

Exchange Mail

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EXECUTIVE OFFICE OF THE PRESIDENT

19-Jan-1999 03:08pm

TO: (See Below)

FROM: Jason H. Schechter

SUBJECT: Background on the State of the Union

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Background on President Clinton's Agenda for the Nation  
State of the Union Address  
January 19, 1999

21st Century Schools

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Accountability for Results: Put Qualified Teachers in the Classroom  
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Providing Tax Relief to Parents Who Stay at Home  
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Enact Bipartisan Campaign Finance Reform  
Reinventing Government

One America

English Literacy/Civics Initiative  
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The Employment Non-Discrimination Act (?&ENDA?8)  
The Hate Crimes Prevention Act

Peroration: the Millennium

Millennium Communities Program  
Save America?s Treasures Program

## 21ST CENTURY SCHOOLS

### Accountability for Results

In his State of the Union Address, President Clinton will announce a package of accountability measures designed to hold students, teachers, and schools to high standards, and to ensure that school districts and states provide students with a high quality education. These proposals will help to lift student achievement in every public school and close the achievement gap by giving special attention to disadvantaged students in low-performing schools.

The President?s plan marks a sea change in national education policy -- for the first time holding states and school districts accountable for progress and rewarding them for results. While insisting that states and local governments retain primary responsibility for education, President Clinton will call on Congress to make sure federal dollars support what works and not what doesn?t. His proposal emphasizes reforms that a growing number of states, cities, and schools across the nation are implementing and that are producing clear results.

Specifically, the President will announce that he will send Congress legislation to reauthorize the Elementary and Secondary Education Act (ESEA) to

ensure that schools end social promotion; teachers are qualified to teach the subjects they are assigned; states turn around their lowest-performing schools; parents get annual report cards on school performance; and schools institute effective discipline policies.

#### Accountability for Results: End Social Promotion

The President's ESEA proposal will require states and school districts to end social promotion -- the practice of promoting students from grade to grade regardless of whether they have mastered the appropriate material and are academically prepared to do the work at the next level. Students who are promoted without regard to their achievement fall even further behind their classmates, and are more likely to lack basic skills upon graduating from high school.

To ensure that this requirement helps more students succeed, rather than simply increasing the number held back, states and school districts would have to show how they will help students meet promotion standards on time by (1) strengthening learning opportunities in the classroom with clear standards, small classes with well-prepared teachers, high quality professional development, and use of proven instructional practices; (2) identifying students who need help at the earliest possible moment; (3) providing extended learning time, including after-school and summer school for students who need extra help; and (4) developing an effective remedial plan, with intensive intervention, for students who still do not meet the standards, so they can get back on track in their schooling.

In 1996 President Clinton challenged every state and school district to adopt policies to end social promotion and require students to pass high school graduation exams. Twenty six states now have high school exit exams, and last year four states adopted policies to stop promoting unprepared

students from grade to grade. A growing number of urban school districts, including Boston, Philadelphia, New York City, and Washington D.C. are adopting similar policies. In Chicago, which three years ago ended the practice of social promotion in a way that gives students who need it substantial extended learning time, citywide math and reading scores have gone up every year, with the largest gains among the most disadvantaged students. President Clinton's FY 2000 budget proposes to triple federal funding for after-school and summer school programs (from \$200 million to \$600 million) to help schools ending social promotion give students the extra help they need to succeed.

**Accountability for Results: Turn Around Low Performing Schools**  
The President's ESEA proposal will require states to identify the schools with the lowest achievement levels and least improvement and take corrective action to turn them around. These corrective actions, based on a careful assessment of each school's needs, would include steps such as intensive teacher training, support to improve school discipline, and the implementation of proven approaches to school reform. If these actions do not result in improved student achievement within two years, the proposal would require states to take additional corrective actions, such as permitting students to attend other public schools; reconstituting the school, by fairly evaluating the staff and making staff changes as appropriate; or closing the school and reopening it as a charter school or with an entirely new staff. Nineteen states currently take similar actions to help improve low-performing schools, and experience demonstrates that when these interventions are carefully implemented and accompanied by the resources to support change, schools improve and student achievement increases. The President's FY 2000 budget contains \$200 million to help states begin taking these steps immediately.

Accountability for Results: Put Qualified Teachers in the Classroom  
According to the National Commission on Teaching and America's  
Future, one of  
the most important factors in improving student achievement is the  
knowledge  
and skills teachers bring to the classroom. Yet every year,  
approximately  
50,000 individuals teach on "emergency" certificates, which means  
they do not  
meet the standards the state has set for certification. In addition,  
numerous  
teachers teach subjects for which they lack adequate preparation, with  
fully  
one quarter of secondary school teachers lacking even a minor in their  
main  
teaching field. Students in schools with the highest concentrations of  
poverty  
-- those who often need the most help from the best teachers -- are  
most likely  
to be in classrooms with teachers who are not fully qualified: for  
example, in  
schools with the highest minority enrollment, students have a less than  
50  
percent chance of having a math or science teacher with a license and  
degree in  
the field.

The President's ESEA proposal will require states to adopt  
performance  
examinations for all new teachers, requiring them to demonstrate both  
  
subject-matter knowledge and teaching expertise. The proposal also  
will  
require states and school districts to phase out, over five years, the use  
of  
teachers with emergency certificates and the practice of assigning  
teachers to  
subjects for which they lack adequate preparation. To support these  
new  
teacher quality standards, the proposal will provide resources to help  
states  
strengthen teacher certification standards, test new teachers, provide  
training  
to current teachers, and give incentives to recruit more highly  
qualified  
teachers.

Accountability for Results: Issue School Report Cards  
The President's ESEA proposal will require states to distribute to all

parents

annual report cards for each school and school district, as well as the state

as a whole. The report cards will include information on student achievement,

teacher professional qualifications, class size, school safety, and other factors that will help parents to judge the performance of the schools.

Where

appropriate, the report cards also will show the academic achievement of ethnic

and racial subgroups, to ensure accountability for helping all students achieve. Thirty-six states currently publish or require local school

districts

to publish school report cards, and five additional states will begin the

practice in the next two years. A recent report by Public Agenda, however,

shows that only 31 percent of parents had seen these report cards. The President's ESEA proposal will help ensure that all parents in all states have

access to the information they need to evaluate the quality of their schools

and identify the areas in which improvement is needed.

#### Accountability for Results: Adopt Discipline Policies

Schools must be a place of learning. President Clinton already has challenged

states, communities, and schools to take a number of steps to restore order and

safety, such as adopting school uniforms, enforcing truancy laws, and imposing

curfews. But in some schools, the breakdown of classroom discipline remains

one of the biggest obstacles to learning and one of the greatest concerns for

teachers, students, and parents alike. The President's proposal will require

states and school districts to adopt discipline policies to make sure students

have the chance to learn and teachers have the chance to teach.

#### A National Effort to Reduce Class Size in the Early Grades

In his 1998 State of the Union address, President Clinton proposed to help

local school schools hire 100,000 well-prepared teachers in order to reduce

class size in grades 1-3 to a national average of 18, and make sure that every

child gets a solid foundation in the basics. Studies show that smaller classes

help teachers provide more personal attention to students and spend less time on discipline; this helps students to learn more and get a stronger foundation in the basic skills. In these studies, minority and disadvantaged students showed the largest achievement gains. Last year, Congress provided a down payment on the President's seven year, \$12.4 billion proposal by appropriating \$1.2 billion to help local communities hire about 30,000 teachers. Now Congress must finish the job by providing the next installment of funds for local schools to continue progress toward hiring 100,000 new teachers over seven years.

#### Modern School Buildings to Improve Student Learning

For students to learn, schools must be well-equipped and be able to accommodate smaller class sizes. In 1998, the American Society of Civil Engineers said that school buildings represent the nation's most pressing infrastructure need. To address this critical need, President Clinton is proposing federal tax credits as incentives to help states and school districts to build and renovate public schools. Half of the bond authority will be allocated to the 100 school districts with the largest number of low-income children, and the other half will be allocated to the states.

#### Recruiting Outstanding New Teachers for Our Nation's Public Schools

With more than 2 million teachers to be hired in the next ten years to accommodate record student enrollments and an aging teaching force, the nation must not only recruit an adequate number of teachers, but ensure a quality teaching force through effective teacher recruitment and preparation. The President's budget will contain a series of new initiatives and funding increases to help recruit well prepared individuals to teach where they are needed the most, in high poverty urban and rural communities. In particular, the President's FY 2000 budget will increase funding for his teacher

recruitment effort enacted in last year's Higher Education Act to \$35 million from \$7.5 million to recruit 7,000 outstanding new teachers into high need public schools by giving them scholarships in exchange for a commitment to teach. The President will announce other initiatives to improve teacher quality at an event later in the week.

## 21ST CENTURY SUPPORT FOR AMERICAN FAMILIES

### LABOR

#### Minimum Wage Increase

The President called on Congress to pass an increase in the minimum wage.

Despite the strongest economy in a generation, there are still millions of workers trying to raise a family and struggling to make ends meet.

The

President believes that parents who work hard and play by the rules should not

have to raise their children in poverty. That is why, in 1993, he expanded the

Earned Income Tax Credit (EITC) and, in 1996, fought for and won a minimum wage

increase. The President's proposal would increase the minimum wage from \$5.15

to \$6.15 over two years -- through a 50-cent increase on September 1, 1999 and

a 50-cent increase on September 1, 2000 -- helping to restore the real value of

the minimum wage to what it was when President Reagan took office in 1981.

This increase will help ensure that -- as costs continue to increase -- parents

who work hard and play by the rules can bring up their children out of

poverty. For someone who works full-time, this minimum wage increase will mean

an additional \$2,000 per year. According to data from the Bureau of Labor

Statistics, about 12 million hourly paid workers would benefit directly from

this pay raise.

#### Ensuring Equal Pay

According to the Department of Labor, the average woman who works full-time earns just 74 cents for each dollar that an average man earns. For women of color, the gap is even wider. This gap is, in part, attributable to differing levels of experience, education, and skill. However, even after accounting for these factors, a significant pay gap still remains between men and women in similar jobs. Recognizing this wage disparity, the President is proposing a \$14 million equal pay initiative for the Equal Employment Opportunity Commission (EEOC) and the Department of Labor. Additional details of this initiative will be announced at a later date. The President also will continue to support the Paycheck Fairness Act, which improves the enforcement of wage discrimination laws and provides for research, education, training of EEOC staff, and outreach on this important subject.

## CHILD CARE

Expanding the Child Care Block Grant  
The President is proposing to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. The President's proposal will: (1) increase funding for child care subsidies by \$7.5 billion over five years, enabling the program to serve an additional 1.15 million children by FY 2004; (2) provide \$3 billion over five years to promote early learning; and (3) provide \$173 million to improve child care quality. Additional funds for subsidies are necessary because millions of families who are eligible for assistance with their child care costs currently do not receive any help: in FY 1997, states provided child care assistance to only 1.25 million of the 10 million low-income children eligible. Additional funding to improve early learning through challenge grants to communities for children ages zero to five responds to research showing that

children's experiences in the earliest years are critical to their development and ability to reach school ready to learn. Finally, increased investment in improving child care is needed to support quality enhancement efforts such as performing inspections of child care facilities, providing resource and referral services for parents, assisting providers with training and scholarships, and creating networks for family day care providers.

#### Expanding After-School Opportunities

The President is committed to triple funding for the 21st Century Learning Center Program, which supports the creation and expansion of after-school and summer school programs throughout the country. Experts agree that school-age children who are unsupervised during the hours after school are far more likely to use alcohol, drugs, and tobacco, commit crimes, receive poor grades, and drop out of school than those who are involved in supervised, constructive activities. The program increases the supply of after-school care in a cost-effective manner, primarily by funding programs that use public school facilities and existing resources. In awarding these new funds, the Education Department will give priority to school districts that are ending social promotion by requiring that students meet academic standards in order to move to the next grade. The President's budget will include \$600 million in FY 2000 to help roughly 1.1 million children each year participate in after-school and summer school programs.

#### Giving Greater Tax Relief for Child Care to Three Million Working Families

The Child and Dependent Care Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of

the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$354 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that claim the maximum allowable child care expenses. The President's budget will include \$5 billion over five years to expand the Child and Dependent Care Tax Credit for nearly three million working families paying for child care. The President's plan also includes a new tax credit to businesses that provide child care services for their employees.

#### Providing Tax Relief to Parents Who Stay at Home

The President believes that we should support parents in whatever choice they make for the care of their children. He therefore is proposing to enable parents who stay at home with children under one year old to take advantage of the Child and Dependent Care Tax Credit by claiming assumed child care expenses of \$500. The President's budget proposal will provide an average tax credit of \$178, at a cost of \$1.3 billion over five years, which will benefit 1.7 million families.

#### FMLA Expansion

The President is proposing again to extend the benefits of the Family and Medical Leave Act (FMLA) -- the first piece of legislation that the President signed into law -- to ten million more American workers. Today, workers are eligible for up to 12 weeks of FMLA-protected leave to care for a newborn or adopted child, to attend to their own serious health needs, or to care for a seriously ill parent, child or spouse -- if they work at a business with 50 or more employees. By covering workers in businesses with 25 or more workers, 10 million more American workers will be covered by the FMLA. The President is

also calling for expanding the law to allow FMLA-eligible workers to take up to 24 hours of additional leave each year to meet specified family obligations.

Leave could be taken to: (1) participate in school activities, such as parent-teacher conferences; (2) accompany one's child to routine dental or medical appointments; and (3) accompany an elderly relative to routine medical appointments or other professional services.

#### Prohibiting Discrimination Against Parents

The President proposed new federal legislation to protect parents from

discrimination in the workplace. Building on laws in Alaska, Michigan, New

Jersey and other states, this legislation would protect workers from unfair

assumptions about their commitment to their job that can affect hiring,

advancement, and other employment decisions. This law would not prohibit

employers from making hiring and promotion decisions on the basis of job

performance, but would ensure that workers are not unfairly discriminated

against simply because they are parents.

#### HEALTH CARE

##### Addressing Growing Long-Term Care Needs

Over five million Americans, most of whom are elderly, have significant

limitations due to illness or disability and thus require long-term care.

The

aging of Americans will only increase the need for quality long-term care

options: by 2030, the number of elderly Americans will have doubled, so that

one in five Americans will be elderly. President Clinton has proposed an

historic new \$6.2 billion initiative to support elderly and disabled Americans

with long-term care needs and the millions of family members who care for

them. This initiative includes over five years a \$5.5 billion investment in a

\$1,000 tax credit to compensate for the cost of long-term care services; a new

\$625 million National Family Caregiver Program; a \$10 million

national campaign  
for FY 2000 to educate Medicare beneficiaries about long-term care  
options; and  
\$15 million to allow the Federal government to offer long-term care  
insurance  
to its employees at group rates.

**The Potential of New Biomedical Research**  
Advances in biomedical research have captured the imagination of all  
Americans,  
with scientists now poised to make advances that could revolutionize  
the way we  
treat diseases. The President's new \$320 million investment in NIH  
will allow  
us to make progress in preventing the complications of diabetes,  
combating  
diseases associated with aging, like Alzheimers and Parkinson's, and  
developing vaccines for tuberculosis, malaria, and AIDS.

**Protecting Patients through a Strong, Enforceable Patients Bill of  
Rights**  
Once again, the President is calling on Congress to pass a strong  
federally  
enforceable patients', bill of rights. This Health Care 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 causes a patient to be harmed or die.  
The  
President is already doing everything he can to implement these  
protections, by  
extending them to the 85 million Americans covered by Federal health  
plans.

**Protecting Privacy of Medical Records**  
The President is challenging the Congress to pass strong bipartisan  
legislation  
to protect the privacy of medical records. The President also pledged  
that if  
Congress does not pass this legislation this summer, he will take  
action to  
implement protections for electronic medical records under the  
authority given  
to him by the Health Insurance Portability and Accountability Act of  
1996.

### Encouraging Small Businesses to Purchase Health Insurance

Many small businesses cannot offer health insurance because of their higher administrative costs and premiums relative to large businesses. As a result, workers in small firms are less likely to have access to affordable, job-based health insurance. Nearly half of uninsured workers are in firms with fewer than 25 employees (relative to 30 percent of all workers). The President is proposing a new \$44 million initiative to encourage small businesses to offer health insurance to their workers by developing and/or joining coalitions for purchasing health insurance. This three-part initiative would provide a tax credit to small businesses that decide to offer coverage by joining coalitions; encourage private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; and offering technical assistance to new small business coalitions.

### Providing New Options for Americans Ages 55 to 65 to Obtain Health Insurance

Americans ages 55 to 65 are one of the fastest growing groups of uninsured Americans. They are also extremely difficult to insure: they have less access to and a greater risk of losing employer-based health insurance; and they are twice as likely to have health problems as the population generally. The President's \$1.4 billion proposal gives this vulnerable population three new ways to gain access to health insurance by: (1) allowing Americans ages 62 to 65 to buy into Medicare, through a mechanism that preserves the Medicare trust fund; (2) assisting vulnerable displaced workers 55 and over by offering those who have involuntarily lost their jobs and health care coverage a similar Medicare buy-in option; and (3) giving Americans 55 and over who have lost their retiree benefits access to their former employers' health insurance.

**Improving Economic Opportunities for Americans With Disabilities**  
Since President Clinton and Vice President Gore took office, the American economy has added 17.7 million new jobs. However, the unemployment rate among working-age adults with disabilities is still nearly 75 percent. People with disabilities can bring tremendous energy and talent to the American workforce, yet institutional barriers often limit their ability to work. The President's budget proposes a historic new \$2 billion initiative that removes significant barriers to work for people with disabilities. It includes the Work Incentives Improvement Act, which invests \$1.2 billion in providing options for workers with disabilities to buy into Medicaid and Medicare; a new \$700 million investment in a \$1,000 tax credit for workers with disabilities; and more than double the government's current investment, an increase of \$35 million, in assistive technologies that make it possible for individuals with disabilities to work.

**Improving Health Care Access for Uninsured Workers**  
This new initiative invests \$1 billion over 5 years in local communities to integrate providers that traditionally provide services to the uninsured, such as public hospitals and clinics, into networks that provide a comprehensive range of services to uninsured people. Providers will receive funds to develop the financial, information, and telecommunication systems necessary to monitor and manage patient needs, as well as funds to expand the range of services they deliver.

**Providing Critical Mental Health Prevention and Treatment Services**  
Approximately 44 million adults and 14 million children suffer from a mental disorder each year. The Clinton/Gore Administration's new FY 2000 budget includes a \$70 million increase -- the largest ever -- in the mental health block grant. This 24 percent increase, totaling \$358 million, will

enable states to enhance and expand their efforts to assist people with mental illnesses, by targeting particularly-hard-to-reach adults and children with severe mental illnesses, improving school violence abatement programs, helping states provide new effective medications for people with mental illnesses, and providing services to older Americans who are reluctant to reach mental health services in traditional mental health settings. This spring, the Administration will also hold the first ever White House Conference on Mental Health.

#### Protecting Our Children From Tobacco

Every day, 3000 children become regular smokers and 1000 have their lives shortened because of it. Almost 90 percent of adult smokers began smoking by age 18 and today 4.5 million children -- 37 percent of all high school students -- smoke cigarettes. The state tobacco settlement is an important step in the right direction, but the President believes additional measures must be taken to reduce youth smoking and hold the tobacco industry accountable: 1) raise the price of cigarettes, so fewer young people start to smoke; 2) reaffirm the Food and Drug Administration's full authority to keep cigarettes out of the hands of children; 3) fund critical public health efforts to prevent youth smoking and hold the tobacco industry accountable for reducing youth smoking; and 4) protect farmers and farming communities. The President's budget will use all the funds resulting from this plan to help reimburse the federal government for its annual tobacco-related health costs.

#### Largest Increase in Family Planning Grants in 15 Years

The President's FY 2000 budget proposal will call for a substantial increase in Title X Family Planning grants, which helps provide women with vital services, including contraception, pregnancy testing, STD screening and treatment. Further details of this increase will be announced later this

week.

## 21ST CENTURY ECONOMY

### Re-employment Initiative

In 1995, President Clinton proposed a G.I. Bill for America's Workers to

reform our employment and training system for the 21st-century economy by

empowering individuals, streamlining services, enhancing accountability, and

increasing flexibility. For over three years, President Clinton repeatedly

pressed Congress to pass job-training reform based on his original proposal.

Last year, the Congress finally passed and the President signed comprehensive

job training reform. This year, the President proposes a long-term commitment

to ensuring that Americans who are displaced from their jobs can get the

training and re-employment services they want and need to get new jobs.

### Helping Adults Who Lack Basic Skills

President Clinton will soon announce a major effort to help the more than 44

million adults who perform at the lowest level of literacy to obtain the skills

they need to succeed in today's economy and to help immigrants more fully

integrate into our civic and social life. This effort includes the 10% tax

credit for employers who provide workplace education programs for their

employees and a new award to recognize "High Skills" communities for their

outstanding achievement in promoting adult education as announced by the Vice

President on January 12. Later this month, the President will announce the

other parts of this initiative.

### Welfare Rolls Decline as More Recipients go to Work

The President announced that welfare is at its lowest level in 30 years and the

welfare rolls have fallen by nearly half since he took office. The percent of

welfare recipients working has tripled since 1992, and all states met

the first  
work overall participation rates required under the welfare reform law.  
Two  
years ago the President challenged the business community to create  
jobs so  
that people can move from welfare to work. Today, 10,000 companies  
of all  
sizes, industries, and from all regions have joined the Welfare to Work

Partnership and are successfully hiring and retaining hundreds of  
thousands of  
welfare recipients.

#### Additional Welfare-to-Work Assistance

The President announced that he will propose \$1 billion for his  
Welfare-to-Work  
program to ensure that those remaining on the welfare rolls who face  
the  
greatest challenges can succeed in the workforce and to increase the  
employment  
of fathers of children on welfare so they can better support their  
children.  
This funding will help 200,000 people move from welfare to work and  
will help  
increase child support collections, which have gone up 80 percent  
since 1992.  
The President will announce further details of this proposal next  
week.

#### New Markets Investments Initiative

One of the great still unmet challenges for the start of the 21st century  
is  
building economically vibrant communities in those places that our  
prosperity  
has not yet reached -- inner cities and distressed rural areas. These  
new  
markets here at home have great potential. We must build a bridge  
between Wall  
Street and our great untapped markets. The President's new markets  
initiative  
will spur \$15 billion in new capital investment in businesses in these  
underserved areas through a package of tax credits and guarantees.

#### Specifically:

New Markets Tax Credit: A billion dollars of tax credits over five  
years worth  
up to 25% of the amount of equity invested in a variety of vehicles for  
providing equity and credit to businesses in underserved areas.

America's Private Investment Companies (APICs): Modeled after the Overseas Private Investment Corporation's (OPIC) successful investment fund program, this program would create, each year, five new private investment partnerships of up to \$300 million. For each new APIC, HUD and the SBA would provide up to \$200 million in loan guarantees to match \$100 million in private investment, creating a fund of \$300 million for investment in mid-sized firms expanding or relocating into underserved areas.

New Market Venture Capital Firms (NMVCs): SBA will match equity investment and technical assistance funds to finance 10-20 new investment partnerships selected to provide both patient growth capital and expert guidance to entrepreneurs who need both in order to transform their small businesses and great ideas into thriving companies.

SBICs targeted to new markets: Over 40 years, the SBIC program has helped more than 85,000 small companies grow, some from start-ups to household names like AOL; but the program has not done enough to help spur growth in underserved areas. SBA will provide more flexibility and new financing terms, along with aggressive outreach, to promote investment in low- and moderate-income areas by SBICs.

New Market Lending Companies (NMLCs): SBA will approve approximately 10 new non-bank lenders who have a strategy to target their lending to underserved areas.

Other: Other elements include seed money to expand BusinessLINC partnerships to encourage large businesses to work with small businesses in new markets and reforms to the Specialized Small Business Investment Company (SSBIC) tax credit to make it easier to use.

### Empowerment Zones

Last week, Vice President Gore named 20 economically distressed communities as new Empowerment Zones (EZs). Tonight, the President is reaffirming his Administration's commitment to securing full funding of flexible grant funding for the new EZs. If Congress approves full funding for the EZs, federal investment is expected to help create and retain about 90,000 jobs and stimulate \$20.3 billion in private and public investment in the next 10 years.

### Community Development Financial Institutions Fund (CDFI)

In 1994, the President proposed and Congress established the CDFI Fund. This Fund further expands the availability of credit, investment capital, financial services, and other development services in distressed communities. The President is proposing to expand funding for the CDFI program to \$125 million -- a \$30 million increase from FY 1999.

### Crop Insurance Program

In the midst of the strongest economy we have enjoyed in decades, many farmers are suffering and others are at risk through no fault of their own. Natural disasters, coupled with declining demand abroad (exports have accounted for roughly a third of our farm products) brought historic losses last year. The President fought for and got an additional \$6 billion in emergency aid for farmers in 1998. But this is not an unexpected or one-time-only problem. When the President signed the 1996 Freedom to Farm Act, he called for additional work to be done to create an adequate safety net for farmers. In his State of the Union, he pledged to work with Members of both parties to achieve the needed reforms --both in the crop insurance program and in farm income assistance --this year.

### Information Technology Research

President Clinton and Vice President Gore will propose at least \$366

million,  
an increase of approximately 30 percent, for the government's  
investment in  
information technology research. The Vice President will announce  
the  
specifics of this initiative later this week.

#### Y2K

The year 2000 problem results from a computer programming practice  
that for  
over 30 years designated a year by its last two digits, such as "99" for  
"1999." When the program has to deal with the year 2000, or "00,"  
malfunctions  
may occur in software applications or operating processes because the  
program  
stops, reads the year as "1900," or otherwise produces erroneous  
information.

The President and Vice President have been leading the attack on this  
problem

by establishing a goal for all Federal programs to be year 2000  
compliant by

March 31, 1999 and by establishing the President's Council on Year  
2000

Conversion. The December quarterly report from the Office of  
Management and

Budget indicated that 61% of the Federal Government's mission  
critical systems,

such as those for issuing Social Security checks, were already year  
2000

compliant and 90% of the work to repair such systems had been  
completed with

testing of the fixes underway. The Council's mandate is to coordinate  
the work

of Federal agencies as they correct their own systems and to reach out  
to

governments at all levels as well as internationally and to the private  
sector

to help facilitate their efforts to meet the challenge of crossing into the

next century without noticeable difficulty.

#### Financial Architecture

As the world's strongest economy and largest exporter, we have a  
major

interest in addressing the global financial crisis and in designing a  
global

financial architecture for the 21st century. Starting last year, the  
President

laid out a strategy working with key emerging and industrial  
economies to

address the current crisis and restore recovery, by providing the IMF expanded resources and new tools, strengthening social safety nets to protect the most vulnerable, developing systemic approaches to rebuilding financial and banking sectors, and establishing "precautionary" means for assisting countries with strong policies ward off contagion. Longer term, we must prevent the disruptive cycle of boom and bust by increasing openness and accountability, strengthening national financial systems and international surveillance, providing more orderly mechanisms for crisis response, and ensuring the participation of the private sector in crisis prevention and mitigation. This work will culminate in the meeting of G-7 leaders in Cologne Germany in June.

#### A Firm Commitment to Free and Fair Trade

The global financial crisis has touched the lives of many Americans. The surge in low-priced steel imports into the United States has adversely impacted our steel companies, workers and communities. This Administration is taking forceful steps to vigorously enforce our trade laws, to engage major exporting and importing nations to trade fairly and to bear their fair share of the import burden, to help crisis-stricken countries achieve recovery, and to provide American steel communities, workers and companies with the resources they need to adjust to the forces of globalization. Japan accounts for almost half of the surge in steel imports into the United States, and has increased exports of hot rolled sheet steel by 400 percent from 1997 to 1998. We have informed Japan it must trade fairly, and we expect its exports to fall to appropriate pre-crisis levels. We are prepared to take appropriate WTO-consistent actions under our trade laws to ensure that happens including, if necessary, self-initiated actions under section 201 and our anti-dumping laws. The President has made clear that open, rules-based trade is essential for both global economic recovery and continued U.S. prosperity.

Traditional Trade Negotiating Authority

The President called for a new consensus granting him "fast track" trade authority to expand America's opportunities in the global economy while ensuring that expanded trade benefits all citizens, promoting prosperity, respecting worker rights, and protecting the environment. With a global round of trade negotiations just around the corner and with the global financial crisis threatening America's hard won economic gains, it is more important than ever to give the President traditional trade authority to break down trade barriers that put American products made by American workers at a disadvantage. This authority has been given to every president since 1974 in order to pursue America's national interest in the global economy. Without trade authority, America's role as the largest exporter in the world could be put in jeopardy and America's ability to continue creating higher-paying jobs for more Americans could be undermined.

#### Caribbean Basin Trade Enhancement

The President will work with Congress toward swift passage of legislation expanding Caribbean Basin Initiative (CBI) trade ties with Caribbean and Central American countries. This trade legislation will create opportunities for American companies and workers even as it provides enhanced market access and economic stimulus for countries devastated by Hurricane Mitch. The Administration is strongly committed to the negotiations to conclude the Free Trade Area of the Americas by 2005, and expects to achieve commercially-meaningful outcomes by the end of the year, which will expand U.S. export opportunities in Latin America.

#### African Growth and Opportunity Act

In the State of the Union, President Clinton called upon Congress to pass the African Growth and Opportunity Act, an important and groundbreaking piece of legislation which recognizes African countries', efforts to institute sound

economic policies and reform. The philosophy of this bill is simple: America stands ready to help those African countries that undertake difficult reforms to build a better future. Effective aid, combined with strong reforms and increased trade and investment, will help bring Africa into the global economy and create new markets for U.S. exports. American businesses, farmers, and workers all stand to benefit from expanding our trade with the largest underdeveloped market in the world.

#### New WTO Round of Global Trade Negotiations

The President is calling for the launch of an ambitious new WTO Round when world trade ministers meet in the United States this November to shape the world trading system in the 21st century. The President is calling for a new type of Round for the new century, which could yield concrete early results in key areas, ensure that labor and environmental standards are fully protected so that trade opening does not lead to a race to the bottom and result in a more open and accountable WTO system. The United States must play a leadership role: as the world's largest exporter, we have the most at stake. A successful accelerated Round of negotiations will create important new opportunities for America's world class farmers and ranchers, manufacturers, and service providers to increase sales in foreign markets. We will see new opportunities to sell our goods and services (such as express delivery, environmental and energy services, electronic commerce and professional services) where the preponderance of global trade is not subject to WTO rules, and further removal of tariffs because many of our trading partners in Asia, Latin America, and elsewhere retain far higher tariff rates than the United States. We will also seek to further open government procurement practices, ensure fair global competition, and protect intellectual property rights (IPR) in areas where the United States leads the world (software, film/video, music,

pharmaceuticals). The U.S. Trade Representative will chair the 1999 meeting of WTO trade ministers in the United States.

#### International Labor Rights

The global economy holds the promise of a higher standard of living for more people in more countries, but we must ensure that spirited competition among nations never becomes a race to the bottom on labor standards.

#### President

Clinton's FY 2000 budget will provide \$40 million for the first time ever to

help developing countries implement core labor standards and build social

safety net programs such as unemployment insurance and pensions.

Specifically,

the United States will provide: \$25 million to establish a new multilateral

program at the International Labor Organization (ILO) to provide technical

assistance to core labor standards efforts; \$9.5 million to the Department of

Labor to help our trading partners strengthen their implementation mechanisms;

and \$5 million to the Department of State to encourage cooperative efforts to

eliminate international sweatshops.

#### Child Labor

Last year the President fought for and obtained a ten-fold increase in the U.S.

contribution to the International Program for the Elimination of Child Labor --

a \$30 million dollar contribution making the U.S. the world's leader in the

fight to reduce the most intolerable forms of child labor. This year, he commits the U.S. to press for a new international convention to ban the most

intolerable forms of child labor -- hazardous work, forced or indentured labor,

and work by the very young. In addition, the President's budget will maintain

the same dramatic level of IPEC funding while adding a new \$10 million program

-- "School Works" -- through U.S. AID to improve access to education to make it

easier to get kids out of hazardous workplaces. In addition, the proposal

calls for additional agents for the U.S. Customs Service to enforce the

ban on the importation of goods made with forced or indentured child labor (almost doubling the enforcement budget from \$3 million to \$5 billion) and an increase of \$4 million (above last year's \$3 million) for domestic enforcement of labor laws in areas vulnerable to child labor -- the garment industry and agriculture.

#### U. S. Manufacturing Exports

Manufacturing exports have been a key engine of America's sustained economic expansion. However, the global financial crisis has put that progress at

risk. To help American manufacturers safeguard their hard-won gains in foreign markets and expand into new growth areas, the Administration is launching a \$108 million initiative to spur nearly \$2 billion in additional U.S. exports, which will sustain or create 16,000 high-wage American manufacturing jobs.

First, the initiative boosts funding for the Export-Import Bank by 10 percent (\$81 million) to keep U.S. products -- from aircraft parts to capital equipment to environmental technology -- flowing to emerging markets where commercial banks have withdrawn. Second, the Trade Development Agency will receive an additional \$4 million for feasibility studies to enable U.S. companies to participate in major export-generating infrastructure projects overseas.

Third, the initiative provides \$14 million for the Department of Commerce's International Trade Administration (ITA) to increase resources for export advocacy and service delivery to small manufacturers. Finally, the initiative provides \$9 million for ITA and Commerce's National Institute of Standards and Technology to help developing countries establish a legal and regulatory infrastructure to make it easier for U.S. firms to export.

### Bringing Hope to Northern Ireland

President Clinton's intensive diplomatic efforts helped achieve the landmark

Good Friday Accord last spring, bringing new governing structures and a new era

of cooperation to Northern Ireland. By an overwhelming margin, the people of

Northern Ireland and Ireland have chosen a peaceful future after a generation

of bloodshed. President Clinton reaffirmed his support for full implementation

of the agreement, so Northern Ireland can pursue a prosperous, democratic

course, free of violence and terror. The U.S. will also continue to support

the International Fund for Ireland, which promotes reconciliation through

economic regeneration projects targeting disadvantaged Irish border counties

and Northern Ireland.

### Securing Peace in the Balkans

The U.S. continues to help its European allies in consolidating the peace in

Bosnia and Herzegovina. Through 1999, our priorities will be to accelerate

Bosnia's transition to a market economy, increase the momentum on refugee

returns, improve the rule of law, reinforce central institutions and press

ahead with media and education reform. The NATO-led Stabilization Force, which

continues to play a vital role in implementing Dayton, will continue to draw

down. This will allow a further reduction in the U.S. troop contribution,

which is already one-third the size of the U.S. contribution to the previous

Implementation Force. The U.S. is also leading efforts to end the repression

and a peaceful solution to the Kosovo crisis.

### Promoting Peace in the Middle East

President Clinton believes that the best long-term strategy for Israeli security includes a secure peace with the Palestinians, recognition of their

legitimate rights, and a comprehensive, secure peace in the Middle East. The

President's efforts at Wye River helped put the peace process back on track

after eighteen months of stalemate. At a time when the U.S. is calling on Israel and the Palestinians to meet the commitments they undertook at Wye, the U.S. must meet its responsibilities. The President's supplemental request would bolster Israel's security, strengthen the Palestinian economy and lend a hand to a trusted friend of peace, Jordan.

#### Defending Against New Threats to America's Security

In an era of rapid technological change, Americans are faced with new

challenges to our national security from biological and chemical attacks, and attacks on our computer networks. President Clinton has taken the lead in addressing these threats by developing new strategies to combat terrorism, prepare for weapons of mass destruction attacks, and protect our critical infrastructure. To prepare for the threat of biological and chemical weapons, President Clinton has called for an increase in funding for vaccine research and public health surveillance in his FY 2000 budget. He has also established a National Domestic Preparedness Office, which will provide a integrated federal program to train and equip those who would first respond to a biological or chemical weapons attacks, and develop emergency plans for 120 metropolitan areas nationwide. To protect our computer networks from cyber terrorism, he has called for an initiative to train and hire information technology experts to safeguard government computer networks, and an initiative to integrate systems designed to monitor computer intrusion. The President has also launched new public-private information sharing centers to foster better preparation for cyberattacks and a computer security initiative aimed at safeguarding networks from covert installation of destructive computer code.

#### Cooperative Threat Reduction Initiative

President Clinton announced an enhanced effort to work with Russia and other former Soviet countries to reduce the risk that materials, technologies,

and expertise for weapons of mass destruction and ballistic missiles will fall into the hands of rogue nations or terrorists -- and to help former Soviet countries implement existing arms control agreements. The President's five year budget plan calls for a 70% expansion of threat reduction programs. Our initiative emphasizes engaging weapons scientists and institutes in civilian research, promoting nuclear security by dismantling and destroying warheads and dangerous materials, tightening export controls, and accelerating Russian efforts to withdraw troops stationed outside Russia. None of these funds will be available to entities that engage in dangerous missile or nuclear assistance to Iran. The Administration will continue to help Russia to develop an effective export control system that keeps dangerous technologies away from Iran and others. And we will continue to apply penalties against Russian entities that violate international nonproliferation standards.

We will also continue our efforts to restrain North Korea's nuclear and missile programs, halt a nuclear and missile race between India and Pakistan, and press China to play a more constructive role in efforts to contain the spread of mass destruction weapons and missiles. And we will move forward with international negotiations on the President's proposal to strengthen our ability to determine whether nations are complying with the Biological Weapons Convention.

**Containing and Opposing Saddam Hussein**  
President Clinton stressed that we will continue to contain Iraq as long as it poses a threat to its neighbors and continues to conceal its weapons of mass destruction programs. Saddam Hussein's actions demonstrate that he does not intend to comply with UN security council resolutions, even in the face of international pressure. We therefore are pursuing a two-track policy: advancing initiatives aimed at increasing availability of food and

medicine for  
the Iraqi people while actively supporting efforts by Iraqi opposition  
groups  
to replace Saddam's regime.

#### Comprehensive Test Ban Treaty

The President's call for the Senate to act without delay to give its  
advice and  
consent to ratification of the Comprehensive Test Ban Treaty (CTBT)  
will help  
prevent a new arms race and make it more difficult for non-nuclear  
states to  
develop these devices of destruction. The CTBT will allow America  
to maintain  
a safe and reliable nuclear deterrent while constraining the  
proliferation of  
nuclear material and technology to rogue states' weapons programs.  
CTBT will  
improve America's ability to detect and deter nuclear explosive  
testing. CTBT's  
global network of sensors will strengthen America's ability to monitor  
nuclear  
explosive testing across the globe, as well as deter any nation from  
believing  
it can conduct a nuclear explosive test undetected by the international  
community. If the United States fails to ratify before September, we  
will  
undercut our own efforts to strengthen the global nonproliferation  
regime and  
curb further nuclear arms development, particularly in South Asia.

#### Strengthening America's Military

President Clinton proposed a six-year, sustained increase in defense  
spending  
to ensure that America's armed forces are fully prepared to meet the  
challenges of the next century and remain the world's best-trained,  
best-equipped fighting force -- reversing a trend begun a decade ago.  
The  
President's budget for next year will provide \$12 billion more than  
we had  
planned last year for FY 2000 to meet readiness and modernization  
needs. These  
funds will strengthen recruitment and retention programs; enhance  
training,  
unit operations and flight hour programs, and provide additional spare  
parts.  
Funds will also be devoted to modernizing weapons programs, by  
replacing aging  
equipment with more technologically advanced systems, taking  
advantage of

cutting edge computer technology, and developing defense systems against both theater and strategic ballistic missiles. Finally, the President's defense spending proposal will improve pay and benefits for America's men and women in uniform, ensuring that they enjoy the quality of life they deserve.

#### Strengthening Alliances and Promoting Freedom

Promoting freedom by strengthening our alliances and building partnerships in Europe, Asia, and Latin America is central to President Clinton's foreign policy agenda. President Clinton will convene a NATO Summit in Washington this April to commemorate its first fifty years and to chart a course for the next century. Unprecedented in size and scope, this golden anniversary summit marks a milestone in President Clinton's efforts to strengthen the alliance and build a more integrated, democratic and peaceful Europe. It will reaffirm NATO's commitment to building its relationships with Russia and Ukraine and to the continuing evolution of the Partnership for Peace as a pillar of transatlantic security. Forty-four leaders from both sides of the Atlantic will come to Washington to welcome its newest members -- Poland, Hungary, and the Czech Republic -- and to forge a new consensus about the need for joint action to face new challenges to our shared security, including regional conflicts and the growing threat posed by the proliferation of weapons of mass destruction. NATO will also develop a new Strategic Concept, the blueprint guiding the Alliance's defense planning and policies, and take steps towards ensuring that NATO's door remains open to prospective new members.

#### Payment of United Nations Arrears

President Clinton highlighted the need for congressional action to meet U.S. financial obligations to the United Nations. From critical peacekeeping operations to life sustaining relief and development efforts in Africa, the Middle East, Europe, and around the globe, the United Nations is an

essential

institution for the promotion of U.S. objectives across a broad spectrum of

issues. Our interests abroad -- from maintaining political stability, to averting human rights and humanitarian catastrophe, to promoting international

standards in areas such as aviation safety -- demand that we meet our international obligations and increase our leverage in international organizations.

#### Hurricane Mitch Response

President Clinton reaffirmed our commitment to assist in the reconstruction of

those Central American countries devastated by Hurricane Mitch.

Over the past

three months, more than 5,000 of our armed forces have provided critical relief

and rehabilitation assistance to the people of Honduras, Nicaragua, Guatemala

and El Salvador. This has included the initial response -- in which U.S.

troops rescued many hundreds of Central Americans and delivered food, medical

equipment and other essential supplies -- as well as more recent reconstruction

efforts that have included bridge building and road repair. In addition, the

U.S. Agency for International Development and the U.S. Department of

Agriculture have provided food, medical aid, reconstruction material and other

support. The U.S. contribution to the relief effort has totaled \$300 million

thus far, and President Clinton intends to increase substantially our aid to

longer term reconstruction in the weeks and months to come.

#### U.S. - Africa Partnership for Economic Growth and Opportunity

The United States has important and growing strategic interests in Africa.

Africa supplies over 13% of our oil imports and represents the largest untapped

market in the world. Unfortunately, conflict still undermines Africa's vast

potential and our own strategic interests. That is why we aim to build a

stable and prosperous Africa -- a strong partner for security and peace, and an

ally against drug trafficking, international crime, terrorism, the spread of

disease and environmental degradation. President Clinton's historic trip to the continent last year highlighted the new opportunities for partnership between our nation and the nations of Africa.

## 21ST CENTURY COMMUNITIES

### CRIME/DRUGS

#### 21st Century Policing Initiative

In order to keep crime coming down to record low levels and the number of officers walking the beat at an all-time high, the President is committing nearly \$1.3 billion for a new 21st Century Policing Initiative. The new 21st Century Policing Initiative builds on the President's successful COPS program by: (1) helping communities to hire and redeploy between 30,000 and 50,000 more law enforcement officers over five years, with an effort to target new police officers to crime "hot spots" and to help retain those officers recently hired; (2) giving law enforcement access to the latest crime-fighting technologies, such as improved police communications, crime mapping software, laptop computers, and crime lab improvements; and (3) making an unprecedented commitment to engage entire communities in the hard work of preventing and fighting crime -- by funding new community-based prosecutors, and partnerships with probation and parole officers, school officials, and faith-based organizations.

#### Zero Tolerance Drug Supervision

Numerous studies confirm that the vast majority of prisoners report drug use and that many prisoners commit their crimes to buy drugs or while high. To help break this iron link between crime and drugs, the President will propose \$215 million for Zero Tolerance Drug Supervision that works to keep offenders

drug- and crime-free. This initiative will provide new funds to help states and localities implement tough new systems to drug test, treat, and punish prisoners, parolees, and probationers. In addition, this initiative provides increased funds for innovative drug courts throughout the country and intensive drug treatment for state prisoners with the most serious drug problems.

#### Making the Brady Waiting Period Permanent

The Brady Law, which requires background checks of all prospective firearms purchasers, has stopped well over a quarter of a million illegal handgun sales since its enactment in 1993 -- proving itself to be one of the most effective law enforcement tools ever. But the Brady Law's "cooling off" or waiting period recently expired, and handguns can now be purchased on the spot in some states. To make sure that local law enforcement officers have enough time to conduct the best background check possible, the President will call for a new national waiting period of up to five days before the purchase of a handgun.

#### Preventing Violent Juveniles from Buying Guns

Violent juveniles should be treated as adults for their adult crimes, and stopped from getting weapons to hurt again. The President will propose legislation to ban violent juveniles from buying guns for life. The President's proposal would extend the Brady Law to violent juveniles, closing the loophole under current law which permits youths convicted in juvenile court for certain violent and drug offenses to buy handguns on their 21st birthday.

#### Child Safety Locks for Handguns

Child safety locking devices can reduce the unauthorized use of handguns, by a child at play or a teen looking to commit a crime. And many youths have to look no further than their own home to get access to a gun: a third of all privately-owned handguns are left both loaded and unlocked. To

address this problem, the President's proposal would require federally-licensed firearms dealers to sell a child safety lock with every handgun -- to help prevent youths from hurting themselves or each other.

**Helping Make All Schools Safe, Disciplined, and Drug-Free**  
President Clinton is proposing a significant overhaul of the nearly \$600 million Safe and Drug-Free Schools and Communities Program to provide more effective prevention programs for the reduction of drugs and violence in schools, more accountability for results, and better targeting to those schools that need the most assistance.. Under the President's proposal, schools would be required to adopt rigorous, comprehensive school safety plans that include: tough, but fair, discipline policies; safe passage to and from schools; effective drug and violence policies and programs; annual school safety and drug use report cards; links to after school programs; efforts to involve parents; and crisis management plans.

## ENVIRONMENT

### Climate Change.

On the heels of the announcement that 1998 surpassed 1997 as the warmest year on record, the President's FY 2000 budget will propose a package of investments and tax cuts to help address global climate change. It includes start-up funding for a new Clean Air Partnership Fund (discussed below) and tax incentives to promote the purchase of energy-efficient cars, homes, and appliances, spurring the swift movement of innovative technologies into the market. Proposed increases in Federal spending would help foster a new generation of clean, energy-efficient technologies and renewable energy, as well as support research to identify and quantify carbon sinks in forests and farmlands. This package complements the other elements of the Administration's climate change plan, which include working

cooperatively with industry sectors on initiatives to cut greenhouse gas emissions, strengthening efforts to incorporate energy efficiency goals into Federal procurement and energy use, working with Congress to reward companies taking early, voluntary action to reduce their emissions, and restructuring the electricity industry.

In addition, the Administration will continue its vigorous diplomatic efforts to fill in key details of the Kyoto Protocol in areas such as international emissions trading, as well as to encourage the meaningful participation of developing countries in efforts to address global warming.

#### Livability Agenda: Easing Traffic Congestion and Community Planning and Collaboration

To help communities across America grow in ways that ensure a high quality of life and strong, sustainable economic growth, President Clinton and Vice

President Gore are proposing a comprehensive Livability Agenda providing new tools and resources for state and local governments. The initiative includes:

a record \$6.1 billion for public transit, plus \$2.4 billion for other innovative programs to promote improved transportation planning and ease

traffic congestion so commuters can spend less time in traffic and more with

their families; \$50 million in matching grants to help neighboring communities

develop collaborative "smart growth" strategies; and \$10 million to encourage

citizen participation in the design of schools as centers of their communities,

provide communities with new information tools so they can grow according to

their values, and improve public safety by sharing crime data among communities. By delivering tools and resources to the local level,

where

issues of growth are most appropriately addressed, this initiative helps

empower citizens to build more "livable communities" for the 21st century.

#### Livability Agenda: Better America Bonds

To help communities reconnect with their land and water, preserve green space for future generations, and provide attractive settings for economic development, the Administration is proposing a new financing tool generating \$9.5 billion in bond authority for investments by state, local and tribal governments. The President's budget will propose tax credits totaling almost \$700 million over five years -- to support Better America Bonds, which can be used to preserve green space, create or restore urban parks, protect water quality, and clean up brownfields (abandoned industrial sites). The program will be coordinated through an interagency process.

#### Lands Legacy Initiative

To meet the conservation challenges of a new century, President Clinton and Vice President Gore are proposing a \$1 billion Lands Legacy Initiative -- the largest one-year investment ever proposed for the protection of America's land resources. This FY 2000 budget proposal -- a 125 percent increase over FY 1999 -- expands federal efforts to save America's natural treasures, and provides significant new resources to states and communities to protect local green spaces. To sustain these efforts in the new century, the President commits to work with Congress to create a permanent funding stream beginning in FY 2001. In addition, the President calls on Congress to extend permanent wilderness protection to more than 5 million acres within 17 national parks and monuments. This landmark initiative charts a new conservation vision for the 21st century, preserving irreplaceable pieces of our natural legacy within easy reach of every citizen.

#### Clean Air Partnership Fund

To help protect public health and ease the threat of global warming, President Clinton is proposing \$200 million in FY 2000 funding for a new Clean Air Partnership Fund supporting state, local and private efforts that achieve early reductions in both greenhouse gas emissions and ground-level air

pollutants.

The Fund, to be included in the President's FY 2000 budget proposal, will

direct new resources to state and local governments to provide financing for

public and private sector projects that accelerate pollution reductions.

This

new financing will support demonstration projects that go beyond legal

requirements and enable communities to achieve clean air goals sooner.

Targeting the financing to projects that reduce both carbon emissions and

health-threatening pollutants -- such as smog, soot or air toxics -- will stimulate integrated, cost-effective pollution control strategies. In

addition, the Fund will spur technological innovation, encourage public-private

partnerships, and leverage substantial non-federal investment in improved air

quality. The Fund will be administered by the Environmental Protection Agency

under existing authority.

## SERVICE

AmeriCorps

President Clinton called on Congress to increase support for AmeriCorps. When

he came into office, the President outlined a vision for a national service

program which would allow young people to serve our nation while earning funds

for college. Since 1994, more than 100,000 Americans have served their country

and community through AmeriCorps. Serving in more than 4,000 communities,

AmeriCorps members have taught, tutored or mentored more than 2.6 million

children, operated after-school programs for more than 500,000 at-risk youth,

recruited or organized more than 1.7 million volunteers, and operated more than

40,000 neighborhood safety patrols. In the FY 2000 budget, the President is

proposing a \$133 million dollar increase over FY 1999 for the Corporation for

National Service in order to expand AmeriCorps and support other national

service programs.

## POLITICAL AND GOVERNMENT REFORM

### Enact Bipartisan Campaign Finance Reform

The President remains committed to the enactment of bipartisan campaign finance reform. Tonight he is challenging the Congress to pass bipartisan reform early this year. Acceptable campaign finance reform legislation must meet five criteria: 1) it must be bipartisan; 2) it must be comprehensive; 3) it must reduce the amount of money that is raised and spent on federal elections; 4) it must help level the playing field between challengers and incumbents; and 5) it cannot favor one party over the other.

### Reinventing Government

We have already cut the size of the Federal civilian work force by more than 333,000 people, creating the smallest work force in 35 years and, as a share of total civilian employment, the smallest since 1933. But can be done. As part of its reinvention effort to create a government that works better and costs less, the administration will propose legislation creating new buyout authorities for agencies to reduce the further the size of government. To improve customer satisfaction, the 32 agencies that serve over 90% of the government's customers will participate in a government-wide customer satisfaction survey that will compare the quality of their services to the private sector's. To produce better results for children, the federal government will enter into ten partnerships with state and local governments that will increase their flexibility in using federal program dollars using key indicators that reliably chart measurable improvements in the lives of children. Finally, to assist Federal agencies to provide better customer service and ensure that taxpayer dollars are spent to produce results, President Clinton is proposing significant civil service improvement initiatives. these improvements, which will result in the most dramatic change in the Federal workplace in 20 years, will increase the link between pay and

good performance, and provide agencies with flexibilities to hire, reward, and retain the high-quality, diverse workforce they need to meet their mission and respond to increasing customer and workplace demands.

## ONE AMERICA

### English Literacy/Civics Initiative

President Clinton is proposing an initiative to help states and communities provide expanded access to high-quality English-language instruction, linked to practical instruction in civics and life skills including how to navigate the workplace and public education system. This initiative is designed both to help meet the extraordinary demand for English and civics instruction in immigrant communities and to demonstrate our shared commitment to fully integrating new Americans into our social and civic life. The initiative is part of a broader effort to reduce adult literacy. Further details of this initiative will be provided at a later date.

### Civil Rights Enforcement

The Clinton Administration's Fiscal Year 2000 budget contains \$663 million for civil rights enforcement agencies and offices -- an increase of \$84 million, or 15 percent, over last year's funding. This budget maintains the President's commitment to ensure equal opportunity for all Americans: that no one should be denied such essentials as a job, a home, or a chance at an education because of the color of their skin, a disability, their gender, or their religion. Highlights of the President's package include: (1) a \$13 million increase for the Civil Rights Division at the Department of Justice -- the largest increase in nine years -- to permit the Division to expand investigations and prosecutions of criminal civil rights cases (including hate crimes), fair housing and lending cases, and violations of the Americans with Disabilities Act; (2) a \$14 million Equal Pay Initiative at the EEOC and the Department of Labor; (3) a \$33 million overall increase for the EEOC -- from \$279

to \$312 million; (4) an \$11 million overall increase for the Office of Federal Contract Compliance (OFCCP) at the Department of Labor to expand the compliance assistance strategy to encourage Federal contractor compliance through increased outreach, education, and technical assistance; (5) a \$7 million overall increase from last year -- from \$40 million to \$47 million -- for HUD's efforts to reduce housing discrimination, including funding for the second year of a three-year audit-based enforcement initiative; and (6) \$5 million to the Department of Justice for the creation of a Civil Rights Enforcement Partnership that will provide competitive grants to help build the capacity of States to address specific enforcement issues within their jurisdictions by hiring additional staff.

#### The Employment Non-Discrimination Act (?&ENDA?8)

This bill would outlaw discrimination in hiring, firing, and promotions based on sexual orientation. It is designed to protect the rights of all Americans to participate in the job market without fear of unfair discrimination. The Act provides an exemption for small businesses, the Armed Forces, and religious organizations, including schools and other educational institutions that are substantially controlled or supported by religious organizations. The bill specifically prohibits preferential treatment on the basis of sexual orientation, including quotas. President Clinton and Vice President Gore are the first President and Vice President ever to back civil rights legislation for gays and lesbians. President Clinton originally announced his support for the legislation in October 1995.

#### The Hate Crimes Prevention Act

This measure expands the principal federal hate crimes statute. The current statute prohibits any use of force that is based on a person's race, color, religion, or national origin and that is intended to interfere with certain

specified federally protected activities. The Hate Crimes Prevention Act would strengthen and expand the ability of the Justice Department to prosecute hate crimes by removing needless jurisdictional requirements for existing crimes. Further, it would give Federal prosecutors the power to prosecute hate crimes committed because of the victim's sexual orientation, gender or disability. President Clinton originally announced his support for the bill on November 10, 1997 at the first-ever White House Conference on Hate Crimes.

#### PERORATION: THE MILLENNIUM

##### Millennium Communities Program

The President invites community leaders and all Americans to be part of our national Millennium program, using the millennium as an opportunity to engage in meaningful activities that mark this milestone in human history.

##### Millennium

Communities is a new program of the White House Millennium Council in partnership with major intergovernmental associations which represent local elected officials and Native American leaders. The special designation of "Millennium Community" will be awarded to those communities which propose plans to carry out the national theme, "Honor the Past -- Imagine the Future."

Elected officials will submit plans that preserve their history and prepare citizens for the 21st century, and their respective associations will recommend the official designation. Millennium Communities will receive the use of the national millennium logo and motto, register their projects on a new web site and be honored in other ways.

##### Save America's Treasures Program

Save America's Treasures is a national millennium program, designed as a public-private partnership, to preserve our deteriorating historic sites, art, artifacts, documents and monuments, so that they may inform future

generations of the American story. President Clinton requested, and Congress appropriated \$30 million to Save America's Treasures in FY99. The private sector partner, the National Trust for Historic Preservation, created the Millennium Committee to Save America's Treasures, with Hillary Rodham Clinton as the Honorary Chair. That group has sparked attention and raised contributions which already surpass the federal commitment. Mrs. Clinton has visited over twenty historic sites and collections since last July, bringing recognition and support to the places and objects that embody our heritage and culture. Some of the preservation projects underway are the conservation of the Star-Spangled Banner at the Smithsonian Institution, the re-encasement of the Declaration of Independence and the Constitution at the National Archives, and the new exhibition space at the Thomas Edison National Historic Site. The Administration's forthcoming budget will propose additional funding for Save America's Treasures.

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TO: Reuben L. Musgrave Jr.

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TO: Pubs\_Backup

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TO: Jason H. Schechter  
TO: cmbeach  
TO: Sheyda Jahanbani  
TO: Marty J. Hoffmann  
TO: Dorinda A. Salcido  
TO: dmilbank  
TO: Julie B. Goldberg  
TO: Sarah E. Gegenheimer  
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TO: Jocelyn A. Bucaro  
TO: Kelley L. O'Dell  
TO: Jonathan M. Young  
TO: Jackson T. Dunn  
TO: Robert B. Johnson  
TO: Jon P. Jennings  
TO: Charles H. Cole  
TO: drosen  
TO: Jennifer Ferguson  
TO: Maya Seiden  
TO: Joshua S. Gottheimer  
TO: Carrie A. Street  
TO: mhall  
TO: spage  
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TO: Paul D. Glastris  
TO: Maria E. Soto  
TO: Alejandro G. Cabrera  
TO: Christopher K. Scully  
TO: JOHN.LONGBRAKE  
TO: kara.gerhardt

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TO: Deborin  
TO: Jonathan A. Kaplan  
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TO: Samuel O. Spencer  
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TO: Matthew J. Bianco  
TO: Nancy.mathis  
TO: Matt Gobush  
TO: James.gerstenzang  
TO: IGCP  
TO: Evan Ryan  
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TO: Marty J. Hoffmann  
TO: Matthew W. Pitcher  
TO: David R. Goodfriend  
TO: photo  
TO: kenneth.prewitt  
TO: Eli P. Joseph  
TO: Jeffrey M. Smith  
TO: David Y. Stevens  
TO: Neal Sharma  
TO: \*@krwashington.com>@LNGTWY@EOPMRX  
TO: Jeffrey L. Farrow  
TO: marhast  
TO: mpena  
TO: gsalomon  
TO: mgarcia  
TO: info  
TO: durph  
TO: Linda L. Moore  
TO: Orson C. Porter  
TO: Bridget T. Leininger  
TO: Craig Hughes  
TO: Simeona F. Pasquil  
TO: bob.davis  
TO: Victoria L. Valentine  
TO: Elena Kagan

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# Exchange Mail

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**DATE-TIME** 1/29/99 5:46:03 PM  
**FROM** Butler, Lawrence E.  
**CLASSIFICATION** UNCLASSIFIED  
**SUBJECT** BANANAS AND WORKER RIGHTS: BRITISH TRADE-UNION  
[UNCLASSIFIED]  
**TO** Orfini, Michael H.

**CARBON\_COPY****TEXT\_BODY**

the VP is supposed to meet with this guy, no?

-----Original Message-----

From: WHSR

Sent: Friday, January 29, 1999 5:41 PM

To: Armstrong, Fulton T.;

Avery, Dale R.; Blinken, Antony J.; Butler, Lawrence E.; Davidson,  
Leslie K.; Denniston, Richard L.; Dobbins, James F.; Gallucci, Gerard  
M.; Hammonds, D. Holly; Holtzapple, Richard A.; Lee, Malcolm R.;  
Miller, Laurel E.; Orfini, Michael H.

Subject: BANANAS AND WORKER  
RIGHTS: BRITISH TRADE-UNION

UNCLAS SECTION 01 OF 02 LONDON 000820

DEPT

FOR G (FRUMIN), WHA (MUTH), DRL, EUR/ERA, AND EUR/UBI  
STATE PASS

USTR FOR NOVELLI AND IVES

GENEVA FOR USTR AND LABOR OFFICER

E.O.

12958: N/A

TAGS: ETRD, ELAB, EAGR, PHUM, EUN, WTRO, XL, XM, UK

SUBJECT:

BANANAS AND WORKER RIGHTS: BRITISH TRADE-UNION  
- LEADER

CORRESPONDS

REF: A) LONDON 205 B) EDINBURGH 001 (ALL  
NOTAL)

UNCLASSIFIED, BUT NOT FOR INTERNET DISTRIBUTION

1. PLEASE  
NOTE ACTION REQUEST PARA 4.

2. JOHN MONKS, GENERAL SECRETARY OF  
THE BRITISH TRADES UNION  
CONGRESS (TUC), FOLLOWING A MEETING EARLIER  
THIS WEEK WITH  
UNDER SECRETARY OF STATE LOY, HAS WRITTEN TO AMBASSADOR  
LADER  
TO EXPRESS CONCERN ABOUT THE NEGATIVE IMPACT THAT THE  
BANANA RETALIATION  
LIST WILL HAVE ON EMPLOYMENT IN THE UK.

3. IN ADDITION TO STANDARD  
ARGUMENTS (I.E., THE DEVASTATING  
EFFECT ON THE SCOTTISH CASHMERE  
INDUSTRY) WE HAVE BEEN  
HEARING FOR SOME TIME, MONKS RAISED THE ISSUE  
OF WORKER  
RIGHTS. TO WHIT, THE TUC GENSEC ARGUES THAT THE AFFECTED  
COMMONWEALTH  
ISLAND STATES IN THE CARIBBEAN RESPECT  
HUMAN/WORKER RIGHTS MORE  
THAN THE BANANA-PRODUCING COUNTRIES  
OF CENTRAL AND SOUTH AMERICA.

4.  
ACTION REQUEST: EMBASSY LONDON IS NOT SUFFICIENTLY  
INFORMED OF  
THE CURRENT WORKER-RIGHTS SITUATION IN CENTRAL  
AND SOUTH AMERICA  
TO ANSWER MONKS' ASSERTIONS ABSENT  
GUIDANCE FROM WASHINGTON. WE  
KNOW, FOR EXAMPLE, THAT "THE  
APPAREL INDUSTRY PARTNERSHIP" IS TRANSFORMING  
THE WORKER-  
RIGHTS SITUATION IN CENTRAL AMERICA'S MANUFACTURING  
INDUSTRIES,  
BUT WE LACK CURRENT KNOWLEDGE ABOUT THE  
AGRICULTURAL SECTOR. PLEASE  
ADVISE SO THAT WE MAY RESPOND  
ACCORDINGLY.

5. PLEASE NOTE THAT  
TUC GENSEC MONKS HAS COPIED HIS LETTER  
TO AFL-CIO PRESIDENT JOHN  
SWEENEY.

BEGIN TEXT

26 JANUARY 1999

HE MR. PHILIP LADER  
AMBASSADOR  
OF THE UNITED STATES OF AMERICA  
AMERICAN EMBASSY  
GROSVENOR SQUARE  
LONDON  
W1A 1AE

DEAR PHIL

RE: BANANA REGIME DISPUTE

I WAS VERY GLAD  
TO HAVE THE OPPORTUNITY YESTERDAY AS A  
RESULT OF LABOUR COUNSELLOR  
GEORGE DRAGNICH'S INITIATIVE TO  
MEET FRANK LOY, THE UNDER SECRETARY  
IN THE STATE DEPARTMENT  
WITH RESPONSIBILITIES FOR GLOBALISATION.  
I WAS ALSO HAPPY -  
- WITH MY COLLEAGUES KEN JACKSON AND MICHAEL  
WALSH -- TO  
IDENTIFY WITH HIM LARGE AND IMPORTANT AREAS OF POLICY,  
IN  
PARTICULAR THE PROMOTION THROUGH THE WORLD TRADE  
ORGANISATION  
OF RESPECT FOR CORE LABOUR STANDARDS, REGARDING  
WHICH THE UNITED  
STATES GOVERNMENT AND THE TUC HAVE VERY  
SIMILAR AIMS AND ON WHICH  
WE WILL COOPERATE IN ATTEMPTING TO  
INFLUENCE THE POLICIES OF DEVELOPING  
COUNTRIES, THE EUROPEAN  
UNION AND THE BRITISH GOVERNMENT.

AT  
THAT STAGE I WAS NOT AWARE OF THE IMPASSE REACHED IN THE  
NEGOTIATIONS  
ABOUT THE EUROPEAN UNION BANANA REGIME AND THE  
INCREASED LIKELIHOOD  
THAT THE UNITED STATES WILL IMPOSE  
UNILATERALLY SANCTIONS AGAINST  
CERTAIN EU PRODUCTS FROM 3  
MARCH. THESE MEASURES WOULD HAVE A PARTICULARLY  
DAMAGING  
AFFECT ON EMPLOYMENT IN THE UNITED KINGDOM. THE BRITISH

COMPANIES  
WHICH WILL FEEL MOST OF THE IMPACT HAVE NOTHING TO  
DO WITH THE EU  
BANANA REGIME AND IT IS QUITE WRONG IN OUR  
VIEW FOR THE US TO TAKE  
ACTION AGAINST THEM. THE WORLD  
TRADE ORGANISATION HAS NOT RULED  
ON THE COMPATIBILITY OF THE  
ARRANGEMENTS WHICH CAME INTO OPERATION  
ON 1 JANUARY WITH WTO  
RULES. THE VIEW THAT THE US GOVERNMENT CANNOT  
REQUEST  
LEGITIMATELY SANCTIONS IN ADVANCE OF A WTO RULING ON  
COMPLIANCE  
SEEMS TO BE SUPPORTED BY A WIDE RANGE OF  
COUNTRIES ACROSS THE WORLD,  
INCLUDING JAPAN AND OTHER MAJOR  
TRADING PARTNERS.

WE ARE ALSO  
MOST CONCERNED THAT HUMAN RIGHTS CONSIDERATIONS  
SUCH AS THE ONES  
WHICH WE RAISED WITH MR. LOY, AS WELL AS  
THE CRUCIAL INTERESTS OF  
THE PEOPLE OF THE SMALL BANANA-  
PRODUCING COUNTRIES OF THE CARIBBEAN,  
SHOULD NOT BE  
ABANDONED. THE COMMONWEALTH ISLAND STATES MOST  
THREATENED  
BY  
THE PRESSURE TO SCRAP THE PRESENT EU BANANA REGIME ARE  
MUCH MORE  
HEAVILY-DEPENDENT ON BANANA EXPORTS THAN ANY OF  
THE COUNTRIES FROM  
WHICH CHIQUITA AND THE OTHER MAIN  
UNCLAS SECTION 02 OF 02 LONDON  
000820

DEPT FOR G (FRUMIN), WHA (MUTH), DRL, EUR/ERA, AND EUR/UBI  
STATE  
PASS USTR FOR NOVELLI AND IVES  
GENEVA FOR USTR AND LABOR OFFICER

E.O.  
12958: N/A  
TAGS: ETRD, ELAB, EAGR, PHUM, EUN, WTRO, XL, XM, UK  
SUBJECT:  
BANANAS AND WORKER RIGHTS: BRITISH TRADE-UNION  
- LEADER  
CORRESPONDS

PRODUCING COMPANIES EXPORT BANANAS. THEY ARE NATIONS WHICH UPHOLD THE RULE OF LAW AND GUARANTEE THE FREE PRACTICE OF BASIC TRADE UNION AND OTHER HUMAN RIGHTS. NEARLY ALL OF THE BANANA-PRODUCING COUNTRIES OF CENTRAL AND SOUTH AMERICA -- NOTABLY COLOMBIA AND ECUADOR -- HAVE SERIOUSLY-INFERIOR RECORDS IN RESPECT OF CORE LABOUR STANDARDS, AS THE MOST RECENT STATE DEPARTMENT REPORT ON HUMAN RIGHTS PRACTICES MAKES CLEAR. EVEN THE BEST OF THEM, COSTA RICA, PRACTISES SOLIDARISMO WHICH THE ILO HAS CONDEMNED AS INCOMPATIBLE WITH THE FREEDOM OF ASSOCIATION CONVENTIONS.

I HOPE THAT YOU WILL MAKE KNOWN TO THE ADMINISTRATION OUR CONCERNS IN THIS AREA AND OUR HOPE THAT THE ISSUES CAN BE RESOLVED FAIRLY THROUGH AGREEMENT CONSISTENT WITH THE PRINCIPLES OF JUSTICE FOR WHICH THE US STANDS. I AM COPYING THIS LETTER TO MR. SWEENEY AT THE AFL-CIO.

YOURS SINCERELY,  
JOHN MONKS  
GENERAL  
SECRETARY  
TRADES UNION CONGRESS

END TEXT.

LADER

# Exchange Mail

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**DATE-TIME** 7/15/99 1:01:49 PM  
**FROM** Hendricks, Lori A. (INTECON)  
**CLASSIFICATION** UNCLASSIFIED  
**SUBJECT** Prep Materials for GS [UNCLASSIFIED]  
**TO** Schaefer, Matthew P. (INTECON)  
Duncan, John D. (INTECON)

**CARBON\_COPY** Hammonds, D. Holly (INTECON)

**TEXT\_BODY** Matt/John: Gene is meeting with a delgation of students against sweatshops and wants lots of prep. HH would like for us to provide materials to Sarah by COB today. These should be items that are already on the shelf and should focus on ILO worker rights issues.

**Background:**

The students criticize the Administration for not going far enough to develop real enforceable labor standards. For example re Africa Trade, they ask --Why are we supporting the AGOA ( w/ no core labor standards as written) instead of Jesse Jrs bill?

I know that you both are swamped but could use your help or direction for prep materials on topics below. Thank you v. much.

**Background/Talking Points/Q&As**

- \* labor/worker rights for the WTO ministerial
  - \* Dolphins, shrimp-trurtles
  - \* Burma
  - \* china
- accession into the WTO

# Exchange Mail

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**DATE-TIME** 9/21/99 1:22:31 PM  
**FROM** Duncan, John D. (INTECON/DOS)  
**CLASSIFICATION** UNCLASSIFIED  
**SUBJECT** Some Random Thoughts on P-5 [UNCLASSIFIED]  
**TO** Hammonds, D. Holly (INTECON)

**CARBON\_COPY****TEXT\_BODY**

Holly,  
\* Biggest plus - energize APEC by having a small group of like-minded countries liberalize - Bergstrom argument - if noting else will put fear into recalcitrant members.  
\* Could be a plus  
on services - some of these countries not completely open  
\* Australia/Singapore  
- financial telecom we would have commercial interest in these areas.  
\* Chile  
- would help lower tariffs and give us better access to market  
\* Australia  
- industrial products - they have higher duties than ours (9 - 10%)  
in areas like autos, auto parts  
\* Textiles - not a big factor.  
Singapore has a wage structure similar to ours (\$30,00 per capita - higher than Aus and NZ) -- while they do design work and cutting like us the work is shipped to Indonesia and returned as Indonesian product -- have to be careful it stays that way (transshipment)  
\* Labor/  
Envir -- Aus and NZ have better labor laws and are signatories to more ILO conventions than we  
\* Chile - presumably a problem but  
economy still largely agricultural so don't hear a lot about sweatshops etc -- could be a positive in setting an example for some of the other Latins, however  
\* Probably never get a better group of countries for Labor/Envir (with exception of Chile)  
\* Apples - Chile's production is countercyclical with our market  
\* Sugar - Australia interested in market - don't know how much of problem  
\* Dairy - our people will not be thrilled however we have problem with Aus and NZ having dairy restrictions so it could help -- no numbers yet  
\* Japan and

Korea will hate as the do not do FTAs because of their Ag policies.  
could spur them to liberalize.

John