its defense of the Clinton Administration, the minority is more tendentious than is the administration itself. The administration has no objection to the grant of immunity to these witnesses.

The most important of the four witnesses whose testimony we seek to immunize is Kent La. Kent La is the United States distributor for Red Pagoda Mountain Cigarettes, the largest Communist Chinese brand. The man who is a distributor for these cigarettes in the United States is the person whose testimony we seek to hear.

The contributions that Mr. La is going to testify about, from Communist Chinese tobacco billionaire Ted Sioeng, his family and their associates in the worldwide tobacco business, totalled over \$400,000 to the Democratic National Committee in 1996 alone. All these contributions were solicited by John Huang. \$50,000 of them came from Kent La himself.

We can differ about the facts, but we should not differ about whether to get the facts. Let us get the truth. Let us grant immunity to these witnesses, as the Clinton administration agrees we can and must.

[Page: H3459]

Mr. WAXMAN. Mr. Speaker, I rise in support of the Boehner Resolution.

I completely agree that the four witnesses should be given immunity. I believe every Democrat on the House Government Reform and Oversight Committee also supports immunity for the witnesses. In fact, our only reservation on the merits has been that the witnesses still haven't provided proffers of their testimony, which is a standard and essential procedure in immunity cases.

That is what we said when the Committee first voted on immunity on April 23. It's what I said in a letter to the Speaker on May 10. And it's what we said again when the Committee voted on immunity on May 13.

In my May 10 letter to the Speaker, I wrote:

I am writing in the spirit of bipartisanship to work with you to find a constructive solution to the difficult problems facing the Committee on Government Reform and Oversight. During the past several weeks, you have personally attacked me and questioned my integrity without justification. I

believe, however, that the American people expect more from us than name-calling and partisan battles. Instead of escalating this fight, I want to make a genuine attempt to work with you to meet their expectations.

I am prepared to recommend to my Democratic colleagues that they support the pending immunity requests. But before I do, I believe the rules and procedures guiding the Committee's campaign finance investigation must be changed so that the Committee can conduct a fair and thorough investigation.

I ask unanimous consent that the full text of this letter be inserted in the Record.

Two weeks have passed, and the Speaker still has not responded to my letter and my request that we work together. We have tried to make it as clear as possible that our problem isn't with immunity; our problem is with Dan Burton and his handling of the investigation.

That's a problem the Speaker, Mr. Boehner, and the other members of the Republican leadership insist on ignoring.

Since we last voted in committee, new information has come to light in the New York Times about the possibility that Johnny Chung may have been a conduit for political contributions from China. The new allegations are serious and deserve thorough congressional investigation. Although there is no indication that the four witnesses seeking immunity have information relevant to these new allegations, the new evidence reinforces my belief that the witnesses should be given immunity.

The new evidence also reinforces my belief that Dan Burton is the wrong person to be leading the investigation. We are dealing with extremely serious allegations. We owe the American people a serious, credible investigation.

The Committee's Democrats have said we would vote for immunity if the Dan Burton problem were fixed. We have said we would encourage the Democrats on either the House Oversight Committee or the House International Relations Committee to vote for immunity if this issue were sent to those committees. We have said we would

support immunity on the floor. But we have been as clear as we can that we will not support immunity without first addressing the Dan Burton problem.

So here we are today and the Republican leadership has made no attempt to work with us in a bipartisan way. The Republican leadership is not sending this issue to another committee, it's not bringing the issue up for a floor vote, it's not proposing to fix the Burton problem. The leadership is here telling us immunity is essential and then insisting on the one immunity option they know we will oppose. It's rare that partisanship and cynicism are this transparent.

Two weeks ago, the New York Times, which has been leading the call for a thorough and aggressive investigation into the President's 1996 campaign, printed an editorial entitled 'The Dan Burton Problem.' I want to take a moment and read it.

From the New York Times, May 8, 1998

[FROM THE NEW YORK TIMES, MAY 8, 1998]

The Dan Burton Problem

By now even Representative Dan Burton ought to recognize that he has become an impediment to a serious investigation of the 1996 campaign finance scandals. He has dismissed David Bossie, the mischievous aide who helped issue inaccurate transcripts of Webster Hubbell's jailhouse conversation's, and has apologized to his fellow Republicans. But: that cannot compensate for inept behavior that has hobbled the inquiry and complicated Independent: Counsel Kenneth Starr's criminal investigation of intriguing comments on the tapes. If the House inquiry is to be responsible, someone else on Mr. Burton's committee should run it.

Coming on the heels of an impolitic remark by Mr. Burton about the President two weeks ago, the tapes fiasco is forcing House Republicans to confront two blunders. The first was to entrust the investigation of campaign finance abuses to Mr. Burton, the chairman of the House Government Reform and Oversight Committee. The second was to give him unilateral power to release confidential information. Mr. Burton, a fierce partisan not known for balanced judgment, was plainly the wrong man for a sensitive job.

When the committee convenes next Wednesday, Democrats plan to offer motions to transfer leadership of the inquiry to another Republican on the committee. They will also ask the committee to adopt the same bipartisan rules for issuing subpoenas and releasing documents that have been followed by all previous Congressional investigations.

But it should not come to that. If Mr. Burton will not step aside, Speaker Newt Gingrich should convene the Republican caucus and ask it to name a replacement. Mr. Gingrich should also agree to rules both to provide a check on the new chairman's power and to enhance bipartisanship.

At the same meeting, the committee will wrestle with whether to grant immunity from prosecution to four witnesses who are expected to testify about questionable donations to Democrats in the 1996 campaign. House Democrats have threatened to block immunity as leverage to win a rules change granting them more say. By agreeing to improvements in the rules, Republicans would remove a major criticism of the committee's process as well as the Democrats' excuse for denying immunity.

For now, Mr. Gingrich seems determined to back Mr. Burton. That will only delay getting a truthful account of fund-raising in the 1996 election.

There is a Dan Burton problem. It's very real. When the Chairman leading the investigation calls the President a scumbag, when he admits he's 'after' the President, when he doctors transcripts that purport to represent evidence the committee obtained, when he issues over 600 unilateral subpoenas and targets 99% of his 1000 subpoena and other information request to Democrats, we--Republicans and Democrats--have a very real problem. When the committee's Republican Chief Counsel quits because he's not allowed to conduct a professional investigation, when the Republican Chief Investigator is fired, we have a very real problem and a committee out of control. But because Republicans have a majority in the House, it's a problem only they can solve.

All the Democrats ask in what the New York Times proposed. Act responsibly. Solve the problem. We are prepared to vote for immunity if you are willing to work with us in even the

most minimal way.

I'm voting for this resolution today because it's a meaningless gimmick. It's an empty exercise in political posturing. I also should point out for the record that the Resolution contains a number of basic factual errors, and I ask unanimous consent that information correcting these mistakes be inserted after my statement.

A meaningful act would be to reform the procedures we have in the Government Reform Committee, or to send this matter to another committee so that we can get on with the investigation. Mr. Speaker, if this matter is as important to you as you say it is--and as it should be--work with us for a constructive investigation. Don't posture on such an important issue. Democrats are ready--have been ready--to vote for immunity. All we ask is that the investigation be fair, bipartisan, and competent.

Instead of bringing us together and acting rationally, the Republican leadership is bringing a gimmick to the floor and continuing to allow what should have been a serious investigation to degenerate into a circus. Instead of dealing with the Dan Burton problem, which is unpleasant for them to confront, they pretend it doesn't exist.

I urge all my colleagues to vote for this gimmick. But I ask the Republican leadership to show some genuine leadership. Make some tough decisions. Give true bipartisanship a try. And work with us so that we can have a meaningful investigation.

If you are going to send this to the committee for another vote, take some time first to meet with the minority members and try to find common ground. If you don't, it will be absolutely clear that this is all about cynical politics, not genuine concern. And the American people will have yet another reason to tune us all out.

[Page: H3460]

Factual Inaccuracies in H. Res. 440

Claim: '[M]ore than 90 witnesses in the investigation have either asserted the fifth amendment or fled the United States to avoid testifying.'

Fact: This number is misleading because it includes: 12 individuals who have been given immunity

and already testified; 8 Buddhist nuns who were never immunized because their testimony would have duplicated other testimony; 21 individuals who are listed as having fled the country who in fact live in foreign countries; 11 individuals who, while not cooperating with Congress, have been convicted by or are cooperating with the Department of Justice.

Claim: '[S]ubsequent to the receipt of the illegal campaign contributions from Communist Chinese officials the Clinton Administration relaxed export controls . . . on the sale and export of sophisticated satellite technology to China.'

Fact: This statement is inaccurate. The Clinton administration relaxed export controls before, not after, June 1996, when Johnny Chung reportedly first met Liu Chaoying. The Clinton administration announced its decision to move commercial communications satellites from the Munitions List to the Commerce Control List of dual-use items, moving export licensing jurisdiction from the Department of State to the Department of Commerce, in March 1996--three months before Mr. Chung allegedly met Ms. Liu. Moreover, the practice of issuing waivers was not begun by the Clinton Administration. According to the New York Times (May 17, 1998), it was first used by the Bush Administration.

Claim: '[T]he Department of Justice does not object to the Committee on Government Reform and Oversight's desire to confer immunity on . . . Kent La.'

Fact: The Department of Justice does have serious reservations about immunizing Kent La. In a letter dated April 22, 1998, the Department of Justice expressed its view that 'if Mr. La were to testify publicly at this time, the Department's criminal investigation could in fact be compromised. Even if Mr. La were to testify in a closed session, any disclosure or leak of that testimony, whether intentional or inadvertent, could seriously compromise the investigation and any subsequent prosecutions.' The numerous leaks of information during the course of Committee's investigation suggests that the confidentiality that the Department of Justice has requested could not be maintained.

Claim: The four witnesses have 'direct knowledge' concerning 'Communist Chinese attempts to influence United States policy and make illegal campaign contributions,' 'illegal foreign money contributions made to the Democratic National Committee by Ted Sioeng,' or

`convicted felon Gene Lum['s] . . . method of making illegal foreign money contributions to Clinton-Gore '96.'

Fact: The four witnesses have had employment or business relationships with Johnny Chung, Ted Sioeng, and Gene Lum. It is not yet clear, however, that any of the four witnesses have significant information about the alleged illegal activities involving foreign contributions. Based on what is currently known about the witnesses, they would appear to be relatively minor witnesses with little new information to provide investigators.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Cox) that the House suspend the rules and agree to the resolution, House Resolution 440.

The question was taken.

Mr. WAXMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Without objection, the three suspension votes postponed earlier today will be 5 minute votes immediately following this vote, so there will be a 15 minute vote, followed by three 5 minute votes.

There was no objection.

The vote was taken by electronic device, and there were--yeas 402, nays 0, not voting 30, as follows:

Roll No. 161

[Roll No. 161]

YEAS--402

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Bachus

Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
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Hall (OH)
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Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
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Kelly
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Roybal-Allard
Royce
Rush
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Salmon
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Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg

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Sherman
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NOT VOTING--30

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Livingston
McDade
McIntosh
McNulty
Meek (FL)
Meeks (NY)
Paxon
Schumer
Shuster
Skaggs
Waters

[TIME: 2054]

Mr. ABERCROMBIE changed his vote from 'nay' to 'yea.' H3461ð

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

[Page: H3461]

END

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUN-1998 18:09:24.00

SUBJECT: DoC Hot Issues for Los Angeles, etc.

TO: Jon P. Jennings (CN=Jon P. Jennings/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Lisa J. Levin/WHO/EOP on 06/09/98
06:09 PM -----

"James A. Dorskind" <JDorskind @ doc.gov>

06/09/98 06:02:46 PM

Please respond to JDorskind@doc.gov

Record Type: Record

To: johnj%ExSec%OSEC @ doc.gov

cc: Lisa J. Levin/WHO/EOP, edl%ExSec%OSEC @ doc.gov, Jim Doyle <JDoyle @ doc.gov>, Stephen Nolet <SNolet @ doc.gov>

Subject: DoC Hot Issues for Los Angeles, etc.

June 9, 1998

MEMORANDUM FOR THURGOOD MARSHALL, JR.

FROM: Jim Dorskind

Executive Secretary

Department of Commerce

SUBJECT: DoC Hot Issues for Los Angeles, San Diego, Monterey,
and San Jose, CA; Seattle, WA; and Portland, OR

Los Angeles, CA

NTIA Sponsors Internet Summit: On June 11-12, 1998, in Los Angeles, the Department of Commerce's National Telecommunications and Information Administration will co-sponsor a conference entitled "Digital Media Content for Children and Teens," which will bring together representatives from the Administration and non-profit and private sectors to identify concrete action that will enrich on-line learning. The conference is co-sponsored by EC2 at the University of Southern California. Vice President Gore will address the conference live via satellite from Monterey.

The conference is the third in a series of Internet Summits that have raised public awareness about the various and complex issues relating to children, new media, and the Internet. These issues include equitable access, privacy and safety, quality content, and marketing and advertising.

The results of the conference will be incorporated into an upcoming report from Commerce Secretary William Daley to President Clinton on electronic commerce and other on-line issues.

Los Angeles to Receive AWIPS: An Advanced Weather Interactive Processing System (AWIPS) will be installed in Los Angeles by March 1999.

San Diego, CA, Area

San Diego to Receive AWIPS: An Advanced Weather Interactive Processing System (AWIPS) will be installed in San Diego by March 1999.

Asian Financial Crisis: The economy of the cross-border (San Diego-Tijuana) region is linked to Asia through the flow of goods, services,

and capital. There has been a trend of increasing investment from Taiwan and interest from other Southeast Asian countries in San Diego and northern Baja California. A major issue for the San Diego area is whether there will be abundant opportunities for U.S. suppliers once the NAFTA Rule of Origin becomes fully effective on January 1, 2001, and to what degree the Asian financial crisis will affect the purchasing activities of the Asian manufacturers along the border.

Southern California

Pacific Lumber: The National Marine Fisheries Service/Southwest Region reached an agreement with the Pacific Lumber Company on principles for protecting coho salmon. The environmental community has expressed concerns that these measures are not sufficiently protective and that standards similar to those applied to federally owned forest lands should be applied to private lands, which may affect the state's portion of the funds for the purchase of headwaters.

Essential Fish Habitat: There is a "panic" among the public over the designation of essential fish habitat and critical habitat as they relate primarily to salmon in northern California. Many members of the public remain concerned that their lands will be taken from them, even though the National Marine Fisheries Service/Southwest Region has explained in numerous public meetings (and continues to explain) that the critical habitat designation is only a mechanism to improve coordination of federal efforts to conserve salmon, and it does not apply prohibitions on use of private land. With respect to essential fish habitat, we continue to emphasize that this is not a regulatory measure.

California Sea Lions: There has been a significant increase in the number of California sea lions "hauling out" onto docks and local marinas in central and southern California. These animals are interacting with the

general public and causing damage to privately owned vessels. Recently, one of these animals bit a nine-year old girl trying to feed them. They are also stealing bait from various bait receivers that occupy the marinas.

In addition, there has also been an increase in the number of California sea lion pups born on the mainland. Concerned private citizens often pick up the pups and deliver them to rehab centers, unknowingly separating the pups from their mothers. Once these young animals are brought in, they become bonded to their human caretakers and usually cannot be released into the wild. (See also the additional sea lion item under the "California Coast" heading, below.)

California at High Risk for Summer Fires: The heavy rains from El Niño resulted in growth of more vegetation, especially in southern California. We expect that the area will experience a normal dry summer season, which will result in the drying of this new growth providing extensive potential fuel for wildfires. Accordingly, there is heightened concern for a serious wildfire season from mid-summer into fall.

California Coast

Sea Lion Mortalities: Approximately 72 sea lions have been brought into The Marine Mammal Center in Sausalito, California, over the past two weeks.

These animals were suffering from grand mal seizures, disorientation, diarrhea, and vomiting. Of those, about 50% have died. The exact number of dead animals that have washed ashore remains unknown. The strandings began in mid May 1998 in San Luis Obispo, but seizing sea lions have since been found on several beaches in Santa Cruz and Monterey counties.

Unlike previous strandings this year of young, undernourished sea lions, these California sea lions appear in otherwise good condition and are predominantly adult females, although lesions were noted in brain tissues and are symptomatic of exposure to the marine biotoxin domoic acid produced by a harmful alga now at bloom levels in the region. State agencies, in partnership with the National Oceanic and Atmospheric Administration's National Marine Fisheries Service and National Ocean Service, have mounted an investigation into the cause of the deaths. Marine biologists have collected serum, urine, and tissue samples for analysis for diseases, anthropogenic contaminants, plankton, and biotoxins.

San Jose, California Area

Asian Financial Crisis: San Jose technology exporters are concerned about flagging Asian economies. Many firms have shown significant drop-off in their export revenues to the region. Japan has been the largest export market for metro San Jose firms in recent years, and there is obvious concern that the Asian crisis will spread to Japan. The Commerce Department is planning a July 23 "Asia Crisis" seminar to provide some information about government assistance for those exporting to the region and opportunities for exports.

India/Pakistan: San Jose firms are concerned about the effect that India and Pakistan's recent nuclear tests will have on business between U.S.

firms and those in India and Pakistan. There is general relief that the US Government's response so far has been measured and that most U.S. exports to private entities there will continue. San Jose firms want to know as soon as possible what the final US response to the situation will be. There is a severe shortage of engineering and technical staff in Silicon Valley, and San Jose area hi-tech exporters would also oppose any move that would lead to the deportation of their Indian and Pakistani engineers. In part, to provide area exporters with more information on this topic, the San Jose Export Assistance Center is hosting a specialist from the Commercial Service in India for a visit to Silicon Valley later this month.

China: San Jose area exporters continue to be concerned about linking U.S. human rights policies with U.S. business in China. In the minds of many San Jose area exporters, the annual review of China's MFN status serves to hurt long-term U.S.-China business interests and relationships. Because of the obvious potential of the Chinese market, and skepticism as to the effectiveness of linking U.S. policies and U.S. business interests, most companies prefer that U.S. business not be used as a bargaining tool with China.

Visa Issues: With an overall unemployment rate of only 2.5%, many Silicon Valley firms report finding it increasingly hard to find enough qualified engineers and technical staff, and they are generally in favor of raising the limit on the number of foreign technical experts who can work in the United States. In addition, area exporters want to be able to contact the consular sections at U.S. Embassies overseas to expedite visas for their overseas buyers and partners who need to come here for technical training or to review/test equipment they wish to purchase from American exporters.

Encryption: Silicon Valley software makers continue to be troubled by U.S. encryption control policy. Given the ability of their foreign competitors to export encryption technology similar to theirs, they are generally in favor of lowering or eliminating export controls on such technology. San Jose firms are also reluctant to embrace U.S. policies such as "key management," especially given current doubts as to whether that policy will continue past the end of calendar year 1998.

Electronic Commerce: San Jose firms are using electronic commerce to increase their exposure and their bottom-line profits both domestically and overseas. They are concerned, however, about taxation of internet commerce and foreign government treatment of e-commerce. The San Jose Export Assistance Center and the San Francisco Export Assistance Center are both planning to hold "how-to" seminars to educate small companies on how they can increase their exports through e-commerce. In June and August seminars, we will bring in industry and government experts to offer advice and guidance to area firms wishing to set up their own e-commerce web sites.

Fast Track: As the nation's number one export region, metropolitan San Jose is home to companies that do not shy away from global competition. San Jose firms largely recognize the benefits of agreements such as NAFTA and the GATT, and they are supportive of the Administration's efforts to lower foreign tariffs and promote free trade. Area exporters support granting the President fast-track authority and are concerned that without

it, we will be left out, particularly as Chile negotiates free trade with Canada and Mercosur, etc.

Monterey, CA Area

National Oceans Conference, June 11-12: Organized by the Monterey Bay Ocean Consortium (MBOC), this conference will commence in Monterey with the participation of President Clinton, Vice President Gore, and Secretary of Commerce William M. Daley.

MBOC, which consists of some two dozen public and private research institutions, including some federal research facilities located in Monterey Bay, has written a letter to President Clinton urging that the Administration strongly consider three national initiatives and one regional pilot initiative, all of which MBOC recommends be announced at the conference. Specifically, MBOC has requested an inventory of America's ocean fisheries, wildlife, and habitats; that the Administration ensure that regional fishery management councils and the National Marine Fisheries Service fully comply with the requirements of the Sustainable Fisheries Act; the creation of an ocean conservation investment fund; and the creation of a national pilot project on regional ocean sustainability.

Santa Cruz Groundbreaking: A groundbreaking ceremony will be held on June 10 in Santa Cruz for a new state-of-the art National Fisheries Service research facility that is expected to provide top quality scientific expertise, not only for the Monterey Bay area and the West Coast, but also for the Nation. Congressman Sam Farr, Commerce Under Secretary for Oceans and Atmosphere Dr. James Baker, National Oceanic and Atmospheric Administration Assistant Administrator for Fisheries Rollie Schmitten, and University of Southern California at Santa Cruz Chancellor Greenwood will officiate.

Highway One Reopening: On Wednesday, June 10, 1998, a ribbon-cutting ceremony to celebrate the reopening of Highway 1 is scheduled to take place at Pfeiffer Big Sur State Park, the site of the original opening of Highway 1, nearly four months after construction crews began the effort of putting back together the storm-strewn pieces of the broken highway. Monterey County, alone, is estimated to have suffered tourism industry losses of at least \$40 million as a result of the Highway 1 shutdown.

San Francisco, CA

San Francisco to Receive AWIPS: An Advanced Weather Interactive Processing System (AWIPS) will be installed in San Francisco by October 1998.

Seattle, WA, Area

Seattle to Receive AWIPS: An Advanced Weather Interactive Processing System (AWIPS) will be installed in Seattle by August 1998.

NOAA and EPA Protecting Fish Habitat: The Duwamish Waterway in Seattle has high levels of PCBs contaminating the river and sediments. The site is a

priority for the National Oceanic and Atmospheric Administration (NOAA) because the Duwamish corridor is the primary fresh water inflow to Elliott Bay and is utilized by juvenile salmonids migrating from the Green River watershed. The Duwamish estuary is also an important habitat for more than 50 fish species, including chum, chinook, and coho salmon and steelhead trout, and the river supports recreational, subsistence, and commercial fishing. In March, NOAA specifically requested that the Environmental Protection Agency (EPA) perform a preliminary assessment as described in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) to determine the nature and extent of contamination within the Duwamish River and to take a comprehensive approach to the remedial actions necessary to protect this important marine habitat. EPA responded immediately and positively to NOAA's petition and is planning to conduct a comprehensive sediment investigation within the lower Duwamish River later this summer. NOAA will aid in this investigation by providing vessel and personnel support.

Initiative to Ban Affirmative Action: On May 27, 1998, the Boeing Company, of Seattle, pledged \$50,000 to defeat Initiative 200 on the November 3, 1998, ballot. The measure seeks to roll back state and local government affirmative action. The initiative would effectively ban affirmative action for minorities and women in state and local public employment, public education, state college admissions, and public contracting. In 1997, Boeing granted \$959 million in contracts to minority businesses and \$605 million worth of contracts to businesses owned by women. On May 16, 1998, the NAACP announced that it had pledged \$50,000 to help mobilize opposition to the initiative.

Portland, Oregon Area

NOAA and EPA Protecting the Willamette River and Oregon Coast: A 5.5 mile section of sediments within the lower Willamette River is being investigated jointly by the Environmental Protection Agency (EPA) and the State of Oregon. This section of the river is referred to as the Portland Harbor and borders the city of Portland. It is heavily industrialized and also the site of historic contamination. The lower Willamette River and Falls provide a significant migratory corridor, nursery habitat, and adult forage area for two runs of chinook, two runs of steelhead, and individual runs of coho and sockeye salmon. Steelhead within the study area are currently listed as threatened under the Endangered Species Act of 1973. The National Oceanic and Atmospheric Administration (NOAA) is currently reviewing the EPA study data and providing risk to resources information to both EPA and the State of Oregon in an effort to assess the nature and extent of contamination and provide remedial recommendations.

Contamination in Coos Bay: Four shipyards within the Coos Bay estuary are being investigated by the Environmental Protection Agency (EPA) and the State of Oregon to determine the nature and extent of nearshore sediment contamination. The Coos Bay estuary is an important commercial shellfish area, as well as anadromous fish corridor.

Director, Executive Secretariat
Office of the Secretary, U.S. Department of Commerce
Ph: 202-482-3934 Fax: 202-482-4576 jdorskind@doc.gov

ARMS Email System
RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jonathan Orszag (ORSZAG_J) (OPD)

CREATION DATE/TIME:18-JUN-1998 16:35:02.46

SUBJECT: REPUBLICANS SAY TRADE IS KEY TO RESTORING FARM ECONOMIC ...

TO: S. Lael Brainard (BRAINARD_L) Autoforward to: Remote Addressee (Lael
Brainard@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Malcolm R. Lee (LEE_M) Autoforward to: Remote Addressee (Malcolm R.
Lee@eop@lngtwy@eopmr) (OPD)
READ:NOT READ

TO: David M. Marchick (MARCHICK_D) Autoforward to: Remote Addressee (David M.
Marchick@eop@lngtwy@eopmr) (OPD)
READ:NOT READ

TEXT:

Date: 06/18/98 Time: 15:52

FRepublicans say trade is key to restoring farm economic health
WASHINGTON (AP) The key to jump-starting the struggling farm economy is improved foreign trade rather than an overhaul of the free-market "Freedom to Farm" law, Republican senators said Thursday.

A day after Democrats heaped blame on the 1996 law for sharply lower commodity prices and reduced farm income, GOP senators emerged from a meeting with 11 major agriculture groups to proclaim the law basically sound.

"We've got a good, solid farm policy," said Senate Agriculture Committee Chairman Dick Lugar, R-Ind. "The problem is not the farm bill, it's that the farm bill is not being implemented properly."

The 1996 law severed the link between crop prices and government assistance and substituted a gradually declining direct payment to farmers that still amounts to some \$6 billion this year. Restrictions on what and how much to plant were ended and certain loan programs were capped.

Instead of trying to return to government intervention in agriculture, the Republicans say their top priorities involve reviving dormant exports and using private-sector incentives to provide a safety net for farmers' incomes. They also urged the Clinton administration to be more aggressive in negotiating trade deals and reducing barriers.

"It is important to keep Freedom to Farm on track," said Sen. Larry Craig, R-Idaho. "We cannot retreat into the past. The rest of the world is not going to retreat with us."

Foremost on the list compiled by a dozen farm-state Republicans was passage of fast-track authority for the president to negotiate trade deals, followed by the \$18 billion International Monetary Fund bailout of faltering Asian economies, both of which are top

priorities for President Clinton as well.

The senators also said they would push to cut estate taxes, permit loans based on Freedom to Farm transition payments, create special farmer savings accounts and change U.S. sanctions that affect agriculture, including exempting wheat credits from sanctions imposed after Pakistan's nuclear tests.

Some attributed the Democratic broadside Wednesday to election-year politics.

"We can get very partisan about this in an even-numbered year, or we can work on a bipartisan basis," said Sen. Pat Roberts, R-Kan. "I'm pretty excited we can get four or five of these things done."

Also Thursday, the House Agriculture Committee unanimously endorsed legislation that would require congressional approval of any sanctions that specifically involve farm or food items, such as the 1980 grain embargo of the Soviet Union, and limit such sanctions to only one year.

"With trade depressed, so are many of our commodity prices," said the main sponsor, Rep. Tom Ewing, R-Ill. "This sends a signal to our farmers that we do want to protect them and protect their markets."

Many farm experts attribute the recent downturn in prices for crops and livestock to a combination of factors, including the Asian economic crisis, bad weather in the Upper Midwest and huge worldwide farm production.

The Democrats favor direct intervention to prop up the farm economy, but Lugar called such ideas "defeatist."

APNP-06-18-98 1555EDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: uucp@whitehouse.gov@INET@EOPMRX

CREATION DATE/TIME:19-JUN-1998 17:52:00.00

SUBJECT: scanner results

TO: binns_m (binns_m@A1@CD) (WHO)

READ:22-JUN-1998 05:50:40.33

TO: horn_s (horn_s@A1@CD) (WHO)

READ:19-JUN-1998 18:06:53.40

TEXT:
SCANNER RESULTS

<http://www.ruddynews.com/>

Ed Yourdon, a computer programming expert, and author of "Time Bomb 2000"
(Prentice Hall)
www.yourdon.com

MESSAGE BODY

From 72067.1525@compuserve.com Fri Jun 19 17:51:09 1998
Received: (from uucp@localhost) by WhiteHouse.gov (8.7.1/uucp-relay) id RAA21104 for <VP@WhiteHouse.GOV>;
Fri, 19 Jun 1998 17:51:09 -0400 (EDT)
Received: from storm.eop.gov/198.137.241.51 via smap
Received: from DIRECTORY-DAEMON by STORM.EOP.GOV (PMDF V5.1-10 #29131)
id <01IYFGS6UGU8001JB7@STORM.EOP.GOV> for VP@WhiteHouse.GOV; Fri,
19 Jun 1998 17:50:16 EDT
Received: from SCAN-DAEMON by STORM.EOP.GOV (PMDF V5.1-10 #29131)
id <01IYFGS50K5I001LZ6@STORM.EOP.GOV> for Vice.President@Whitehouse.GOV; Fri,
19 Jun 1998 17:50:12 -0400 (EDT)
Received: from arl-img-4.compuserve.com ([149.174.217.134])
by STORM.EOP.GOV (PMDF V5.1-10 #29131)
with ESMTP id <01IYFGRIIM5Y001L4Z@STORM.EOP.GOV> for
Vice.President@Whitehouse.GOV; Fri, 19 Jun 1998 17:49:42 -0400 (EDT)
Received: (from root@localhost) by arl-img-4.compuserve.com (8.8.6/8.8.6/2.12)
id RAA04366; Fri, 19 Jun 1998 17:48:23 -0400 (EDT)
Date: Fri, 19 Jun 1998 17:45:01 -0400
From: The Progressive Review <72067.1525@compuserve.com>
Subject: TPR #89
Sender: The Progressive Review <72067.1525@compuserve.com>
To: "Daniel C. Tsang" <dtsang@uci.edu>, "Upton-Knittle. Bll" <bupton@ucla.edu>,
Utne Reader <editor@utnereader.com>,
Val Gelder Susan <svangelder@futurenet.org>,
Vice President <Vice.President@WhiteHouse.GOV>,
Laura Weber <l-webe@maroon.tc.umn.edu>,
jonweiner <jweiner@microbio.umass.edu>,

"Weiner, Bruce" <brucew1035@aol.com>,

"Wellstone, Paul" <senator@wellstone.senate.gov>

Message-id: <199806191748_MC2-40B8-228@compuserve.com>

MIME-version: 1.0

Content-type: text/plain; charset=us-ascii

Content-disposition: inline

Content-transfer-encoding: 7BIT

Comments: This message scanned by SCAN version 0.1 jms/960226

PROGRESSIVE REVIEW

ON-LINE REPORT #89

June 19, 1998

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FEDS PLAN NATIONAL ID; THE STEALTHY ARRIVAL OF AN INTERNAL PASSPORT

The Department of Transportation, acting in response to legislation quietly passed by the Congress and signed by President Clinton is moving to create a de facto national ID card without any serious public debate. Such a card has been central to the maintenance of dictatorial control in authoritarian nations. Americans have historically opposed such enforced identification. Under the new plan, however, states that fail to comply with the identification program based on Social Security numbers will not be permitted to participate in a variety of functions involving federal support. Individuals will also be required to use the national ID card in order to get routine services. For example:

- Non-conforming license will not be accepted for identification by any federal agency including law enforcement, and passport offices.
- The national ID will be required to prove one is an American citizen qualified to receive employment
- It will be necessary under new healthcare rules to submit the ID in

order

to receive medical care funded under Medicaid and Medicare.

-- It will be required to board a commercial plane and thus will serve as a mandatory internal passport, something never before required in the US

For information on how to oppose this action as well as excerpts from the DOT announcement: <http://emporium.turnpike.net/P/ProRev/psid.htm>

URNS OUT THOSE "LIBERAL" JOURNALISTS AIN'T. . .

A survey of 141 journalists indicates that the Washington press corps is more conservative than the general public on a range of economic issues from taxes to trade to health care to Social Security. The survey -- conducted for FAIR by Professor David Croteau of Virginia Commonwealth University -- reveals that while most national journalists identify themselves as "centrists," their views on bread-and-butter issues are often to the right of public opinion.

In a questionnaire targeted primarily at America's most powerful news outlets, journalists were asked policy questions modeled on ones mainstream polling firms had previously asked of the general public.

Among the findings:

STATE OF THE ECONOMY: The Washington press corps is far more bullish than the public: Only 5% of the surveyed journalists said that economic conditions today in the U.S. are "fair" or "poor" -- compared to 34% of the general public who chose "only fair" or "poor" in a recent nationwide poll. Most of the journalists declared household incomes at \$100,000 or more, with 31% at \$150,000 or more. (The median U.S. household income is roughly \$36,000.)

CORPORATE POWER: Washington journalists are more conservative than the public on the question of concentrated corporate power. Asked whether "a few large corporations" have "too much power," journalists were much more evenly divided than the public, with 57% to 43% responding affirmatively. Nationwide polls have consistently found the public to be quite one-sided on the question, with 77% (vs. 18%) responding in the affirmative in a 1995 poll.

TAXING THE WEALTHY: The general public appears to be more populist than the press corps on taxation. Asked about President Clinton's 1993 economic plan, journalists responded fairly evenly as to whether the plan "went too far" (14%) or "not far enough" (18%) in raising taxes on the rich. This contrasts with the results of a similar 1993 poll question in which 72% of the public chose "not far enough" and only 15% chose "too far."

TRADE TREATIES: As fervent free-traders, most of the Washington press corps are strongly at odds with the American public. Most polls reveal a public that is negative or dubious about NAFTA's impact on the U.S. But in overwhelming numbers (65% vs. 8%), journalists assess NAFTA as having had a positive impact. Also, the public opposes giving the President "fast-track" authority to negotiate new trade treaties almost as vehemently (67% opposed

in a recent poll) as the surveyed journalists support "fast track" (71% in favor).

ECONOMIC PRIORITIES: Asked to prioritize various issues for the President and Congress, journalists and the public are often at odds. On entitlements, journalists overwhelmingly chose "reform entitlements," by slowing growth in Medicare and Social Security, as one of the top few priorities. In contrast, most of the public chose "protect Medicare and Social Security against major cuts." On NAFTA expansion, 24% of journalists chose expansion of NAFTA to other Latin American countries as one of the top few priorities, but only 7 % of the public did. It was actually put "toward bottom of list" by 44% of the public. On health care, only 32 % of journalists chose "require that employers provide health insurance to employees" as one of the top few priorities, while 47% of the public did.

GUARANTEED MEDICAL CARE: The general public is more emphatic that it is Washington's responsibility to guarantee medical care for all people without health insurance. While journalists were somewhat split on this proposition (43% pro, 35% con), the public supported it in a 1996 poll by a 2-to-1 majority (64% to 29%).

ENVIRONMENT: The only survey question in which journalists appeared to the left of the public asked respondents to choose whether stricter environmental laws "cost too many jobs and hurt the economy" or "are worth the cost." Journalists responded 79%-21% in favor of "worth the cost"; in a 1996 poll, the public also heavily favored that option, but by a lesser majority (63% to 30%).

"I'M A CENTRIST": When asked to characterize their political orientation on social issues as "left," "center" or "right," 57% of surveyed journalists chose center, 30% left and 9% right. When asked to characterize their orientation on economic issues, 64% of the journalists chose center, 19% right and 11% left.

"There appear to be very few national journalists," concluded Croteau, "with left views on economic questions like corporate power and trade -- issues that may well matter more to media owners and advertisers than social issues like gay rights and affirmative action."

FAIR: (212) 633-6700 <http://www.fair.org>
Full report at <http://www.fair.org/reports/journalist-survey.html>

MONICA BEATS MISSILES IN MEDIALAND. . .

According to a study by the Media Research Center, major media were far more interested in the Monica Lewinsky than in the possibility that the Clinton administration had compromised national security in its dealings with China. In the three weeks after the China missile story broke, network evening newscasts ran 38 stories about the sex scandal compared to just 15 stories on Chinese missiles. The morning shows were worse, running 40 stories about Monica Lewinsky to just 6 about China.

WILLEY REPORTS THREATS, THEFT. . .

Jackie Judd of ABC News reports that prior to giving testimony in the Clinton investigation, Kathleen Willey says that the tires on her car were mysteriously punctured with dozens of nails and the cat she had for many years suddenly disappeared. "Then just days before she testified in the Paula Jones lawsuit in early January, Willey was out jogging near her home when a stranger approached her. . . The man knew what had happened at her home and that he asked her if the tires had been fixed and if the cat had been found." The man then allegedly asked Willey, "Don't you get the message?" and jogged off. While many of the details of the incident lack corroboration, the damage to the car and the disappearance of the cat have been confirmed by investigators.

The report is the latest in a long string of threats and violence that have been reported by those involved in some manner in the Clinton scandals. There have also been an extraordinary number of deaths of unnatural causes by those who have had some political or business involvement with the Clintons. As Jim McDougal -- himself ultimately dead of a heart attack under unsettling circumstances -- put it: the Clintons move through people's lives like a tornado.

The Willey incident particularly brings to mind Vincent Foster case witness Patrick Knowlton, whose claims of extraordinary harassment and witness tampering have been at least partially corroborated by others. Knowlton's exception to the Starr report on Foster's death was attached to the official record by the reviewing judges despite a number of attempts by the prosecutors to prevent it.

There have been a significant number of other reported incidents including:

- Anthrax sprayed in the face of the Arkansas state trooper and Mena investigator Russell Welch.
- The beating of a man videotaping Clinton's visits to Genifer Flowers.
- Alleged Clinton lover Sally Perdue receiving a threat and finding a spent gun cartridge on the seat of her car.
- Larry Nichols, one of the original sources on Clinton, claiming he received a death threat shortly before Clinton went on TV to deny having an affair with Flowers.
- Flowers recently told Larry King that one reason she had recorded her conversations with Clinton is because of threats she had received.
- A number of Whitewater witnesses have been given extra security including being boarded in safe houses.

While some of the stories of threats and violence may be fabricated, the sheer number makes inexplicable the refusal of much of the media to report or even investigate them.

ABC STORY: <http://www.abcnews.com/sections/us/DailyNews/Willey980617.html>

CLINTON REWRITES CONSTITUTION

In a little noticed executive order, President Clinton has attempted to rewrite the constitution more to his liking. Although ostensibly only a statement of the principles of federalism, the order -- which has the force of law -- contains the following description of state, local and federal powers which appears written by someone who never read 10th Amendment:

"It is important to recognize the distinction between matters of national or multi-state scope (which may justify Federal action) and matters that are merely common to the States (which may not justify Federal action because individual States, acting individually or together, may effectively deal with them)," the order reads. It then lists nine kinds of issues that would justify unilateral federal action:

- * When the matter to be addressed by Federal action occurs interstate as opposed to being contained within one State's boundaries.
- * When the source of the matter to be addressed occurs in a State different from the State (or States) where a significant amount of the harm occurs.
- * When there is a need for uniform national standards.
- * When decentralization increases the costs of government thus imposing additional burdens on the taxpayer.
- * When States have not adequately protected individual rights and liberties.
- * When States would be reluctant to impose necessary regulations because of fears that regulated business activity will relocate to other States.
- * When placing regulatory authority at the State or local level would undermine regulatory goals because high costs or demands for specialized expertise will effectively place the regulatory matter beyond the resources of State authorities.
- * When the matter relates to Federally owned or managed property or natural resources, trust obligations, or international obligations.
- * When the matter to be regulated significantly or uniquely affects Indian tribal governments."

Don't get too worried, though. The president clearly states that the federal government will "permit elected officials and other representatives of State and local government to provide meaningful and timely input in the development of regulatory policies. ..."

WHITE HOUSE WHITE PAPER: <http://www.pub.whitehouse.gov/uri-res/I2R?urn:pdi://oma.eop.gov.us/1998/5/26/20.text.1>

DRUG BUSTS. . .

>From now on Dutch soldiers found smoking a joint with others risk being expelled from the army. Smoking in private will not be punished.

A study commissioned by the French Ministry of Public health says that hashish is less harmful than alcohol or tobacco.

The Times of London reports that in 1984 the South African Botha regime planned to reduce the black population to obedience through mass-narcotization by using Madrax, an opium derivative.

WE ARE NOT MAKING THIS UP. . .

Prior to defeating the whole anti-tobacco measure, the US Senate set a cap of \$4,000 an hour (about \$8 million a year assuming no over-billing) for lawyers in tobacco cases. Senator Slade Gorton argued that the attorneys were "tremendously gifted and imaginative."

ROAD SIGNS. . .

More than 80% of workers received paid holidays and vacations in 1996 but only 10% of those in the bottom tenth of the economy received paid leave of any kind. About 70% of all workers have pension plans, but less than ten percent of those in the bottom tenth. [New York Times]

Percent of junior and senior high schools that require students to watch the commercial program, Channel One: 40% [Center for Commercial-Free Education, Yes! Magazine]

Only 15% of the public says that working in the media is a high prestige occupation. That's below entertainers, bankers, union leaders and accountants. Top profession: doctor. 61% said being one had high prestige. [Harris Poll]

Percentage of shopping carts stolen or lost each year from Shop 'n Save supermarkets in Maine: 5-10% [Casco Bay Weekly]

SMALTZ BLOCKED AGAIN IN PROBE. . .

Donald Smaltz, the independent prosecutor the Starr-struck media doesn't tell you about, has once again been blocked in an attempt to expand his probe beyond specified alleged wrong-doing involving former Secretary of Agriculture Michael Espy. A three-judge federal panel has ruled against Smaltz in a case that has been placed under seal.

Although the Justice Department says it is looking into the matter on its own, this is at least the third time Janet Reno has interfered with Smaltz's efforts. In one case, Smaltz apparently wanted to look into alleged transfers of cash from Tyson Food to the Arkansas governor's mansion reported by a former senior Tyson pilot. In another instance, Reno was over-ruled by the court and Smaltz proceeded to successfully prosecute the case in question.

In this instance, Smaltz asked for expanded authority because he had uncovered evidence of "serious violations of law by Secretary Espy and others close to him." Justice argued that since the allegations did not involve any alleged misuse of the Ag secretary's office by Espy, it was beyond the scope of the prosecutor's mandate.

In short, Reno has on these occasions blocked or attempted to block, for technical reasons, Smaltz' effort to prosecute serious crimes. Further, there are no indications that she intends to pursue these cases herself.

Smaltz' probe has won convictions against seven individuals, five corporations and a law firm as well as recovering \$10 million in fines and

penalties.

It is not known what is at stake here, but it may be that Smaltz wanted to peer behind Arkansas' white and green wall of cocaine and money laundering that has repeatedly stumped serious criminal, congressional and journalistic investigators looking into the Clinton scandals. Whenever an inquiry has approached this wall, it has stumbled or collapsed. Arkansas drug-running and money laundering operations at Mena and elsewhere, as well as the president's own alleged drug use, have been treated as off-limits. Hence, the fundamental context within which the Clinton scandals arose has been ignored.

Although there is no known connection, Smaltz' request came two days after the Fayetteville, Arkansas, police filed murder charges against two brothers in the 1986 death of Mitchell D. Abel, a cocaine dealer and University of Arkansas architecture student. Abel's shooting had been followed a few days later by the mysterious death of Randall Tyson, a Tyson Foods VP and half brother of Don Tyson. The medical examiner said Tyson had choked to death on a cookie, but there was speculation that the deaths of Abel and Tyson were somehow connected.

ALL IN THE FAMILY. . .

CBS News has hired the James Kallstrom, former FBI assistant director and agent in charge of the highly questionable TWA 800 investigation, to be a law enforcement consultant.

MEDIA VIOLENCE

Michael Issikoff: "We've reported that Monica retains a certain amount of affection for Bill Clinton."

Don Imus: "How do we know that?"

Michael Issikoff: "Well, we've talked to sources close to her defense team."

Don Imus: "Who are the sources?"

Michael Issikoff: "Well, we don't identify sources."

Don Imus: "You'll tell us or we'll come to your house and beat it out of you."

Y2K IS NO JOKE. . .

The New York Post is reporting that the mob reportedly set up a business complete with a web site and toll-free number to help companies get their computers ready for the Year 2000. The only problem was that the mob hired computer programmers who changed financial software so payments would be redirected to mob-controlled accounts.

This is, in fact, one of the lesser Y2K problems. The Y2K crisis, depending

on what you read, will be either cataclysmic or terribly serious. Chris Ruddy, who's written a good article on the matter, reports that the GAO has issued some three dozen reports on the crisis just since February 1997. A web site dealing with Y2K already has some 1800 separate articles posted.

Dangers that have been cited have included accidental nuclear attack, breakdown of banking and the markets, mass food shortages, and the imposition of martial law. Regardless of the technological facts of the case, it is clear that the federal government is using the crisis to pursue its own agenda including the increased use of the military in domestic activities.

Gary North runs a doomsday central on Y2K with an excellent collection of links http://www.garynorth.com/y2k/search_.cfm#Choices

Chris Ruddy's article can be found at:
<http://www.ruddynews.com/>

Ed Yourdon, a computer programming expert, and author of "Time Bomb 2000" (Prentice Hall)
www.yourdon.com

For the legal implications
www.y2k.com

Peter de Jager in 1993 was the first to bring the issue to public attention. www.year2000.com

THE CULTURE OF IMPUNITY

District Judge Royce Lamberth fined Clinton henchman Ira Magaziner \$285,864 for deceiving the court concerning Hillary Clinton's health task force. The US News & World Report's take on the case -- which is now on appeal -- was that since the Clinton health bill never became law "who cares? (We know, we know, it's the principle darn it)" We can remember a time when USN&WR thought deceit was a bad thing, even if you didn't get anything out of it. Now it slugs the story "Unending disputes dept" and treats it as cute.

THE WORLD'S MOST UNSUCCESSFUL POLICY

Although it didn't prevent further futile discussion at a recent special session, the United Nations' own figures tell the story. Between 1990 and 1996, the amount of opium produced in the world increased 15% while the amount of coca leaf grown decreased 13%. In short, business as usual.

Meanwhile, Spain's El Pais reports that Mexican drug cartels have gone from being dealers to being producers of ultra refined heroin, cutting into turf formerly held by Asian operatives.

BREAD FROM STONES. . .

Much as in the early days of the organic agriculture movement, a motley collection of scientists, environmentalists, farmers and free-thinkers are pressing for a revolutionary change in our attitude towards food

production. Their basic point: as the earth has aged, with glaciers melting away and volcanoes dying, soils have become demineralized. Sufficient minerals are as important to plant growth as sufficient nutrients.

As Joanna Campe, president of Remineralize the Earth, told a USDA workshop a few years back that remineralizing has been shown to increase yields, stimulate the growth of microorganisms and earthworm activity, increase the nutrient intake of plants, counter soil acidity, prevent soil erosion, and increase the storage capacity of the soil and deter insects. Plants become more resistant to frost, drought, disease and insects.

"Millions of tons of finely ground rock dust are stockpiled by the stone and aggregate industry throughout the country and considered by-products. Much of this and freshly ground material have the potential to transform agriculture and forestry. . . . While [remineralization] is not a panacea and many specifics still need to be determined, rocks are one of the most abundant and cheaply available resources on earth and the availability of those minerals and trace elements determine the health of all life. "

Among the results cited by Campe:

- * In Europe four times the timber volume for pine seedlings remineralized with basalt.

- * Men of the Trees in Australia has achieved five time the growth for some species of tree and shortened their potting-out time from 5 months to 6 weeks.

- * Dr. Robert Bruck has seen greater health and height growth of remineralized trees planted in an acid-rain devastated forest near Asheville, NC.

- * In Michigan John Hamaker had two and a half time the yield of corn with no irrigation during dry conditions and with highly increased mineral content shown in tissue analysis.

- * A cost benefit analysis shows large savings and healthier plants for banana production in Australia.

[Editor's Note: A few years ago, I observed the results of three test plots in a Maine pasture: a control group, a plot treated with urban sludge, and one treated with tailings from a cement plant. The superiority of the last plot was unmistakable. I mentioned this to a friend of mine who grew up in Alabama and he informed me that it was common for farmers to use slag from the steel mills to refresh their soil -- sam]

Remineralize the Earth Magazine, 152 South St., Northampton, MA 01060 413-586-4429
mailto:reminearth@aol.com

WORD

"In the four years of this allegedly rabid investigation, no prosecutor from Starr's office has been taken to task by the various courts before

which they practice or been disciplined by any state bar. Starr has brought only two indictments that resulted in acquittals, and he has won almost all the appellate issues he has litigated -- even those many felt were dangerous stretches. It is hard to fathom how he could have amassed such a record -- all the while evading removal -- were he half the monster the White House seeks to portray." -- Benjamin Wittes in the Washington Post

FEEDBACK

Richard Winger of Ballot Access thinks we oversimplified things when we wrote: "The life cycle of the Socialist Labor Party was 36 years from beginning to its peak in 1912 when, as the Socialist Party, it got 6% of the presidential vote and had over 1,000 elected office-holders including a member of Congress." In fact, writes Winger: "The Socialist Labor Party was the original party of socialism in the USA, and it split in half in 1898 and half the members went into the brand new Socialist Party. But the two parties continued to exist as competing organizations, and they both still exist. If anyone loyal to the Socialist Labor Party sees your summary, they will probably direct a nasty missive at you. The SLP national HQ was in New York city until the 1970's, when the party moved to Palo Alto, California. It still puts out the People newspaper, but stopped running candidates for office after the 1976 election."

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

ATT CREATION TIME/DATE:19-JUN-1998 17:52:00.00

ATT BODYPART TYPE:D

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.1-9 #29131)

id <01IYFGUZDSRK00H6QV@PMDF.EOP.GOV>; Fri, 19 Jun 1998 17:52:29 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)

with ESMTTP id <01IYFGUVON6800E86U@PMDF.EOP.GOV>; Fri,

19 Jun 1998 17:52:25 -0400 (EDT)

Received: from WhiteHouse.gov ([198.137.241.30])

by STORM.EOP.GOV (PMDF V5.1-10 #29131)

with ESMTTP id <01IYFGUGWK98001L4Z@STORM.EOP.GOV>; Fri,

19 Jun 1998 17:52:04 -0400 (EDT)

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

id RAA21160; Fri, 19 Jun 1998 17:52:03 -0400 (EDT)

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

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Woyneab M. Wondwossen (CN=Woyneab M. Wondwossen/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:23-JUN-1998 15:31:06.00

SUBJECT: revision on fast track ltr

TO: David M. Marchick (CN=David M. Marchick/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

David -- Please see minor revision in bold print. Thanks.

Thank you for forwarding to me a copy of the resolution adopted by the National Governors' Association supporting the renewal of fast-track authority for the President.

More than one third of the United States' economic growth in recent years can be attributed to expansions in trade. In a world where 96 percent of consumers live beyond our borders, it is essential that we are able to export our world-class goods and services in order to sustain our growth and to create new, high-paying jobs at home.

Like you, I firmly believe that fast-track authority is key to building a fair and open world trade system -- one that continues to benefit U.S. businesses and workers and ensures our prosperity in the years to come. As you point out, this authority is even more important as we seek to develop new markets within our hemisphere, expanding our most critical trade partnerships. For these reasons, my commitment to the renewal of fast-track remains firm; and I look forward to working with members of Congress to pursue this legislation at the appropriate time.

As we strive to maintain our leadership in the global economy, I appreciate your ongoing support. Best regards.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David M. Marchick (CN=David M. Marchick/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:23-JUN-1998 19:18:09.00

SUBJECT: Re: minor revision on fast track ltr

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

READ:UNKNOWN

TEXT:

Pls see below

Woyneab M. Wondwossen

06/23/98 06:35:56 PM

Record Type: Record

To: David M. Marchick/OPD/EOP

cc:

Subject: minor revision on fast track ltr

Thank you for forwarding to me a copy of the resolution adopted by the National Governors' Association supporting the renewal of fast-track authority for the President.

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Like you, I firmly believe that fast-track authority is key to building a fair and open world trade system -- one that continues to benefit U.S. businesses and workers and ensures our prosperity in the years to come. As you point out, this authority is even more important as we seek to develop new markets within our hemisphere, expanding our most critical trade partnerships. For these reasons, my commitment to the renewal of fast-track remains strong. I will work with Members of Congress in both parties to determine the best timing to pursue this important initiative.

As we strive to maintain our leadership in the global economy, I appreciate your ongoing support and look forward to your active involvement in the months ahead. Best regards.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-JUL-1998 10:49:13.00

SUBJECT: Fast track

TO: Julianne B. Corbett (CN=Julianne B. Corbett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Q: Senator Grassley has said fast track is dead. Why is the Administration not pushing harder for fast track right now?

A: 1. Because of the serious threat that the financial crisis in Asia poses if we fail to act responsibly, the most important thing Congress can do in its few remaining working days to protect American jobs and exports is to secure full funding for the IMF.

2. The IMF needs resources to prevent the crisis in Asia from having a deeper impact on our economy. We simply cannot afford to take risks by leaving the IMF without the resources it needs to help keep this crisis from broadening.

3. The President strongly supports fast track authority, and I want to consult with members of Congress on the best way to build strong bipartisan support for its passage. And we should also advance our international economic leadership by passing the Africa trade bill and securing continued, normal trading status with China.

ARMS Email System

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Margaret M. Suntum (SUNTUM_M) (WHO)

CREATION DATE/TIME:18-JUL-1998 10:49:43.83

SUBJECT: 1998-7-18 briefing by Glickman and Atwood

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

TO: Glynn, Mary Ellen (meglynn@usia.gov@INET@EOPMRX)
READ:NOT READ

TO: Remote Addressee (tingen-terrie@dol.gov@INET)
READ:NOT READ

TO: Remote Addressee (backup@wilson.ai.mit.edu@INET)
READ:NOT READ

TO: Remote Addressee (wh-outbox-distr@clinton.ai.mit.edu@INET)
READ:NOT READ

TO: lori E. Abrams (ABRAMS_L) Autoforward to: Remote Addressee (Lori E.
Abrams@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Jeannetta P. Allen (ALLEN_JP) Autoforward to: Remote Addressee (Jeannetta P.
Allen@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Lori L. Anderson (ANDERSON_L) Autoforward to: Remote Addressee (
Lori_Anderson@OA.EOP.GOV@INET) (WHO)
READ:NOT READ

TO: Brenda M. Anders (ANDERS_B) Autoforward to: Remote Addressee (Brenda M.
Anders@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Eli G. Attie (ATTIE_E) Autoforward to: Remote Addressee (Eli G.
Attie@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Patrick Aylward (AYLWARD_P) Autoforward to: Remote Addressee (Patrick
Aylward@eop@lngtwy@eopmr) (PIR)
READ:NOT READ

TO: Robin J. Bachman (BACHMAN_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Kyle M. Baker (BAKER_K) Autoforward to: Remote Addressee (Kyle M.

Baker@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Karen L. Barbuschak (BARBUSCHAK_K) Autoforward to: Remote Addressee (Karen L.
Barbuschak@EOP@LNGTWY@EOPMRX) (OA)
READ:NOT READ

TO: Beverly J. Barnes (BARNES_BJ) Autoforward to: Remote Addressee (Beverly J.
Barnes@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian A. Barreto (BARRETO_B) Autoforward to: Remote Addressee (Brian A.
Barreto@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Mark H. Bartholomew (BARTHOLOME_M) Autoforward to: Remote Addressee (Mark
H. Bartholomew@eop@lngtwy@eopmrx) (OA)
READ:NOT READ

TO: Todd A. Bartholow (BARTHOLOW_T) (OA)
READ:NOT READ

TO: David S. Beaubaire (BEAUBAIRE_D) Autoforward to: Remote Addressee (David S.
Beaubaire@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Paul E. Begala (BEGALA_P) Autoforward to: Remote Addressee (Paul E.
Begala@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Mark J. Bernstein (BERNSTEIN_MJ) Autoforward to: Remote Addressee (Mark J.
Bernstein@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Marsha E. Berry (BERRY_ME) Autoforward to: Remote Addressee (Marsha E.
Berry@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Antony J. Blinken (BLINKEN_A) Autoforward to: Remote Addressee (antony j.
blinken@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Alexander L. Boyle (BOYLE_A) Autoforward to: Remote Addressee (Alexander L.
Boyle@eop@lngtwy@eopmrx) (PIR)
READ:NOT READ

TO: Lanny A. Breuer (BREUER_L) Autoforward to: Remote Addressee (Lanny A.
Breuer@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Patrick E. Briggs (BRIGGS_P) Autoforward to: Remote Addressee (Patrick E.
Briggs@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Nyda Budig (BUDIG_N) (NSC)
READ:NOT READ

TO: Katharine M. Button (BUTTON_K) Autoforward to: Remote Addressee (Katharine
Button@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Robin Bachman (Bachman_R) Autoforward to: Remote Addressee (Robin J.
Bachman@eop@lngtwy@eopmrX) (WHO)
READ:NOT READ

TO: Barbara D. Woolley (Barbara D. Woolley@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Bradley M. Campbell (Bradley M. Campbell@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Alejandro G. Cabrera (CABRERA_A) Autoforward to: Remote Addressee (Alejandro G.
Cabrera@ovp@eop@lngtwy@eop (VPO)
READ:NOT READ

TO: Dominique L. Cano (CANO_D) Autoforward to: Remote Addressee (Dominique L.
Cano@eop@lngtwy@eopmrX) (WHO)
READ:NOT READ

TO: Laura Capps (CAPPS_L) Autoforward to: Remote Addressee (Laura
Capps@eop@lngtwy@eopmrX) (WHO)
READ:NOT READ

TO: Elizabeth A. Castellani (CASTELLANI_E) Autoforward to: Remote Addressee (Elizabeth
A. Castellani@eop@lngtwy@eopm (WHO)
READ:NOT READ

TO: Joseph W. Cerrell (CERREL_J) Autoforward to: Remote Addressee (Joseph W.
Cerrell@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: David K. Chai (CHAI_D) Autoforward to: Remote Addressee (David K.
Chai@eop@lngtwy@eopmrX) (PIR)
READ:NOT READ

TO: Andrei H. Cherny (CHERNY_A) Autoforward to: Remote Addressee (Andrei H.
Cherny@ovp@eop@lngtwy@eopmrX (VPO)
READ:NOT READ

TO: Nanda Chitre (CHITRE_N) Autoforward to: Remote Addressee (Nanda
Chitre@eop@lngtwy@eopmrX) (WHO)
READ:NOT READ

TO: Delia A. Cohen (COHEN_DA) Autoforward to: Remote Addressee (Delia A.
Cohen@eop@lngtwy@eopmrX) (WHO)
READ:NOT READ

TO: Steven A. Cohen (COHEN_SA) Autoforward to: Remote Addressee (Steven A.

Cohen@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julianne B. Corbett (CORBETT_J) Autoforward to: Remote Addressee (Julianne B.
Corbett@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Michelle Crisci (CRISCI_M) (WHO)
READ:NOT READ

TO: Philip J. Crowley (CROWLEY_P) (NSC)
READ:NOT READ

TO: Lynn G. Cutler (CUTLER_L) (WHO)
READ:NOT READ

TO: Lana Dickey (DICKEY_L) (WHO)
READ:NOT READ

TO: Elliot J. Diringer (DIRINGER_E) Autoforward to: Remote Addressee (Elliot J.
Diringer@eop@lngtwy@eopmrx) (CEQ)
READ:NOT READ

TO: Daniel W. Burkhardt (Daniel W. Burkhardt@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Diane Ikemiyashiro (Diane Ikemiyashiro@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Dorian V. Weaver (Dorian V. Weaver@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Dorinda A. Salcido (Dorinda A. Salcido@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Douglas Matties (Douglas Matties@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Anne M. Edwards (EDWARDS_A) Autoforward to: Remote Addressee (Anne M.
Edwards@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Rahm Emanuel (EMANUEL_R) Autoforward to: Remote Addressee (Rahm
Emanuel@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Patricia M. Ewing (EWING_P) Autoforward to: Remote Addressee (Patricia M.
Ewing@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: Karen C. Fahle (FAHLE_K) Autoforward to: Remote Addressee (Karen C.
Fahle@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Joseph C. Fanaroff (FANAROFF_J) Autoforward to: Remote Addressee (Joseph C.
Fanaroff@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jennifer Ferguson (FERGUSON_J) Autoforward to: Remote Addressee (Jennifer
Ferguson@eop@lngtwy@eopmrx) (OMB)
READ:NOT READ

TO: Julie A. Fernandes (FERNANDES_J) Autoforward to: Remote Addressee (Julie A.
Fernandes@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Martha Foley (FOLEY_M) Autoforward to: Remote Addressee (Martha
Foley@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Carmen B. Fowler (FOWLER_C) Autoforward to: Remote Addressee (Carmen B.
Fowler@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Grace A. Garcia (GARCIA_GA) Autoforward to: Remote Addressee (Grace A.
Garcia@eop@lngtwy@eopmrx) (PIR)
READ:NOT READ

TO: Arkadi M. Gerney (GERNEY_A) Autoforward to: Remote Addressee (Arkadi M.
Gerney@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Jessica L. Gibson (GIBSON_JL) Autoforward to: Remote Addressee (Jessica L.
Gibson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Adam W. Goldberg (GOLDBERG_A) Autoforward to: Remote Addressee (Adam W.
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dario J. Gomez (GOMEZ_D) Autoforward to: Remote Addressee (Dario J.
Gomez@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Wendy E. Gray (GRAY_W) (NSC)
READ:NOT READ

TO: Peter D. Greenberger (GREENBERGE_P) Autoforward to: Remote Addressee (Peter D.
Greenberger@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: John Gribben (GRIBBEN_J) Autoforward to: Remote Addressee (John A.
Gribben@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sanjay Gupta (GUPTA_S) Autoforward to: Remote Addressee (Sanjay
Gupta@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Donald Goldberg (Goldberg_D) Autoforward to: Remote Addressee (Donald
Goldberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Lawrence J. Haas (HAAS_L) Autoforward to: Remote Addressee (Lawrence J.
Haas@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: Maureen A. Hudson (HUDSON_M) Autoforward to: Remote Addressee (Maureen A.
Hudson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Thomas D. Janenda (JANENDA_T) Autoforward to: Remote Addressee (Thomas D.
Janenda@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: David T. Johnson (JOHNSON_DT) Autoforward to: Remote Addressee (david t.
johnson@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Leanne I. Johnson (JOHNSON_L) Autoforward to: Remote Addressee (Leanne I.
Johnson@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Wayne C. Johnson (JOHNSON_WC) Autoforward to: Remote Addressee (Wayne C.
Johnson@EOP@LNGTWY@EOPMRX) (OA)
READ:NOT READ

TO: Michele Jolin (JOLIN_M) Autoforward to: Remote Addressee (Michele
Jolin@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: James M. Teague (James M. Teague@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Jon P. Jennings (Jon P. Jennings@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Julie E. Mason (Julie E. Mason@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: David E. Kalbaugh (KALBAUGH_D) Autoforward to: Remote Addressee (David E.
Kalbaugh@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jonathan A. Kaplan (KAPLAN_JA) Autoforward to: Remote Addressee (Jonathan A.
Kaplan@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Allison J. King (KING_A) Autoforward to: Remote Addressee (Allison J.
King@eop@lngtwy@eopmrx)
READ:NOT READ

TO: Mark A. Kitchens (KITCHENS_M) Autoforward to: Remote Addressee (Mark A.
Kitchens@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Catherine T. Kitchen (KITCHEN_C) Autoforward to: Remote Addressee (Catherine T.
Kitchen@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sarah S. Knight (KNIGHT_S) Autoforward to: Remote Addressee (Sarah S.
Freeman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: James Kohlenberger (KOHLEN_J) Autoforward to: Remote Addressee (Jim
Kohlenberger@OVP@EOP@LNGTWY@EOPMRX (VPO)
READ:NOT READ

TO: Kris M. Balderston (Kris M Balderston@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Sara Latham (LATHAM_S) Autoforward to: Remote Addressee (Sara M.
Latham@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Christopher J. Lavery (LAVERY_C) Autoforward to: Remote Addressee (Christopher J.
Lavery@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Christopher S. Lehane (LEHANE_C) Autoforward to: Remote Addressee (Christopher S.
Lehane@OVP@EOP@LNGTWY@EO (VPO)
READ:NOT READ

TO: Joseph P. Lockhart (LOCKHART_J) Autoforward to: Remote Addressee (Joseph P.
Lockhart@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura D. Schwartz (Laura D. Schwartz@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Laura Capps (Laura K. Capps@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Lisa J. Levin (Lisa J. Levin@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Christine N. Macy (MACY_C) Autoforward to: Remote Addressee (Christine N.
Macy@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Michael D. Malone (MALONE_M) Autoforward to: Remote Addressee (michael d.
malone@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Laura S. Marcus (MARCUS_LS) Autoforward to: Remote Addressee (Laura S.
Marcus@eop@lngtwy@eopmrx) (WHO)

READ:NOT READ

TO: Tanya E. Martin (MARTIN_T) Autoforward to: Remote Addressee (Tanya E.
Martin@eop@lngtwy@eopmr) (OPD)
READ:NOT READ

TO: Doris O. Matsui (MATSUI_D) Autoforward to: Remote Addressee (Doris O.
Matsui@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Douglas R. Matties (MATTIES_D) Autoforward to: Remote Addressee (Douglas R.
Matties@eop@lngtwy@eopmr) (OA)
READ:NOT READ

TO: Emory L. Mayfield (MAYFIELD_E) Autoforward to: Remote Addressee (Emory L.
Mayfield@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Andrew Mayock (MAYOCK_A) Autoforward to: Remote Addressee (Andrew J.
Mayock@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Anne E. McGuire (MCGUIRE_A) Autoforward to: Remote Addressee (Anne E.
McGuire@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Estela Mendoza (MENDOZA_E) Autoforward to: Remote Addressee (Estela
Mendoza@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: R. Scott Michaud (MICHAUD_R) Autoforward to: Remote Addressee (R. Scott
Michaud@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Elisa Millsap (MILLSAP_E) Autoforward to: Remote Addressee (Elisa
Millsap@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Cheryl D. Mills (MILLS_C) Autoforward to: Remote Addressee (Cheryl D.
Mills@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Stephanie J. Minato (MINATO_S) Autoforward to: Remote Addressee (Stephanie J.
Minato@eop@lngtwy@eopmr)
READ:NOT READ

TO: Rajiv Y. Mody (MODY_R) Autoforward to: Remote Addressee (Rajiv Y.
Mody@eop@lngtwy@eopmr) (WHO)
READ:NOT READ

TO: Julia Moffett (MOFFETT_J) (WHO)
READ:NOT READ

TO: Megan C. Moloney (MOLONEY_M) Autoforward to: Remote Addressee (megan

moloney@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Kevin Moran (MORAN_K1) Autoforward to: Remote Addressee (Kevin
Moran@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan Murchinson (MURCHINSON_J) Autoforward to: Remote Addressee (Jonathan
Murchinson@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Melissa M. Murray (MURRAY_MM) Autoforward to: Remote Addressee (Melissa M.
Murray@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Reuben L. Musgrave Jr. (MUSGRAVE_R) Autoforward to: Remote Addressee (Reuben L.
Musgrave Jr.@eop@lngtwy@eopmr (WHO)
READ:NOT READ

TO: Mindy E. Myers (MYERS_ME) Autoforward to: Remote Addressee (Mindy E.
Myers@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Sean Maloney (Maloney_S) Autoforward to: Remote Addressee (Sean P.
Maloney@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Michael Terrell (Michael V. Terrell@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Steven J. Naplan (NAPLAN_S) Autoforward to: Remote Addressee (Steven J.
Naplan@eop@lngtwy@eopmrx) (NSC)
READ:NOT READ

TO: Mark D. Neschis (NESCHIS_M) Autoforward to: Remote Addressee (Mark D.
Neschis@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Elizabeth R. Newman (NEWMAN_E) Autoforward to: Remote Addressee (Elizabeth R.
Newman@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Nathan B. Naylor (Nathan B. Naylor@ovp@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Neera Tanden (Neera Tanden@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Ellen E. Olcott (OLCOTT_E) (WHO)
READ:NOT READ

TO: Michael A. O'Mary (OMARY_M) Autoforward to: Remote Addressee (Michael A.
O'Mary@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Jonathan Orszag (ORSZAG_J) Autoforward to: Remote Addressee (Jonathan
Orszag@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Eleanor S. Parker (PARKER_ES) Autoforward to: Remote Addressee (Eleanor S.
Parker@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Carol Parmelee (PARMELEE_C) Autoforward to: Remote Addressee (Carole A.
Parmelee@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sally P. Paxton (PAXTON_S) Autoforward to: Remote Addressee (Sally P.
Paxton@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Julia Payne (PAYNE_J) Autoforward to: Remote Addressee (Julia M.
Payne@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Matthew W. Pitcher (PITCHER_M) Autoforward to: Remote Addressee (Matthew W.
Pitcher@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Timothy Dixon (PR_U=TDIXON@PR_L=AVUOEOB@MRP@OPUS)
READ:NOT READ

TO: Peter O'Keefe (Peter O'Keefe@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Phillip Caplan (Phillip Caplan@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Nicole R. Rabner (RABNER_N) Autoforward to: Remote Addressee (Nicole R.
Rabner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian A. Reich (REICH_B) Autoforward to: Remote Addressee (Brian A.
Reich@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: Nelson Reyneri (REYNERI_N) Autoforward to: Remote Addressee (Nelson
Reyneri@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Linda Ricci (RICCI_L) Autoforward to: Remote Addressee (Linda
Ricci@eop@lngtwy@eopmrx) (OMB)
READ:NOT READ

TO: Renee C. Riley (RILEY_R) Autoforward to: Remote Addressee (Renee C.
Riley@eop@lngtwy@eopmrx) (OA)
READ:NOT READ

TO: Robin M. Roland (ROLAND_R) Autoforward to: Remote Addressee (Robin M.
Roland@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Cecilia E. Rouse (ROUSE_C) Autoforward to: Remote Addressee (Cecilia E.
Rouse@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Eric S. Rubin (RUBIN_E) (NSC)
READ:NOT READ

TO: Charles Ruff (RUFF_C) Autoforward to: Remote Addressee (Charles F.
Ruff@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Peter Rundlet (RUNDLET_P) Autoforward to: Remote Addressee (Peter
Rundlet@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Virginia N. Rustique (RUSTIQUE_V) Autoforward to: Remote Addressee (Virginia N.
Rustique@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Evan Ryan (RYAN_E) Autoforward to: Remote Addressee (Evan
Ryan@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jodi R. Sakol (SAKOL_J) Autoforward to: Remote Addressee (Jodi R.
Sakol@OVP@EOP@LNGTWY@EOPMRX) (VPO)
READ:NOT READ

TO: G. Timothy Saunders (SAUNDERS_GT) Autoforward to: Remote Addressee (G. Timothy
Saunders@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jason H. Schechter (SCHECHTER_J) Autoforward to: Remote Addressee (Jason H.
Schechter@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jill A. Schuker (SCHUKER_J) Autoforward to: Steven J. Naplan (NAPLAN_S) (NSC)
READ:NOT READ

TO: Judithanne V. Scourfield (SCOURFIELD_J) Autoforward to: Remote Addressee (Judithanne
V. Scourfield@eop@lngtwy@eop (WHO)
READ:NOT READ

TO: Brooks E. Scoville (SCOVILLE_B) Autoforward to: Remote Addressee (BROOKS
SCOVILLE@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Maya Seiden (SEIDEN_M) Autoforward to: Remote Addressee (Maya
Seiden@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Barbara Semedo (SEMEDO_B) Autoforward to: Remote Addressee (Barbara
Semedo@eop@lngtwy@eopmrx) (PIR)
READ:NOT READ

TO: Ruby Shamir (SHAMIR_R) Autoforward to: Remote Addressee (Ruby
Shamir@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jeffrey A. Shesol (SHESOL_J) Autoforward to: Remote Addressee (Jeffrey A.
Shesol@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: June Shih (SHIH_J) Autoforward to: Remote Addressee (June
Shih@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Robert M. Shireman (SHIREMAN_R) Autoforward to: Remote Addressee (Robert M.
Shireman@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Jake Siewert (SIEWERT_J) Autoforward to: Remote Addressee (Jake
Siewert@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Shanna P. Singh (SINGH_S) Autoforward to: Remote Addressee (Shanna P.
Singh@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Dawn L. Smalls (SMALLS_D) Autoforward to: Remote Addressee (Dawn L.
Smalls@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_B2) Autoforward to: Remote Addressee (Brian D.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Brian D. Smith (SMITH_BD) (OMB)
READ:NOT READ

TO: Craig T. Smith (SMITH_CT) Autoforward to: Remote Addressee (Craig T.
Smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Jonathan E. Smith (SMITH_J) Autoforward to: Remote Addressee (jonathan e.
smith@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Mary L. Smith (SMITH_ML) Autoforward to: Remote Addressee (Mary L.
Smith@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Richard Socarides (SOCARIDES_R) Autoforward to: Remote Addressee (Richard
Socarides@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Douglas B. Sosnik (SOSNIK_D) Autoforward to: Remote Addressee (Douglas B.
Sosnik@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Maria E. Soto (SOTO_M) Autoforward to: Remote Addressee (Maria E.
Soto@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Chandler G. Spaulding (SPAULDING_C) Autoforward to: Remote Addressee (Chandler G.
Spaulding@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Elisabeth Steele (STEELE_E) Autoforward to: Remote Addressee (Elisabeth
Steele@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Aviva Steinberg (STEINBERG_A) Autoforward to: Remote Addressee (Aviva
Steinberg@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Todd Stern (STERN_T) Autoforward to: Remote Addressee (Todd
Stern@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Darby E. Stott (STOTT_D) Autoforward to: Remote Addressee (
darby_E._stott@oa.eop.gov@inet) (WHO)
READ:NOT READ

TO: Diane A. Stumpf (STUMPF_D) Autoforward to: Remote Addressee (Diane A.
Stumpf@eop@lngtwy@eopmrx) (DON)
READ:NOT READ

TO: Mike Sullivan (SULLIVAN_M) Autoforward to: Remote Addressee (Michael J.
Sullivan@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Jonathan Schnur (Schnur_J) Autoforward to: Remote Addressee (Jonathan H.
Schnur@eop@lngtwy@eopmrx) (OPD)
READ:NOT READ

TO: Tracy F. Sisser (Sisser_T) Autoforward to: Remote Addressee (Tracy F.
Sisser@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Sylvia M. Mathews (Sylvia M. Mathews@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Lisa Jordan Tamagni (TAMAGNI_L) Autoforward to: Remote Addressee (Jordan
Tamagni@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Remote Addressee (TCSmith@dol.gov@INET@EOPMRX)
READ:NOT READ

TO: Sandra L. Tijerina (TIJERINA_S) Autoforward to: Remote Addressee (Sandra L.
Tijerina@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Amy W. Tobe (TOBE_A) Autoforward to: Remote Addressee (Amy W.
Tobe@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Barry J. Toiv (TOIV_B) Autoforward to: Barry Toiv (Barry J.
Toiv@EOP@LNGTWY@EOPMRX) (WHO)
READ:NOT READ

TO: Serena C. Torrey (TORREY_S) Autoforward to: Remote Addressee (Serena C.
Torrey@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: June G. Turner (TURNER_J) Autoforward to: Remote Addressee (June G.
Turner@eop@lngtwy@eopmrx) (WHO)
READ:NOT READ

TO: Thurgood Marshall (Thurgood Marshall Jr@eop@LNGTWY@EOPMRX)
READ:NOT READ

TO: Dag Vega (VEGA_D) (WHO)
READ:NOT READ

TO: Virginia Apuzzo (Virginia Apuzzo@eop@LNGTWY@EOPMRX)
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TO: Michael Waldman (WALDMAN_M) Autoforward to: Remote Addressee (Michael
Waldman@eop@lngtwy@eopmrx) (WHO)
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TO: Angelina Walker (WALKER_L) Autoforward to: Remote Addressee (Angelina
Walker@ovp@eop@lngtwy@eopmrx) (VPO)
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TO: Glen M. Weiner (WEINER_G) Autoforward to: Remote Addressee (Glen M.
Weiner@eop@lngtwy@eopmrx) (WHO)
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TO: Robert S. Weiner (WEINER_R) Autoforward to: Remote Addressee (Robert S.
Weiner@eop@lngtwy@eopmrx) (DON)
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TO: Peter A. Weissman (WEISSMAN_P) Autoforward to: Remote Addressee (Peter A.
Weissman@eop@lngtwy@eopmrx) (OPD)
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TO: Lowell Weiss (WEISS_L) Autoforward to: Remote Addressee (Lowell A.
Weiss@eop@lngtwy@eopmrx) (WHO)
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TO: Debra S. Wood (WOOD_D) Autoforward to: Remote Addressee (Debra S.
Wood@eop@lngtwy@eopmrx) (WHO)
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TO: Natalie S. Wozniak (WOZNIAK_N) (NSC)
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TO: Remote Addressee (William H. White Jr.@EOP@LNGTWY@EOPMRX)
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TO: Remote Addressee (julie_green@ed.gov@INET)
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TO: Remote Addressee (klasky_helaine@ustr.gov@INET)
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TO: Remote Addressee (rubins@lisbowpoa.usl-state.gov@INET)
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TO: Remote Addressee (tingen-terri@dol.gov@INET)
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TO: Remote Addressee (usia01@access.digex.com@INET)
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UNION@3=@5=ATT.COM@*ELN\62955104@MRX@EOPMRX)
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TO: Remote Addressee (62955104@eln.attmail.com@INET)
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TO: Manager Infomgt (INFOMGT) (SYS)
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TO: Remote Addressee (newsdesk@usnewswire.com@INET)
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Office of the Press Secretary
(Little Rock, Arkansas)

Washington, D.C.

MS. WEISS TOBE: Good morning. The President in his radio address this morning will make several important announcements about problems facing problems in many parts of this county. Secretary of Agriculture Dan Glickman and Brian Atwood, Administrator for the Agency for International Development, are here to brief you on these announcements and answer any question you may have.

SECRETARY GLICKMAN: Good morning, everybody. Following my few remarks I'm going to ask Brian Atwood, the Administrator of AID, to make some remarks. And we also have with us today Chris Goldthwait, who is the General Manager of the Commodity Credit Corporation, and Under Secretary of Agriculture Gus Schumacher, as well.

The President's new program which he will be announcing today is a bold initiative to respond directly to one of the primary weaknesses in the farm economy, which is large surpluses, price depressing surpluses, which largely are as the result of weaker exports and an international economy which is not as strong as we would like.

Starting next week, USDA will begin buying wheat that then will be used for foreign food donations, opening new export channels for

American farmers. This will be done under the authority that I have under the CCC, or the Commodity Credit Corporation, Charter Act, and it will not require any additional appropriations nor congressional action.

We estimate, combined with USDA as well as AID, that about 2.5 million tons of wheat, a little more than 82.5 million bushels of wheat are worth approximately \$250 million will be

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used. However, USDA figures on the current wheat surplus, when measured as the stocks

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-use ratio for this year compared to the last 10 years -- that tells you how much wheat we actually have compared to what we will use -- suggests that substantially more than 2.5 million tons might eventually be used. But the first tranche, the first goal, is 2.5 million tons. If other

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commodities begin to show similar surpluses, the program will be used for those surpluses as well.

The price effects on this action may vary, but our analysis of historic trends suggest moving about 2.5 million tons, or 82.5 million bushels, of wheat from the market would boost the price of wheat somewhere between 10 and 13 cents a bushel and would probably have some impact on the price of corn as well.

We intend to stage the purchases strategically to sustain and to maximize the price effect, and we intend to begin this process immediately, next week. The first five recipient countries -- and Brian Atwood will talk about that -- will include Ethiopia, Eritrea, Indonesia, North Korea, and Sudan -- countries that currently cannot make commercial purchases from the U.S. And I want to repeat, these purchases are being made for those countries that cannot purchase wheat commercially from the United States. As further assessments are included, other countries may also be included.

Today's announcement is a first step, but the President strongly believes that we must do more to deal with this farm safety net. As you know, the President has strongly endorsed the language offered by Senator Conrad in the Senate which would add approximately \$5 million for disaster related emergency spending, building on crop insurance and other programs that we have. And I'm pleased to note that the Speaker yesterday indicated positive words for this particular announcement. We

are also looking at other things in terms of crop insurance, in terms of our own programs to deal with a variety of problems.

I also point out that last year we recommended that deficiency payments, or actually market transition payments, that farmers would get be advanced, and we also recommended that on April 4 of this year that they be advanced. We're pleased that the Speaker has announced that he would move legislation to advance those payments. I would point out that is no new money, however. That is money that was going to be paid out anyway in December and January of this year, and what the Speaker has proposed, which we support, is that farmers will be given the option of moving that up about 45 days, until after the end of September, so into this next fiscal year anyway. And that may be helpful for some farmers at their option. But that is not a fundamental answer to the problem of getting price up and dealing with the disasters that farmers have to face today.

So we welcome those steps, the steps that we're talking about today. We'll begin to have much more profound effect on the farm economy and we'll also bridge the gap where the surpluses can go to help hungry people, needy people around the world as well.

So I would like to call on my colleague, Brian Atwood, the Administrator of AID, for his comments in this regard.

MR. ATWOOD: Thank you, Mr. Secretary.

Let me just say that for those of us in the humanitarian relief and emergency food business, this has been one of the worst years on record. We've had the El Nino drought; we've had a larger number of conflicts than usual; we've had the Asian financial crisis that has caused, in the case of Indonesia, the economy to virtually collapse. And as we reach the end of the fiscal year here, most of our Title II resources that we use for emergency food have been depleted.

So we have a confluence of factors here that I think are very favorable from our part of view in order to respond to the world's needy. We have here a food surplus that is driving

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food commodity prices down, and overseas, we have serious starvation and famine and a real need for the food that the American farmers can produce.

Let me just give you some examples. In his radio address, the President will refer to Indonesia and Sudan in particular. In Indonesia, we have a country of about 200 million people; by the end of this year we will see approximately 95

million people fall into extreme poverty. That means they'll be making less than a dollar a day, they will be unemployed, they will not be able to purchase food.

Indonesia has a requirement for food purchases outside its own country of 4 million metric tons, so they're not able to purchase that food, and so they have a very dire need for the kind of food that the Secretary has been discussing.

In Sudan, we have 1.2 million people that are currently at serious risk of dying. We have -- you've already seen television photographs of people dying in the Bahr al Ghazala area of Sudan right now. We have a serious problem of getting food to them. We, however, now, have coincidence of a cease

-fire that has been called by both sides in the war in Sudan. So we have an opportunity now to get food into that region and the rest of Sudan. There are nine other countries, mostly in Africa, that have very serious shortages of food, and this food and, perhaps even more that might be forthcoming later, will be of real use to the people that are suffering from famine and the like.

So this is, again, a very good confluence of interest here. We can both help the American farmer and in the tradition of the United States, provide humanitarian relief to the needy and the developing world. Thank you.

SECRETARY GLICKMAN: Open up for any questions that anybody has.

Q Mr. Secretary, under what program, CCC program, will this all fall under?

MR. SECRETARY: Well, it operates under the CCC Charter Act, which was enacted in 1948, and it gives the CCC broad authority to engage in the buying and selling and transporting of farm commodities and products relating to farm commodities and related facilities. It's very broad authority. And we have very great flexible authority in order to operate under that act. And over the years it has been used to carry out a number of programs. In fact, the Export Enhancement Program and the Payment In Kind program were first authorized under the CCC Charter Act, and they were then separately authorized and appropriated as individual type programs. But we believe that the authorities are clearly there.

And what has happened to make this more realistic now is that in 1986 and 1987, the surpluses and the stocks

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ratios were in much different circumstances than they are right now. That is, in '86 and in '87, we were talking about very small stocks

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-use ratios and very low carry

-overs. But we have had a combination of extensive production both at home and around the world -- dramatic enhancement of production. And then coupled with this continuing extraordinary hunger that continues to exist.

And one of the things that people constantly ask me about, both in farm country and other areas, is why can't you get this grain, these surpluses, to those hungry people. This is largely the statute to do it, and we do have a confluence now of large surpluses and the wherewithal to get it to hungry people. And working cooperatively with AID and the other agencies of government, the President just says, marry these two things; get

this done as quickly as possible. It will help farm programs, it will help farm prices to some extent; but it will also, perhaps, resolve some international social problems.

Q I notice the President does not mention seeking authority from Congress for fast track this year, and he talks about IMF and so on. But can you explain why he's going to submit it?

SECRETARY GLICKMAN: The President strongly supports fast track, but the most pressing problem right now, short

-term,
is IMF funding assistance, because that will make the difference in the very short

-term in terms of commodity sales overseas.

We want fast track authority to enter into trade agreements. I worked very hard on this in this room to try to get the votes before. And we obviously continue to want that. But from a priority perspective, from a more emergency perspective, the IMF assistance is number one on the list. And we just provided some assistance to Russia, as you know, out of the reserve fund. Not much money is left in that fund to deal with problems dealing with international and country

-wide
economic and currency problems.

So IMF is number one in terms of its significance to American farmers and American businesspeople in the very short

-term. And I think the President recognizes that there are a certain number of things that Congress can probably end up doing this year before adjournment. And he has not backed away

from his commitment from fast track, but he is, I think, more concerned about the emergency nature of getting IMF assistance finished right away.

Q How will you determine which farmers you'll buy the wheat from?

SECRETARY GLICKMAN: Chris Goldthwait is our CCC General Manager, he'll probably tell you a little more about the logistics.

MR. GOLDTHWAIT: Many, many of our food aid programs rely on open public tenders that are held by the Farm Service Agency out of their Kansas City office, so --

SECRETARY GLICKMAN: That's part of USDA's operation.

MR. GOLDTHWAIT: So they will simply issue a tender, and they will specify the qualities of wheat that they are seeking. And those that own the wheat will bid to fill the tender.

Q Is it your expectation what type of wheat that's going to be? Do you have any idea?

MR. GOLDTHWAIT: I suspect that it will be a variety of classes of wheat, depending on the needs of the needy countries that are targeted. There will be some soft wheat, undoubtedly, involved, but there could also be hard wheats.

Q Will it be big farmers or small farms where it will come from?

MR. GOLDTHWAIT: The wheat will not be purchased directly from farmers, but be purchased from the grain elevators and the companies that are the conduits to the farmers.

Q Do you have a date set yet for the first tender?

MR. GOLDTHWAIT: We don't have a date for the first tender, but we think the tendering could begin within a week to 10 days' time.

Q And then how long would it take? How long to move out this 2.5 million tons?

MR. GOLDTHWAIT: The initial shipments could come as soon as 60 days from now. They will continue for some time, but might be completed in three to four months.

SECRETARY GLICKMAN: We want to move this as quickly as possible.

Q Mr. Atwood said that there was a need in the country of Indonesia alone for 4 million tons of grain per year, but you've said you've just announced a program that's going to release 2.5 million tons to five countries. Couldn't you make the argument that this is just a minuscule effort to help the farmers and a minuscule effort to help needy countries?

SECRETARY GLICKMAN: Well, I'll let Mr. Atwood talk more about Indonesia, but first start by talking about that 2.5 million tons is a lot of grain logistically to move in humanitarian circles around the world. You have port facilities, You have shipping, You have countries that often don't have infrastructure to deal with it. As I said, I'd like to increase this amount if we can, but this is the first tranche.

The second thing is that we have said that we're not going to interfere with normal, viable, commercial sales. So some of these countries may be in a position to purchase part of their needs commercially. And we have several programs in the U.S. using normal credit type of operations to do that. Remember, this is just humanitarian assistance. But again, if we find the need continues to be as great as we think it is, and we have the surpluses available of either wheat or other commodities, we will use them.

MR. ATWOOD: Exactly the point, that in a normal year, when Indonesia's economy is functioning appropriately, with -- they've been experiencing a lot of growth in recent years, they purchase about 4 million metric tons outside. They're going to have a serious shortfall. They won't be able to purchase that.

And as I mentioned before, 95 million people living in extreme poverty will not be able to buy that commercial wheat or farm products of various types -- rice is another major commodity there. So we're talking about their inability to purchase that amount of food. And we've got to figure out what that shortfall is and help them, along with other countries, obviously.

Q Given the fact that the North Korea food shortage is still very acute, is it likely that North Korea will get a sizable donation from this program?

MR. ATWOOD: We really have not made a determination on that yet. As I mentioned before, there are nine countries that are on the list for consideration to receive wheat from this 2.5 million metric tons. And we're looking very seriously at North Korea and a number of countries.

Q Are there more than those countries --

MR. ATWOOD: Yes, they are.

Q Just as a follow up to that, can you explain a little bit about the criteria in which you used to select those countries and whether or not there was any concern about North Korea's nuclear proliferation policy -- if any of the politics of

that particular country came into play or if that did not?

MR. ATWOOD: It did not. We looked very, very seriously at the humanitarian crisis in these countries. Obviously, we have a lot of interest in all of these countries, and North Korea is not a country with which we have very close international relations.

But, nonetheless, we looked at the humanitarian need. We look at the degree of starvation in these countries. In the case of North Korea, we've responded mainly because their agricultural system has virtually collapsed. They are, however, on the verge of a new harvest, and so we have to really analyze what the need will be. So we haven't made a determination yet

with respect to North Korea.

Q Mr. Secretary, you've been around the country more than some of us in Washington and you're going next week to Carolina to look at the situation. How bad is it out there? We heard about the different areas, but how bad is it really?

SECRETARY GLICKMAN: Some parts are very bad. Obviously, the Dakotas gets the most attention because of the extreme nature of the variety of crop disaster problems, from cold to wet, to test to drought. And that's also in western Minnesota. But we're seeing some of the most extraordinary hot

-dry conditions in a generation in west Texas and in the Southwest. And then I'm going down to the Southeast to take a look at the conditions in South Carolina. But I've talked with Commissioner Irvine of Georgia, and I was in Florida myself outside of Daytona Beach.

On the other hand, there are parts of this country that the weather is exceptionally good. My own state of Kansas, by and large, has had very good weather, had some of the highest wheat yields in history. So far, except for perhaps too much rain, the Central Midwest has been pretty good. But as often happens, disaster is rather ad hoc, and it has hit people in rather unusual and extreme ways. And as opposed to previous years -- this is important to recognize -- up until 1994, Congress would generally respond to crop disasters annually through what was called Ad Hoc Disaster Assistance. A lot of people began to rely on those ad hoc payments as a disaster would come up.

In the mid-'90s, we replaced that program -- '94 -- with a crop insurance, an all

-risk crop insurance program that, quite frankly, is not working as well as I would like to see it work. Like a lot of insurance, it tends to work well if you never have a claim. But if you have a claim or repeated claims, it tends to work to your prejudice, particularly if you don't have production history.

We're working on this ourselves, internally, but one of the other things the President instructed me -- if you read his letter to Senator Daschle -- he instructed me to augment our ways to improve the operation of the crop insurance program to make sure it worked satisfactorily in an all

-risk type capacity.

And what we have particularly seen in the areas like the Dakotas and the Texas High Plains is repeated disasters, and where repeated disasters occur, that tends to reduce payment rates under the current crop insurance program.

Q In Texas, as you know, Governor Bush yesterday, I think, announced he wants to declare the whole state a disaster

area in order to partake in various agriculture programs. Will this speed your processes along, or how will that affect --

SECRETARY GLICKMAN: Well, we get these disaster requests county by county. Texas has an awful lot of counties.

And it may help if it's done on a larger area. I can't -- this money that we're talking about that's in a Senate bill, obviously, will help. As you understand, most disaster declarations do not trigger anything except low interest loans and related things. They don't trigger in the old ad hoc disaster assistance. They do trigger in both some USDA and SBA authorities.

But maybe doing it statewide might accelerate the process. I have instructed our folks to move these disaster applications as quickly as possible. I mean, I don't want any delays to take place. But a lot of folks are finding it rather depressing to note that other than crop insurance, there really is no disaster program out there that is statutorily authorized anymore, and that crop insurance under law must be run in an actuarially sound way. So we basically have to run the crop insurance program as if we were running, in a sense, a commercial insurance program -- with some exceptions.

And I think that's where a lot of farmers are finding it unsuitable, certainly compared to what we had in decades passed. And that is one of the things the President has asked me to look at, is what changes can we make in the crop insurance program to make it more suitable.

Q Secretary Glickman, do you expect to go beyond grains into beef or --

SECRETARY GLICKMAN: Well, we will see what the country's needs are. There's been some discussion that wheat flour may be used in some areas. We have the authority to purchase what, Chris --

MR. GOLDTHWAIT: Any commodity in surplus, but we would focus on the tradition food aid commodities.

SECRETARY GLICKMAN: Any commodities in surplus -- as he said, we focus on traditional food aid commodities because they are obviously there, easier logistically to move, to transport, the infrastructure is there. I do know that flour has been one of the items that we have heard that some folks may find that they need.

Q Also, you were around during the last farm crisis in the '80s. How do you compare what's happening today with what was going on then?

SECRETARY GLICKMAN: Well, I've been around about

three of them, actually. I was there in the '70s, and I would say that we've had -- one of the things we've had is we've had two fairly good years in agriculture in '96 and '97, So we have not had the dramatic reduction on land values. And by and large, the credit situation today is better than it was back in the 1980s. But saying that, you've had a precipitous fall in prices, a very rapid fall in grain prices, and you do not have a loan program, the commodity loan program acting as any kind of a floor on price today as it once did.

So I think it creates a potential vulnerability out there which could be as great as the previous crises. As of to date, it is particularly bad if you live in areas that have been hit by a disaster, however. That is why it is so imperative that Congress pass the disaster assistance -- the indemnity assistance that Senator Conrad and others have pushed in the Senate bill. That is something that must be done to save thousands of family farmers in the very short

-term.

And I think the action the President is taking today will provide some longer

-term bullishness and stability to the market price. But we have a lot more to do, to sit down and, hopefully, in a bipartisan effort -- work together with Congress

to find creative, positive ways to strengthen the basic farm economy that's out there, both from a trade and export situation as well as from a domestic price situation.

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And as I've said many times before, as the President said when he signed the 1996 Farm Bill, he said there are some very good things in this Farm Bill -- the planting flexibility provisions, the rural development provisions. But it did not provide much of a safety net when prices went way down. And ironically, a lot of money was paid out at a time when prices were high.

And so I think the President's words are coming back to be quite prescient, and we're just going to do what we can to work together with the Congress to see if there are some structural things we can do with this farm bill to ease the situation over the long

-term. But these steps we're talking about will do quite a bit of good over the short

-term.

Q The NAACP recently met with Mr. Gore and said that black farmers were suffering disproportionately more from the crisis. Does this initiative in any way address that?

SECRETARY GLICKMAN: Not directly. But what it will do is, of course, a lot of minority farmers have been hit by disasters in the same way that non

-minority farmers have been

hit. I was down there, I addressed the NAACP, myself, during that meeting. And, of course, we've seen a larger, percentage

-wise, loss of minority farmers than non

-minority

farmers. But I would say that all farmers, all family

-sized

farmers had great difficulty over the last 20 or 30 years, particularly in coping with volatile prices and crop disasters. And that's one of the reasons, particularly for smaller and more vulnerable farmers, that we have a crop insurance and a risk management system that's suitable for them.

Q Just to follow up, I think both the House Ag appropriations bill and the Senate appropriations bill increase the window of time of the statute of limitations so that people who feel that they have been discriminated against or wrote letters, what have you, can pursue a case in your civil rights office.

SECRETARY GLICKMAN: Correct.

Q And when you spoke, though, at the meeting in Atlanta, were you not saying that that gives everyone a chance, who feels that they have a complaint, but they need to have some proof before they can receive any sort of settlement?

MR. GLICKMAN: During the 1980s, the Reagan administration disbanded its Civil Rights Enforcement Office. And for many years, claims, complaints were lost in the bowels of the Department of Agriculture and elsewhere. And the Justice Department has determined that there is a two

-year statute of

limitations that applies under the statute, which allows the government to provide affirmative cash recovery for people who've been discriminated against. And that is not waivable.

So the administration has strongly supported an effort to give people an additional two years to file their cases

-- that's basically waiving the statute of limitations. It is in both the Senate and the House appropriations bill. And because of that, my believe is it will be in law. However, that is not an automatic determination of liability. People who file will still have to document their cases. And there will be a process by which they will either be accepted or rejected, as we have done previously.

Thank you.

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8:45 A.M. CDT

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robin J. Bachman (CN=Robin J. Bachman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:20-JUL-1998 11:42:59.00

SUBJECT: Accomplishments from Dave Leavy

TO: Rajiv Y. Mody (CN=Rajiv Y. Mody/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP @ EOP [WHO])

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

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TEXT:

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second term accomps, slightly dated

----- Forwarded by Robin J. Bachman/WHO/EOP on 07/17/98

11:23 AM-----

Wendy E. Gray

07/17/98 11:18:29 AM

Record Type: Record

To: Robin J. Bachman/WHO/EOP

cc: David C. Leavy/NSC/EOP

Subject: Accomplishments from Dave Leavy

I've attached the accomplishments in three forms: Word document (Accom3-1.doc), Text only (Accom3.txt) and as a WordPerfect for Windows.doc (Accom3.doc). Not sure what form works best for you. Also if needed, it follows in straight text

Part I. Foreign Policy Accomplishments/Second Term Agenda Items

I. BUILDING A PEACEFUL, UNDIVIDED, DEMOCRATIC EUROPE:

- ú Madrid Summit/Culmination of NATO Enlargement Process.
- ú Negotiated and Signed of NATO-Russia Founding Act/NATO-Ukraine/Paris Club.
- ú Re-energized Dayton Process.

Future Agenda Items:

- ú Push for Senate Ratification of NATO enlargement.
- ú Support full implementation of Dayton/Bosnian peace.
- ú Improve bilateral ties between Greek & Turkey and move Cyprus peace process forward.
- ú Continue promoting Russian democracy, Western integration and arms control agenda (START II, III).

II. FORGING STABLE ASIA PACIFIC COMMUNITY:

- ú Re-established consensus on engagement policy with China/Successful Jiang visit
- ú House Passage of MFN.
- ú Increased Burma Sanctions.
- ú Launched four party peace talks on Korea

Future Agenda Items:

- ú Continue to strengthen bipartisan consensus on engagement with China/visit to China +98.
- ú Pursue four party peace talks in Korea; implement agreement to dismantle frozen nuclear reactor.

III. REMAINING LEADING FORCE FOR PEACE and PROSPERITY:

- ú Continuing efforts with Middle East leaders to keep peace process on track
- ú Israeli Troop Withdrawal From Hebron.
- ú Two Successful Latin American Trips.
- ú Support for peace negotiations in Northern Ireland.

Future Agenda Items:

- ú Pursue comprehensive Middle East Peace Process
- ú Continue to support Haiti's transition to democracy.
- ú Pursue settlement in Northern Ireland
- ú Pursue reduction of tensions in Aegean.

IV. MEETING NEW SECURITY THREATS:

- ú Senate Ratification of CWC.
- ú Hosted Successful Summit of the Eight in Denver, with emphasis on drugs, crime, terrorism.
- ú Senate Ratification of Mexico Drug Certification.
- ú Successful law enforcement cooperation on Kansi Arrest.
- ú Working to eliminate Iraq's WMD program

Future Agenda Items:

- ú Seek Senate Ratification of CTBT.
- ú Strengthen BWC

V. BUILDING OPEN TRADING SYSTEM:

- ú Negotiated of Information Technology Agreement and Telecommunications Agreement
- ú Launched African Trade Initiative
- ú Secured support for new market opening initiatives at APEC.
- ú APEC endorsement of global agreement for free trade in 9 sectors.

Future Agenda Items

- ú Seek Congressional passage of fast track authority.

ú Continue work toward FTA in Latin America at Santiago/sectoral agreements.

VI. KEEPING MILITARY STRONG AND DIPLOMACY FULLY FUNDED:

- ú Full funding of 150 account in Balanced Budget Agreement.
- ú Ordered Reorganization of US Foreign Policy Agencies.
- ú UN Arrears Package.

Future Agenda Items:

- ú Secure U.N. arrears legislation and encourage UN reform.
- ú Continue reorganization of foreign affairs agencies.

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

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The following is a HEX DUMP:

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

===== ATTACHMENT 2 =====

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

TEXT:

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- * Israeli Troop Withdrawal From Hebron.
- * Two Successful Latin American Trips.
- * Support for peace negotiations in Northern Ireland.

Future Agenda Items:

- * Pursue comprehensive Middle East Peace Process
- * Continue to support Haiti's transition to democracy.
- * Pursue settlement in Northern Ireland
- * Pursue reduction of tensions in Aegean.

IV. MEETING NEW SECURITY THREATS:

- * Senate Ratification of CWC.
- * Hosted Successful Summit of the Eight in Denver, with emphasis on drugs, crime, terrorism.
- * Senate Ratification of Mexico Drug Certification.
- * Successful law enforcement cooperation on Kansi Arrest.
- * Working to eliminate Iraq's WMD program

Future Agenda Items:

- * Seek Senate Ratification of CTBT.
- * Strengthen BWC

V. BUILDING OPEN TRADING SYSTEM:

- * Negotiated of Information Technology Agreement and Telecommunications Agreement
- * Launched African Trade Initiative
- * Secured support for new market opening initiatives at APEC.
- * APEC endorsement of global agreement for free trade in 9 sectors.

Future Agenda Items

- * Seek Congressional passage of fast track authority.
- * Continue work toward FTA in Latin America at Santiago/sectoral agreements.

VI. KEEPING MILITARY STRONG AND DIPLOMACY FULLY FUNDED:

- * Full funding of 150 account in Balanced Budget Agreement.
- * Ordered Reorganization of US Foreign Policy Agencies.
- * UN Arrears Package.

Future Agenda Items:

- * Secure U.N. arrears legislation and encourage UN reform.
- * Continue reorganization of foreign affairs agencies.

5

3

===== END ATTACHMENT 2 =====

===== ATTACHMENT 3 =====

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

TEXT:

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The following is a HEX DUMP:

===== END ATTACHMENT 3 =====

Part I. Foreign Policy Accomplishments/Second Term Agenda Items

I. BUILDING A PEACEFUL, UNDIVIDED, DEMOCRATIC EUROPE:

- Madrid Summit/Culmination of NATO Enlargement Process.
- Negotiated and Signed of NATO-Russia Founding Act/NATO-Ukraine/Paris Club.
- Re-energized Dayton Process.

Future Agenda Items:

- Push for Senate Ratification of NATO enlargement.
- Support full implementation of Dayton/Bosnian peace.
- Improve bilateral ties between Greek & Turkey and move Cyprus peace process forward.
- Continue promoting Russian democracy, Western integration and arms control agenda (START II, III).

II. FORGING STABLE ASIA PACIFIC COMMUNITY:

- Re-established consensus on engagement policy with China/Successful Jiang visit
- House Passage of MFN.
- Increased Burma Sanctions.
- Launched four party peace talks on Korea

Future Agenda Items:

- Continue to strengthen bipartisan consensus on ~~engagement~~ engagement with China/visit to China '98. ~~and draw~~
- Pursue four party peace talks in Korea; implement agreement to dismantle frozen nuclear reactor.

III. REMAINING LEADING FORCE FOR PEACE and PROSPERITY:

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Strengthen BWC

Automated Records Management System

Hex-Dump Conversion

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TO: todd stern (CN=todd stern/OU=who/O=eop@eop [WHO])
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TO: weinstein_d@a1 (weinstein_d@a1 @ cd @ lngtwy [UNKNOWN])
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TO: e. holly fitter (CN=e. holly fitter/OU=omb/O=eop@eop [OMB])
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TO: constance j. bowers (CN=constance j. bowers/OU=omb/O=eop@eop [OMB])
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TO: jeffrey a. weinberg (CN=jeffrey a. weinberg/OU=omb/O=eop@eop [OMB])
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TO: holstein_e@a1 (holstein_e@a1 @ cd @ lngtwy [UNKNOWN])
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TO: james j. jukes (CN=james j. jukes/OU=omb/O=eop@eop [OMB])
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TO: elisa millsap (CN=elisa millsap/OU=who/O=eop@eop [WHO])
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TO: alicia k. kolaian (CN=alicia k. kolaian/OU=omb/O=eop@eop [OMB])
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TO: susanne d. lind (CN=susanne d. lind/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TO: richard p. emery jr. (CN=richard p. emery jr./OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TO: barry t. clendenin (CN=barry t. clendenin/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TO: kathleen peroff (CN=kathleen peroff/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TO: janet l. graves (CN=janet l. graves/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TO: william a. halter (CN=william a. halter/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TO: joshua gotbaum (CN=joshua gotbaum/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TO: robert g. damus (CN=robert g. damus/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TO: jacob j. lew (CN=jacob j. lew/OU=omb/O=eop@eop [OMB])
READ:UNKNOWN

TEXT:

TO: ACTING DIRECTOR JACK LEW
COUNSELOR TO THE DIRECTOR SYLVIA MATHEWS
ACTING DEP. DIRECTOR FOR MANAGEMENT ED
DESEVE
EXECUTIVE ASSOCIATE DIRECTOR JOSH GOTBAUM

FROM: OMB LEGISLATIVE AFFAIRS

DATE: JULY 21, 1998

SUBJECT: LEGISLATIVE REPORT

Social Security: The Senate Finance Committee will hold a hearing tomorrow on Social Security and related retirement security issues. Treasury Secretary Rubin, Deputy Secretary of Treasury Summers, and SSA Commissioner Kenneth Apfel are scheduled to testify.

Fast Track: Language to give the President fast-track authority was included in a wide-ranging trade bill that was approved today (18-2) by the Senate Finance Committee. Committee Chairman Roth is attempting to increase the odds of fast-track passage by rolling it into an omnibus trade bill. Senators Carol Moseley-Braun and Kent Conrad voted against the bill, with Moseley-Braun referring to the renewal of fast-track authority as a "poison pill" that outweighed her support for an Africa trade bill.

Senator Lott has indicated that the bill could be considered in September, but said that President Clinton needs to "put a little capital in this and do a little work" to push fast-track through the House. While Speaker Gingrich intends to consider fast-track legislation this fall, he would prefer the Senate to act first.

CONGRESS -- TODAY (7/21):

SENATE:

Passed (90-9) H.R. 4112 - Legislative Branch FY99 Appropriations Bill.
Cloture was invoked (83-16) on the bill, effectively warding off unrelated amendments including the Ashcroft/Brownback marriage penalty amendment.
The Republican leadership supports the elimination of the tax, but are looking to do it on vehicles other than appropriations bills.

[No SAP]

Considered S. 2260 - Commerce/Justice/State FY99 Appropriations

[SAP sent 7/20: strong concerns]

The following action occurred on S. 2260:

- o Adopted (72-28) Craig amendment to require gun dealers to make safety features & available for purchase
- o Tabled (61-39) Boxer amendment to require child safety locks on guns
- o Adopted (69-31) Smith amendment to prohibit the FBI from establishing taxes or fees for the cost of gun purchase background checks
- o Adopted (voice) McCain amendment to roll back rates that satellite television carriers pay for programming.
- o Adopted (voice) McCain amendment directing the FCC to study systems for filtering or blocking matter on the Internet.
- o Adopted (voice) Coats amendment to make it a federal crime to transfer harmful material to minors over the Internet.

HOUSE:

Began consideration of H.R. 4193 - Interior FY99 Appropriations. Rule passed 224-191.

[SAP sent 7/21: senior advisors recommend veto]

The following action occurred on H.R. 4193:

- o Adopted (253-173) Johnson amendment to restore full funding to NEA (after Aderholt point of order which struck the NEA funding for lack of authorization)
- o Failed (203-221) McGovern amendment to increase the State side program of the LWCF by \$30 M
- o Adopted (241-185) Sanders amendment to increase funding for BLM PILT by \$20 M
- o Failed (212-213) Skaggs amendment to increase funding for energy conservation by \$40 M
- o Adopted (voice) Miller amendment to increase National Park Service funding for the Urban Park and Recreation Fund
- o Adopted (voice) Sanford amendment to make technical corrections to the & Coastal Barrier Resources System 8 maps

Began debate on H.R. 1689 - Securities Litigation Uniform Standards Act of 1997

[No SAP]

CONGRESS -TOMORROW (7/22):

SENATE:

The Senate will convene Wednesday at 9:30 am.

Resume consideration and attempt to complete action on S. 2260 -
Commerce/Justice/State FY99 Appropriations
[SAP sent 7/20: strong concerns]

HOUSE:

On Wednesday the House will meet at 10:00 am for legislative business.

May continue consideration of H.R. 4193 - Interior FY99 Appropriations
[SAP sent 7/21: senior advisors recommend veto]
H.J. Res. 121 - Disapproving the Extension of Nondiscriminatory Treatment
to the Products of the People's Republic of China
[SAP pending:oppose]

Continue consideration of H.R. 4194 - VA/HUD FY99 Appropriations
[Floor SAP sent 7/16: senior advisors recommend veto]

Complete action on H.R. 1689 - Securities Litigation Uniform Standards Act
of 1997
[No SAP]

CONGRESS -- THIS WEEK:

SENATE

Consideration of a managed care/HMO bill is possible late in the week,
however, it may be held until next week July 27th(The Democrats's version
is S. 1890 and the Republicans's version is S.2330).

S.2307- Transportation FY99 Appropriations
[SAP pending]

CONGRESS -- THIS WEEK:

HOUSE

Thursday, July 23 and Friday, July 24
On Thursday the House will meet at 10:00 am for legislative business. On
Friday the House will meet at 9:00 am for legislative business.

H.R. 1122 - Partial-Birth Abortion Ban Act of 1997 (consideration of the
President's veto)

H.R. ---- Commerce-Justice-State FY99 Appropriations (subject to a rule)
[SAP pending]

H.R. 4250 Patient Protection Act (subject to a rule)

CONGRESS - THIS MONTH

SENATE

Items that the Majority Leader has indicated are candidates for floor
action before the August recess include appropriations, managed care/HMOs,
and credit union legislation.

Also possible are the following:

S. 1250 - NASA authorization bill (possible)
[SAP pending: support if amended]

S. 1301 - Consumer Bankruptcy Reform bill
[SAP under development]

S. 1482 - Obscene Material on the Web
[SAP pending: strongly oppose Senate passage]

S. 1619 - Blocking Children's Access to Unsuitable Material on the Internet
[SAP pending: support if amended]

S. 442 - Internet Taxes

H.R. 1151 - Credit Union Membership bill
[SAP pending: POTUS letter sent 7/14: support]

S. 474 - Internet gambling

H.R. 3717 - Clean Needles Bill
[House SAP sent 4/28/98; strongly oppose]

H.R. 2614 - Reading Excellence Act
[SAP under development; support Senate passage if amended]

H.R. 2610 - National Narcotics Leadership Act of 1997 (ONDCP reauthorization)
[SAP sent 11/8/97: no objection but will seek amendments]

S. 2228 - Advisory Committee Termination and Streamlining Act of 1998
[SAP pending: support Senate passage]

S. 625 - Auto Choice insurance regulation

ARMS Email System

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JUL-1998 17:57:38.00

SUBJECT: resend: correction: 1st para, facing farmers

TO: Constance M. Miltenberger (CN=Constance M. Miltenberger/OU=OA/O=EOP @ EOP [OA])
READ:UNKNOWN

TO: Alberto O. Feraren (CN=Alberto O. Feraren/OU=OA/O=EOP @ EOP [OA])
READ:UNKNOWN

TO: Debra R. Dunson (CN=Debra R. Dunson/OU=OA/O=EOP @ EOP [OA])
READ:UNKNOWN

TO: Jack S. Fox (CN=Jack S. Fox/OU=OA/O=EOP @ EOP [OA])
READ:UNKNOWN

TO: Thomas B. Samburg (CN=Thomas B. Samburg/OU=OA/O=EOP @ EOP [OA])
READ:UNKNOWN

CC: Joseph C. Fanaroff (CN=Joseph C. Fanaroff/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Please replace the existing version on the web with this one. Thank you!

----- Forwarded by Nanda Chitre/WHO/EOP on 07/22/98 05:56

PM -----

SUNTUM M @ A1

07/22/98 05:48:00 PM

Record Type: Record

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

cc:

Subject: resend: correction: 1st para, facing farmers

THE WHITE HOUSE

Office of the Press Secretary
(Little Rock, Arkansas)

For Immediate Release

July 18, 1998

PRESS BRIEFING BY

SECRETARY OF AGRICULTURE DAN GLICKMAN
AND ADMINISTRATOR OF AID BRIAN ATWOOD

Washington, D.C.

8:05 A.M. CDT

MS. WEISS TOBE: Good morning. The President in his radio address this morning will make several important announcements about problems facing farmers in many parts of this country. Secretary of Agriculture Dan Glickman and Brian Atwood, Administrator for the Agency for International Development, are here to brief you on these announcements and answer any question you may have.

As you know, the radio address is embargoed until 10:06 a.m. and it will be piped into the briefing room.

SECRETARY GLICKMAN: Good morning, everybody. Following my few remarks I'm going to ask Brian Atwood, the Administrator of AID, to make some remarks. And we also have with us today Chris Goldthwait, who is the General Manager of the Commodity Credit Corporation, and Under Secretary of Agriculture Gus Schumacher, as well.

Let me just say that the President is actively engaged in the whole farm crisis issue and is taking executive action to strengthen the crisis afflicting certain parts of the farm economy. And he understands that while the general economy is good, and, in fact, it's the strongest in over 30 years, there are portions of the economy, particularly the farm economy, that are troubled right now. And in that context, when the President signed the 1996 Farm Bill he specifically stated that it did not provide an adequate safety net, particularly when times were bad and when prices began to decline. And this administration continues to advocate a comprehensive approach to helping farmers through this crisis. And this initiative that we're talking today is one part of that plan to try to help the farm situation.

The President's new program which he will be announcing today is a bold initiative to respond directly to one of the primary weaknesses in the farm economy, which is large surpluses, price depressing surpluses, which largely are as the result of weaker exports and an international economy which is not as strong as we would like.

Starting next week, USDA will begin buying wheat that then will be used for foreign food donations, opening new export channels for American farmers. This will be done under the authority that I have under the CCC, or the Commodity Credit Corporation, Charter Act, and it will not require any additional appropriations nor congressional action.

We estimate, combined with USDA as well as AID, that about 2.5 million tons of wheat, a little more than 82.5 million bushels of wheat are worth approximately \$250 million will be used. However, USDA figures on the current wheat surplus, when measured as the stocks-to-use ratio for this year compared to the last 10 years -- that tells you how much wheat we actually have compared to what we will use -- suggests that substantially more than 2.5 million tons might eventually be used. But the first tranche, the first goal, is 2.5 million tons. If other

commodities begin to show similar surpluses, the program will be used for those surpluses as well.

The price effects on this action may vary, but our analysis of historic trends suggest moving about 2.5 million tons, or 82.5 million bushels, of wheat from the market would boost the price of wheat somewhere between 10 and 13 cents a bushel and would probably have some impact on the price of corn as well.

We intend to stage the purchases strategically to sustain and to maximize the price effect, and we intend to begin this process immediately, next week. The first five recipient countries -- and Brian Atwood will talk about that -- will include Ethiopia, Eritrea, Indonesia, North Korea, and Sudan -- countries that currently cannot make commercial purchases from the U.S. And I want to repeat, these purchases are being made for those countries that cannot purchase wheat commercially from the United States. As further assessments are included, other countries may also be included.

Today's announcement is a first step, but the President strongly believes that we must do more to deal with this farm safety net. As you know, the President has strongly endorsed the language offered by Senator Conrad in the Senate which would add approximately \$5 million for disaster related emergency spending, building on crop insurance and other programs that we have. And I'm pleased to note that the Speaker yesterday indicated positive words for this particular announcement. We are also looking at other things in terms of crop insurance, in terms of our own programs to deal with a variety of problems.

I also point out that last year we recommended that deficiency payments, or actually market transition payments, that farmers would get be advanced, and we also recommended that on April 4 of this year that they be advanced. We're pleased that the Speaker has announced that he would move legislation to advance those payments. I would point out that is no new money, however. That is money that was going to be paid out anyway in December and January of this year, and what the Speaker has proposed, which we support, is that farmers will be given the option of moving that up about 45 days, until after the end of

September, so into this next fiscal year anyway. And that may be helpful for some farmers at their option. But that is not a fundamental answer to the problem of getting price up and dealing with the disasters that farmers have to face today.

So we welcome those steps, the steps that we're talking about today. We'll begin to have much more profound effect on the farm economy and we'll also bridge the gap where the surpluses can go to help hungry people, needy people around the world as well.

So I would like to call on my colleague, Brian Atwood, the Administrator of AID, for his comments in this regard.

MR. ATWOOD: Thank you, Mr. Secretary.

Let me just say that for those of us in the humanitarian relief and emergency food business, this has been one of the worst years on record. We've had the El Nino drought; we've had a larger number of conflicts than usual; we've had the Asian financial crisis that has caused, in the case of Indonesia, the economy to virtually collapse. And as we reach the end of the fiscal year here, most of our Title II resources that we use for emergency food have been depleted.

So we have a confluence of factors here that I think are very favorable from our part of view in order to respond to the world's needy. We have here a food surplus that is driving food commodity prices down, and overseas, we have serious starvation and famine and a real need for the food that the American farmers can produce.

Let me just give you some examples. In his radio address, the President will refer to Indonesia and Sudan in particular. In Indonesia, we have a country of about 200 million people; by the end of this year we will see approximately 95 million people fall into extreme poverty. That means they'll be making less than a dollar a day, they will be unemployed, they will not be able to purchase food.

Indonesia has a requirement for food purchases outside its own country of 4 million metric tons, so they're not able to purchase that food, and so they have a very dire need for the kind of food that the Secretary has been discussing.

In Sudan, we have 1.2 million people that are currently at serious risk of dying. We have -- you've already seen television photographs of people dying in the Bahr al Ghazala area of Sudan right now. We have a serious problem of getting food to them. We, however, now, have coincidence of a cease-fire that has been called by both sides in the war in Sudan. So we have an opportunity now to get food into that region and the rest of Sudan. There are nine other countries,

mostly in Africa, that have very serious shortages of food, and this food and, perhaps even more that might be forthcoming later, will be of real use to the people that are suffering from famine and the like.

So this is, again, a very good confluence of interest here. We can both help the American farmer and in the tradition of the United States, provide humanitarian relief to the needy and the developing world. Thank you.

SECRETARY GLICKMAN: Open up for any questions that anybody has.

Q Mr. Secretary, under what program, CCC program, will this all fall under?

MR. SECRETARY: Well, it operates under the CCC Charter Act, which was enacted in 1948, and it gives the CCC broad authority to engage in the buying and selling and transporting of farm commodities and products relating to farm commodities and related facilities. It's very broad authority. And we have very great flexible authority in order to operate under that act. And over the years it has been used to carry out a number of programs. In fact, the Export Enhancement Program and the Payment In Kind program were first authorized under the CCC Charter Act, and they were then separately authorized and appropriated as individual type programs. But we believe that the authorities are clearly there.

And what has happened to make this more realistic now is that in 1986 and 1987, the surpluses and the stocks-to-use ratios were in much different circumstances than they are right now. That is, in '86 and in '87, we were talking about very small stocks-to-use ratios and very low carry-overs. But we have had a combination of extensive production both at home and around the world -- dramatic enhancement of production. And then coupled with this continuing extraordinary hunger that continues to exist.

And one of the things that people constantly ask me about, both in farm country and other areas, is why can't you get this grain, these surpluses, to those hungry people. This is largely the statute to do it, and we do have a confluence now of large surpluses and the wherewithal to get it to hungry people. And working cooperatively with AID and the other agencies of government, the President just says, marry these two things; get this done as quickly as possible. It will help farm programs, it will help farm prices to some extent; but it will also, perhaps, resolve some international social problems.

Q I notice the President does not mention seeking authority from Congress for fast track this year, and he talks about IMF and so on. But can you explain why he's going to submit it?

SECRETARY GLICKMAN: The President strongly supports fast track, but the most pressing problem right now, short-term, is IMF funding assistance, because that will make the difference in the very short-term in terms of commodity sales overseas.

We want fast track authority to enter into trade agreements. I worked very hard on this in this room to try to get the votes before. And we obviously continue to want that. But from a priority perspective, from a more emergency perspective, the IMF assistance is number one on the list. And we just provided some assistance to Russia, as you know, out of the reserve fund. Not much money is left in that fund to deal with problems dealing with international and country-wide economic and currency problems.

So IMF is number one in terms of its significance to American farmers and American businesspeople in the very short-term. And I think the President recognizes that there are a certain number of things that Congress can probably end up doing this year before adjournment. And he has not backed away from his commitment from fast track, but he is, I think, more concerned about the emergency nature of getting IMF assistance finished right away.

Q How will you determine which farmers you'll buy the wheat from?

SECRETARY GLICKMAN: Chris Goldthwait is our CCC General Manager, he'll probably tell you a little more about the logistics.

MR. GOLDTHWAIT: Many, many of our food aid programs rely on open public tenders that are held by the Farm Service Agency out of their Kansas City office, so --

SECRETARY GLICKMAN: That's part of USDA's operation.

MR. GOLDTHWAIT: So they will simply issue a tender, and they will specify the qualities of wheat that they are seeking. And those that own the wheat will bid to fill the tender.

Q Is it your expectation what type of wheat that's going to be? Do you have any idea?

MR. GOLDTHWAIT: I suspect that it will be a variety of classes of wheat, depending on the needs of the needy countries that are targeted. There will be some soft wheat, undoubtedly, involved, but there could also be hard wheats.

Q Will it be big farmers or small farms where it will come from?

MR. GOLDTHWAIT: The wheat will not be purchased directly from farmers, but be purchased from the grain elevators and the companies that are the conduits to the farmers.

Q Do you have a date set yet for the first tender?

MR. GOLDTHWAIT: We don't have a date for the first tender, but we think the tendering could begin within a week to 10 days' time.

Q And then how long would it take? How long to move out this 2.5 million tons?

MR. GOLDTHWAIT: The initial shipments could come as soon as 60 days from now. They will continue for some time, but might be completed in three to four months.

SECRETARY GLICKMAN: We want to move this as quickly as possible.

Q Mr. Atwood said that there was a need in the country of Indonesia alone for 4 million tons of grain per year, but you've said you've just announced a program that's going to release 2.5 million tons to five countries. Couldn't you make the argument that this is just a minuscule effort to help the farmers and a minuscule effort to help needy countries?

SECRETARY GLICKMAN: Well, I'll let Mr. Atwood talk more about Indonesia, but first start by talking about that 2.5 million tons is a lot of grain logistically to move in humanitarian circles around the world. You have port facilities, You have shipping, You have countries that often don't have infrastructure to deal with it. As I said, I'd like to increase this amount if we can, but this is the first tranche.

The second thing is that we have said that we're not going to interfere with normal, viable, commercial sales. So some of these countries may be in a position to purchase part of their needs commercially. And we have several programs in the U.S. using normal credit type of operations to do that. Remember, this is just humanitarian assistance. But again, if we find the need continues to be as great as we think it is, and we have the surpluses available of either wheat or other commodities, we will use them.

MR. ATWOOD: Exactly the point, that in a normal year, when Indonesia's economy is functioning appropriately, with -- they've been experiencing a lot of growth in recent years, they purchase about 4 million metric tons outside. They're going to have a serious shortfall. They won't be able to purchase that.

And as I mentioned before, 95 million people living in extreme poverty will not be able to buy that commercial wheat or farm products of various types -- rice is another major commodity there. So we're talking about their inability to purchase that amount of food. And we've got to figure out what that shortfall is and help them, along with other countries, obviously.

Q Given the fact that the North Korea food shortage is still very acute, is it likely that North Korea will get a sizable donation from this program?

MR. ATWOOD: We really have not made a determination on that yet. As I mentioned before, there are nine countries that are on the list for consideration to receive wheat from this 2.5 million metric tons. And we're looking very seriously at North Korea and a number of countries.

Q Are there more than those countries --

MR. ATWOOD: Yes, they are.

Q Just as a follow up to that, can you explain a little bit about the criteria in which you used to select those countries and whether or not there was any concern about North Korea's nuclear proliferation policy -- if any of the politics of that particular country came into play or if that did not?

MR. ATWOOD: It did not. We looked very, very seriously at the humanitarian crisis in these countries. Obviously, we have a lot of interest in all of these countries, and North Korea is not a country with which we have very close international relations.

But, nonetheless, we looked at the humanitarian need. We look at the degree of starvation in these countries. In the case of North Korea, we've responded mainly because their agricultural system has virtually collapsed. They are, however, on the verge of a new harvest, and so we have to really analyze what the need will be. So we haven't made a determination yet with respect to North Korea.

Q Mr. Secretary, you've been around the country more than some of us in Washington and you're going next week to Carolina to look at the situation. How bad is it out there? We heard about the different areas, but how bad is it really?

SECRETARY GLICKMAN: Some parts are very bad. Obviously, the Dakotas gets the most attention because of the extreme nature of the variety of crop disaster problems, from cold to wet, to test to drought. And that's also in western Minnesota. But we're seeing some of the most extraordinary hot-dry conditions in a generation in west Texas and in the Southwest. And then I'm going down to the Southeast to take a

look at the conditions in South Carolina. But I've talked with Commissioner Irvine of Georgia, and I was in Florida myself outside of Daytona Beach.

On the other hand, there are parts of this country that the weather is exceptionally good. My own state of Kansas, by and large, has had very good weather, had some of the highest wheat yields in history. So far, except for perhaps too much rain, the Central Midwest has been pretty good. But as often happens, disaster is rather ad hoc, and it has hit people in rather unusual and extreme ways. And as opposed to previous years -- this is important to recognize -- up until 1994, Congress would generally respond to crop disasters annually through what was called Ad Hoc Disaster Assistance. A lot of people began to rely on those ad hoc payments as a disaster would come up.

In the mid-'90s, we replaced that program -- '94 -- with a crop insurance, an all-risk crop insurance program that, quite frankly, is not working as well as I would like to see it work. Like a lot of insurance, it tends to work well if you never have a claim. But if you have a claim or repeated claims, it tends to work to your prejudice, particularly if you don't have production history.

We're working on this ourselves, internally, but one of the other things the President instructed me -- if you read his letter to Senator Daschle -- he instructed me to augment our ways to improve the operation of the crop insurance program to make sure it worked satisfactorily in an all-risk type capacity.

And what we have particularly seen in the areas like the Dakotas and the Texas High Plains is repeated disasters, and where repeated disasters occur, that tends to reduce payment rates under the current crop insurance program.

Q In Texas, as you know, Governor Bush yesterday, I think, announced he wants to declare the whole state a disaster area in order to partake in various agriculture programs. Will this speed your processes along, or how will that affect --

SECRETARY GLICKMAN: Well, we get these disaster requests county by county. Texas has an awful lot of counties. And it may help if it's done on a larger area. I can't -- this money that we're talking about that's in a Senate bill, obviously, will help. As you understand, most disaster declarations do not trigger anything except low interest loans and related things. They don't trigger in the old ad hoc disaster assistance. They do trigger in both some USDA and SBA authorities.

But maybe doing it statewide might accelerate the process. I have instructed our folks to move these disaster applications as quickly as possible. I mean, I don't want any

delays to take place. But a lot of folks are finding it rather depressing to note that other than crop insurance, there really is no disaster program out there that is statutorily authorized anymore, and that crop insurance under law must be run in an actuarially sound way. So we basically have to run the crop insurance program as if we were running, in a sense, a commercial insurance program -- with some exceptions.

And I think that's where a lot of farmers are finding it unsuitable, certainly compared to what we had in decades passed. And that is one of the things the President has asked me to look at, is what changes can we make in the crop insurance program to make it more suitable.

Q Secretary Glickman, do you expect to go beyond grains into beef or --

SECRETARY GLICKMAN: Well, we will see what the country's needs are. There's been some discussion that wheat flour may be used in some areas. We have the authority to purchase what, Chris --

MR. GOLDTHWAIT: Any commodity in surplus, but we would focus on the tradition food aid commodities.

SECRETARY GLICKMAN: Any commodities in surplus -- as he said, we focus on traditional food aid commodities because they are obviously there, easier logistically to move, to transport, the infrastructure is there. I do know that flour has been one of the items that we have heard that some folks may find that they need.

Q Also, you were around during the last farm crisis in the '80s. How do you compare what's happening today with what was going on then?

SECRETARY GLICKMAN: Well, I've been around about three of them, actually. I was there in the '70s, and I would say that we've had -- one of the things we've had is we've had two fairly good years in agriculture in '96 and '97, So we have not had the dramatic reduction on land values. And by and large, the credit situation today is better than it was back in the 1980s. But saying that, you've had a precipitous fall in prices, a very rapid fall in grain prices, and you do not have a loan program, the commodity loan program acting as any kind of a floor on price today as it once did.

So I think it creates a potential vulnerability out there which could be as great as the previous crises. As of to date, it is particularly bad if you live in areas that have been hit by a disaster, however. That is why it is so imperative that Congress pass the disaster assistance -- the indemnity assistance that Senator Conrad and others have pushed in the Senate bill. That is something that must be done to save thousands of family

farmers in the very short-term.

And I think the action the President is taking today will provide some longer-term bullishness and stability to the market price. But we have a lot more to do, to sit down and, hopefully, in a bipartisan effort -- work together with Congress to find creative, positive ways to strengthen the basic farm economy that's out there, both from a trade and export situation as well as from a domestic price situation.

And as I've said many times before, as the President said when he signed the 1996 Farm Bill, he said there are some very good things in this Farm Bill -- the planting flexibility provisions, the rural development provisions. But it did not provide much of a safety net when prices went way down. And ironically, a lot of money was paid out at a time when prices were high.

And so I think the President's words are coming back to be quite prescient, and we're just going to do what we can to work together with the Congress to see if there are some structural things we can do with this farm bill to ease the situation over the long-term. But these steps we're talking about will do quite a bit of good over the short-term.

Q The NAACP recently met with Mr. Gore and said that black farmers were suffering disproportionately more from the crisis. Does this initiative in any way address that?

SECRETARY GLICKMAN: Not directly. But what it will do is, of course, a lot of minority farmers have been hit by disasters in the same way that non-minority farmers have been hit. I was down there, I addressed the NAACP, myself, during that meeting. And, of course, we've seen a larger, percentage-wise, loss of minority farmers than non-minority farmers. But I would say that all farmers, all family-sized farmers had great difficulty over the last 20 or 30 years, particularly in coping with volatile prices and crop disasters. And that's one of the reasons, particularly for smaller and more vulnerable farmers, that we have a crop insurance and a risk management system that's suitable for them.

Q Just to follow up, I think both the House Ag appropriations bill and the Senate appropriations bill increase the window of time of the statute of limitations so that people who feel that they have been discriminated against or wrote letters, what have you, can pursue a case in your civil rights office.

SECRETARY GLICKMAN: Correct.

Q And when you spoke, though, at the meeting in

Atlanta, were you not saying that that gives everyone a chance, who feels that they have a complaint, but they need to have some proof before they can receive any sort of settlement?

MR. GLICKMAN: During the 1980s, the Reagan administration disbanded its Civil Rights Enforcement Office. And for many years, claims, complaints were lost in the bowels of the Department of Agriculture and elsewhere. And the Justice Department has determined that there is a two-year statute of limitations that applies under the statute, which allows the government to provide affirmative cash recovery for people who've been discriminated against. And that is not waivable.

So the administration has strongly supported an effort to give people an additional two years to file their cases -- that's basically waiving the statute of limitations. It is in both the Senate and the House appropriations bill. And because of that, my believe is it will be in law. However, that is not an automatic determination of liability. People who file will still have to document their cases. And there will be a process by which they will either be accepted or rejected, as we have done previously.

Thank you.

END

8:45 A.M. CDT

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THE WHITE HOUSE

REMARKS BY THE PRESIDENT
AT RURAL RADIO CONFERENCE CALL

The Oval Office

3:12 P.M. EDT

THE PRESIDENT: Hello. This is Agriculture Secretary Dan Glickman, and I want to start out by thanking all the folks out there in the country for joining us on this call, and welcoming everybody to the Oval Office.

Having the honor of being Secretary for more than three years now, I've had for the most of that time the pleasure of presiding over some of the strongest times in America's agricultural history. But today, there are pockets of farm country that are in real, extreme distress.

While parts of our country are blessed with near-perfect growing conditions, other regions of America are cursed with some of the worst weather in generations. And this abuse from Mother Nature comes right when a new farm bill erased many of the protections that farmers relied on in the past.

I don't think anyone wants to go back to the days of government telling farmers what and how much to plant or when they should get out of bed in the morning and go to sleep at night and all sorts of other things. But when President Clinton signed the 1996 Farm Bill, he made it clear that we as a nation need to build a sturdy farm safety net for the future. And that is the unfinished business of the 1996 Farm Bill.

Having recently spent time with farmers and ranchers in the Dakotas, in Georgia, in South Carolina and Florida, time with families who have lost their land, time with many more who are barely hanging on, I know just how important it is that Congress listen to President Clinton. We are very fortunate in this time of challenge to have as our President a man who is a son of rural America -- someone who has spent time during his boyhood summers working on his grandfather's farm in rural Arkansas. Someone who knows firsthand that agriculture is hard, risky work, and that government has a role to play in helping farmers and ranchers weather hard times.

Here to share his thoughts on building a strong, secure future for America's farmers and ranchers is our President, President

Bill Clinton.

THE PRESIDENT: Thank you very much, Secretary Glickman. And I want to thank you all for giving me a chance to speak to people in rural America.

Today, most of our fellow citizens are enjoying the dividends of the strongest American economy in a generation. We have the lowest unemployment rate in 28 years. We're about to have the first balanced budget and surplus in 29 years with the highest home ownership in American history. But with the economic crisis in Asia hurting our farm exports with crop prices squeezed by abundant world supplies and with farms devastated by floods and fires and droughts, communities in parts of the South and Great Plains are withering. In

Texas, almost three-quarters of the cotton crop is lost; and in North Dakota, retired auctioneers are being pressed into duty just to handle all the families who are being forced to sell their farms.

Secretary Glickman and I are joined in the Oval Office today by several young leaders of the FFA. They represent the future of American agriculture and they deserve a chance to have that future. As the former Governor of a state that depends heavily on farming, I know we must never turn our backs on farmers when Mother Nature or the world economy turns a callous eye.

Our farm communities feed our nation and much of the world. They also nourish the values on which our country was born, and which had led us now for over 220 years -- hard work, and faith, and family, devotion to community and to the land. We simply can't flourish if we let our rural roots shrivel and decline.

For five and half years, I've worked to expand opportunity for farm families, providing critical disaster assistance to ranchers who have lost livestock, purchasing surplus commodities for school lunches, working to diversify the sources of income in rural America, increasing our use of export credits by a third in the past year alone. But this year's farm crisis demands that we provide more help to farmers teetering on the edge.

Last Saturday, I directed Secretary Glickman to buy more than 80 million bushels of wheat to help lift prices for American farmers, while easing hunger in the developing world. Today, in addition to helping citizens in 11 southern states, beat by unrelenting heat, I'm announcing we will provide immediate disaster assistance for farmers throughout the state of Texas to help those whose crops and livestock have been ravaged by drought.

Next week, I'll send Secretary Glickman to Texas and Oklahoma to talk with drought-stricken farmers and assess what other help they require. Once again, I urge Congress: We must provide the \$500 million in emergency assistance, sponsored by Senators Conrad,

Dorgan, Daschle and Harkin, for farmers and ranchers throughout the country who have been afflicted not only by drought, but also by fires and floods and other disasters. They are our neighbors in need.

With these measures, we can help farmers weather the current crisis. But to strengthen rural America for the long run, we have to do more. First, we have to revive the rural economy with exports. Today, products from one of every three acres planted in America are sold abroad. We have to continue to open new foreign markets and enforce our existing trade agreements. We must give the International Monetary Fund the resources it needs to strengthen and reform the Asian economies so that they will have the money to buy our farm products.

Yesterday, unfortunately, the House of Representatives delayed this critical funding for the IMF. American farmers cannot afford to wait; they need help now. We should also be prepared to donate food generously to those around the world at risk of malnutrition or starvation. As a general principle, I believe commercial exports of food should not be used as a tool of foreign policy, except under the most compelling circumstances.

A week ago, I signed the Agricultural Export Relief Act, enabling U.S. farmers to sell 300,000 tons of wheat to Pakistan the next day. I urge Congress to provide me authority to waive sanctions on food when it is in the national interest, and to work with me to incorporate flexibility and sanctions policy more broadly.

Second, we simply have to strengthen the farm safety net. We should expand eligibility for direct and guaranteed loans, improved crop insurance, which is not working for a lot of farmers today, and extend marketing loans when crop prices are too low.

And we should give farmers more flexibility and planning when to receive federal income support claimants and in planting new crops when their primary crops fail. I proposed allowing our farmers to receive federal income support payments early last spring. There is now some support for it apparently in the Congress; I hope very much it will pass soon.

Third, we must improve the infrastructure in rural communities. We have to preserve universal service and defend the vital e-rate initiative so that all rural homes can count on affordable telephone rates and rural schools, libraries and health centers can tap into the promise of the Internet. We have to modernize rural schools and transportation systems, improve the quality of rural health with advanced telemedicine, cleaner drinking water and safer food.

These steps are in the best tradition of our nation. Whenever disaster strikes, Americans join together to help see their neighbors through. That's what happened in Florida when brave men and women from across the country help put out the state's fires, and

that's what we'll do throughout rural America to save our farmers from losing their homes and crops.

At this moment of broad prosperity for our nation, we are certainly able to, and we clearly must, help our neighbors on the farm throughout this current crisis so that we can strengthen our rural communities for the 21st century. Now, I'll be happy to take your questions.

SECRETARY GLICKMAN: Thank you, Mr. President. I get to be the role of moderator today, and our first questions come --

THE PRESIDENT: You sound kind of like a deejay.

SECRETARY GLICKMAN: That's right. You should hear me sing. But we won't do that here. Our first question comes from Shelley Beyer who is with the Brown Field Network out of Jefferson City, Missouri.

Shelley, are you on?

MS. BEYER: Yes, I am. Greetings, Mr. President and Mr. Secretary.

Mr. President, some of the measures that many lawmakers say would help low farm prices are not scheduled to come up in Congress until after the August recess if at all this session. I'm referring mainly to fast track authority. Of course, farmers and ranchers are experiencing low prices now. Would you support moving up discussion on fast track?

THE PRESIDENT: Well, Shelley, fast track wouldn't actually help the farmers right now. I would support voting on fast track whenever we think we can pass it. But, you know, we had a huge struggle to pass fast track earlier this year and we failed. I believe it will pass early next year. I don't believe that any votes have changed.

And keep in mind what fast track does. Fast track simply gives me the authority that previous Presidents have had to negotiate new trade agreements tearing down trade barriers to American products in other countries. By contrast, getting the funding for the International Monetary Fund will immediately create markets for American products.

Let me just give you an example. About 40 to 50 percent of our grains are exported. Forty percent of our export market is in Asia. If you take all the Asian countries except for Japan and China, our exports are down 30 percent because of their economic problems -- they're down 13 percent in Japan, they're down 6 percent in China.

Now, if we could get the International Monetary Fund funding, and those countries could get more money, then they'll immediately have more money to buy our food. So I think that the IMF funding will do more in the short run to boost American farm prices.

Now, over the next year, we've got to get the fast track authority so that we can continue to open more markets. We will also begin negotiations in the World Trade Organization to try to get every country that signed on to that to lower their agricultural tariffs and other barriers so that we can sell in more markets.

So I agree that we need to do fast track. I am determined to get other countries to lower their agricultural barriers, but all that takes time. And if I had the fast track authority tomorrow, it would still take time to open those markets and reach those agreements. We need to open the markets now. That's why the International Monetary Fund is more important, because it will flow cash into countries, they'll immediately have money when they can immediately start to buy more food.

SECRETARY GLICKMAN: Thank you very much, Shelley. Our second question is from Gary Wergen of WHO radio in Des Moines, Iowa. Gary, are you on?

MR. WERGEN: I certainly am, Mr. Secretary. And, yes, you do sing well. We have had experience with that.

Mr. President, I'd like to follow up on Shelley's comments a little bit. On the fast track issue, why haven't we been able to pull those Democratic votes? When you were giving the State of the Union address, you made an impassioned plea; you addressed one of the key issues, which was child labor, and Congress Boswell was convinced that you were adopting his language and that we'd be able to get those Democratic votes. Yet, Mr. McCurry is referring to this as political mischief at this point. Why haven't we been able to move this issue?

THE PRESIDENT: I believe that what happened was the members got dug in before they saw the final bill. And I also think that there were more Republicans voting against it than the Speaker thought. This was one issue where, notwithstanding our well-publicized conflicts, Speaker Gingrich and I worked hand in glove and we worked very, very hard.

But the truth is that, for reasons that I wasn't privy to, by the time the bill was actually brought up in the House, the people who were against fast track had been working against it so hard they'd gotten so many commitments, that when -- even though the bill, on its merits, I think, was very much deserving of passing and met a lot of the concerns for labor rights, for environmental concerns, and other things, we couldn't get the votes.

The only point I want to make is, to the best of my knowledge, we have not changed either 10 Democratic votes or 10

Republican votes from no to yes. If we don't have those votes, why would we kill the Africa trade bill, which is good for us, or the Caribbean trade bill, or even more important by far, the International Monetary Fund, by tying all this stuff together? Why not pass what we can pass now, get the immediate benefits and then work on passing fast track when the election is behind us?

I think it's clear that it will pass early next year, because it's manifestly in the national interest, and because, frankly, then a lot of the members of Congress who got committed against it early, will be forced to look at what the actual details of the bill say and will feel freer to vote for it.

SECRETARY GLICKMAN: Thank you, Gary.

Next we go to Arkansas, the President's home state. And third up is Stewart Doan of the Arkansas Radio Network, out of KARN in Little Rock. Stewart.

MR. DOAN: Thank you Mr. Secretary and good afternoon from Little Rock, Mr. President.

THE PRESIDENT: Hello, Stewart. What's the temperature down there?

MR. DOAN: Right about 100, sir. About the same as it was when you were out at Chenal.

THE PRESIDENT: I know -- it was over 100 both days I was out there.

MR. DOAN: Yes, sir. Good to visit with you and behalf of the National Association of Farm Broadcasters. We truly appreciate this opportunity to visit with you.

Senator Harkin, Senator Daschle, Congressman Gephardt, others, in describing the farm law of two years ago, dubbed "freedom to farm," have called it "freedom to fail," and have blamed it for much of the crisis that we find ourselves in today in American agriculture. Do you agree with that characterization that they have placed on this bill and would you support, as they are pushing, uncapping marketing loan rates -- in other words, increasing the guaranteed minimum price for grain, soy beans, and cotton?

THE PRESIDENT: Well, first of all, I think I would partly agree with what they say. I think that fundamental cause of the crisis today is a price crisis. It's a market crisis caused by a combination of things. You've got adequate -- and more than adequate -- world supplies. You've got a significant decline in the economic capacity of Asia to buy our food products. You've got a big drop in the currency values in other countries relative to the American dollar, which makes our food, relatively speaking, more expensive,

which makes it even harder. And that's a big problem. And then in America, you've also got a disaster crisis. You've got some places where they have no price and no crop. Usually when farmers have no crop, at least the no crop they have has a high price, because the supply has dried up. But now the worldwide supply is so big that they've got a double hit. So that's the fundamental problem.

When I signed the '96 Freedom to Farm bill, I pointed out that it had a lot of good provisions in it, but it didn't have a real safety net. Let's remember what the good provisions were. Number one, it got the government out of micromanaging planning decisions. Number two, it had terrific conservation provisions. Number three, it had good rural development provisions. And I had no choice but to sign it, because if I hadn't we would have been back on the '49 farm law, which would have been even worse for the farmers. But I said in '96, the crop prices are not going to be high forever and when they drop we're going to regret not having an adequate safety net. So the first thing we have to do is to develop an adequate safety net.

Now, let me just -- you asked about the proposals by Senator Harkin and others; let me just run through some of the things that I have proposed, and then I'll answer your question about their proposal. First of all, Senators Dorgan and Conrad have a \$500 million bill up there -- it's passed the Senate and I hope and believe will pass the House -- which would improve and expand crop insurance, it would compensate farmers whose crop and pasture land is flooded, it would provide emergency feed assistance to livestock producers who are suffering from drought, and allow us to use export enhancement funds that are left over in future years for food aid and other purposes. These things I think will be quite helpful.

Now, in addition to that, I've asked the Congress to help strengthen the safety net by extending the term of marketing assistance loans, by allowing flexibility for farmers to receive advanced AMTA payments. I asked for that last April. The Speaker and other House Republicans are saying in the last week or so they are open to that. That would have I think a lot of impact.

And I, finally, asked for a provision that would improve credit ability and modify the one-strike policy for farmers who have had a debt write-down, and I've also proposed to let USDA guaranteed operating loans be used to refinance. So if we were to do all these things, I think we'd strengthen the safety net.

Now, in principle, I think it's clear that the commodity loan cap is not working and it needs to be modified. The question is how should we modify it and how are we going to pay for it within the context of the balanced budget. But in principle, I don't think there's any question that what Senator Harkin and Congressman Gephardt and others say is right -- that the present cap is too low.

And there are some people who think this system is fine the way it works, but I don't. I think what it will do is inevitably

reduce the number of family farmers, even if it doesn't reduce the acreage being farmed. And I don't think that's a good thing for America. So I would like to see a system where farmers don't fail because of acts of God.

SECRETARY GLICKMAN: Mr. President, if I just may add just a couple quick things. Number one, in our proposals in the 1996 Farm Bill we did not propose capping commodity loans. We proposed keeping a formula where those loans would continue to float. So I do agree with you that we will continue to work on this to try to provide some responsible ways to deal with this issue so that we don't artificially keep farm prices too low.

But, in addition, we have proposed, as you stated, that we allow the extension of the loans for a period of time -- at least for six months -- to allow farmers some flexibility in marketing, so they don't have to just dump their grain on the marketplace when the nine-month period is over with, as is in current law.

And as you say, we have this terrible provision in the '96 Farm Bill which says if you've ever had a write-down or a restructuring of your farm loan you can never get another loan from Uncle Sam. No bank has that kind of policy. I mean, we believe in redemption in America, but the '96 Farm Bill created a situation where one strike and you're out forever. And I doubt if there are a lot of American entrepreneurs that would be successful if they had to live by that particular policy.

So there are a lot of things in that bill I think that we can try to improve, and working together I think we can get these things done.

Next we have Tony Purcell, with the Texas State Ag Network out of KRLD-Dallas. And I think this is the same Tony that used to be in Wichita, right? Is Tony there? Okay, if Tony is not there, then we move on to Mike Hurgert of the Red River Farm Network out of Grand Forks, North Dakota. Mike, are you there?

MR. HURGERT: Mike, are you there?

MR. HURGERT: Yes, sir. Thank you very much, Mr. Secretary, and good afternoon, Mr. President. I really don't know where to start. We have cut our wheat acreage this year in the Red River Valley 25 percent; for the sixth straight year, we have scab disease. Right now, we're wondering if there's a future for not only wheat production, but agriculture. What, in long-range terms, what can we expect in terms of fixing this crop insurance program?

THE PRESIDENT: Well, first of all, we've expanded the size of the program, which I thought was important; it was way too small in '93 when I took office. We've more than doubled it, and we've expanded farmers' choices by creating new varieties of crop

insurance. And we've introduced the concept of revenue insurance in a large majority of the grain-producing parts of the country.

But I still think there are some other things that have to be done. I think that even though we've improved the program by offering coverage on preventive planning since '93 and increasingly based the coverage on farmers' individual yields, it's just not working for most farmers. And what we're trying to do now is to look at all the ways we can help our farmers get through tough times that we can pass in the Congress.

Maybe Secretary Glickman would like to talk about this, but I must say, I've been waiting for someone to ask this question, because when I was home last weekend talking to the farmers, that's the only thing they said. They said, this crop insurance is a joke, it doesn't really help anybody. So maybe, Secretary Glickman, that's too blunt for me to say that our government's crop insurance program is a joke, but maybe you should talk a little more about some of the things we're looking at to improve it.

SECRETARY GLICKMAN: Well, first of all, I would say that they have a terrible problem with scab, which is a disease that affects wheat farmers in the Dakota-Minnesota area, and we're going to spend \$1.2 million this year and redouble our efforts to get rid of this horrendous disease which reduces yields dramatically, and this is one of the importance of ag research. Of course, you've signed the ag research bill and we've had some problems getting Congress to fully fund it, but this part of it would help.

On crop insurance, I'm reminded of the old story President Truman used to say once in a while, that the only good credit risk that a banker will lend money to is somebody who doesn't need the money. And when it comes to crop insurance, if you never have a crop problem or a failure, then you see to do better when maybe once ever six or seven or eight years, you have a problem.

What's happened is, so many of our farmers have repeated disasters -- they have a flood, then they have a freeze, then they have a pest, then they have other kinds of problems, and because of that, their yields go down and they end up finding their premiums paid are much greater than their benefits received.

The statute requires that crop insurance be actuarially sound, which means we have to run this almost like we were a private insurance company, even with the amount of government subsidy that's in the program. So you've instructed me to take this system and make it so that an act of God will not cause somebody go to out of business, to look at this system. And one of the things in the bill that Senators Conrad and Dorgan did was -- out of this \$500 million is to provide at least part of that supplemental crop insurance benefits which would make payments to farmers who have had losses sufficient to trigger regular crop insurance indemnity payments at three out of the last five years. That would probably benefit 45,000 to 50,000 farmers, and a lot of them would be in the Northern Plains

as well. But we clearly have a lot of work to do on this issue.

In the old days, we used to have ad hoc disaster assistance payments. But Congress did away with the crop insurance program and I agree with you. This is something that's perhaps my greatest challenge as Secretary to try to figure this one out.

THE PRESIDENT: Mike, Senator Dorgan and Senator Conrad were just here with us in the Oval Office just a few minutes ago and we were talking about this. I think the provision in their bill is going to pass -- I believe it will. But I would just say to any of our listeners there, if you have got any ideas about what we can do with this program, this insurance program, to make it fairer and more affordable and more functional, or how it could be modified in some ways, I would urge you to directly contact Secretary Glickman or write to us here at the White House. Because I am hearing from farmers all over the country that it's simply not working, and as Dan Glickman said, it's really not like buying car insurance or home insurance or something like that. It's almost like buying flood insurance in a 25-year flood plain where you just have no control over what's going to happen. But we have a national interest in seeing that land, which is highly productive, in North Dakota be planted.

So I think the whole concept behind the requirement that it be "actuarially sound" misperceives the facts there. And I don't believe the Congress meant to say we don't want anybody planting in North Dakota anymore because they've had foods and disease and pests and everything. I don't believe that was the intent of the act of Congress. So I think this is one where an honest error was made and we would like to correct it and if you've got any ideas, for goodness sakes, give them to us.

SECRETARY GLICKMAN: Next, we have from Murfreesboro, Tennessee, Bart Walker from WGNS. Bart, are you on?

MR. WALKER: Yes, we are. Thank you very much. Mr. President, our question deals with the farms in the future -- the family farms of the future. The economy is booming here in Rutherford County, the population is exploding. And as a result, the family farms are being turned into subdivisions. At the same time, though, most students majoring in agriculture here at Middle Tennessee State University, they're going into related agriculture fields, not into farming.

What we want to ask: Are there plans for low interest loans for other programs that would enable and encourage graduating agricultural students to get into farming?

THE PRESIDENT: Yes. We actually have a program that provides low interest loans for first-time farmers, as well as a program in the Department of Agriculture that gives kind of technical support and assistance for new farmers. And one of the things that I've asked Secretary Glickman to do is to assess the adequacy of that

program and to look at some of the things that we're doing in non-farm communities, setting up community financial institutions that make extra loans and things of that kind to see if they might be relevant to first-time farmers.

As I said at the beginning of our interview here, I got the national officers of the FFA here with me. And these young farmers are the future of America. The average farmer is about 59 years old in America today. And I'm very concerned about that in places where, like in Murfreesboro, where you're doing very well economically, if a farmer chooses to sell his or her land to a developer, and you sub-divide it, well, there's nothing I can do about it and probably nothing you would want to do about it. You don't remove the right to do that if that's what the market is dictating. But I think where young people want to farm and are able to farm, if they can get the credit they ought to be able to get the loans at affordable terms and at good repayment terms.

One of the things that we've done for college loans since I've been here that I think might have some applicability to first-time farmer loans I want to look at is to structure the repayment in a way that's tied directly to income. So, for example, if a young person wants to go to college and then take a job as a school teacher, and another would go to college and takes a job as a stockbroker, and they borrow the same exact amount of money to get out of college, but the stockbroker has an income of three times the school teacher's, under the new provisions of our college loan program, the school teacher can pay back the money with a ceiling on it as a percentage of his or her income. So if a young person wants to go into some sort of public service -- to be a police officer, a nurse, a school teacher, a social worker, something like that -- they can do that.

Well, if you think about the early years of farming and how meager the income might be, there may be something we can do to structure the same sort of loan program for first-time farmers. So we're looking at a lot of other options. But we do have -- to go back to your first question -- we actually do have a program in the department for first time farmers to provide for loans and for technical assistance to help them get started.

SECRETARY GLICKMAN: And I would also add, we now have an Office of Outreach that provides technical assistance to farmers just starting out. And, again, I would encourage people to contact us, as well.

The next question comes from Bill Ray of the Agrinet Farm Radio Network out of Kill Devil Hills, North Carolina. Bill, are you on?

MR. RAY: Yes, I am, Mr. Secretary. Nice to be with you and welcome to the Outer Banks. Probably a good day to be farming on the Outer Banks rather than some of the other hotter spots. It's 92 degrees.

THE PRESIDENT: That's near Kitty Hawk, isn't it?

MR. RAY: That's exactly right.

THE PRESIDENT: I went there once, about 26 years ago. It's beautiful.

MR. RAY: Well, a lot of folks would like to have you back, Mr. President.

THE PRESIDENT: Thank you.

MR. RAY: Earlier, you talked and mentioned the biggest problem that you had with the '96 Farm Bill had to do with no safety provisions. I remember vividly your remarks concerning that earlier. My question is, what long-range plans would you now recommend to help food producers in this country over the long haul?

THE PRESIDENT: Well, over the long haul, I believe that the provisions of the '96 bill -- let me just say what I think we ought to keep. I've said what I think is wrong about it. Let me say what I think we ought to keep. I think it would be better if we could avoid having the government go back to micromanaging the farmers planning decisions. I think letting the farmers make the decisions about what crops they're going to plant is the right thing to do. I think we ought to keep the strong conservation provisions of the farm bill of '96.

And finally, I'd like to keep, and even strengthen the rural development provisions of the farm bill. One of the things that we haven't talked about is, there are a lot of people who live in agricultural communities who farm, who -- either they -- either the farmer or the farmer's spouse gets a significant income from other kinds of work. And so what I would like to see is -- I'd like to see us do more on rural development, because the more we can diversify the economies of these small towns, the more people can afford to farm because they'll have a salaried income coming in, too, which will help them to deal with the problems of the bad years. So I think those are the good things to keep.

I think that we should redouble our efforts in agricultural research. Secretary Glickman mentioned this. I hope that we can get the actual dollar figure I recommended for ag research funded in this year's budget, because we get such a huge return from ag research.

The second thing I'd like to say is I think if we get an adequate farm safety net in this present structure, and then we can continue to open farm markets and get fair treatment with the fast track legislation, with the new agricultural negotiations we're going to have through the World Trade Organization, with the funding for the International Monetary Fund, then I think the future for our farmers actually looks quite good.

If you look at all the new things that are coming out of agricultural research, if you look at all the new applications of farm products that are being developed, and if you look at the growth of world population and the projected agricultural production in other parts of the world, I would say that the next 30 years for our farmers will probably be very, very good if we can continue to invest in research and stay ahead of the curve, and if we can continue to open new markets, and if we're smart enough and honest enough to recognize that we're always going to have bad years, we're always going to have act of God, we're always going to have things like this go wrong -- especially when there's some evidence that there is a lot of change in our climate, that's warming the Earth's climate and leading to more disruption -- so let's put in an adequate safety net, pay for it, deal with it, and say it's an investment in America's future. I think if we just do those things, our farmers are going to quite well.

SECRETARY GLICKMAN: Thank you. Tony Purcell or Julius Gray from the Texas State Ag-Network, are you on board?

MR. PURCELL: Yes, Mr. Secretary. We're right here -- we were here before, but you just couldn't hear us.

PRESIDENT CLINTON: What's the temperature down there?

MR. PURCELL: We're pushing 100 degrees right now for the 19th day in a row.

PRESIDENT CLINTON: Well, I'm surprised you're not shorted out. I'm glad we can hear each other.

MR. PURCELL: Yes, just barely. Mr. President, on behalf of the Texas farmers and ranchers, boy, I'd sure like to thank you for that disaster assistance declaration. That will help us get through the summer and into the fall. But you know that \$1.5 billion direct loss to Texas agriculture, that's going to mean a \$5 billion hit to the general state economy. What kind of disaster relief might be available not only for farmers and ranchers, but to related agribusinesses who are suffering a loss?

PRESIDENT CLINTON: Depending on the dimensions, there are standards in the federal law for my disaster declarations, but normally, when a disaster declaration affects an entire state in agricultural losses, then small businesses that are affected by it and communities that are affected by it are also eligible for other kinds of assistance. And I tell you what I will do; I'll have our people do some research on it and get back to you directly on it.

But let me also just say, there's one thing in this bill that's coming up that I think could be quite helpful. I've mentioned this bill several times, the bill by Senators Conrad and Dorgan

that's got \$500 million more in emergency assistance. A lot of the problems in Texas are livestock problems, even though you've lost most of your cotton crop and had a lot of other problems.

We had a program which permitted the federal government, in times of disaster for people with their livestock, to buy up surplus feed and give it to the livestock farmers. That was suspended in 1996 in the farm bill until 2002. Under our provision, under this emergency provision, we'd get some of that back and we could get some feed down there to those livestock folks that I think would be very, very helpful. So that's another thing we're trying to do for the farmers. But I believe that there is some community and small business assistance it can flow to. If Secretary Glickman can answer the question now, fine; if not, I'll have somebody directly contact you later today.

SECRETARY GLICKMAN: Well, I would say there are several disaster assistance programs, both from us and FEMA, Tony, and we'll be glad to get you those specifically. I would say that the President is sending me out to Texas and Oklahoma next week. I will be, for sure, in College Station, meeting with Texas A&M folks about the nature of the disaster and the extent of it, and I would say that emergency loans that will be triggered in will help cover production and physical losses. And we have also authorized emergency haying and grazing of CRP -- Conservative Reserve Program -- acreage in certain counties with significant losses in hay and pasture production.

But once I come back and see the damage firsthand, I will report back to the President and try to determine what else we can do and what the extent and nature of the loss is.

THE PRESIDENT: But if I could, to go back to your question about the nonagricultural losses related to the agricultural crisis -- as Secretary Glickman said, some of our emergency programs were funded through the Federal Emergency Management Agency. And we have -- obviously, you have a governor's emergency management person there who works with us on that.

Then, we also have some programs funded through the Small Business Administration, some programs funded through the Commerce Department, some programs funded through the Housing and Urban Development Department. We'll just have to do an inventory. And I would urge all of the people who are listening to us through your network there to make sure that their mayors or members of Congress or state officials have access to Secretary Glickman when he comes down there and give him as complete a picture as you can of what the problems are. And, obviously, we'll do our best to bring to bear whatever resources we can legally provide to help you deal with the terrible difficulties you are in.

Today, I announced that we were going to give \$100 million to Texas and 10 other states just to help with utility bills, with air-conditioning, with fans, with other things, for all these

people who don't have adequate cooling. We've had 100 deaths now between -- basically between Dallas on the West and then across

Arkansas and North Louisiana, and then to Tennessee and North Alabama and Mississippi, and all in through that 11-state area, all the way over to the East Coast because of the record heat. And I'm hoping that we can help you with that as well and save some more lives.

SECRETARY GLICKMAN: Mr. President, I think that exhausts certainly not the list of capable reporters out there, but I think that we have gotten certainly a lot of good feedback and I know people have been thrilled by you being on this national agricultural radio bridge. Do you have any closing comments you might want to say to anybody out there?

THE PRESIDENT: Well, I would just like to say, first of all, that I'm very concerned about the problems that are being faced up and down and North and West and East and South in the Farm Belt. They're significant and they're different from place to place in our country. We're doing our best to respond. I'm trying to listen to your elected representatives here. I'm trying to move the system here as quickly as I can. I hope you will urge your representatives to vote for the Conrad-Dorgan bill to get some more emergency assistance out there. I hope you'll support us in building a more permanent, adequate farm safety net and in building new markets for our farm products.

But if you have anymore ideas, I would urge you to get in touch with the Secretary of Agriculture or with me. We did this interview in part just to reach out and show our concern to farmers and to rural America and to ask for your ideas. If you have any ideas about anything else we can do, if there's something we're overlooking, we want to get on it, we want to be responsive. We know that it's not the best of times for a lot of our farmers and we want to be there for you. America is doing very well as a whole and we think you should be part of that.

Thank you and God bless you all.

SECRETARY GLICKMAN: Thank you Mr. President.

END

3:40 P.M. EDT

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