

* FALLBACK Strategy

* SET EXPECTATIONS

* NEWS CYCLE STATEMENTS

POLICY/MESSAGE MEETING

OEOB 476

3/4/99

10:30 AM

* Passengers' Bill of Rights ~~NEC~~

* Patents
Kennedy-Jeffords

* LANDS LEASALY &
GREENSPACE / LIVABILITY

- A) DOMESTIC POLICY COUNCIL
- B) NATIONAL ECONOMIC COUNCIL
- C) COUNCIL ON ENVIRONMENTAL QUALITY
* CLEAN AIR RULE ; REGIONAL HAZE RULE (April)
- D) OFFICE OF MANAGEMENT AND BUDGET
- E) OFFICE OF SCIENCE AND TECHNOLOGY

- TSNOWAS - MANAGEMENT PLAN (MARCH)
- Commerce, State, Justice (JUNE)
- Kosovo → March / April
- Budget resolution March / April
- China (April / June / July) (MFN)
- Ireland (March / April)
- Israeli (May / June)
- Trade (April)
- CENSUS (MAY / JUNE)
- Steel (March)
- ~~WTO~~ NATO (April)
- Social Security (MARCH) →
- Medicare (MARCH) →

- turn
- April (EASTER RECESS)
 - May 31 (MEMORIAL DAY)
 - July 4 (RECESS)
 - August (RECESS)

- TRADE / ENVIRONMENT (MARCH)
 - TOBACCO → RECOUPMENT
- Democratic strategy w/ Senate

- G8 Financial Architecture (pre in April) (JUNE summit)
- Russia (IS RUSSIA LOST ??)
- CRIME BILL (MARCH / APRIL)
(~~COMPREHENSIVE~~)
- EDUCATION (MARCH / APRIL)
- (FIGHT NOW) (COMPREHENSIVE)
- MILITARY READINESS (END OF MARCH) (April) Ft. Bragg

September 2000

*Presidential Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
August SMTWTFS12345678910111213141516171819202122232425262728293031 October SMTWTFS12345678910111213141516171819202122232425262728293031					1	2
					Projected House & Senate Recess	
3	4	5	6	7	8	9
Labor Day		Projected House Recess		UN Millenium Summit, NY		
Projected House & Senate Recess						
10	11	12	13	14	15	16
		UNGA Opening Session	Anniv: Israel-PLO Signing			
17	18	19	20	21	22	23
24	25	26	27	28	29	30
		Stanford's First Day of Class				
					Rosh Hashanah Begins at Sundown	Rosh Hashanah

⑥ Commentary
Top Line Events
 Friday Politics

Friday Politics

Feed

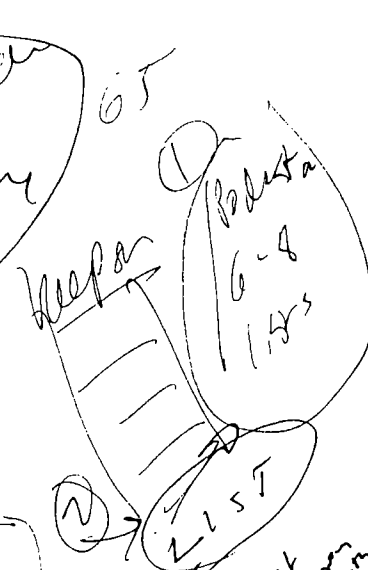
- Education Reform bill
- Gun Issue
- Floor
- Prescription drugs
- G-Town from

Regulatory
 E-pile

Changing mechanisms

Econ.
 WTO
 Sec 101
 Etc.
 Tech.

One America



Americorps
 charitable
 etc
 WTW

② Gerona

Announcements
 → OKLA. City
 Friday

HUD
 Accomplishments

- ① got things done
- ② elections
- ③ lobbying

Credit

- lobby on China
- debt relief
- malaria
- a.2s

- new mkt3
- Econ. Summit

CRA vulnerable

① What
 what money
 make loans
 Food safety

Internet - partially network
 charity also's
 - techniques decentralized

Bosnia

- m. d. b. - east peace
- China WTO
- Greece / Turkey Cyprus
- Russian / Russian President →
- W. Island →
- S. E. Europe - Kosovo
- Columbia m. d.
- South m. d.

Germany

Portugal

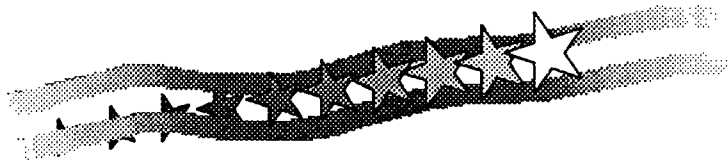
the G-7

APPL - Vietnam

May-July - b. g. m. k.

FAMILIES FIRST

THE 1999 DEMOCRATIC AGENDA



- **Invest the Surplus to Save Social Security and Medicare, and Pay Down the Debt**
- **Modernize Public Schools**
- **Patients' Bill of Rights**
- **Targeted Tax Cuts for Retirement Savings, Child Care and Long-term Care**
- **50,000 More Cops with 21st Century Tools**
- **Raise the Minimum Wage and Enforce Fair Pay**
- **Protect Pensions**
- **Protect the Environment and Improve Livability**
- **Crack Down on Crime Against Seniors**
- **Protect Privacy**

FAMILIES FIRST

THE 1999 DEMOCRATIC AGENDA

- ★ Continue on the path of fiscal responsibility by investing the surplus to save Social Security and Medicare, and pay down the debt to keep our economy growing.
- ★ Act now to meet the challenges of the 21st century, including quality education for children, and secure retirement and quality care for seniors.
- ★ Enable families to meet their responsibilities at home and at work.

Invest the Surplus to Save Social Security and Medicare, and Pay Down the Debt

Save Social Security and Medicare: Reserve 62% of the projected budget surpluses to preserve Social Security until 2055. Allow the trust fund to invest about one-fifth of the transferred surpluses in the private sector to achieve higher returns for Social Security just as any state or local government, or private pension does. Work to achieve a broad consensus for reforms necessary to extend Social Security to at least 2075, while reducing poverty among elderly widows, and eliminating the earnings limit.

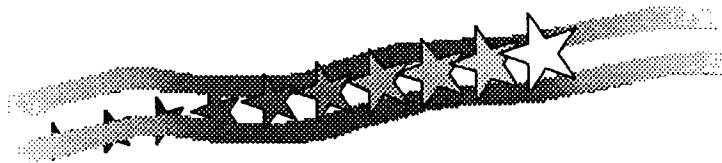
Strengthen Medicare for the 21st Century: Reserve 15% of the projected surpluses for Medicare, ensuring that the Medicare Trust Fund is secure for 20 years. Work to enact further changes to strengthen and modernize the Medicare program, including adding prescription drug benefits.

Pay Down the Debt: Invest 77% of the surplus in Social Security and Medicare to reduce the national debt to its lowest level since 1917 and save taxpayers hundreds of billions of dollars in interest charges.

Quality Education: Modernize Schools, Reduce Class Size, and Provide Accountability

School Modernization: Provide Federal tax credits to enable states and school districts to modernize and renovate 6,000 local public schools to improve learning conditions, end overcrowding and make smaller classes possible.

Smaller Classes: Finish the job of hiring 100,000 new teachers over the next seven years to reduce class size in grades one to three to a national average of 18 students, making sure that every child gets a solid foundation in the basics.



Build Accountability Measures into Federal support for education to ensure that school districts and states provide every student with a high quality education, building on proven reforms now being implemented in states and cities.

Teacher Training and Recruitment: Increase support for teacher training in subject matter knowledge and teacher expertise. Establish new incentives to recruit highly qualified teachers.

Educational Technology: Continue to provide schools with Internet capacity and resources for teacher training, and integrate technology into the curricula. Protect the e-rate discount for schools and libraries.

Enable Families to Succeed at Home and at Work

Protect Patients through a Strong, Enforceable Patients' Bill of Rights: The Patients' Bill of Rights should contain a range of protections, including guaranteed access to needed specialists, access to emergency room services when and where the need arises, access to a meaningful independent and external appeals process for consumers to resolve differences with their health plans, and the right to be compensated when a health plan's decision harms a patient.

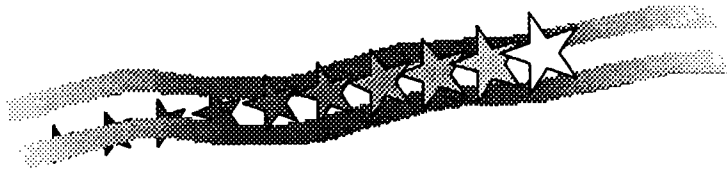
Continue to Expand Access to Quality, Affordable Health Care: Enable Americans ages 62 to 65, and displaced and retired workers ages 55 to 65, to buy into Medicare if they lose coverage.

Ensure Opportunity for Americans with Disabilities: Enable workers with disabilities to buy into Medicaid and Medicare, and provide a \$1,000 tax credit to help the working disabled and give support for assistive technologies.

Child Care: Improve the accessibility and safety of child care through expansion of the child care and development block grant to help working families, and improve quality by increased training and support services for caregivers.

After-school Care: Increase after-school care to enable 1.1 million children each year to participate in after-school and summer school programs that give them additional learning time and keep them safe.





Secure Retirement for Seniors and Protect Pensions

Expand Pension Benefit Coverage: Create a new plan to make it easier for small businesses to start private pension plans that provide predictable and secure benefits, and for employees to save in IRAs through payroll deductions. Permit employees to roll over benefits from different types of retirement plans.

Strengthen Women's Retirement Security: Allow workers to count time taken under the Family and Medical Leave Act toward their retirement benefits, and require pension plans to let families choose joint and survivor annuity options.

Targeted Tax Cuts for Retirement Savings, Child Care, and Long-Term Care

Retirement Savings: Devote 12% of the surplus to USA Accounts, enabling working families to save for their own retirement in private accounts.

Child Care: Provide greater tax relief for working families who pay child care expenses. Give tax credits to businesses that provide child care services. Allow tax credits for stay-at-home parents.

Long-Term Care: Provide \$1,000 tax credits for elderly and disabled individuals needing long-term care and the family members who care for them. Provide support services to caregivers. Offer long-term care insurance to Federal employees.

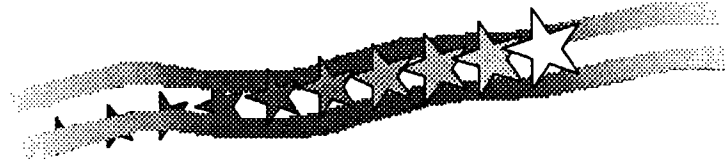
50,000 More Cops with 21st Century Tools

More Police on the Streets: Help communities put up to 50,000 more law enforcement officers on the beat over five years. Help state and local enforcement agencies communicate more effectively and use modern technology to solve crimes.

Raise the Minimum Wage and Enforce Fair Pay

Raise the Minimum Wage: Recognize the value of work and support working families. Give millions of Americans a pay raise by increasing the minimum wage.

Ensure Equal Pay: Help guarantee equal pay for women and men by strengthening enforcement of equal pay laws, ending wage discrimination, and improving access to wage information for all workers.



Protect the Environment and Improve Livability

Protect Our Environment and Our Families' Safety: Ensure clean air and safe food. Strengthen clean water protections. Continue accelerated toxic waste cleanup and make polluters pay. Spur new environmental technologies through targeted tax cuts. Provide lasting protection for national parks and other natural treasures.

Help Build Livable Communities: Provide new tools and resources to help communities across America reduce traffic congestion, preserve green space, and grow in ways that ensure a high quality of life and strong, sustainable economic growth.

Crackdown on Crimes Against Seniors

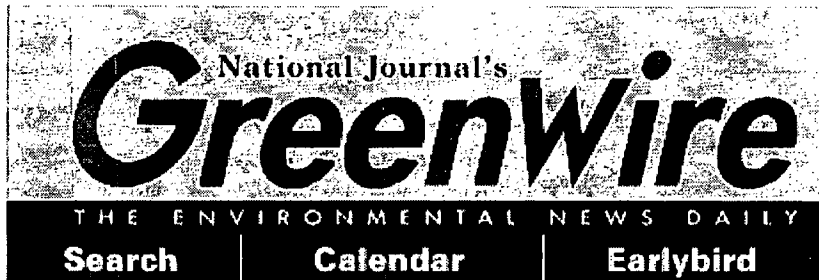
Give Law Enforcement Officials Additional Tools to prosecute criminals who target seniors, through telemarketing schemes and other means.

Reduce Unnecessary and Illegal Medicare Costs: Crack down on fraud and abuse in the Medicare system.

Protect Privacy

Protect Individuals' Most Personal Records: Ensure appropriate treatment for medical records. Address abusive practices such as pretext calling for financial records. Enhance enforcement of existing laws.





**Today In
Cloakroom**
*National Journal: Gilded
Age, Newly Minted*

A National Journal Daily Briefing
Friday, January 28, 2000

► **SPOTLIGHT**

Final Play

President Clinton hit on familiar environmental themes in his final State of the Union address last night.

Clinton reiterated his support for his Lands Legacy initiative, challenged Congress on the issue of global warming and called for business tax breaks for cleaner energy production and individual tax breaks for the purchase of energy-saving homes, cars and appliances.

Major media gave the speech page one prominence, but gave the President's environmental comments at most a sentence or two. [\(#1\)](#)

QUOTE OF THE DAY

"It's clear that water in New England is running uphill to the ski resorts."

-- **Mark Sinclair**, Vermont director of the Conservation Law Foundation. [\(#8\)](#)

TOP NEWS

Second Down

DOJ appeals U.S. EPA smog rules to Supreme Court. [\(#3\)](#)

Out Of Bounds

Federal judge says NMFS violated Endangered Species Act in managing groundfish. [\(#5\)](#)

Two-Minute Warning

Countries at Montreal biosafety talks nowhere near agreement as conference nears end. [\(#10\)](#)

Interference

Internal report criticizes World Bank's forest policy. [\(#11\)](#)

Changes In The Roster

Greenwire rounds up the latest news on people in the environmental policy arena. [\(#15\)](#)

Stay on Top of Washington with
Cloakroom's Daybook

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National
Journal

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Air and Water Pollution

- ▶ 3 **CLEAN AIR:** DOJ Appeals Smog Rules To Supreme Court

Wastes and Hazardous Substances

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The Kicker

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Greenwire is looking for a staff writer who can collect and abstract environmental news from print and online sources.

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deadlines.

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STATE OF THE UNION TOP NEWS: President Clinton's catalogue of environmental concerns topped the list of this week's environment stories.

Reprise the State of the Union and all of the other top news stories in the Weekly Executive Summary, available at 12:30 pm Eastern Time.

► SPOTLIGHT STORY

1 STATE OF THE UNION: Clinton Repeats Green Themes; More

President Clinton hit on "familiar" environmental themes in his State of the Union address last night.

Clinton "reiterated" his support for his Lands Legacy initiative and touted his "livable communities" agenda, including support for advanced transit systems, protection of open spaces and increased funding to restore waterways around the Great Lakes. Clinton "challenged" Congress on the issue of global warming, which he called "the greatest environmental challenge of the new century." Clinton: "Many people in the United States -- some people in this chamber -- and lots of folks around the world still believe you cannot cut greenhouse gas emissions without slowing economic growth. ... But in this digital economy, it is not true anymore."

Clinton called for business tax breaks for cleaner energy production and individual tax breaks for the purchase of energy-saving homes, cars and appliances.

The president cited several administration accomplishments, including ridding more than 500 neighborhoods of toxic waste, preserving more than 40 million acres of roadless lands in national forests and creating three new national monuments. A separate release touted the 1996 Safe Drinking Water Act Amendments, tightened emissions and ozone standards, signing of the Kyoto Protocol on Climate Change and an executive order to improve energy efficiency in buildings (*Green Sheets Express*).

Major media gave the speech page one prominence, but gave the President's environmental comments at most a sentence or two. The *New York Times* observed that "inevitably" Clinton set "sweeping" goals such as cleaning up the planet without providing a "road map toward realizing them" (R.W. Apple Jr.).

The full text of the address is available at <http://www.whitehouse.gov/WH/SOTU00/>.

Clinton Slip Delights GOP

Republicans "got a good laugh" when Clinton twice in his speech said "liberal" instead of "livable" in reference to Vice President Al Gore's vision for American communities (Charles Babington, *Washington Post*). The audience, including Gore, "guffawed" at the mistake (Laurence McQuillan, *USA Today*). (All cites Jan. 28.) -- CF

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► SOCIETY AND POLITICS

2 DOD: Coalition Sues Air Force Over Low Flights

A coalition of ranchers, environmentalists and "outdoorsmen" sued the Air Force yesterday, seeking to suspend low-level military training flights that they say "gravely" disrupt wildlife, fish, livestock and recreation.

The coalition is seeking to force the Defense Department to conduct cumulative environmental assessments of the flights, rather than individual flight pattern impacts. The lawsuit was filed in federal district court in Washington, DC, and "is the most serious legal challenge so far to the Air Force's training program." It also "underscores the difficulties the Air Force and the other services have had competing for the nation's increasingly crowded airspace."

The "lawsuit's prospects are not clear," as "a suspension of all training is seemingly remote." But it may force the DOD to conduct a cumulative environmental impact study of the flights "which the coalition's leaders said was their main objective" (Steven Lee Myers, *New York Times*, Jan. 28). -- JD

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► AIR AND WATER POLLUTION

3 CLEAN AIR: DOJ Appeals Smog Rules To Supreme Court

The Department of Justice asked the Supreme Court yesterday to review an appellate court decision that blocked the U.S. EPA from enacting health-based standards for smog and soot.

Last May, the Circuit Court of Appeals in Washington, DC, overturned the proposed standards, saying the EPA had exceeded its authority to limit pollution. The DOJ petition is expected to argue that the appellate court's decision wrongly expanded a legal doctrine interpreted more narrowly by the courts since the 1930s (Dow Jones, Jan. 27).

Massachusetts Attorney General Thomas F. Reilly, along with New Jersey Attorney General John F. Farmer, also filed an "unusual" petition asking the Supreme Court to reinstate the smog and soot limits, saying they would save 15,000 lives a year and ease breathing problems for 1.5 million people. The American Lung Association also filed a petition in support of the rules.

The EPA "has been trying for years" to implement stricter ozone and soot limits, but Midwestern and Southern states and industries have fought the standards. Massachusetts officials say tougher national standards are needed to reduce Midwestern air pollution that blows over the state. Massachusetts Environmental Affairs Secretary Robert Durand: "We are sick of breathing the Midwest's secondhand smoke" (Scott Allen, *Boston Globe*, Jan. 28).

Connecticut, New Hampshire, New York and Vermont are also submitting friends of the court briefs in support of the EPA rules (*Greenwire* sources). -- JD/CF

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► WASTES AND HAZARDOUS SUBSTANCES

4 YUCCA MOUNTAIN: NV Asks For Delay In Impact Statement; More

Nevada officials are asking the Department of Energy to delay issuing a final environmental impact statement on whether Yucca Mountain is a suitable repository for the

nation's high-level nuclear waste until independent research on the site is finished.

The Nevada attorney general's office yesterday asked the presidential panel studying Yucca Mountain's suitability to delay the site's EIS until a University of Nevada-Las Vegas mineral study is completed around April 2001. The current timetable calls for the EIS to be completed by October. One issue being analyzed by the UNLV report is the movement of water in the mountain. If scientists determine water could invade the repository, the site could be found unsuitable (Mary Manning, *Las Vegas Sun*, Jan. 27).

Earlier this week, DOE scientists "expressed doubts ... over whether they will be able to prove their case" for Yucca Mountain, conceding "there are many gaps in the scientific knowledge of how Yucca Mountain will perform as a repository over the long haul" (Mary Manning, *Las Vegas Sun*, Jan. 26).

In Their Opinion ...

A *Las Vegas Sun* editorial: "Ironically, the more damning information that is discovered regarding how unsuitable Yucca Mountain is for this task, the more Congress and DOE try to make it easier to ship nuclear waste here. This is, quite simply, mind boggling" (Jan. 27).

Meeting Of The Nuke Waste Minds

Senate Energy Committee Chairman Frank Murkowski (R-AK) said on Jan. 26 he had met with Energy Secretary Bill Richardson regarding a nuclear waste storage bill, but they reached no accord on whether the U.S. EPA or the Nuclear Regulatory Commission would set radiation standards (*Green Sheets Express*, Jan. 27). -- **JD**
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NATURAL RESOURCES

5 FISHERIES: Court Finds NMFS Violated Endangered Species Act

A federal judge ruled Jan. 25 that the National Marine Fisheries Service is violating the Endangered Species Act with its management of North Pacific groundfish.

The groundfish fishery is the largest fishery in North America and a key food source for endangered Steller sea lions. U.S. District Judge Thomas Zilly said an NMFS study of the impact of the fisheries program on the sea lions was "incomplete" and "inconclusive." Zilly: "Meaningful analysis is virtually non-existent." Zilly rejected an NMFS request to throw out the case and ordered the agency to complete the study.

The Earthjustice Legal Defense Fund and Trustees for Alaska filed a lawsuit in 1998 on behalf of Greenpeace, American Oceans Campaign and the Sierra Club. Zilly stayed litigation while the NMFS conducted what it promised would be a comprehensive "biological opinion" of the impact on sea lions. Last July, Zilly ruled that the NMFS failed to do an environmental impact study of the fishery as a whole and rejected the agency's assessment of the effects of the pollock fishery in particular on sea lions.

Environmentalists applauded the ruling. Paul Clark of Greenpeace: "NMFS undermined its credibility with the court in its ability to protect the endangered Steller sea lion."

NMFS spokeswoman Carol Tocco said the agency had no immediate comment because it is still reviewing the decision (*AP/Seattle Post-Intelligencer*, Jan. 28). -- **CF**
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6 SALMON: Report Finds Councils Unable To Restore Habitat

Watershed councils formed over the past decade to help restore Northwest salmon habitat have been only marginally effective, according to a study released today by

Virginia-based Trout Unlimited and Oregon-based Pacific Rivers Council.

The evaluation of 14 councils said they have been unable to reverse the deterioration of salmon streams because they lack proper scope, expertise and funding. The report: "While doing a number of things well, councils are not a universal cure for all that ails Northwest watersheds and salmon." Aquatic biologist Charles Huntington and water consultant Sari Sommarstrom wrote the report.

Hundreds of watershed councils were established in California, Oregon and Washington over the past decade, funded by the government and staffed by volunteers, to fix salmon streams damaged by development. But the report found the councils had no control over adverse impacts upstream and downstream such as logging, grazing and irrigation. David Bayles of the PRC: "We think streams need to be protected the length of the tributary."

The report also said the councils lack the technical knowledge to assess what the streams really need and the funding to do more than "shore up" isolated areas of salmon habitat. The report recommends expanding states' legal protections over entire streams and getting the councils to focus more on restoring highest-priority areas like spawning grounds (Jim Carlton, *Wall Street Journal*, Jan. 28). -- CF

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7 SALMON II: Reservoir Drawdown Not Worth It -- Corps

Drawing down the 76-mile long reservoir behind John Day Dam on the Columbia River would halt electricity production at the dam, end barge traffic, cost farmers hundreds of millions of dollars and still would not save salmon, the Army Corps of Engineers concluded after a yearlong, \$3.7 million study.

The Corps recommended Wednesday "pulling the plug" on any further study of the idea, which will be "tested" at public hearings around the Columbia Basin through March 8.

A drawdown would increase currents and speed young salmon on their way to the Pacific Ocean 215 miles away. "Fish advocates" hope it would lead to an increase in the number of spring chinook. The Corps concluded that the 50-foot drawdown "would contribute little to the survival and recovery of Snake River fish," according to project manager Stuart Stanger.

Opponents of dam breaching cheered the Corps' decision, while environmental advocates questioned it. Sen. Slade Gorton, (R-WA): "The Corps announcement today tells us that we've just spent millions of taxpayer dollars on a study that verifies what we've thought all along, that throwing money at dam-removal studies does very little to save salmon." Chris Zimmer of Save Our Wild Salmon: "The Corps' conclusion that they don't need to study John Day any more is inconsistent with a number of scientists in the region" (Lynda V. Mapes, *Seattle Times*, Jan. 27).

Liz Hamilton of the Northwest Sport fishing Industry Association "said a drawdown makes sense for fish and for the region's economy" (Jonathan Brinckman, Portland *Oregonian*, Jan. 27). -- DLH

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► BUSINESS AND THE ECONOMY

8 RECREATION: Enviros Say Ski Resorts Threaten Waterways

Environmentalists are concerned that New England ski resorts may have pumped an unusually large amount of water to make snow this winter, threatening the region's rivers and ponds.

Environmentalists say snowmaking is imperiling aquatic habitats for fish and wildlife during the time of year when those habitats are most vulnerable and that it poses a risk to

drinking water by depleting supplies and reducing the capacity of rivers to dilute wastes dumped in them. They also claim Maine, New Hampshire and Vermont state agencies have little oversight over the resorts and are unaware how much water has been pumped. Mark Sinclair, the Conservation Law Foundation's Vermont director: "It's clear that water in New England is running uphill to the ski resorts. Snowmaking is a good illustration of the inadequacy of environmental regulation and enforcement in the New England states."

Officials in all three states admit compliance monitoring of the resorts is loose and that agencies lack the means to track how much water the reports are using. Skip King, vice president of Maine-based American Skiing Co., said his company was "literally running every snow gun at as much capacity" as possible late last month and earlier this month because the snow was late in arriving this season. But King said the company will not pump any more snow this winter than normal and much of the snow will melt into rivers (Robert Braile, *Boston Globe*, Jan. 28). -- CF

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► **ACROSS THE NATION**

9 CALIFORNIA: Panel Delays Vote On Bus Emissions Cuts

Five thousand letters, 900 calls, 40 speakers and six hours of discussion only served to confuse the California Air Resources Board as the panel pondered new limits on transit bus emissions yesterday. The board decided to put off a vote on the issue until Feb. 24.

Board Chairman Alan Lloyd: "I wouldn't know exactly what I'm voting on."

The board is considering a plan to make the state's transit buses 85 percent cleaner by 2009, but members showed some support for environmental advocates' arguments for an earlier deadline.

The panel ordered staff to study whether transit systems in "areas with severe pollution problems" could be forced to buy natural gas-powered vehicles (Leon Drouin Keith, AP/*San Francisco Chronicle/Examiner* online, Jan. 27).

A *Sacramento Bee* editorial examines the proposals before CARB and the costs for transit systems of switching from diesel to compressed natural gas as a fuel for their buses. It concludes: "When the air board votes on new transit rules ... it must decide if the flexibility some transit officials are seeking is worth condemning the public in those cities to a dozen years of dirtier air than is really necessary" (Jan. 27). -- DLH

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► **WORLDVIEW**

10 GENETIC ENGINEERING: Sides Still Far Apart On Biosafety; More

Countries at the U.N.-sponsored Biosafety Protocol negotiations in Montreal "have a long way to go before striking a deal to govern trade in genetically modified organisms," Reuters reports.

"People are starting to get anxious about all that remains to be done" (John Burgess, *Washington Post*). But Frank Loy, the U.S. undersecretary of state for global affairs, said he doesn't "want to be excessively upbeat" about progress, as "tough issues remained in a number of areas, including the desire of many countries to incorporate language that could allow them to restrict imports of genetically modified crops" (Reuters/PlanetArk).

"The most difficult issues remain the relationship of the proposed protocol to the World Trade Organization" and whether regulations must incorporate "compelling scientific evidence of potential harm" (Edward Alden, *Financial Times*). The issue hinges on the so-called "precautionary principle," which allows regulators to err on the side of safety in the absence of scientific certainty. The principle "has been enshrined in numerous

environmental laws and treaties since the 1970s, but often more as a vague statement of philosophy than as a recipe for action."

U.S. negotiators want to ensure any biosafety agreement does not take precedence over WTO rules, because the WTO stipulates that an import can only be banned on the basis of scientific evidence (Andrew Pollack, *New York Times*).

European Ministers Issue Statement

In a joint statement to the conference, European environment ministers told producers of genetically modified organisms that public health concerns should take precedence over free trade and importers should wait until long-term effects have been assessed (Geoff Phillips, *BBC News* online).

The European Union's priorities for the rest of the talks, according to E.U. Environment Minister Margot Wallstrom, are to set a workable procedure to regulate trade in genetically modified organisms; require "necessary documentation" on shipments of GMOs; allow countries to use the precautionary principle; and ensure that a biosafety protocol would not be subordinate to WTO rules (*Reuters/PlanetArk*). Wallstrom: "We believe it is not right and it is not fair to subordinate this agreement to the WTO" (AP/MSNBC). (All cites Jan. 28.) -- JD

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11 FORESTS: Internal Report Criticizes World Bank's Lending Record

The World Bank admitted in a "damning self-indictment" that it has failed to implement its 1991 forest policy.

An "unusually frank" internal evaluation said the bank's lending practices did not protect forests, the forest policy was only partially implemented and the bank failed to properly help the poor, one in four of whom live in forest areas. The report admitted that the policy focused only on 20 tropical forest countries and "neglected other biodiversity-rich forest types that are even more in danger." The report also said the poor were not a major source of deforestation and illegal logging, as the bank believed in 1991, but demand for fuel wood, hardwood and timber were actually the main factors destroying forests.

Critics inferred from the report that the bank's structural adjustment loans had "vicariously" contributed to deforestation. Korinna Horta, an economist at the Environmental Defense Fund: "They have been lending massively for the same economic policies that have been identified in the report as driving deforestation, without paying attention to the impact they were having on forests."

World Bank spokeswoman Caroline Anstey said the bank recognized the need for a change in its forest policy. Anstey: "The report concludes that the time has come for a new bank forest policy, better attuned to the needs of developing countries and the changing dynamic of the forest sector."

The report was commissioned by the bank's president, James Wolfensohn, and written by its Operations Evaluation Department, an autonomous group that reports directly to the bank's board (*Reuters/PlanetArk*, Jan. 28). The full text of the report can be found on the *World Bank web site*. -- CF

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12 SPECIES: New Technology Boosts Recovery Efforts -- Newsweek

Technological advances are helping scientists "pull vanishing breeds back from the brink of extinction," *Newsweek* reports.

Biologists are using global positioning satellites to map habitats of endangered species so governments will know where to focus conservation efforts. Andy Phillips of the San Diego Zoo has been teaching managers of China's panda reserves how to use GPS to map

the country's forests. Phillips: "Then you can ask, 'How many areas [like] this are available for pandas?'"

GPS transmitters, underwater videos and other new technologies are helping scientists track "elusive" animals like elephants and beluga whales and learn more about their behavior. Other species that may benefit from new technology include endangered green turtles in Malaysia and the Philippines, the threatened vaquita porpoise in the Gulf of California and Weddell seals in Antarctica (Begley/Check, Jan. 31 issue). -- CF

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13 TRENDS: Agencies Team Up On Environmental Thesaurus

Seeking to "break down the linguistic barriers" to the exchange of environmental information around the world, experts from several countries launched a joint initiative this week.

The Consiglio Nazionale delle Ricerche of Italy, the European Environment Agency, the U.S. EPA and the U.N. Environment Program (UNEP) met in Santa Fe, NM, to begin collaboration on a "global multilingual environmental thesaurus."

"In the current age of globalization, a standard multilingual environmental vocabulary will facilitate and promote information exchange among countries on key environmental issues," UNEP Executive Director Klaus Toepfer said.

The new thesaurus will bring together the EEA's GEMET and UNEP's EnVoc thesauri, supplemented by EPA's work in this field and that of the Asia-Pacific Economic Cooperation (APEC) group. The CNR will continue its leading role as developer of a multilingual thesaurus.

The four institutions expect other partners will join in the project. The thesaurus will be made customizable to meet national or sub-regional needs (UNEP release, Jan. 24).

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14 BRAZIL: Spill Recovery Could Take 10 Years -- Report

It could take more than 10 years for the bay of Guanabara in Rio de Janeiro to recover from last week's "massive" oil pipeline spill, according to a report released yesterday by Brazil's environmental agency, IBAMA.

The report says the spill seriously damaged the bay's ecosystems, and the entire food chain in "Brazil's most famous bay has been damaged."

Petrobras, the oil company responsible for the spill, has paid a fine of more than \$25 million. The company is "feeling the pressure" as "no environmental disaster has ever caused such a big public reaction."

Federal and state prosecutors are investigating the refinery where the leak took place, and "it is already clear that it was operating without an environmental license" ([BBC News online](#), Jan. 28). -- JD

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► GREENWIRE PEOPLE

15 ENVIRONMENTAL MOVERS AND SHAKERS:

Greenwire rounds up the latest news on people in the environmental policy arena:

FEDERAL

USDA: The *Washington Post* ran a story on **Kathleen Ann Merrigan**, "an outspoken advocate of sustainable agriculture" who heads the Agriculture Department's Agricultural

Marketing Service. As administrator, Merrigan spearheaded a campaign to "scuttle" the agency's "modest" proposed standards for organic food (Michael Grunwald, Jan. 27).

WHITE HOUSE: **Paul Jeske**, a 20-year veteran of the Bureau of Land Management, has been named the "river navigator" to head President Clinton's American Heritage Rivers initiative in Oregon (McMinnville [OR] News-Register, Jan. 25).

STATES

FLORIDA: Three new members joined the Tampa Bay Water board on Jan. 24. The new faces are **Steve Simon**, a Pasco County commissioner; **Karen Seel**, a Pinellas County commissioner; and **Chris Hart**, a Hillsborough County commissioner (Jean Heller, St. Petersburg Times, Jan. 25).

OREGON: The Department of Environmental Quality has named **Andy Ginsburg** administrator of the Air Quality Division. Ginsburg has been with the agency since 1990 and was manager of the Air Quality Program Development Section (DEQ release, Jan. 18).

INDUSTRY

DAIMLERCHRYSLER: **Robert Eaton**, co-chair of DaimlerChrysler AG, is retiring on March 31. Eaton has said that the automobile "is being unfairly blamed for damage to the environment" (Justin Hyde, AP/*Grand Rapids [MI] Press* online, Jan. 27).

AWARDS

AFT: Dairyman **Mike Yoder** of Middlebury, IN, has been named the winner of the American Farmland Trust's \$10,000 Steward of the Land Award for the year 2000. Yoder was selected as the farmer "who best personifies" the AFT's ideals, including the promotion of farming practices that help the environment (AFT release, Jan. 25).

FEMA: The National Wildlife Federation and the Sierra Club received the Federal Emergency Management Agency's Outstanding Public Service Award for their work in promoting environmental activities that help prevent disasters (FEMA release, Jan. 24).

GREEN FUTURES: **Prince Charles** was named "most inspirational figure worldwide" by *Green Futures* magazine for his work against genetically modified food and in support of organic farming (Reuters/PlanetArk, Jan. 26). -- **MB**
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► THE KICKER

There She Is, Miss Pork Queen ...

Eighteen young women competed for two "grueling" days last week to win the title of "2000 Iowa Pork Queen." Kathryn Barnts of Central City won the coveted crown and pigskin sash. Former pork queen Soo Grieman -- who changed her name from "Sue" -- had some advice: "Every pork queen has to expect there's going to be a little bit of criticism sometimes" (Mark Siebert, Des Moines Register, Jan. 23). -- CF

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State of
the Union EV

December 9, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING AND BRUCE REED

RE: Policy Initiative Memos

Please find attached additional memos on domestic discretionary spending. We will present the major mandatory initiatives -- health care, child care and the 21st Century Bio-Medical fund -- in the next several days. We will also be sending you a housing and community development memo.

- (1) Child Labor Initiative
- (2) Community and Economic Adjustment Initiative
- (3) New AIDS Initiative
- (4) Initiative to Reduce Racial Disparities in Health
- (5) Civil Rights Enforcement Initiative
- (6) Indian Education Initiative

THE WHITE HOUSE
WASHINGTON

December 9, 1997

MEMORANDUM FOR THE PRESIDENT

**FROM: GENE SPERLING
ANNE LEWIS**

RE: PROPOSED BUDGET INITIATIVE ON CHILD LABOR

OVERVIEW

We have been coordinating a process to develop a Presidential initiative on child labor. This memo presents the first -- and most urgent -- decision relating to such an initiative: whether to include new funds in the FY99 discretionary budget to support several programs to fight child labor domestically and internationally. The memo also previews other policies and ways to use the bully pulpit to fight child labor, which we hope would be part of an action plan to be announced early next year, perhaps as part of the State of the Union. You should know that the non-budget items need further review and discussion before they are put forward for your consideration.

THE PROBLEM OF CHILD LABOR

The ILO estimates that there are over 120 million children between the ages of 5 and 14 working "full time," -- though not necessarily illegally. Most are in Asia (61%), with 32% in Africa and 7% in Central America. Proportionally, Africa has the highest incidence of work (40%) among its children. Children under 10 tend to account for as much as 20% of the child labor in rural areas, although this concentration is even greater in certain occupations such as domestic service, and home-based industries. These ILO figures represent a significant upward adjustment from the previous consensus view.

Of course, not all of these children are working in illegal or otherwise unacceptable conditions, but tens of millions are. Occupations that are considered particularly hazardous where there is a high concentration of children are: mining, ceramics, glass work, matches and fireworks, deep sea fishing, and domestic service. Clearly, slavery, usually in the form of bonded labor, trafficking and child prostitution, are also significant problems, but there is less documentation about the extent of the problem.

As the facts above make clear, this is a serious and substantial problem around the world. However, the solutions are far less clear. The reasons families resort to child labor are often economic and cannot easily be overcome. The choice is sometimes not between work and school but between more or less exploitative forms of work. *Therefore it is vital that we examine any project that we support to make sure that we are not harming those we wish to help.*

Domestically, although we have made considerable progress in reducing illegal child labor, significant concerns remain about children working illegally on farms. While there are no reliable numbers giving the dimensions of such work, the best -- albeit conservative -- estimates are that fewer than 200,000 children under 18 work at some time during the year in agriculture, including on family farms. One source suggests that over two thirds of migrant children come from households below the poverty level.¹

There are two dimensions to this problem of children working in the fields. First, U.S. law governing child labor in agriculture is more permissive than U.S. non-farm labor law and is probably in some areas more permissive than the international standard. For example, children age 12 and 13 may work legally on farms for unlimited hours -- as long as it is outside of the regular school day -- with parental consent. Both the international standard (as defined by ILO Convention #138) and U.S. law governing non-farm labor prohibit most work by children under 14.²

The second dimension is inadequate child care and difficulty of completing high school as a consequence of the problems created by migration. Among the many factors which complicate the provisions of services to this population are: the need for older children to stay home from school to care for younger children for whom the parents cannot find or afford child care; long hours that older children work during the growing season; lack of transportation to and from schools; complications arising from frequent changes of schools.

We feel that this is an opportune time to engage this issue, because child labor is gaining prominence on both the domestic and international agendas:

- The FY98 Treasury appropriations included language directing Customs to enforce a ban on the import of goods made with forced or bonded child labor.
- In January 1998, an international coalition of child labor advocates will launch a global march starting in San Diego.

¹ 1991 Migrant Student Record Transfer System.

² Both domestic laws and international standards exempt family farms and "small enterprises." Convention 138 permits light work by children as young as 12, as long as the work is not likely to be harmful to their health or development and does not prejudice their school attendance.

- In June 1998, the ILO will begin debate on a convention prohibiting the most intolerable forms of child labor.
- The Associated Press is expected to publish a major investigative series on domestic farm labor, with some segments dedicated to the problem of child labor.

PROPOSED BUDGET ITEMS

The proposal under consideration could entail additional FY99 funding of:

- **\$27 million for the International Programme on the Elimination of Child Labor [IPEC].** The money would be given to the Department of Labor, which in turn would fund projects and research by IPEC.
- **\$3 million for the Customs Service** to launch a high visibility effort to enforce U.S. law by stopping the import of goods made with forced or bonded child labor.
- **\$50 million for the Migrant Education Program** to: (1) increase participation (2) provide better services during the summer and (3) expand preschool, child care and out of school youth (ages 12-15) services; and
- **\$4.1 million for the Department of Labor to double its enforcement of domestic farm labor laws** and significantly improve its data on and documentation of agricultural workers.

Taken as a package, this group of budget items will:

- Establish the United States as the world leader in supporting efforts to reduce child labor internationally through IPEC.
- Enhance Customs' enforcement capacity and thus send a strong signal that the U.S. will not allow the illegal import of goods made with forced or bonded child labor. Specifically, we hope to leverage change in the behavior of U.S. rug importers by raising the specter of a high profile seizure of rugs made with illegal child labor imported from South Asia.
- Enhance our domestic ability to get and keep the children of migrant farm workers in school, document the problems of children in farm labor and enforce the law.

1. **\$27 Million in New Funds for IPEC**

The NEC proposes to increase support for IPEC ten-fold by giving IPEC a total of \$30 million in FY99 (\$27 million in new funds and \$3 million that we already provide) and \$150 million over five years for programs aimed at fighting the most intolerable forms of child labor. The Department of Labor would manage the program and give grants and other support to IPEC.

IPEC, an ILO program, was founded in 1992 to finance technical cooperation activities in countries where child labor problems are acute. **IPEC's mission is the progressive elimination of child labor, with a current focus on the most intolerable forms of child labor** such as: bonded and slave labor, commercial sexual exploitation and trafficking, hazardous work and the work by children under 12. IPEC's direct action programs have three key characteristics: sustainable, main-stream, in-country ownership; emphasis on prevention and abolition of the most intolerable forms of child labor by involving the family and developing reasonable educational alternatives; and reliance on partnerships including employers, among others.

In contrast to remedies focusing exclusively on government prohibitions, which may have unintended adverse consequences, such as forcing children out of formal sector jobs into more exploitative informal sector positions, IPEC programs involve families and employers and make available viable educational alternatives for former child workers. IPEC also commits support for serious research and data collection to document the problem of child labor and other efforts to raise public awareness.

IPEC's 1998 annual budget will be no more than \$15 million, with a U.S. contribution of \$3 million. To date, the U.S. has committed a total of \$8.1 million.

To maximize the impact of our grant money and ensure that the funds are well-spent, DOL would: focus U.S.-supported projects on the most intolerable forms of child labor; establish parameters for categories of spending; require the ILO to commit additional staff and administrative support to effectively administer the program. We would also suggest that you challenge other countries, business and leading philanthropists to match our contribution.

IPEC has **bipartisan support on the Hill**, including from Senator Harkin, who has called on Secretary Herman to double the U.S. contribution to IPEC, and from Congressman Chris Smith, who has proposed legislation to increase our support of IPEC to \$10 million annually. IPEC is generally well regarded by NGOs, who would likely applaud our initiative on international child labor and give high marks to many of IPEC's programs. Business and labor organizations have participated in some key IPEC projects that the U.S. has supported, so we do not expect criticism from either U.S. or international business or labor organizations.

2. \$3 Million for Stepped up Customs Enforcement of Ban on the Importation of Goods Made with Forced or Bonded Child Labor.

With clear authority emanating from the FY98 Treasury Department appropriation, the Customs Service will launch an enforcement initiative with the following elements:

- Designation of forced and endentured child labor as a major enforcement priority, with new staff and offices working to document and pursue a high profile case, for instance by targeting a shipment from an individual carpet manufacturer in South Asia after gathering demonstrable evidence of the involvement of exploitative child labor;

- Establishment of a Treasury Advisory Committee to improve coordination and establish a regular dialogue with NGOs, other federal agencies and industry; and
- Creation of a "jump team" capable of conducting investigations of forced and bonded child labor, initially targeted at the rug industry in South Asia.

It is important to note that the World Trade Organization (WTO) does not currently authorize any ban on imports made with exploitative child labor. Further, we must be careful that this initiative is not viewed by our trade partners as providing license for them to restrict or harass imports of U.S. goods produced using techniques they do not approve. This is particularly important to our agricultural sector, where we have been arguing that the manner in which goods are made (e.g. with hormones or genetic engineering) should not be used as a basis for restrictions. The Customs initiative is carefully designed to minimize the potential for a challenge in the WTO or retaliatory actions, by limiting Customs enforcement to cases of individual shipments or importers where Customs has gathered demonstrable proof of the exploitation of children.

3. \$50 Million (for FY99) for the Migrant Education Program [MEP]:

Because of their mobility, migrant children -- more than 80 percent of whom are Hispanic -- often do not "belong" to any one school system or even any one State. That is why the Federal role is critical. Funded at \$305 million in FY 1998, MEP is run on a State formula basis for supplemental education and support services for migrant children.

This program supports an extremely wide range of interventions specifically tailored to the needs of the local population it serves. Services range from the identification and recruitment of kids into schools, to all kinds of school-based interventions, to after school programs and summer sessions.

Despite a narrowing of eligibility rules in 1994, the number of participating children has been increasing, in part because of partnerships between MEP and several major agribusiness partners. These partnerships have led to improved service and coordination by local providers (education, health, public safety, and library).

In spite of an increase in eligible students, the MEP has been level funded since 1994. In FY99 at the current level of funding only 75 percent (roughly 550,000 to 600,000) of eligible students will be served. The suggested increase of \$50 million would allow the program to serve about half the unserved students and to continue providing a richer array of supplemental educational services. This investment would support the full range of MEP-supported activities, including child care, after-school programs, summer sessions, tutoring and other activities critical to getting and keeping these kids in school.

We anticipate that the Hispanic Caucus and advocates for migrant farm workers would react positively to this proposal.

A \$50 million investment in MEP is also included in our Hispanic Education Action Plan.

4. **\$4.1 Million for the Department of Labor to Double Enforcement Resources and Collect Data.**

With this additional money, DOL will add 40 FTEs to enforcement initiatives in agriculture (and other low wage industries). Specifically, DOL will replicate efforts like "Operation Salad Bowl" -- a targeted enforcement action aimed at child labor violations in the fields. These resources will also be used to support DOL's comprehensive compliance strategy, which combines enforcement with a legal strategy to enhance the value growers, processors, wholesalers and grocery stores place on compliance. DOL will also increase its investment in collecting data on farm labor.

PROS AND CONS OF BUDGET INITIATIVES

Pros:

- Positions the U.S. as a leader in the *mainstream* fight against international child labor, focusing our IPEC support on the most intolerable child labor and focusing our Customs efforts on forced or bonded child labor.
- IPEC's approach has won the support of business organizations who oppose more punitive approaches to the child labor problem.
- The combination of support for the Migrant Education Program and DOL's enforcement is a balanced approach that creates opportunity for kids, but holds employers accountable for any illegal actions.
- Both DOL's and Custom's enforcement approach are aimed at attaining greater *compliance* with the law -- not just catching offenders.

Cons:

- NGOs may view the Customs program as business as usual.
- The ILO may be a lightning rod for criticism, although Senators Hatch and Moynihan are strong supporters.
- Some advocates may claim that this package is inadequate given the magnitude of the problem both domestically and internationally, although we believe that including this budget initiative as part of a broader child labor action plan will mitigate this criticism.

VIEWS AND RECOMMENDATIONS

There is broad support for this initiative among interested agencies. Ambassador Barshefsky, Sandy Berger and Dan Tarullo all support this effort. Secretary Albright also supports it, although wishes to reserve judgement on the specific funding levels. Maria Echaveste supports this effort. Secretary Herman also supports it and is eager to work on international and domestic child labor issues. Secretary Daley also supports this initiative and Secretary Riley supports increasing the Migrant Education Program. Director Raines supports the initiative, but needs to reserve judgment on the specific funding level. Secretary Rubin supports the initiative, but feels strongly that all international efforts remain focused on the most intolerable forms of child labor. And of course, we at the NEC feel that child labor is an issue whose time has come and that it is a great issue for you to champion at the State of the Union and over the next three years. We hope that we will be able to develop many other policies to support these budget items and create a broader initiative.

PREVIEW OF BROADER CHILD LABOR ACTION PLAN

We are working on a broader initiative and want to give you a sense of the actions and policies we will consider in our NEC process.

A broader action plan to fight child labor would:

- Provide a larger context for the budget initiative, thus leveraging more change as a result of U.S. investment;
- Maximize the impact of the bully pulpit which can be an effective tool in raising public awareness and establishing international and domestic norms; and
- Establish you as a leader in fighting this important problem.

Although we cannot predict the outcome of such a process, items worthy of consideration for inclusion in the larger plan might include:

- Presidential challenge to private organizations, such as the Girl Scouts or the Boy Scouts, to adopt a "No Sweat" policy for procurement of their uniforms.
- Department of Labor child labor enforcement strategy designed to promote greater compliance with current law by encouraging -- through enforcement actions and partnerships -- growers, food processors, wholesalers, and grocery store chains to value compliance by their suppliers.
- Department of Labor grant to support the voluntary adoption of codes of conduct and external monitoring in the garment industry through the Apparel Industry Partnership and its successor, the Fair Labor Association.

- Joint Customs, Department of Labor and Department of State conference with U.S. rug importers and NGOs to urge their support of voluntary efforts to eliminate forced and indentured child labor in the rug industry in South Asia, specifically including broader support of the *voluntary* Rugmark label.
- Presidential support for an ILO Convention on Intolerable Child Labor which will be debated in June, including outreach to employers.
- Plan to consult farm labor advocates and agribusiness community on possibilities for harmonizing U.S. farm labor law and non-farm labor law and/or U.S. law and international law.
- Joint U.S.-E.U. conference with business, government and labor organizations to disseminate best practices on voluntary labelling, monitoring and codes of conduct efforts.
- Seek an amendment to the WTO to authorize a ban on imports made with exploitative child labor. This would complement the Customs enforcement initiative and, if successful, would shield broader Customs efforts from a WTO challenge. While Secretary Rubin supports this worthy goal, he feels very strongly that any effort in this arena should be narrowly construed to target forced and indentured child labor.

These and other proposals will be considered through an NEC interagency process, including in shaping fast track legislation, and presented in a subsequent decision memo.

THE WHITE HOUSE

WASHINGTON

December 9, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
DOROTHY ROBYN

RE: COMMUNITY AND ECONOMIC ADJUSTMENT INITIATIVE

You announced this initiative on November 5, as part of your Fast Track-related strategy to help workers and communities succeed in a global economy; and the \$250 million over five years to fund the initiative is *already* in your FY99 budget. Thus, this memo is not a proposal but rather a summary of the previously announced initiative. In addition, it describes a pilot effort to implement the initiative using existing funds. The Departments of Commerce, Labor and Defense and OMB were involved in putting together this initiative.

Proposal: To help trade-impacted regions compete in a global economy, the Community and Economic Adjustment Initiative will borrow a page from the Administration's successful defense economic adjustment effort. Key elements include:

- **Create Office of Community and Economic Adjustment:** Modeled after DoD's highly respected Office of Economic Adjustment -- the federal government's first point of contact with communities slated for a military base closure -- the Office of Community and Economic Adjustment will provide planning grants and help communities organize themselves and develop an economic adjustment strategy. OCEA will be located in the Commerce Department's Economic Development Administration and will draw on the expertise of staff detailed from DoD.
- **Expand Community Adjustment Assistance by \$250 million over 5 Years:** The Administration will propose \$50 million per year in additional community adjustment funding as part of EDA's budget. Of this amount, \$10 million a year will go for OCEA planning grants; \$40 million a year will go to expand EDA's Title IX (Sudden & Severe Dislocation) program, with priority for trade-impacted communities.
- **Coordinate Federal Response:** As OEA has done for base closure communities, OCEA will coordinate the Administration's response to trade-impacted regions by working with Labor, Commerce, USDA, Treasury, SBA, HUD, DOT and other federal agencies. This will ensure that communities are aware of all available federal resources and that federal agencies respond in a coordinated way.

Background: The Administration has had considerable success in helping regions hurt by defense downsizing through its coordinated, community-based approach to providing economic adjustment assistance. Initially developed for communities experiencing a base closure, this approach has been used effectively as well in places such as St. Louis and Ft. Worth that faced defense industry cutbacks. Three features distinguish the approach:

- Focus on community organization and planning
- Targeted support for implementation
- Close interagency coordination

The Administration's secret weapon in this effort has been DoD's Office of Economic Adjustment. Created by Defense Secretary Robert McNamara in 1961, OEA has earned a superb reputation using only limited resources. Key to its success are the following:

- OEA is small, agile and has a focused mission: community organization and planning. Located outside the Pentagon physically, OEA has a community orientation not found elsewhere in DoD.
- As the chair of an interagency committee established in 1970, OEA is at the center of a enduring network of federal adjustment specialists and skilled at helping communities tap into a broad range of federal programs at the appropriate time.
- OEA project managers are economic adjustment experts, skilled at helping catalyze a local, grassroots adjustment planning process, using modest planning grants as a financial carrot to get key stakeholders at the table.

Office of Community and Economic Adjustment: The key to this initiative will be our ability to set up an office in EDA that -- like OEA -- is small, agile and focused on community organization and planning. We are working with senior officials at Commerce to accomplish this. Ideally, we will use OEA project managers on detail to (and paid for by) the Commerce Department. (Although OEA's current portfolio of base closure communities is shrinking, another BRAC round will likely occur in 3-4 years. By detailing some of its project managers to Commerce temporarily, OEA can keep its team together.)

Pilot Effort in Roswell, New Mexico: Last month, Levi Strauss announced that it is closing 11 plants, including one in Roswell, New Mexico. When Sen. Bingaman asked the NEC for help in organizing a coordinated federal response, it presented a good opportunity to test our Community and Economic Adjustment Initiative on a pilot basis. Commerce has agreed to pay for an OEA project manager on detail, who will be assigned to Roswell; EDA also agreed to provide an initial planning grant of \$40,000. Administration officials announced both of these steps at a Nov. 22 meeting in Roswell convened by Sen. Bingaman and Rep. Skeen, which brought together community leaders with officials from the White House, EDA, USDA, Labor, SBA and DOE.

December 8, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
CHRIS JENNINGS

SUBJECT: New AIDS Initiative

We have developed a \$115 million initiative for your FY 1999 budget to improve AIDS treatment and prevention programs. This increase would go to expand programs that are critical to preventing and treating this epidemic, including the AIDS Assistance Drugs Program (ADAP), which extends life-saving new treatment therapies to low-income and underserved populations.

Background on AIDS Funding

Since you came into office, AIDS programs that focus on treatment and prevention have improved dramatically. Medicaid, which provides coverage for half of all people with AIDS, now covers protease inhibitors. Funding for the Ryan White Program has increased by 200 percent since FY1993, funding for research at NIH has increased by 50 percent since that year, and funding for the ADAP program has increased 450 percent since 1996.

The AIDS community, however, has expressed disappointment with the Administration's recent efforts in this area. AIDS groups criticized the Administration for failing to propose major increases in discretionary spending in FY1998, which allowed Congress to outspend us in this area. And in just the last few weeks, the AIDS community reacted negatively to HCFA's conclusion that budget neutrality requirements prohibit establishing a Medicaid demonstration to provide early treatment to relatively healthy HIV-infected individuals. There is no doubt that the AIDS community will be examining the Administration's FY 1999 budget submission very closely.

Proposal

The AIDS office is recommending, and we agree, that you propose an \$115 million increase in your FY 1999 budget for AIDS treatment and prevention. (OMB is currently recommending \$100 million). All of this spending would go to existing discretionary programs that emphasize prevention and treatment. We would recommend that the majority of this increase go to the ADAP program, because new and effective treatments of this disease are currently not reaching many who need them. We also would recommend modest increases to CDC prevention education programs, as well as a range of programs providing funds to states,

cities, and community health centers.

Although the \$115 million that we are suggesting falls far short of the \$400 million the AIDS advocates are pushing, it is a significant investment that will improve AIDS treatment and prevention and soften criticism from the community.

Finally, in the wake of HCFA's decision on the Medicaid demonstration program discussed above, Nancy-Ann Min DeParle is looking into the possibility of a legislative proposal (which of course need not be budget neutral) for a model pilot project to expand eligibility to Medicaid for people with HIV earlier in the progression of their disease. As of this writing, we have significant questions about whether such a proposal is feasible and whether it could be done in time for the budget process. At the request of the Vice President, however, we are reviewing all options in this area closely.

December 9, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPERLING
CHRIS JENNINGS

SUBJECT: Initiative to Reduce Racial Disparities in Health

To support your race initiative, we have developed proposals that would commit the nation to an ambitious goal of seeking to eliminate some of the most severe racial disparities in health care by the year 2010. African-Americans, Hispanics, Native Americans, and Asian Americans suffer from certain diseases up to five times as often as whites. To reduce these disparities, the government will have to make a sustained effort to find effective approaches and apply them across all health programs. We recommend that the FY 1999 budget take a two-pronged approach to this issue by (1) expanding our finest public health programs so that they can address the problem of reducing these disparities, and (2) funding competitive grants to thirty communities to test innovative and promising new approaches in this area.

Racial Disparities in Health Care

The initiative would focus on six of the most severe racial disparities in health care: infant mortality, cancer, heart disease and stroke, AIDS, immunization, and diabetes. Some of these disparities are quite startling. For example, infant mortality rates are 2 ½ times higher for African-Americans and 1½ times higher for American Indians and many Hispanic groups than they are for whites. African-Americans have a 35 percent higher cancer death rate than whites, and African-Americans under 65 suffer from prostate cancer at nearly twice the rate of whites. Similarly, Vietnamese women suffer from cervical cancer at nearly five times the rate of whites, while Latinos have two to three times the rate of stomach cancer. African-American men also suffer from heart disease at nearly twice the rate of whites. Native Americans suffer from diabetes at nearly three times the average rate, while African-Americans suffer 70 percent higher rates. Minorities account for 25 percent of the population yet make up 54 percent of all AIDS cases. The Demographic changes anticipated over the next decade magnify the importance of addressing these disparities. As minority populations grow, finding effective ways to close these gaps will become a critical aspect of improving the overall health of the nation.

Validation

An initiative that sets the ambitious goal of reducing these health disparities would receive overwhelming support from public health groups such as the American Public Health

Association, the American Heart Association and the American Cancer Society, as well as from minority groups such as the Intercultural Cancer Council, the American Indian Healthcare Association, the National Hispanic Council on Aging, and the National Council of Black Churches.

Proposal

HHS is proposing to spend \$200 million in FY 1999 for this initiative. OMB is currently recommending an investment of \$30 million (along with some retargeting of existing funding streams), with all the new money to go to established HHS programs, and none to the community grant proposal discussed below. (OMB believes that most communities do not have the infrastructure necessary to implement new public health projects in the most efficient manner.) OMB's lack of enthusiasm for this initiative results partly from a fear that we will not be able to reach our goals. DPC/NEC strongly support both parts of this initiative. We believe that the initiative will require an additional \$80 million and that \$30 million of this money should go to the new competitive grant program.

- **Applying Current Effective Public Health Approaches to Eliminate Disparities.** We recommend that you propose \$50 million to apply some of our most effective public health approaches directly to reducing racial disparities. Our best public health programs already use effective prevention and education strategies to improve health care. These programs would use additional funds to implement and adapt such proven public health strategies to eliminate racial disparities. For example, CDC's breast and cervical cancer screening program could use additional dollars to target minority communities better, as well as to extend its efforts to other cancers (e.g., prostate and colorectal) disproportionately afflicting minorities.
- **Community Grants to Develop New Strategies to Eliminate Disparities.** Eliminating racial disparities in health care will require not only the focused application of existing knowledge and best practices, but also the development of new approaches. We recommend that you propose \$30 million in FY 99 to enable thirty communities to develop innovative and effective ways to address racial disparities. Each community, chosen through a competitive grant process, would commence an intensive program to address one of the six health areas. (For example, a grant might go to a Native American reservation to test innovative approaches relating to diabetes.) These grants would fund education, outreach, and preventive approaches that have not been attempted elsewhere. HHS would hold periodic conferences to educate the public health and minority communities about effective strategies developed by these communities, with the aim of extending these approaches across the nation.
- **Beginning Today to Reduce Disparities.** To ensure that we begin this initiative immediately, we are identifying ways in which the FY 1998 increases in health care can be used to address racial disparities. For example, AIDS education and training centers

are beginning a new partnership with the Indian Health Service to develop new approaches to educate health providers about training and prevention. In addition, the National Cancer Institute will expand efforts to recruit more Hispanics into clinical trials.

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State of the Union

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THE WHITE HOUSE
WASHINGTON

November 25, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPURLING
ELENA KAGAN

SUBJECT: State of the Union Ideas

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Housing

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2. **Fair Lending/Fair Housing:** This proposal could include: an examination of the impact of credit scoring and risk-based pricing on the availability of credit/capital to lower-income and minority individuals; issuance of guidance by banking regulators on certain key credit scoring issues and, possibly, on risk-based pricing; a Presidential call to the FDIC and the Federal

✓ Reserve to obtain more data on reasons for home mortgage loan denials (OCC and OTS already collect such information); and collection of race and income data as part of the Equal Credit Opportunity Act/CRA small business and small farm lending reporting requirement.

* 3. **Downpayment Reduction:** We are working on a proposal to increase homeownership by reducing the barriers to buying a new home. Many low- and moderate-income families find a downpayment the largest hurdle to buying a new home; this initiative would lower this cost and help more families become homeowners. In 1992, Congress authorized the National Homeownership Trust, but never appropriated any money. We are investigating whether we should request money for this program or whether it is better policy to expand the existing HOME program (which serves a similar purpose).

Labor/Workforce

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✓ 1. **Child Labor:** We are working on a comprehensive Child Labor Action Plan, anchored by a \$100 million commitment to the International Program on the Elimination of Child Labor (IPEC) -- a voluntary program of the International Labour Organization which is dedicated to the elimination of child labor. The funds, which would be managed by the Department of Labor in accordance with criteria we would develop, would go to programs attacking the most intolerable forms of child labor. The initiative also might include a stepped up Customs program to enforce U.S. law banning the import of goods made with forced or bonded child labor; increased support for the Migrant Education Program to support elementary and secondary education to the hardest-to-serve migrant children; and a call for prominent organizations, such as the Boy Scouts and Girls Scouts, to adopt a "No Sweat" code for uniforms and an accompanying label.

✓ 2. **Pensions:** We have developed an expanded pension coverage initiative that focuses on a simplified defined benefit plan for small businesses, based on the SAFE plan proposed by the American Society of Pension Actuaries (ASPA). We are also looking at a payroll deduction IRA proposal, a three-year vesting requirement for employer matching contributions in 401(k) plans, a women's pension initiative, and a pension right-to-know proposal.

✓ 3. **Community Adjustment:** As part of the Fast Track debate, we proposed the creation of the Office of Community and Economic Adjustment (OCEA). As you know, this office will be modeled after the Defense Department's Office of Economic Adjustment (OEA) -- the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. The OCEA would coordinate the Administration's response to regions impacted by a major plant closing or trade, by working with Labor, Commerce, SBA, HUD, Treasury, and other government entities. This group would provide planning grants and expertise to help communities develop comprehensive economic adjustment strategies. Since this program will be part of the Economic Development Administration (EDA), we are investigating whether we could initiate this proposal by executive memorandum, while awaiting Congressional appropriations.

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Climate Change

1. **Tax Incentive and R&D Package:** You already have committed to a \$5 billion package over five years for tax incentives and R&D to promote low-carbon technologies. The Treasury Department is working on a possible package of tax incentives to be included in the FY 1999 budget, and DOE has a proposal on the expenditure side. We are working to develop final options.

Race

A number of the above proposals -- e.g., education opportunity zones, university-school partnerships, housing vouchers -- can be presented as part of the race initiative, because they target predominantly minority areas or provide disproportionate benefits to members of minority groups. Other proposals described above -- the Hispanic dropout plan and the race and health initiative -- have obvious and explicit race connections. In addition:

1. **Civil Rights Enforcement Initiative:** We are working on a coordinated package of reforms for the EEOC and the civil rights offices at DOJ, HUD, HHS, Education, and DOL. Among other things, this proposal would expand dramatically the EEOC's mediation program, substantially increasing the average speed of resolving complaints and reducing the EEOC's current backlog. Similarly, the proposal would promote the increased use of non-adversarial techniques by the agencies' civil rights offices. The proposal also would provide a mechanism for better coordination among the various civil rights offices.

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THE WHITE HOUSE
WASHINGTON

State of the Union

November 25, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPERLING
ELENA KAGAN

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Housing

1. **Housing Portability/Choice:** In addition to the new welfare-to-work housing vouchers discussed above, a package on housing portability and choice could include: increasing the number of Regional Opportunity Counseling (ROC) sites; encouraging the use of exception rents (rents up to 120 percent of the "fair market rent") as a tool for opening up more expensive suburban housing markets; and eliminating obstacles to portability of Section 8 vouchers.

2. **Fair Lending/Fair Housing:** This proposal could include: an examination of the impact of credit scoring and risk-based pricing on the availability of credit/capital to lower-income and minority individuals; issuance of guidance by banking regulators on certain key credit scoring issues and, possibly, on risk-based pricing; a Presidential call to the FDIC and the Federal

Reserve to obtain more data on reasons for home mortgage loan denials (OCC and OTS already collect such information); and collection of race and income data as part of the Equal Credit Opportunity Act/CRA small business and small farm lending reporting requirement.

3. Downpayment Reduction: We are working on a proposal to increase homeownership by reducing the barriers to buying a new home. Many low- and moderate-income families find a downpayment the largest hurdle to buying a new home; this initiative would lower this cost and help more families become homeowners. In 1992, Congress authorized the National Homeownership Trust, but never appropriated any money. We are investigating whether we should request money for this program or whether it is better policy to expand the existing HOME program (which serves a similar purpose).

Labor/Workforce

1. Child Labor: We are working on a comprehensive Child Labor Action Plan, anchored by a \$100 million commitment to the International Program on the Elimination of Child Labor (IPEC) -- a voluntary program of the International Labour Organization which is dedicated to the elimination of child labor. The funds, which would be managed by the Department of Labor in accordance with criteria we would develop, would go to programs attacking the most intolerable forms of child labor. The initiative also might include a stepped up Customs program to enforce U.S. law banning the import of goods made with forced or bonded child labor; increased support for the Migrant Education Program to support elementary and secondary education to the hardest-to-serve migrant children; and a call for prominent organizations, such as the Boy Scouts and Girls Scouts, to adopt a "No Sweat" code for uniforms and an accompanying label.

2. Pensions: We have developed an expanded pension coverage initiative that focuses on a simplified defined benefit plan for small businesses, based on the SAFE plan proposed by the American Society of Pension Actuaries (ASPA). We are also looking at a payroll deduction IRA proposal, a three-year vesting requirement for employer matching contributions in 401(k) plans, a women's pension initiative, and a pension right-to-know proposal.

3. Community Adjustment: As part of the Fast Track debate, we proposed the creation of the Office of Community and Economic Adjustment (OCEA). As you know, this office will be modeled after the Defense Department's Office of Economic Adjustment (OEA) -- the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. The OCEA would coordinate the Administration's response to regions impacted by a major plant closing or trade, by working with Labor, Commerce, SBA, HUD, Treasury, and other government entities. This group would provide planning grants and expertise to help communities develop comprehensive economic adjustment strategies. Since this program will be part of the Economic Development Administration (EDA), we are investigating whether we could initiate this proposal by executive memorandum, while awaiting Congressional appropriations.

you - v. important can do before
bringing up fast track
again

Climate Change

1. **Tax Incentive and R&D Package:** You already have committed to a \$5 billion package over five years for tax incentives and R&D to promote low-carbon technologies. The Treasury Department is working on a possible package of tax incentives to be included in the FY 1999 budget, and DOE has a proposal on the expenditure side. We are working to develop final options.

Race

A number of the above proposals -- e.g., education opportunity zones, university-school partnerships, housing vouchers -- can be presented as part of the race initiative, because they target predominantly minority areas or provide disproportionate benefits to members of minority groups. Other proposals described above -- the Hispanic dropout plan and the race and health initiative -- have obvious and explicit race connections. In addition:

1. **Civil Rights Enforcement Initiative:** We are working on a coordinated package of reforms for the EEOC and the civil rights offices at DOJ, HUD, HHS, Education, and DOL. Among other things, this proposal would expand dramatically the EEOC's mediation program, substantially increasing the average speed of resolving complaints and reducing the EEOC's current backlog. Similarly, the proposal would promote the increased use of non-adversarial techniques by the agencies' civil rights offices. The proposal also would provide a mechanism for better coordination among the various civil rights offices.

Use - worth doing
Roughly big to present
to present



Russell W. Horwitz

01/22/98 12:50:48 PM



Record Type: Record

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

cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

Subject: Background Paper For State Of the Union

MEMO TO NEC AND DPC STAFF

FROM: PAUL WEINSTEIN
RUSSELL HORWITZ

SUBJECT: STATE OF THE UNION BACKGROUND PAPER

Below is a sample paragraph for the State of the Union Background Document as well as a list of the policy ideas currently in the speech. Please draft a paragraph for each initiative in the SOTU that falls in your policy area. These paragraphs are due to Paul Weinstein and Russell Horwitz by 9:00 AM Monday 26th. There are absolutely no extensions on these paragraphs.

These paragraphs should include budget figures, the number of people who benefit., and a brief description of the major elements of the program-initiative. This document will only be 8 to 10 pages, so be short but substantive. Paragraphs should not be longer than five sentences. Please edit your materials liberally.

SAMPLE PARAGRAPH

"Racial Disparities In Health Care

This initiative will address racial disparities in six areas of health care: infant mortality, breast and cervical cancer, heart disease and stroke, diabetes, AIDs, and immunization. The proposal includes additional funding (\$50 million) to establish public health programs to adapt and apply their prevention and education strategies to eliminate racial disparities. The initiative also includes funding (\$30 million) for up to thirty local pilot projects to test innovative approaches to reach this goal."

LIST OF INITIATIVES

Education

Class Size
Teacher Competency Tests
School Construction
Mentoring
Social Promotion

Workforce & Training

Tripled Budget For Dislocated Workers
GI Bill For Workers

Health Care

Consumer Bill Of Rights

Medicare Pre-65

Tobacco Settlement ——— 1.

Children & Families

Child Labor

Extension of Family & Medical Leave Act

Expanding CCDBG

Expanding CDCTC

Creating Early Learning Fund

Expanding After-School Programs

Strengthening State Child Care Provider Standards

Research and Evaluation Fund

Welfare Reform

Increasing Child Support Collections

Welfare-to-Work Housing Vouchers

Crime & Drugs

Juvenile Justice Crime Bill

Bar under 21s from buying Guns

Sex Offender Sentencing

Campaign Finance Reform and Reinventing Government

McCain-Feingold

Free TV Petition

IRS Reform

Environment

Clean Water Initiative

Climate Change

Food Safety (?) 2.

Race Initiative

EEOC Initiative 3.

Technology

21st Century Research Fund

Human Cloning Ban

Internet Initiatives (global free trade zone, no taxes, no tariffs)

Internet and Children

Restoration of Declaration of Ind., Constitution, Star Spangled Banner

Message Sent To: _____

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Brian A. Barreto/OPD/EOP

MEMORANDUM

TO: TOM FREEDMAN

FROM: RAVEN MONTGOMERY

**RE: POINTS FROM THE STATE OF THE UNION ADDRESS
FEBRUARY 4, 1997**

DATE: JUNE 4, 1997

- I. Balance the budget
- II. Enacting bipartisan campaign finance reform
- III. Tax credits and other incentives for businesses that hire people off welfare; incentives for job placement firms and States to create more jobs for welfare recipients; training, transportation, and child care to help people go to work
- IV. Restore basic health and disability benefits when misfortune strikes immigrants who come to this country legally, who work hard, pay taxes, and obey the law
- V. Ensure that Americans have the best education possible
 1. Develop national tests of student achievement in reading and math
 2. The President's budget will allow 100,000 more to teachers to seek national certification as master teachers
 - b. We should reward and recognize our best teachers; remove those who do not measure up
 3. America Reads Initiative will use one million volunteer tutors to make sure that every child can read independently by the end of the third grade
 4. The President's balanced budget will expand Head Start to one million children by 2002
 5. Every State should give parents the power to choose the right public school for their children
 - a. Should also make it possible for more parents and teachers to start charter schools
 1. The plan will help America to create 3,000 charter schools by the next century
 6. Character education must be taught in our schools
 7. The President's budget included an initiative that would allow \$5 billion to help communities finance \$20 billion in school construction over the next 4 years
 8. We must make the 13th and 14th years of education, at least 2 years of college, just as universal in America by the 21st century as a high school education is today, and we must open the doors of college to all Americans
 - a. Proposes the HOPE scholarship
 1. 2 years of a \$1,500 tax credit for college tuition

2. Tax deduction of up to \$10,000 a year for all tuition after high school
3. Expanded IRA
4. Very large increase in Pell grant scholarships in 20 years
9. Must expand the frontiers of learning across a lifetime
 - a. The President's "GI bill" will become a simple skill grant to go directly into eligible workers' hands
10. We must bring the power of the information age into all our schools
 - a. Internet access in every classroom
- VI. Should connect every hospital to the Internet, so that doctors can instantly share data about their patients with the best specialists in the field
- VII. Must speed the remarkable advances in medical science
- VIII. Must build stronger families
 1. Must expand family leave so that workers can take time off for teacher conferences and a child's medical checkup
 2. Should pass flex-time, so workers can choose to be paid for overtime in income or trade it in for time off to be with their families
- IX. Give more families access to affordable, quality health insurance
- X. Must now end the practice of forcing women to leave the hospital only hours after a mastectomy
- XI. Must make it a felony for any parent to cross a State line in an attempt to flee from child support
- XII. Must also protect our children by standing firm in our determination to ban the advertising and marketing of cigarettes that endanger their lives
- XIII. Must put 100,000 community police on the streets of the United States
 1. Mount a full-scale war on drugs, with new prosecutors and tougher penalties
 - a. Extend the Brady Bill so violent teen criminals will not be able to buy handguns
 1. Require child safety locks on handguns to prevent unauthorized use
- XIV. Help to keep our schools open after hours, weekends, and also during the summer so our children will have a place to go to and something to say yes to
- XV. Should double the number of empowerment zones
 1. Should restore contaminated urban land and buildings to productive use
 2. Should expand the network of community development bands
 3. Private-sector tax incentives
- XVI. Should clean up 500 more toxic waste sites
- XVII. Wants to designate 10 American Heritage Rivers, to help communities alongside them revitalize their waterfronts and clean up pollution in the rivers
- XVIII. Should ban the worst toxic chemicals and to reduce the greenhouse gases that challenge our health even as they change our climate
- XIX. Mobilize millions of Americans to serve in the national service program, AmeriCorps
- XX. Should challenge all Americans in the arts and humanities to join with our fellow citizens to make the year 2000 a national celebration of the American spirit in every community
- XXI. We must expand NATO by 1999

1. We must strengthen NATO's Partnership For Peace with non-member allies
 2. We must look to the East no less than the West
 3. Together with South Korea, we must advance peace talks with North Korea and bridge the cold war's last divide
 4. Wants Congress to fund our share of the agreement under which North Korea must continue to freeze and then dismantle its nuclear weapons program
- XXII. We must pursue a deeper dialog with China for the sake of our interests and ideals
- XXIII. We must expand our exports
- XXIV. We must be an unrelenting force for peace from the Middle East to Haiti, from Northern Ireland to Africa
- XXV. Continue support in Bosnia
- XXVI. Must ratify the Chemical Weapons Convention
- XXVII. We must maintain a strong and ready military
1. Must increase funding for weapons modernization by the year 2000
- XXVIII. We must renew our commitment to America's diplomacy and pay our debts and dues to international financial institutions

**Address Before a Joint Session of the
Congress on the State of the Union
February 4, 1997**

1/24/97
Mr. Speaker, Mr. Vice President, Members of the 105th Congress, distinguished guests, and my fellow Americans. I think I should start by saying, thanks for inviting me back. I come before you tonight with a challenge as great as any in our peacetime history and a plan of action to meet that challenge, to prepare our people for the bold new world of the 21st century.

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We have much to be thankful for. With 4 years of growth, we have won back the basic strength of our economy. With crime and welfare rolls declining, we are winning back our optimism, the enduring faith that we can master any difficulty. With the cold war receding and global commerce at record levels, we are helping to win an unrivaled peace and prosperity all across the world.

My fellow Americans, the state of our Union is strong. But now we must rise to the decisive moment, to make a nation and a world better than any we have ever known. The new promise of the global economy, the information age, unimagined new work, life-enhancing technology, all these are ours to seize. That is our honor and our challenge. We must be shapers of events, not observers. For if we do not act, the moment will pass, and we will lose the best possibilities of our future.

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Action*
We face no imminent threat, but we do have an enemy. The enemy of our time is inaction. So tonight I issue a call to action: action by this Congress, action by our States, by our people, to prepare America for the 21st century; action to keep our economy and our democracy strong and working for all our people; action to strengthen education and harness the forces of technology and science; action to build stronger families and stronger

communities and a safer environment; action to keep America the world's strongest force for peace, freedom, and prosperity; and above all, action to build a more perfect Union here at home.

The spirit we bring to our work will make all the difference. We must be committed to the pursuit of opportunity for all Americans, responsibility from all Americans, in a community of all Americans. And we must be committed to a new kind of Government, not to solve all our problems for us but to give our people, all our people, the tools they need to make the most of their own lives.

And we must work together. The people of this Nation elected us all. They want us to be partners, not partisans. They put us all right here in the same boat, they gave us all oars, and they told us to row. Now, here is the direction I believe we should take.

First, we must move quickly to complete the unfinished business of our country, to balance the budget, renew our democracy, and finish the job of welfare reform.

Over the last 4 years, we have brought new economic growth by investing in our people, expanding our exports, cutting our deficits, creating over 11 million new jobs, a 4-year record. Now we must keep our economy the strongest in the world. We here tonight have an historic opportunity. Let this Congress be the Congress that finally balances the budget. *(D)* *balanced budget*
[Applause] Thank you.

In 2 days, I will propose a detailed plan to balance the budget by 2002. This plan will balance the budget and invest in our people while protecting Medicare, Medicaid, education, and the environment. It will balance the budget and build on the Vice President's efforts to make our Government work better, even as it costs less. It will balance the budget and provide middle class tax relief to pay for education and health care, to help to raise a child, to buy and sell a home.

Balancing the budget requires only your vote and my signature. It does not require us to rewrite our Constitution. I believe it is both unnecessary and unwise to adopt a balanced budget amendment that could cripple our country in time of economic crisis and force unwanted results, such as judges halting Social Security checks or increasing taxes. Let us at least agree, we should not

pass any measure—no measure should be passed that threatens Social Security. Whatever your view on that, we all must concede: We don't need a constitutional amendment; we need action.

Whatever our differences, we should balance the budget now. And then, for the long-term health of our society, we must agree to a bipartisan process to preserve Social Security and reform Medicare for the long run, so that these fundamental programs will be as strong for our children as they are for our parents.

And let me say something that's not in my script tonight. I know this is not going to be easy. But I really believe one of the reasons the American people gave me a second term was to take the tough decisions in the next 4 years that will carry our country through the next 50 years. I know it is easier for me than for you to say or do. But another reason I was elected is to support all of you, without regard to party, to give you what is necessary to join in these decisions. We owe it to our country and to our future.

Our second piece of unfinished business requires us to commit ourselves tonight, before the eyes of America, to finally enacting bipartisan campaign finance reform. Now, Senators McCain and Feingold, Representatives Shays and Meehan, have reached across party lines here to craft tough and fair reform. Their proposal would curb spending, reduce the role of special interests, create a level playing field between challengers and incumbents, and ban contributions from noncitizens, all corporate sources, and the other large soft money contributions that both parties receive.

You know and I know that this can be delayed. And you know and I know the delay will mean the death of reform. So let's set our own deadline. Let's work together to write bipartisan campaign finance reform into law and pass McCain-Feingold by the day we celebrate the birth of our democracy, July the Fourth.

There is a third piece of unfinished business. Over the last 4 years, we moved a record 2¼ million people off the welfare rolls. Then last year, Congress enacted landmark welfare reform legislation, demanding that all able-bodied recipients assume the re-

sponsibility of moving from welfare to work. Now each and every one of us has to fulfill our responsibility, indeed, our moral obligation, to make sure that people who now must work, can work.

Now we must act to meet a new goal: 2 million more people off the welfare rolls by the year 2000. Here is my plan: Tax credits and other incentives for businesses that hire people off welfare; incentives for job placement firms and States to create more jobs for welfare recipients; training, transportation, and child care to help people go to work.

Now I challenge every State: Turn those welfare checks into private sector paychecks. I challenge every religious congregation, every community nonprofit, every business to hire someone off welfare. And I'd like to say especially to every employer in our country who ever criticized the old welfare system, you can't blame that old system anymore. We have torn it down. Now do your part. Give someone on welfare the chance to go to work.

Tonight I am pleased to announce that five major corporations, Sprint, Monsanto, UPS, Burger King, and United Airlines, will be the first to join in a new national effort to marshal America's businesses, large and small, to create jobs so that people can move from welfare to work.

We passed welfare reform. All of you know I believe we were right to do it. But no one can walk out of this Chamber with a clear conscience unless you are prepared to finish the job.

And we must join together to do something else, too, something both Republican and Democratic Governors have asked us to do, to restore basic health and disability benefits when misfortune strikes immigrants who came to this country legally, who work hard, pay taxes, and obey the law. To do otherwise is simply unworthy of a great nation of immigrants.

Now, looking ahead, the greatest step of all, the high threshold of the future we must now cross, and my number one priority for the next 4 years is to ensure that all Americans have the best education in the world.

Let's work together to meet these three goals: Every 8-year-old must be able to read;

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every 12-year-old must be able to log on to the Internet; every 18-year-old must be able to go to college; and every adult American must be able to keep on learning for a lifetime.

My balanced budget makes an unprecedented commitment to these goals, \$51 billion next year. But far more than money is required. I have a plan, a call to action for American education, based on these 10 principles:

First, a national crusade for education standards, not Federal Government standards but national standards, representing what all our students must know to succeed in the knowledge economy of the 21st century. Every State and school must shape the curriculum to reflect these standards and train teachers to lift students up to them. To help schools meet the standards and measure their progress, we will lead an effort over the next 2 years to develop national tests of student achievement in reading and math. Tonight I issue a challenge to the Nation: Every State should adopt high national standards, and by 1999, every State should test every fourth grader in reading and every eighth grader in math to make sure these standards are met.

Raising standards will not be easy, and some of our children will not be able to meet them at first. The point is not to put our children down but to lift them up. Good tests will show us who needs help, what changes in teaching to make, and which schools need to improve. They can help us end social promotions, for no child should move from grade school to junior high or junior high to high school until he or she is ready.

Last month, our Secretary of Education Dick Riley and I visited Northern Illinois, where eighth grade students from 20 school districts, in a project aptly called First in the World, took the Third International Math and Science Study. That's a test that reflects the world-class standards our children must meet for the new era. And those students in Illinois tied for first in the world in science and came in second in math. Two of them, Kristen Tanner and Chris Getsler, are here tonight, along with their teacher Sue Winski. They're up there with the First Lady. And they prove that when we aim high and chal-

lenge our students, they will be the best in the world. Let's give them a hand. Stand up, please. [Applause]

Second, to have the best schools, we must have the best teachers. Most of us in this Chamber would not be here tonight without the help of those teachers. I know that I wouldn't be here. For years, many of our educators, led by North Carolina's Governor Jim Hunt and the National Board for Professional Teaching Standards, have worked very hard to establish nationally accepted credentials for excellence in teaching. Just 500 of these teachers have been certified since 1995. My budget will enable 100,000 more to seek national certification as master teachers. We should reward and recognize our best teachers. And as we reward them, we should quickly and fairly remove those few who don't measure up, and we should challenge more of our finest young people to consider teaching as a career.

Third, we must do more to help all our children read. Forty percent—40 percent—of our 8-year-olds cannot read on their own. That's why we have just launched the America Reads initiative, to build a citizen army of one million volunteer tutors to make sure every child can read independently by the end of the third grade. We will use thousands of AmeriCorps volunteers to mobilize this citizen army. We want at least 100,000 college students to help. And tonight I am pleased that 60 college presidents have answered my call, pledging that thousands of their work-study students will serve for one year as reading tutors. This is also a challenge to every teacher and every principal. You must use these tutors to help students read. And it is especially a challenge to our parents. You must read with your children every night.

This leads to the fourth principle: Learning begins in the first days of life. Scientists are now discovering how young children develop emotionally and intellectually from their very first days and how important it is for parents to begin immediately talking, singing, even reading to their infants. The First Lady has spent years writing about this issue, studying it. And she and I are going to convene a White House conference on early learning and the brain this spring, to

explore how parents and educators can best use these startling new findings.

We already know we should start teaching children before they start school. That's why this balanced budget expands Head Start to one million children by 2002. And that is why the Vice President and Mrs. Gore will host their annual family conference this June on what we can do to make sure that parents are an active part of their children's learning all the way through school.

They've done a great deal to highlight the importance of family in our life, and now they're turning their attention to getting more parents involved in their children's learning all the way through school. And I thank you, Mr. Vice President, and I thank you especially, Tipper, for what you do.

Fifth, every State should give parents the power to choose the right public school for their children. Their right to choose will foster competition and innovation that can make public schools better. We should also make it possible for more parents and teachers to start charter schools, schools that set and meet the highest standards and exist only as long as they do. Our plan will help America to create 3,000 of these charter schools by the next century, nearly 7 times as there are in the country today, so that parents will have even more choices in sending their children to the best schools.

Sixth, character education must be taught in our schools. We must teach our children to be good citizens. And we must continue to promote order and discipline, supporting communities that introduce school uniforms, impose curfews, enforce truancy laws, remove disruptive students from the classroom, and have zero tolerance for guns and drugs in school.

Seventh, we cannot expect our children to raise themselves up in schools that are literally falling down. With the student population at an all-time high and record numbers of school buildings falling into disrepair, this has now become a serious national concern. Therefore, my budget includes a new initiative, \$5 billion to help communities finance \$20 billion in school construction over the next 4 years.

Eighth, we must make the 13th and 14th years of education, at least 2 years of college,

just as universal in America by the 21st century as a high school education is today, and we must open the doors of college to all Americans. To do that, I propose America's HOPE scholarship, based on Georgia's pioneering program: 2 years of a \$1,500 tax credit for college tuition, enough to pay for the typical community college. I also propose a tax deduction of up to \$10,000 a year for all tuition after high school, an expanded IRA you can withdraw from tax free for education, and the largest increase in Pell grant scholarships in 20 years. Now, this plan will give most families the ability to pay no taxes on money they save for college tuition. I ask you to pass it and give every American who works hard the chance to go to college.

Ninth, in the 21st century, we must expand the frontiers of learning across a lifetime. All our people, of whatever age, must have the chance to learn new skills. Most Americans live near a community college. The roads that take them there can be paths to a better future. My "GI bill" for America's workers will transform the confusing tangle of Federal training programs into a simple skill grant to go directly into eligible workers' hands. For too long, this bill has been sitting on that desk there without action. I ask you to pass it now. Let's give more of our workers the ability to learn and to earn for a lifetime.

Tenth, we must bring the power of the information age into all our schools. Last year, I challenged America to connect every classroom and library to the Internet by the year 2000, so that, for the first time in our history, children in the most isolated rural towns, the most comfortable suburbs, the poorest inner-city schools, will have the same access to the same universe of knowledge.

That is my plan, a call to action for American education. Some may say that it is unusual for a President to pay this kind of attention to education. Some may say it is simply because the President and his wonderful wife have been obsessed with this subject for more years than they can recall. That is not what is driving these proposals.

We must understand the significance of this endeavor: One of the greatest sources of our strength throughout the cold war was a bipartisan foreign policy; because our future was at stake, politics stopped at the wa-

ter's edge. Now I ask you and I ask all our Nation's Governors; I ask parents, teachers, and citizens all across America for a new non-partisan commitment to education because education is a critical national security issue for our future, and politics must stop at the schoolhouse door.

To prepare America for the 21st century, we must harness the powerful forces of science and technology to benefit all Americans. This is the first State of the Union carried live in video over the Internet. But we've only begun to spread the benefits of a technology revolution that should become the modern birthright of every citizen.

Our effort to connect every classroom is just the beginning. Now we should connect every hospital to the Internet, so that doctors can instantly share data about their patients with the best specialists in the field. And I challenge the private sector tonight to start by connecting every children's hospital as soon as possible, so that a child in bed can stay in touch with school, family, and friends. A sick child need no longer be a child alone.

We must build the second generation of the Internet so that our leading universities and national laboratories can communicate in speeds 1,000 times faster than today, to develop new medical treatments, new sources of energy, new ways of working together.

But we cannot stop there. As the Internet becomes our new town square, a computer in every home, a teacher of all subjects, a connection to all cultures, this will no longer be a dream but a necessity. And over the next decade, that must be our goal.

We must continue to explore the heavens, pressing on with the Mars probes and the international space station, both of which will have practical applications for our everyday living.

We must speed the remarkable advances in medical science. The human genome project is now decoding the genetic mysteries of life. American scientists have discovered genes linked to breast cancer and ovarian cancer and medication that stops a stroke in progress and begins to reverse its effects and treatments that dramatically lengthen the lives of people with HIV and AIDS.

Since I took office, funding for AIDS research at the National Institutes of Health has increased dramatically to \$1.5 billion. With new resources, NIH will now become the most powerful discovery engine for an AIDS vaccine, working with other scientists to finally end the threat of AIDS. Remember that every year—every year we move up the discovery of an AIDS vaccine will save millions of lives around the world. We must reinforce our commitment to medical science.

To prepare America for the 21st century, we must build stronger families. Over the past 4 years, the family and medical leave law has helped millions of Americans to take time off to be with their families. With new pressures on people in the way they work and live, I believe we must expand family leave so that workers can take time off for teacher conferences and a child's medical checkup. We should pass flex-time, so workers can choose to be paid for overtime in income or trade it in for time off to be with their families.

We must continue, step by step, to give more families access to affordable, quality health care. Forty million Americans still lack health insurance. Ten million children still lack health insurance; 80 percent of them have working parents who pay taxes. That is wrong. My balanced budget will extend health coverage to up to 5 million of those children. Since nearly half of all children who lose their insurance do so because their parents lose or change a job, my budget will also ensure that people who temporarily lose their jobs can still afford to keep their health insurance. No child should be without a doctor just because a parent is without a job.

My Medicare plan modernizes Medicare, increases the life of the Trust Fund to 10 years, provides support for respite care for the many families with loved ones afflicted with Alzheimer's, and for the first time, it would fully pay for annual mammograms.

Just as we ended drive-through deliveries of babies last year, we must now end the dangerous and demeaning practice of forcing women home from the hospital only hours after a mastectomy. I ask your support for bipartisan legislation to guarantee that a woman can stay in the hospital for 48 hours after a mastectomy. With us tonight is Dr.

Kristen Zarfos, a Connecticut surgeon whose outrage at this practice spurred a national movement and inspired this legislation. I'd like her to stand so we can thank her for her efforts. Dr. Zarfos, thank you. [Applause]

In the last 4 years, we have increased child support collections by 50 percent. Now we should go further and do better by making it a felony for any parent to cross a State line in an attempt to flee from this, his or her most sacred obligation.

Finally, we must also protect our children by standing firm in our determination to ban the advertising and marketing of cigarettes that endanger their lives.

To prepare America for the 21st century, we must build stronger communities. We should start with safe streets. Serious crime has dropped 5 years in a row. The key has been community policing. We must finish the job of putting 100,000 community police on the streets of the United States. We should pass the victims' rights amendment to the Constitution. And I ask you to mount a full-scale assault on juvenile crime, with legislation that declares war on gangs, with new prosecutors and tougher penalties; extends the Brady bill so violent teen criminals will not be able to buy handguns; requires child safety locks on handguns to prevent unauthorized use; and helps to keep our schools open after hours, on weekends, and in the summer, so our young people will have someplace to go and something to say yes to.

This balanced budget includes the largest antidrug effort ever, to stop drugs at their source, punish those who push them, and teach our young people that drugs are wrong, drugs are illegal, and drugs will kill them. I hope you will support it.

Our growing economy has helped to revive poor urban and rural neighborhoods. But we must do more to empower them to create the conditions in which all families can flourish and to create jobs through investment by business and loans by banks. We should double the number of empowerment zones. They've already brought so much hope to communities like Detroit, where the unemployment rate has been cut in half in 4 years. We should restore contaminated urban land and buildings to productive use. We should

expand the network of community development banks. And together we must pledge tonight that we will use this empowerment approach, including private-sector tax incentives, to renew our Capital City, so that Washington is a great place to work and live and once again the proud face America shows the world.

We must protect our environment in every community. In the last 4 years, we cleaned up 250 toxic waste sites, as many as in the previous 12. Now we should clean up 500 more, so that our children grow up next to parks, not poison. I urge you to pass my proposal to make big polluters live by a simple rule: If you pollute our environment, you should pay to clean it up.

In the last 4 years, we strengthened our Nation's safe food and clean drinking water laws; we protected some of America's rarest, most beautiful land in Utah's Red Rocks region, created three new national parks in the California desert, and began to restore the Florida Everglades. Now we must be as vigilant with our rivers as we are with our lands. Tonight, I announce that this year I will designate 10 American Heritage Rivers, to help communities alongside them revitalize their waterfronts and clean up pollution in the rivers, proving once again that we can grow the economy as we protect the environment.

We must also protect our global environment, working to ban the worst toxic chemicals and to reduce the greenhouse gases that challenge our health even as they change our climate.

Now, we all know that in all of our communities, some of our children simply don't have what they need to grow and learn in their own homes or schools or neighborhoods. And that means the rest of us must do more, for they are our children, too. That's why President Bush, General Colin Powell, former Housing Secretary Henry Cisneros will join the Vice President and me to lead the President's summit of service in Philadelphia in April.

Our national service program, AmeriCorps, has already helped 70,000 young people to work their way through college as they serve America. Now we intend to mobilize millions of Americans to serve in thousands of ways. Citizen service is an

American responsibility which all Americans should embrace, and I ask your support for that endeavor.

I'd like to make just one last point about our national community. Our economy is measured in numbers and statistics, and it's very important. But the enduring worth of our Nation lies in our shared values and our soaring spirit. So instead of cutting back on our modest efforts to support the arts and humanities, I believe we should stand by them and challenge our artists, musicians, and writers, challenge our museums, libraries, and theaters. We should challenge all Americans in the arts and humanities to join with our fellow citizens to make the year 2000 a national celebration of the American spirit in every community, a celebration of our common culture in the century that has passed and in the new one to come in the new millennium, so that we can remain in the world's beacon not only of liberty but of creativity, long after the fireworks have faded.

To prepare America for the 21st century, we must master the forces of change in the world and keep American leadership strong and sure for an uncharted time.

Fifty years ago, a farsighted America led in creating the institutions that secured victory in the cold war and built a growing world economy. As a result, today more people than ever embrace our ideals and share our interests. Already we have dismantled many of the blocs and barriers that divided our parents' world. For the first time, more people live under democracy than dictatorship, including every nation in our own hemisphere but one, and its day, too, will come.

Now, we stand at another moment of change and choice and another time to be farsighted, to bring America 50 more years of security and prosperity. In this endeavor, our first task is to help to build, for the very first time, an undivided, democratic Europe. When Europe is stable, prosperous, and at peace, America is more secure. To that end, we must expand NATO by 1999, so that countries that were once our adversaries can become our allies. At the special NATO summit this summer, that is what we will begin to do. We must strengthen NATO's Partnership For Peace with non-member allies. And

we must build a stable partnership between NATO and a democratic Russia. An expanded NATO is good for America; and a Europe in which all democracies define their future not in terms of what they can do to each other but in terms of what they can do together for the good of all—that kind of Europe is good for America.

Second, America must look to the East no less than to the West. Our security demands it. Americans fought three wars in Asia in this century. Our prosperity requires it. More than 2 million American jobs depend upon trade with Asia.

There, too, we are helping to shape an Asia-Pacific community of cooperation, not conflict. Let our progress there not mask the peril that remains. Together with South Korea, we must advance peace talks with North Korea and bridge the cold war's last divide. And I call on Congress to fund our share of the agreement under which North Korea must continue to freeze and then dismantle its nuclear weapons program.

We must pursue a deeper dialog with China for the sake of our interests and our ideals. An isolated China is not good for America; a China playing its proper role in the world is. I will go to China, and I have invited China's President to come here, not because we agree on everything but because engaging China is the best way to work on our common challenges like ending nuclear testing and to deal frankly with our fundamental differences like human rights.

The American people must prosper in the global economy. We've worked hard to tear down trade barriers abroad so that we can create good jobs at home. I am proud to say that today America is once again the most competitive nation and the number one exporter in the world.

Now we must act to expand our exports, especially to Asia and Latin America, two of the fastest growing regions on Earth, or be left behind as these emerging economies forge new ties with other nations. That is why we need the authority now to conclude new trade agreements that open markets to our goods and services even as we preserve our values.

We need not shrink from the challenge of the global economy. After all, we have the

best workers and the best products. In a truly open market, we can out-compete anyone, anywhere on Earth.

But this is about more than economics. By expanding trade, we can advance the cause of freedom and democracy around the world. There is no better example of this truth than Latin America where democracy and open markets are on the march together. That is why I will visit there in the spring to reinforce our important tie.

We should all be proud that America led the effort to rescue our neighbor Mexico from its economic crises. And we should all be proud that last month Mexico repaid the United States, 3 full years ahead of schedule, with half a billion dollar profit to us.

America must continue to be an unrelenting force for peace from the Middle East to Haiti, from Northern Ireland to Africa. Taking reasonable risks for peace keeps us from being drawn into far more costly conflicts later.

With American leadership, the killing has stopped in Bosnia. Now the habits of peace must take hold. The new NATO force will allow reconstruction and reconciliation to accelerate. Tonight I ask Congress to continue its strong support of our troops. They are doing a remarkable job there for America, and America must do right by them.

Fifth, we must move strongly against new threats to our security. In the past 4 years, we agreed to ban—we led the way to a world-wide agreement to ban nuclear testing. With Russia, we dramatically cut nuclear arsenals, and we stopped targeting each others citizens. We are acting to prevent nuclear materials from falling into the wrong hands and to rid the world of landmines. We are working with other nations with renewed intensity to fight drug traffickers and to stop terrorists before they act and hold them fully accountable if they do.

Now we must rise to a new test of leadership, ratifying the Chemical Weapons Convention. Make no mistake about it, it will make our troops safer from chemical attack; it will help us to fight terrorism. We have no more important obligations, especially in the wake of what we now know about the Gulf war. This treaty has been bipartisan from the beginning, supported by Repub-

lican and Democratic administrations and Republican and Democratic Members of Congress and already approved by 68 nations.

But if we do not act by April 29th, when this convention goes into force with or without us, we will lose the chance to have Americans leading and enforcing this effort. Together we must make the Chemical Weapons Convention law, so that at last we can begin to outlaw poison gas from the Earth.

Finally, we must have the tools to meet all these challenges. We must maintain a strong and ready military. We must increase funding for weapons modernization by the year 2000, and we must take good care of our men and women in uniform. They are the world's finest.

We must also renew our commitment to America's diplomacy and pay our debts and dues to international financial institutions like the World Bank and to a reforming United Nations. Every dollar we devote to preventing conflicts, to promoting democracy, to stopping the spread of disease and starvation, brings a sure return in security and savings. Yet international-affairs spending today is just one percent of the Federal budget, a small fraction of what America invested in diplomacy to choose leadership over escapism at the start of the cold war. If America is to continue to lead the world, we here who lead America simply must find the will to pay our way.

A farsighted America moved the world to a better place over these last 50 years. And so it can be for another 50 years. But a shortsighted America will soon find its words falling on deaf ears all around the world.

Almost exactly 50 years ago, in the first winter of the cold war, President Truman stood before a Republican Congress and called upon our country to meet its responsibilities of leadership. This was his warning; he said, "If we falter, we may endanger the peace of the world, and we shall surely endanger the welfare of this Nation." That Congress, led by Republicans like Senator Arthur Vandenberg, answered President Truman's call. Together, they made the commitments that strengthened our country for 50 years. Now let us do the same. Let us do what it takes to remain the indispensable nation, to

keep America strong, secure, and prosperous for another 50 years.

In the end, more than anything else, our world leadership grows out of the power of our example here at home, out of our ability to remain strong as one America.

All over the world, people are being torn asunder by racial, ethnic, and religious conflicts that fuel fanaticism and terror. We are the world's most diverse democracy, and the world looks to us to show that it is possible to live and advance together across those kinds of differences.

America has always been a nation of immigrants. From the start, a steady stream of people in search of freedom and opportunity have left their own lands to make this land their home. We started as an experiment in democracy fueled by Europeans. We have grown into an experiment in democratic diversity fueled by openness and promise.

My fellow Americans, we must never, ever believe that our diversity is a weakness. It is our greatest strength. Americans speak every language, know every country. People on every continent can look to us and see the reflection of their own great potential, and they always will, as long as we strive to give all of our citizens, whatever their background, an opportunity to achieve their own greatness.

We're not there yet. We still see evidence of abiding bigotry and intolerance in ugly words and awful violence, in burned churches and bombed buildings. We must fight against this, in our country and in our hearts.

Just a few days before my second Inauguration, one of our country's best known pastors, Reverend Robert Schuller, suggested that I read Isaiah 58:12. Here's what it says: "Thou shalt raise up the foundations of many generations, and thou shalt be called the repairer of the breach, the restorer of paths to dwell in." I placed my hand on that verse when I took the oath of office, on behalf of all Americans, for no matter what our differences in our faiths, our backgrounds, our politics, we must all be repairers of the breach.

I want to say a word about two other Americans who show us how. Congressman Frank Tejeda was buried yesterday, a proud American whose family came from Mexico.

He was only 51 years old. He was awarded the Silver Star, the Bronze Star, and the Purple Heart fighting for his country in Vietnam. And he went on to serve Texas and America fighting for our future here in this Chamber. We are grateful for his service and honored that his mother, Lillie Tejeda, and his sister, Mary Alice, have come from Texas to be with us here tonight. And we welcome you.

Gary Locke, the newly elected Governor of Washington State, is the first Chinese-American Governor in the history of our country. He's the proud son of two of the millions of Asian-American immigrants who have strengthened America with their hard work, family values, and good citizenship. He represents the future we can all achieve. Thank you, Governor, for being here. Please stand up. *[Applause]*

Reverend Schuller, Congressman Tejeda, Governor Locke, along with Kristen Tanner and Chris Getsler, Sue Winski and Dr. Kristen Zarfes, they're all Americans from different roots whose lives reflect the best of what we can become when we are one America. We may not share a common past, but we surely do share a common future. Building one America is our most important mission, the foundation for many generations of every other strength we must build for this new century. Money cannot buy it. Power cannot compel it. Technology cannot create it. It can only come from the human spirit.

America is far more than a place. It is an idea, the most powerful idea in the history of nations. And all of us in this Chamber, we are now the bearers of that idea, leading a great people into a new world. A child born tonight will have almost no memory of the 20th century. Everything that child will know about America will be because of what we do now to build a new century.

We don't have a moment to waste. Tomorrow there will be just over 1,000 days until the year 2000; 1,000 days to prepare our people; 1,000 days to work together; 1,000 days to build a bridge to a land of new promise. My fellow Americans, we have work to do. Let us seize those days and the century.

Thank you, God bless you, and God bless America.

NOTE: The President spoke at 9:15 p.m. in the House Chamber of the Capitol.

cc: PJW, EK,
+ Tom
+ return

PRESIDENTIAL ACTION SINCE STATE OF THE UNION

Friday, April 4, 1997

In State of the Union, the President outlined his concrete action plan to prepare America for the 21st Century. In the two months since then, he has worked to take action on major national challenges:

Balancing the Budget:

- Balanced budget submitted to Congress, reaching balance under both OMB and CBO assumptions;
- President initiated serious budget talks with Congressional leadership and budget chairmen.

Welfare-to-Work:

- Federal government will hire people off welfare.

Campaign Finance Reform:

- President makes major free-TV proposal, asking FCC to require digital broadcasters to provide free time to candidates;
- Walter Mondale and Nancy Kassebaum appointed to head bipartisan Presidential Awareness and Education Project on campaign finance reform.

Education:

- Speeches to state legislatures urging adoption of national standards; Maryland, Michigan, North Carolina, California and the nation's military schools all endorsed President's plan -- covering nearly 20% of America's children;
- HOPE Scholarships/higher education legislation released, endorsed by over 250 college presidents;
- School Construction legislation unveiled -- will leverage \$20 billion to help communities and states rebuild America's schools.

Crime/drugs:

- Comprehensive Juvenile Justice legislation released;
- National Drug Strategy aimed toward youth, includes biggest anti-drug budget ever;
- New package of gun restrictions unveiled, including child safety locks.

Health care:

- New actions and legislation to crack down on Medicare fraud;
- Appointed new Advisory Commission on Consumer Protection and Quality in the Health Care Industry;
- New actions and legislation to fight breast cancer by giving women in their 40's more access to regular mammograms;
- Banned use of federal funds for human cloning, Bioethics Commission will study impact of cloning breakthrough.

Protecting children:

- Toughest-ever measures to cut-off children's access to tobacco took effect;

- Asked FCC to study and propose actions to curb liquor advertising on TV.

Renewing Washington, DC:

- Comprehensive plan to renew nation's capital is released, includes major economic development initiatives;
DC Reads program created, using AmeriCorps to help DC children learn to read.

American Leadership in the World:

- Historic Helsinki Summit with President Yeltsin where two Presidents took major steps forward for European security (NATO enlargement), arms control (START II and III; ABM Treaty) and greater trade and investment;
- Meetings with Middle East leaders (Netanyahu, Hussein, Arafat, Mubarak) to keep peace process on track;
- Decision to certify Mexico's cooperation in fight against drugs so cooperation grows stronger.

Site of
the man

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STATE OF THE UNION



ADDRESS TO THE 105th CONGRESS
Second Session



PRESIDENT WILLIAM J. CLINTON
January 27, 1998 • Washington, D.C.

To: Bruce Reed

From: Steve Waldman

Re: Service and the State of the Union

Date: January 29, 1997

Americasp

File: Nat Service-Ideas

cc: Diana
Elena

We need to
follow up on
these for POTUS
speech to
Service Summit

A few thoughts on how service themes and proposals might fit into the State of the Union.

The Summit

The President can recap what happened on Friday, bask in the bipartisanship and emphasize that this summit is not about talk – it's about action. Mention one or two more of the commitments, including, again, the Big Brothers example because it is a big one and enables him to make the point that we should not just be serving the young but asking the young to serve. Then he could make a commitment of his own. Two possibilities:

Allow federal employees more flexibility to spend one hour a week as a tutor or doing other volunteering. Kimberly-Clark Corporation is investing \$2 million to support building community playgrounds. But they aren't just putting in cash – they're allowing their employees to do extra volunteering. Other CEOs have taken similar steps in the view that it helps the community and builds employee morale and productivity.

As the CEO of the largest employer in the country[ck] – the federal government – I pledge today to do the same thing. I am instructing our agency heads to devise policies that allow our employees to demonstrate the true spirit of public service by volunteering. This builds on an Executive Order issued by President Bush. By giving employees more flexibility in their work hours, we can make it far easier for them to volunteer at a school or hospital when they needed most and still put in their full work-week. There are now 3 million people working for the federal government[ck]. If each one performs one hour extra of volunteer service that's 150 million [ck] extra hours of volunteering. And I'll bet it will improve their job satisfaction – and their job performance – because they will be reconnected with the reasons they came into public service in the first place.

Source?

Note: we are still researching what exactly can be done easily.

who?

Commit that any domestic policy initiative will craft a key role for volunteering and service. National service is not a program, it is an ethic, an approach -- a way to solve problems. So I am committing that any domestic policy initiatives I might propose will have a significant role for volunteering and service. If we reform health care for the seniors, one of the answers has to be using volunteer power to help frail seniors so they don't have to go to nursing homes prematurely. If we are rehabilitating schools, we must insure that parents and students and other volunteers help. That way the job will be done cost effectively *and* the community will make extra sure that the quality is good and vandals don't deface our schools. I urge Congress to apply the same test: could this be done better by making greater use of volunteers or full-time community service participants.

The President could establish the goal that any young American who wants to do significant, continuous, arduous service -- and earn educational aid along the way -- should have the opportunity to do so.

He can say that he is very proud of AmeriCorps and views this as a key model for national service, providing the full-time cadre of service participants that can help coordinate other volunteers. But there are other ways of accomplishing some of the same goals.

Work Study. The President has already proposed that 100,000 of the new work-study slots be for reading tutors. Let's set a goal that by the year 2000, half the work-study slots -- an army of 500,000 -- be engaged in service. If you had 500,000 people each doing 10 hours a week of service that would be a phenomenal 200 million extra hours of service. (The National Service act, incidentally, specifically views such activity as "national service.") With a half million people serving their way through school, just think of what we could accomplish -- without spending a dime extra of federal money. >

Faith-based service. There are already a few thousand full-time service opportunities through outstanding programs such as the Jesuit Volunteer Corps, the Lutheran Volunteer Corps or the Mennonite programs having nothing to do with the government. There are also 1,000 AmeriCorps members who serve through a National Council on Churches program that represents 15 different denominations (e.g. x, y, z.) And finally there are other AmeriCorps, service learning and senior corps programs that work with faith-based groups like Habitat for Humanity, YMCAs, and Notre Dame. These full-time service participants do not proselytize but do demonstrate that being a good Christian, Jew or Muslim means serving one's neighbor.

To the great religious institutions -- and faith-based organizations like YMCAs and Habitat for Humanity -- he would put this challenge: *if you take the lead in creating*

service opportunities, we will help you. If you multiply the number of such community service participants, we will give all of them the National Service \$4,725 scholarships.

The organizations would design the service projects and ways of providing week-to-week support for the members. Some might arrange for members of a local church to provide room and board; others might raise private money to subsidize stipends. Our role would be to offer an appealing new incentive to service in the form of educational aid.

Cost: We already have enough money in our Trust Fund to pay for these Education Only awards. So this initiative would entail no new cost. Indeed, since the \$4,725 award is so much less than the standard AmeriCorps member cost (of at least \$15,000), an expansion of education award-only opportunities will reduce the average participant cost.

This would be a good way to expand AmeriCorps and promote service -- and strengthen the connection between young people and religious institutions. The President could discuss this by referring to his exposure to the Catholic tradition of service while attending Georgetown.

National Service Scholars -- Last Spring, at Penn State, the President announced the creation of a National Service Scholars program, to acknowledge outstanding volunteer activity. Now the President can say:

We are now ready to launch this program. In the coming weeks, schools will be getting the information they need to set up this scholarship. Now it's up to you. Schools need to select the outstanding volunteer. And communities -- civic organizations, companies, religious groups -- need to come up with \$500 to fund. If communities do that -- we will match the \$500. We will provide 6,000 scholarships this year but by next year this should be in every high school in America -- and should become a tool to encourage volunteering.

The ultimate goal, of course, is not to reward one student but help stimulate a dramatic increase in volunteering among students -- for with them lies the solution to so many problems. Consider what is happening in Philadelphia. English teachers in twenty schools have taught 11th and 12th graders to tutor second graders a few afternoons a week. The teenagers help found their reading has improved at the same time they've helped the young kids..

Race

The key point here is that divisions of race cannot be solved merely through talk. The best way is through service together in a common mission. It's not accident that the military is the best institution in America at bridging the gulf in the racial divide. It is because everyone knows there is a level playing field and that they are all working toward a common mission. I'm often struck with AmeriCorps that young people who go to

college and are schooled in the politics of separatism must learn a different ethic when they start performing community service: teamwork.

Let's pledge that as we embark upon service or volunteer efforts – whether it's AmeriCorps, faith-based service or volunteer efforts spurred by the Summit – let's use this as an opportunity to bring America together. If you belong to a white suburban church don't just pledge to "help blacks" in the city – pledge to serve *with* blacks in a joint project, whether it's rebuilding a church or helping a school. If you live in the inner city, don't pretend that you are the only ones who need help. Martin Luther King said "Everyone can be great because everyone can serve."

Future Summit Plans

The people you should be meeting with here on the Summit are:

The principals:

Powell (or Col. Smullen) and Cisneros

Harris

Bob Goodwin of Points of Light

Ray Chambers

Stuart Shapiro, CEO of the summit

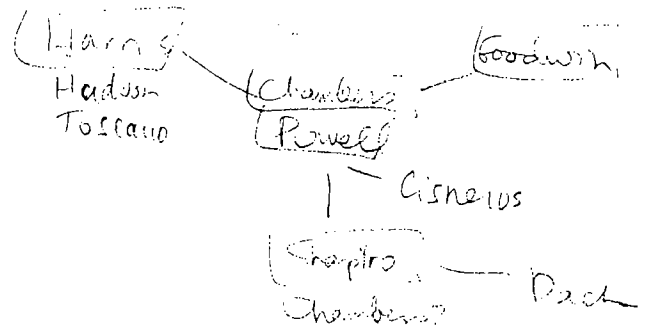
Greg Petersmeyer, lead Summit person on invitations and task forces

Gen. Andrew Chambers, COO, in charge of logistics

Melinda Hudson, lead CNS person on commitments

Leslie Dach, communications (Edelman)

Jay Toscano, lead CNS person on public relations



Petersmeyer?

Kennard

12 Slots

Education - digital divide

Sci. / Technology

General

One America

School Construction

Education - DRC

→ after school

Crime - Cops

School grounds

parents &
Law enforcement

Nat'l Congress to address this
Asian - American

Gov Company

SDV
quest votes

June

July

7 pm

JH / PW

Education - higher
New market
Security
Jm
Foreign policy
Science
One America

If you have
stem cell stuff
to talk about
we should probably
do it here so
that this can
be involved to No?