THE WHITE HOUSE
WASHINGTON

95 MAR 1 PM 1:34

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: LINDA LADER

Fax Number: 638-4141

Phone Number:

FROM: John Podesta

SUBJECT: Presidential note - 'worth discussing'

DATE: 03/01/95

NUMBER OF PAGES (including cover sheet): 3

MESSAGE:

THE WHITE HOUSE

WASHINGTON

cc: [illegible]
[illegible]

March 1, 1995

Dr. Gerald E. Mann
Riverbend Church
4214 Capitol of Texas Highway North
Austin, Texas 78746

Dear Gerald:

Thanks for your letter of February 17. It was good to meet you recently and to have a chance to visit. I really appreciate what you said.

Thanks, too, for your invitation to visit Roy Spence's and your church for a televised town hall meeting. I appreciate your interest and have shared your letter with Billy Webster, my scheduler, for his consideration.

Sincerely,

Bill

Rec'd Tracy 2/28

FEB 21 1995

Dr. Gerald E. Mann

Riverbend Church • Austin, Texas

February 17, 1995

Dear Mr. President:

I was honored to meet you and humbled to learn that you read my books and watch my show. I was also excited to hear that you favor the idea of expressing your personal faith and values directly to the American people.

I believe one of the major challenges facing your tenure is to overcome false perceptions created by your detractors concerning your commitment to traditional values.

Roy Spence and I believe that the best way to meet this challenge is to have you at our church for a nationally televised "townhall-call in-question and answer" meeting.

You do so well in this kind of format, and your comments cannot be distorted. VISN Network will gladly feed the program to major broadcast networks. A Sunday afternoon or evening during the Easter season would be an ideal time.

This would be a uniquely historical event. No president has ever done a televised program which is confined solely to expressing his personal faith and values.

To be candid, Mr. President, I am convinced that only a bold initiative like this will blunt the constant unfair attacks you are enduring. "The best defense is a good offense." This proposed format would allow you to take the offensive in the realm of personal and family values.

I welcome the opportunity to come to Washington and discuss this strategy. I am anxious to help you.

Sincerely,

Gerald Mann

Gerald Mann

202 638·4141

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Gerald Mann

Gerald Mann

UNITED STATES DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY

THE PRESIDENT HAS SEEN
3/1/95

95 FEB 27 P2:59

To the President
Fr: RBR
I pass along the enclosed.

C.C. Gearan
Go work w/ Blinder
+ Rubin

WORKING FOR AMERICA'S WORKFORCE

The American Oxonian

published by The Association of American Rhodes Scholars

JOHN FUNARI, *Editor*
11 Lake Road
Hidden Valley, Pennsylvania 15502–4188
814–445–4100

THE PRESIDENT HAS SEEN
3/1/95

20 February 1995

Dear Bob,

I talked to your secretary the other day and asked if she would pass on to you my thought that President Clinton might like to be the author of the obituary for Senator Fulbright in The American Oxonian. I think that a letter to The White House might be handled by someone who might not recognize the full range of the connections of Arkansas, Rhodes Scholars, and mentor/friend with the President and the Senator. Hence, my turning to you for guidance and assistance.

My central thought and concern is that I cannot think of any more appropriate Rhodes Scholar to be the author of the Fulbright obituary than President Clinton himself. It would be an honor to the Senator and certainly a good thing for TAO. The President may even appreciate the opportunity given his long relationship with Bill Fulbright.

I realize full well that the President's time is severely limited. But perhaps someone on the President's staff could draft the obituary and the President could add the personal notes that only he would know.

Or I would be glad to do a draft. I knew Senator Fulbright from our working together in the mid-1960s when I was responsible for presenting the annual programs for economic assistance to the Congress, and accompanied Secretary Rusk and the Administrator of A.I.D. to hearings and meetings. In the ensuing years I met Senator Fulbright from time to time. Please understand that I am not pushing the notion of my drafting the Fulbright obituary. I am trying to make it as convenient as possible for President Clinton to assent.

The length is flexible, but the range is normally between 800-1200 words. We could aim for the Spring issue which has a deadline of about April 1, 1995. The Fall issue has a deadline of about September 1, 1995. I would like to have the obit appear soon after the death, but date of appearance is secondary to the central purpose: celebrating a life and telling a full story.

If you think this is not a good idea, please do not hesitate for a moment to say so. If you think it has some merit, would you be willing to explore the idea with the President?

Warmest wishes,
John

THE WHITE HOUSE

WASHINGTON

- letter sent
- sending copy
of IwoJ
speech

Kelly has
the paper
Weds [illegible]

March 1, 1995

Leonard J. DeLayo
12603 Castle Rock Drive
Sun City West, Arizona 85375

Dear Leonard:

I want you to know how touched I was by your gift of the sand you brought home from Iwo Jima fifty years ago. It meant a great deal to me, as did your participation in the memorial service.

Thanks, too, for what you said about the job I'm doing. We've made great progress, and I remain confident we'll be able to do even more in the coming months.

Sincerely,

Bill Clinton

Leonard J. DeLayo
12603 CASTLE ROCK DRIVE
SUN CITY WEST, ARIZONA 85375

Gift [illegible] Reply

February 25, 1995

President Bill Clinton.
The White House

Dear Mr. President,

Helen joins me in expressing deep appreciation for your inspiring message at the Iwo Jima Memorial.

We are particularly grateful for allowing us to meet with you in the Oval Office.

The Battle for Iwo Jima and the heroism it inspired, has become an outstanding chapter in our history. There was no thought in my mind when I lifted this black sand from that island fifty years ago, that I would be sharing it with our distinguished President.

Leonard J. DeLayo
12603 CASTLE ROCK DRIVE
SUN CITY WEST, ARIZONA 85375

page two

Please accept these few grains of historic sand as our sincere gratitude for your incomparable warm and friendly hospitality.
We will be actively supporting your re-election with our son-in-law, Chris Key, and as mentioned to you, participation in the "Hillary" Fan Club.

With warmest
personal regards,

Leonard J. DeLayo

LETTERS TO THE EDITOR

THE WASHINGTON POST
TUESDAY, FEBRUARY 21, 1995

Leave the Schools Out of Politics

Mayor Marion Barry's decision to "punish" D.C. Council members who voted for the $40 million tax cut has direct implications for the Barry-Lightfoot proposal to transfer authority for the D.C. Public Schools (DCPS) from the Board of Education to the mayor and the D.C. Council ["Barry Says He'll Punish Tax Cutters," front page, Feb. 14].

If this legislation is approved, perhaps the mayor will punish politically incorrect council members by closing schools in their wards, denying funds for textbooks or refusing to fix leaking school roofs.

The D.C. Board of Education is already politicized enough. Giving control of the schools to the mayor and council would subject our children to the worst excesses of patronage politics.

Instead, several alternative steps should be taken to improve public education. First, establish a funding formula for DCPS; this would improve accountability for the schools by uniting management, oversight and funding responsibilities.

Second, preserve the independence of the board, but bring its staffing levels and member salaries into line with other jurisdictions. This would reduce the day-to-day micromanagement and politicization of educational matters by board members. Finally, the D.C. Board of Education should confine itself to broad policy issues and leave Superintendent Franklin Smith to the arduous task of reforming our school system.

ROXANE D. V. SISMANIDIS
Washington

Being Accurate About Bill Clinton

In the Post's serialization of David Maraniss's new book on President Clinton [front page, Feb. 5 to Feb. 7], two descriptions of events in which I was involved concerned me.

Writing about Mr. Clinton's 1974 congressional campaign, Mr. Maraniss quotes from what he calls a "blistering memo." Though he attributes the memo partially to me, he never contacted me. The resulting account is misleading.

Another passage depicting Mr. Clinton as having "vacillated" during a conversation about questionable campaign contributions was inaccurate. Having been in the room, my recollection is that Mr. Clinton not only dismissed the proposal but reprimanded the staff for considering it at all.

At least in these two cases, it is unfortunate that Mr. Maraniss's research was not as diligent and exhaustive as some reviewers have given him credit for.

DAVID L. IVEY
Fredericksburg

THE PRESIDENT HAS SEEN
3-1-95

BY RANDY MACK BISHOP

Shortsighted on Student Loans

The Post's Jan. 30 editorial "Tightening Aid for College" is off the mark on several key points.

The present system of grants, work and loans has worked reasonably well to provide access to and choice among the nation's colleges and universities. While not perfect, the system must be maintained and improved rather than subjected to devastating cuts. We agree with The Post that grants should be protected, but cutting student loan programs would leave too many middle- and lower-income students without the necessary federal support to pursue their education.

Loans provide low- and middle-income students with educational opportunities they would not have otherwise. The interest exemption provided by the federal government while students are in college is a critical element of the program's success. We agree that the overall default rate is unacceptably high, yet a broad-brush approach attacks all postsecondary education, when defaults are concentrated at the for-profit trade schools.

The colleges and universities in this area already do a great deal to extend access to all. In 1993-94, the member institutions of the Consortium of Universities of the Washington Metropolitan Area granted more than $86 million in scholarships and nonfederal loans to District students. Students from Maryland received $81 million in aid. Virginia students were awarded $48 million. Consortium members would be hard pressed to make up the difference if the federal government were to relinquish its critical role in helping students achieve their educational aspirations.

And why is the $10,000 a year tax deduction a "bad idea"? To suggest that the deduction would "free colleges to raise their tuition even higher" is simply unsupported. Studies have shown increased federal aid does not cause increases in college tuition. Quite the contrary. Tuition has in fact been held down in years of increased federal support. The tax deduction, as a supplement to existing student aid programs, would provide middle-class families with one more way of financing their children's education. The idea merits serious and thoughtful consideration.

It is shortsighted to suggest reducing the federal role in providing accessibility to college for all aspiring citizens. While hard choices will have to be made, we cannot afford to make education a political scapegoat. A better-educated society is one of the answers, not part of the problem.

LEO J. O'DONOVAN S.J.
President, Georgetown University
TILDEN J. LEMELLE
President, University of the District of Columbia
Washington

The writers are, respectively, chair and vice chair of the Consortium of Universities of the Washington Metropolitan Area.

My Pension

For weeks now, pension benefits in Prince George's County have been the subject of media and public concern. As chairman of the County Council's Public Safety and Fiscal Management Committee, I have been directed by my colleagues to conduct the initial review process. The first fact-finding works session was held Feb. 7, and subsequent meetings are being planned.

The Post story "P.G. Fire Chief Benefited From Pension Change" [Metro, Feb. 15] is written about a subject that is undeserving of such attention. The story feebly attempts to imply impropriety or lack of integrity on my part with regard to the pension I am receiving from the Prince George's Fire Department, where I served for more than 30 years, retiring as fire chief twice—once in 1990 and again in 1994. Such an implication is inappropriate, not based on facts and just plain untrue.

Here are the facts:

- I was not in attendance at the December 1992 trustee meeting at which the proposed amendment in question was approved. In fact, I was unaware of the amendment or its approval until after the action was taken.
- Because no other person had retired as fire chief and later returned to that position, a technical and corrective amendment to the pension plan was deemed necessary by the trustees to allow my reappointment as fire chief without my being required to pay back almost $195,000 in earned pension benefits I had already received in monthly increments since my initial retirement in 1990.
- By accepting reappointment as fire chief in 1993, I sacrificed my annual pension payments until my second retirement in 1994.
- I did not gain additional pension benefits as a result of the December 1992 pension plan amendment. In fact, federal law (Section 415 of the Internal Revenue Code) capped the amount I could receive in pension benefits.

M. H. JIM ESTEPP
Member, 9th District
Prince George's County Council
Upper Marlboro

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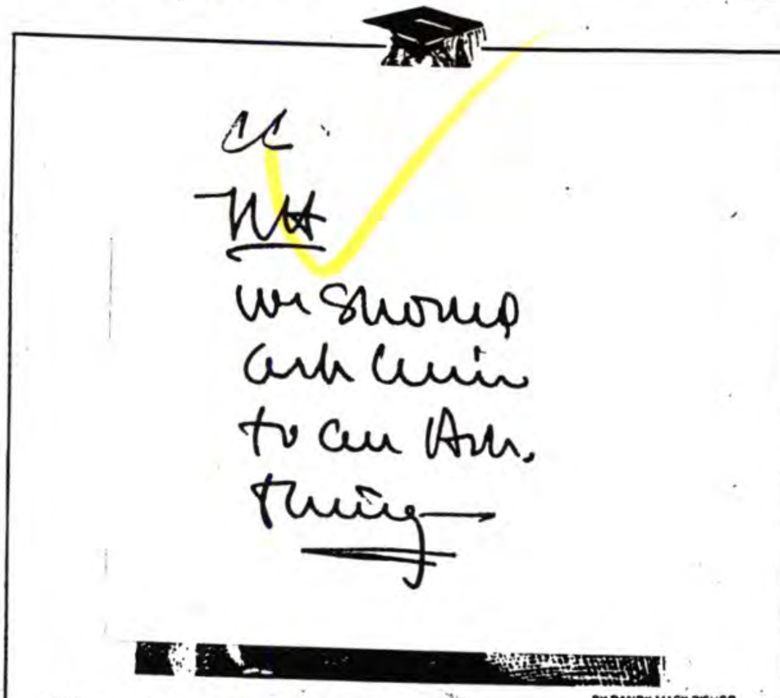
Washington



cc
NH
We should ask Univ to an Am. thing

BY RANDY MACK BISHOP

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Fredericksburg

Save
cc: GS
Mike M
Save

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M. H. JIM ESTEPP
Member, 9th District
Prince George's County Council
Upper Marlboro

THE PRESIDENT

2-28-95

Dear David —

I saw your letter to the Post on our '74 campaign. You are right — there was no vacillation — the truth didn't fit the story line — Thanks

Bill Clinton

David L. Ivey
15 Seneca Terrace
Fredericksburg, Virginia 22401

THE WHITE HOUSE

WASHINGTON

February 27, 1995

Shyam Mahesh
2051 Sundew
Troy, Michigan 48098-5430

Dear Shyam:

Thanks for your letter. Your support means a great deal to me and continues to be a source of encouragement.

Sincerely,

Bill Clinton

NANCY H.

Supporter
file

DECEMBER 12, 1994

DEAR PRESIDENT BILL CLINTON,

I feel strange addressing a letter to the Commander and Chief of the U.S., but you move me in ways you will never understand. Whenever I hear you speak on T.V. or whenever you are in the news I get goose-bumps. When you were running for the presidency I was a Republican. But I saw something in you that I have never seen in anyone — HEART. You love your country and you will doing everything in your power to make our country an even better one. You made me into a Democrat, and I happy to say that I made 1 of the smartest decisions in my life, which was voting for you.

If someone today ripped open my chest to see my heart, it would have red stripes, white stripes, and 50 stars over it. I have great pride in my country, and I want only the best for my country — which is you, PRESIDENT BILL CLINTON. You in my eyes are giving our nation the hope — better than hope the chance of a better future. This brings me to my next point. My blood boils with anger when the press and some Republicans I won't mention names (DOLE) try to hinder you in your goal which is take care of our Health - Care System, Welfare and much more. I am a 22 year old Medical Student who is basically trying to express my appreciation of your dedication and hard efforts to improve our country while facing the hardships which are caused by the few. I believe PRESIDENT BILL CLINTON can do no wrong. There has never been a president till now who wanted to tackle the problems which are plaguing our nation. They all wanted to look pretty and have their names in the history books, but not you. You want to make a difference and you are. Whenever you feel down and you feel unappreciated, remember there is certain young individual who loves and believes in you and hopes that no one tries to stop you in your pursuit in the revitalization of our country. If there is one dream I wish would come true, that would be the chance and honor to be in your mere presence. But then again that is asking to much. GOD bless you.

Respectfully

Shyam Mahesh

(Registered Democrat)

SHYAM MAHESH
2051 SUNDEW
TROY, MI. 48098-5430

THE WHITE I

WASHINGT(

cc Laura Tyson

February 22, 1995

Douglas S. Eakeley
Lowenstein, Sandler, Kohl
Fisher and Boylan
65 Livingston Avenue
Roseland, New Jersey 07068-8700

Dear Doug:

Thanks for your note and the article by Sandy Lewis. It was very interesting.

Please keep in touch.

Sincerely,

Bill

LOWENSTEIN, SANDLER, KOHL, FISHER & BOYLAN

A PROFESSIONAL CORPORATION

COUNSELLORS AT LAW

65 LIVINGSTON AVENUE

ROSELAND, NEW JERSEY

07068-1791

TELEPHONE (201) 992-8700

FACSIMILE (201) 992-5820

SOMERVILLE OFFICE

TELEPHONE (908) 526-3300

FACSIMILE (908) 526-9173

February 17, 1995

BY FAX AND REGULAR MAIL

Hon. Bill Clinton
President of the United States
The White House
Washington, DC 20500-2000

Dear Mr. President:

I thought you might be interested in the enclosed article, written by Sandy Lewis and published in the three weekly newspapers that he and his wife Barbara own.

Sandy is deeply committed to you and your Administration. He is also one of the most insightful people I know. I believe his perspectives on you and your presidency would be invaluable, and therefore urge you once again to make time to confer with him.

Yours truly,

Doug Eakeley

Douglas S. Eakeley

DSE:cw
encl.
cc: (w/encl.): Ms. Nancy Hernreich

NEWSPAPER The Item of Millburn and Short Hills

DATE February 9, 1995

Exorcising Voodoo: The Fed, Bill Clinton and David Bonior

Publisher's note: school and township budgets, planning and zoning board decisions, crime statistics, snow storms and pet licensing. These are stories in most town newspapers. So, it is easy to accuse the local paper of myopic vision or provincialism. Your publisher believes that many issues in our smaller communities reflect larger, national struggles—education in transition, social reform, care for the environment, budgetary matters—enduring concerns that surface in the pages of the daily press and on the floor of Congress.

And so I believe that fiscal responsibility on the local level is part of fiscal responsibility on the national level. Here then is a voice that speaks in the national debate, but whose point of view may help readers understand the overall view of economics and local spending that informs our editorial policy.

By Salim B. Lewis

We've been watching CNN recently. We've rediscovered Rep. David Bonior, (D-Mich.), the house minority whip. The 49-year-old Bonior led the Democratic Congressional minority charge last week against the Federal Reserve Board's latest move to contain inflation. Bonior labeled Fed chairman Alan Greenspan, "a Republican Chairman of a Republican Fed," linking the Fed's performance to the Republican Party and the Republican Congress, and defining the seven successive interest rate hikes as "Republican" tax increases for the American public.

"Republican" tax increases, eh? Well. let's talk a bit about "Democratic" tax increases, the interest burden on the ballooned federal debt; inflation caused by excessively easy monetary and fiscal policy of the past 40 years. The crushing burden of all this has fallen, not on the rich people (who buy tax-free municipal bonds and set up tax avoidance trusts), but on the poorest people, presumably some in Mr. Bonior's constituency.

Sorry, Mr. Bonior, but inflammatory demagoguery without economic logic—on both sides of the aisle—is what got us into this mess in the first place, it's not likely to get us out. It is to be hoped that we have all learned the hard way that poorly thought out populism is a flimsy substitute for common sense.

Mr. Bonior's partisan claptrap reflects the intellectual bankruptcy in Washington. Americans are not stupid. We understand the linkage between inflation and the Fed rate hikes intended to prevent inflation. The Fed is trying to protect your constituency, Mr. Bonior. The only force between an undisciplined Congress and runaway inflation is the Fed. We remember, with pain, the Carter legacy: crippling double-digit interest rates, a declining dollar, rising cost of imports, and the economic chaos of that period. We were on the edge of economic disaster.

Congress is a problem. For 40 years the Democrats have run the place, and they left quite a legacy. Maybe that's what November 1994 was all about.

Let's look at their track record: At the end of fiscal 1954, the federal debt was $274 billion. Today, it is 4.725 trillion—and growing another $200 billion this year. That totals more than $18,000 per person. Since 1954, the federal debt has grown at 7.25 per cent per year vs. 4.4 per cent (the consumer price index) inflation during the same period. Better than 94 per cent of our current federal debt was accumulated under a Democratic-led Congress.

But let's be fair. America's federal debt cannot be blamed exclusively on a Democratic Congress. Though few Republicans may wish to grasp the economic import of President Reagan's eight years, roughly 40 per cent of our present federal debt was accumulated on his watch. President Reagan cut taxes, Congress went even farther (remember David Stockman's "hog feed" remark?), and the rest is history. Yes, Mr. Reagan's presidency was a budget disaster, but he couldn't have done it without the approval of a Democratic Congress. The Democrats had control of the purse strings.

Curious, isn't it, that the interest on the Federal debt today, at $200 billion, equals the projected deficit for fiscal 1995. Maybe that was what 1992 was all about. In electing Bill Clinton, we exorcised the voodoo.

Were our federal budget in balance today, we dare say interest rates, long and short, could be half their present level. Imagine! It could even get better! Our taxes could be returning money to the treasury. In the Eisenhower years, 1952-60, we had a few positive budgets. The U.S. Treasury sold long term bonds at 2 5/8 per cent in 1958. Today, 37 years later, we pay 7 3/4 per cent to sell our bonds. 2 5/8 per cent to 7 3/4 per cent in 40 years. Isn't that a tax increase, Mr. Bonior?

The seven rate increases of the Federal Reserve are necessary. Look for another possible increase before mid-year. The economy is heating up. Thanks to the Reagan debt, we are in far more danger that we were after the Carter years. The Fed must be watchful. International markets question our resolve. We risk further devaluation of the dollar. Does Mr. Bonior call the increasing cost of imports a tax increase?

President Clinton is on the right track. The president's tax increase of two years ago came at the right time. The tax increase has not hurt the economy. By reducing the rate of growth of the federal deficit, it has helped to lower rates. The president deserves credit for his courage.

But we can't stop there. To reduce the federal deficit, not merely slow its growth, we must address entitlements and benefits which comprise fully half of budget outlays—including Social Security, Medicare, cost-of-living-based federal civilian retirement benefits, the bloat in veteran benefit programs, farm price supports, tobacco subsidies and more. These items are not "on the table" in Washington's raging debate. To complete the picture, we must reduce the enormous number of federal subsidies to private interests provided through the tax code to a variety of industries.

There was a time when Americans understood sacrifice, belt-tightening, common sense and guts. We were Yankees, we worked hard, we were frugal, we saved, we planned, and we were in control. We knew enough to apply fiscal and monetary discipline in good times. We had something on the shelf for the tough times. We had wise and courageous leaders who told us the truth.

We favor strong economic medicine. We look for the day when Congress will address its own lack of discipline—and ours. It is time for the American public to wise up. Mr. Bonior, the latest in a long line of congressional demagogues, would give us the ultimate tax increase: inflation and economic decline.

If we tighten our belts now, if we assert control now, we will not need high interest rates to defend our currency, cool inflation, protect our standard of living. But, if we have a run-away Congress, a government which can't say "No!," even the Fed will not be able to save us. If we blink, we will pass our role as leader of the free world to Japan, Germany and others more disciplined in the 21st century. Our children and grandchildren will dance to the tune of those more disciplined, our former foes in World War II. How ironic.

President Clinton, elected with only a 43 per cent vote, is doing a pretty good job with the economy. He has it moving forward, stimulated and growing. And Fed chairman Alan Greenspan is working under very difficult circumstances. The Federal Reserve and President Clinton are all that stand between us and further devaluation of the dollar. Were Rep. David Bonior dictating policy, our taxes would be cut, our federal deficit would redouble, and we would return to Carter economics and unmanageable disaster.

No pain, no gain, no control—and no. thank you, David Bonior.

To VP/Leon
good argument

THE PRESIDENT HAS SEEN
3/1/95

THE WASHINGTON POST
WEDNESDAY, MARCH 1, 1995

Newton N. Minow
And Craig L. LaMay

Public Safety For Kids

A House appropriations subcommittee has voted to cut the budget of the Corporation for Public Broadcasting both next year and in 1997 by 30 percent, or $94 million. The House leadership has urged eliminating CPB funding entirely after 1997.

Behind these cuts, the debate has been about things like cultural elitism and ideological bias—not things that most Americans care about. What they do care about is their children and what can help and harm them.

Consider the following facts:

■ By law, all broadcasters are public broadcasters. Commercial stations receive a valuable gift of free and exclusive use of scarce public airwaves. That gift enables them to sell about $34 billion worth of commercials each year, in return for which they promise to serve the public interest. Public stations also serve the public interest by providing programs that commercial broadcasters cannot or do not, and yet they are not allowed to sell advertising to pay their bills.

■ Public broadcasting is much more than PBS. The great bulk of public broadcasting has been and continues to be educational broadcasting. One-fourth of the 351 public television stations in the United States and more than half of the 629 public radio stations are licensed to colleges and universities. Through a partnership of the Annenberg Foundation and public broadcasting, 400,000 Americans have taken college courses for credit through television, some 2 million more use the project's videos in the classroom, and a $60 million effort is underway to improve math and science teaching in elementary and secondary schools.

In states like South Carolina, Nebraska, Kentucky and Alaska, educational broadcasters have been at the forefront of innovative, cost-effective classroom instruction for 40 years. And, at a time when more families fall apart than stay together, stations like Detroit's WTVS dedicate their programming to keeping children safe and healthy, off the streets and in school.

If public broadcasting is to be reformed for the better, we need to enlarge the terms of the debate. Members of Congress have asked for suggestions. Here are three to consider:

(1) Pay for public broadcasting with a small percentage of the revenues from the telecommunications auctions, and earmark all public money for educational telecommunications services for children, both in their homes and in school.

This is what we call the Newberg Principle, after Stanley Newberg, who came to the United States as a young boy, succeeded in school and in business, and, at his death, left the U.S. government $5.6 million in cash as an expression of his gratitude. The money went straight to the U.S. Treasury, where it lasted less than 90 seconds.

Newberg's story is repeating itself ri now in the continuing FCC auction of publicly owned broadband spectrum. T auction is expected to raise an estima $10 billion, which the government plans sink into the federal budget. At curr spending levels, the money will be gon about 44 hours.

That money could last lifetimes—lions of them—if even a tiny portion o were invested in our children. Three pe cent of the auction revenues, $300 millio would be exactly 300 times what Congres appropriated for the national children's television endowment in 1994, and 40 times the appropriation for the Ready to Learn satellite service. For what conceivable political, economic or moral reason should the money earned from the administration of a valuable public resource, the spectrum, not be invested in the most valuable public resource of all—our children?

(2) "Privatize" public broadcasting. Americans associate "public" with "non-commercial," but the truth is that many of America's earliest public broadcasters thought limited advertising a reasonable way to finance their programs, perhaps even the only way. At the very least, advertising's value to public broadcasting should be a matter for research, not conjecture.

The difficulties with relying on advertising are two. First, there is an obvious market failure where children are concerned. High-quality programs will not achieve mass market success and will inevitably have to move to pay services like cable, whose channels serve much smaller audiences—making them unavailable to millions of children in poor families. Second, American television's long experience with advertiser abuse, deception and, where children are concerned, outright exploitation is why Congress created CPB in the first place. If advertising and pay cable are to substitute for public broadcasting, we will diminish the latter's essential public purpose.

(3) Revive the original Carnegie Commission idea of a fee on television sets to pay for children's telecommunications services. The 1967 Carnegie proposal for public television recommended an initial fee of 2 percent, to rise to 5 percent over time. This year Americans will spend $7.4 billion on television sets, 2 percent of which would yield $148 million.

Few of us now remember that in the early 1950s there was a 10 percent excise tax on television sales and telephone bills to help defray the costs of the Korean War. Today the war has come to our streets, our schools, our communities and even our homes. Millions of us, whatever our politics, fear for our children and our grandchildren and think this is a war we must win.

These recommendations are not mutually exclusive. Nor do they eliminate the obligation of public broadcasters to operat more efficiently and trim costs. But seriou consideration of any of these recommenda tions would move the current debate—which outside the Beltway looks like jus another political turf fight—off dead cente and into serious consideration of the pul lic's interest.

Newton N. Minow is a former chairman of the FCC and of PBS. Craig L. LaMay is former editor of the Media Studies Journal.

THE WHITE HOUSE

WASHINGTON

Copy for C. Huber for Family file

✓ copied 3/1/95 SE WApra

March 1, 1995

Floris Tatom
Post Office Box 821
Lewisville, Arkansas 71845

Dear Floris:

Thanks for your letter and for letting me know how you are. I know it's hard, but we're all thinking about you and praying for you, too. Wade had a wonderful life and was so well thought of by so many people. All of us miss him.

I really loved the story about your visit to Red Level, Alabama, in 1985 and appreciate your sharing it with me. I'm glad to know about George Washington Cassidy!

Let me hear from you. We all love you.

Sincerely,

Bill

Lewisville,
Saturday 18th

Dear Bill,

How are you? How are Hillary + Chelsea?
I am very sad and heart is broken for I
miss Wade so. I am trying to be brave,
and remember the good times 49 years, 1
month + 19 days we lived together with
love for each other, our sons and grandchildren.
Wade had a good life, and the memorial
was a great tribute to him. It was as if he
was an active Lafayette County Sheriff serving
the people with his concern and style.
He was inducted in Hall of Fame by the
Arkansas Sheriff's Association at the Convention
in Little Rock late January. It makes me proud.

From what I see on television and read in
the papers you are doing O.K. Playing golf.

I'm hoping you will not work so hard,
and do what you do best. Being President
is what you do well. I have faith in you.

David Pryor Called and we talked for a long while a week after Wade's death. He expressed his appreciation for Wade + his loyalty to him thru the years.
He told me that you would win this next election, and that there was not a Republican that could.

I read in the Arkansas Democrat Gazette (last of January) an article or Chapter about your life. There were two of your ancestors named - George Washington Cassidy of Red Level, Alabama and Thomas Jefferson Blythe Of Mississippi.
When we retired 1984 the next Spring me, along with my older sister + her husband, visited Red Level, Al. We each were traveling in our motor homes. We visited with three of my mother + uncle Eldridge's 1st cousins, and toured several cemeteries. My grand-father (your great grandfather) James Jim Cassidy was the son of George Washington

Cassidy. They spelled it Cassady.
James Jim Cassidy married my grandmother
Sarah Lou Russell in alabama and came
to arkansas Nevada County With her
parents, brothers + sisters. The great grand
parents + my grandmother are buried in a
Russell family Cemetery near Bodcaw, Ar.
also, a sister of Jim Cassidy Martha Jane came with
her husband and his family to arkansas
from alabama. another brother came to
Nevada County Arkansas, married and
raised he family here. His name Was Noah
Cassidy.

When Uncle Eldridge Was 6 years of age his
father Jim Cassidy (1906) Went to Red Level,
Al to Visit his mother, 6 sisters and a
brother. His father, 2 sisters, + a brother had
died. There were twelve children.

He and a Mr. Beasley traveled by train,
and when they arrived there he was sick,
and died. The family here Ware expecting
is body to arrive in Hope, and were
notified he was being buried there.

Soon after our trip I received a letter from Ellen Smith - Rt. 2 - Bx 158 Red Level, Al. 36474 dated March 18, 1985. She sent information on the Cassidys, and Wanted dates and names of relatives here.

I Was busy with our antique shop, and enjoying our retirement so I didn't get the information for her. Sorry about that.

When I read about George Washington Cassidy in the paper I thought you Would Want to Know who he was.

I will Write Ellen Smith, and tell her All about her president, and hope I can get a return on the letter.

I Would love to see you sometime.
Tell Hillary + Chelsea hello.

Take Care of Yourself,
Love,
Flora,
2-19-95'

Sunday morning in [illegible] -

You always could give a good answer to a Question.

Keep up the great work - I like you -

"My first and most important test is: Is this good for middle-class families? Does it support their interests? Does it help them raise their children? Does it reinforce the values of work and responsibility?"

What about the next two years, I asked, confronted with a Republican majority in Congress that has been less than friendly? Did he think that the GOP's vaunted cohesiveness would hold up now that it was in power?

His eyes couldn't help glinting at the prospect of ideological disarray in the enemy camp, but he chose his words carefully: "I would say, first of all, I don't know. That's up to them. They are very good. They speak well. So, even if they're divided, they may talk like they're united. We'll have to see. Let me say that's for them to decide."

A few minutes later, as I walked down the drive to Pennsylvania Avenue, I couldn't help remembering what my PARADE colleague Jack Anderson, our Washington Bureau chief, once said: "It's a bad mistake to write off Bill Clinton. Every time he's been knocked down, he's remade himself."

So true

A contributing editor to PARADE, Peter Maas is the author of eight books, including "The Valachi Papers," "Serpico," "In a Child's Name" and, most recently, the novel "China White," published by Simon & Schuster.

Floris Tatom
P.O Box 821
Lewisville Arkansas
71845

TEXARKANA, AR-TX 755
PM
21 FEB
1995

President Bill Clinton
1600 Pennsylvania Ave -
Washington D.C. 20500

3/1/95 To Billy Webster

Kate Michelman
President

95 FEB 18 P 3 : 23

February 17, 1995

Mr. John Podesta
Assistant to the President and
Staff Secretary
The White House
Washington, DC 20500

Dear John:

This is going to be an extraordinary event and I hope you will help make it possible for the President to attend.

Sincerely,

Kate Michelman

Kate Michelman
President

cc Melanne V.

National Abortion
and Reproductive Rights
Action League

Promoting
Reproductive
Choices

NARAL
1156 15th Street, NW
Suite 700
Washington, DC 20005
(202) 973-3000

Kate Michelman
President

February 17, 1995

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Clinton:

It is my distinct privilege and honor to invite you to the National Abortion and Reproductive Rights Action League's special tribute to retired U.S. Supreme Court Justice Harry A. Blackmun. We would be most honored if you would join us in recognizing Justice Blackmun's extraordinary contributions to women's equality and the freedom to choose.

From his landmark decision in *Roe v. Wade* to his dissent in *Casey*, Justice Blackmun was a courageous and compassionate guardian of women's most precious and fundamental freedoms. For more than two decades, this remarkable jurist has endured the enmity of opponents of a woman's right to choose, but he has never wavered in his belief in women's liberty, dignity and equality. More than anyone, Justice Blackmun has helped to protect the lives and ensure the health of millions of American women.

As our nation faces renewed assaults on reproductive freedom and an unprecedented campaign of violence against abortion providers, it is critical that we celebrate and honor the person who has done so much to protect the health and well-being of American women. NARAL would be so honored to have your involvement in our tribute to Justice Blackmun's significant contributions to the law, women and society. Because you have stood steadfast in your commitment to keeping abortion safe and legal and to making abortion less necessary, your presence would be an extraordinary testament to Justice Blackmun's achievements and enduring legacy.

National Abortion and Reproductive Rights Action League

Promoting Reproductive Choices

NARAL
1156 15th Street, NW
Suite 700
Washington, DC 20005
(202) 973-3000

President William Jefferson Clinton
February 17, 1995
page two

In a special tribute to his outstanding contributions to reproductive freedom and women's equality, NARAL will present Justice Blackmun with its Lifetime Achievement Award at a black tie event from 6:30 p.m. to 9:30 p.m. on May 22, 1995 at the Andrew W. Mellon Auditorium.

I hope that you will give serious consideration to our request, and I look forward to your response.

Sincerely,

Kate Michelman

Kate Michelman
President

THE WHITE HOUSE

WASHINGTON

February 27, 1995 95 FEB 27 P6:22

MEMORANDUM

TO: Leon Panetta
Erskine Bowles
Harold Ickes
Pat Griffin
John Podesta
Carol Rasco

FROM: Marcia L. Hale

SUBJECT: ACIR / Letter to Native American Leaders

Please see the attached draft letter to Indian leaders. Please let me know if you have any changes or additions to this letter before it is mailed. Thank you.

cc: Loretta Avent

Marcia —
I have no views on substance, but suggest the edit attached
3-1-95

Quinault Indian Nation
POST OFFICE BOX 189
TAHOLAH, WASHINGTON 98587

Feb 22nd

LUMMI INDIAN BUSINESS COUNCIL
2616 KWINA ROAD, BELLINGHAM, WASHINGTON 98226 • 206/734-8180

February 17, 1995

Marcia L. Hale
Assistant to the President and the
Director for Intergovernmental Affairs
The White House
2nd Floor, West Wing
Washington, DC 20500

RE: Advisory Commission on Intergovernmental Relations

Dear Director Hale:

Our Treaty-signatory tribes are very concerned about the composition of the Advisory Commission on Intergovernmental Affairs (hereafter, ACIR). We had demanded a participatory role in the ACIR during the Reagan Administration. In fact, in recognition of the government-to-government status of the U.S. relationship with Indian Nations, President Reagan committed to securing permanent positions for Indian governments on the ACIR. We objected to anything less than governmental status then, and we object to the current proposal to offer "Indian Nations" the "citizens" position on the ACIR.

Due to the influence the ACIR wields over the development and implementation of policy, the National Congress of American Indians, at the mandate of the member Indian Nations, ratified a resolution insisting that Indian leadership be incorporated into membership on the ACIR. American Indian and Alaska Native governments must be provided the same respect and recognition as the States' (and their political subdivisions) representation on the ACIR.

JAMESTOWN KLALLAM TRIBE
150 South 5th – Suite 2 • Sequim, WA 98382

HOOPA VALLEY BUSINESS COUNCIL
P.O. Box 1348 • Hoopa, CA 95546

The White House Policy Memorandum of April 29, 1994, acknowledged the significance of the government-to-government relationships established with the Indian Nations. As based on the foundations of the U.S. Constitution, treaties, laws, and Supreme Court decisions, the U.S. Congress recognized our unique status through passage of House Concurrent Resolution #331 in 1988 (and in Senate Concurrent Resolution #76 of 1987). The Congress and Administration also expressed federal policy through the overwhelming support for the "Self-governance" legislation implemented since Indian Self-determination was initiated.

We are adamant that the ACIR needs and should have qualified Indian leadership lending their experience, knowledge, and expertise to the crucial issues on the ACIR agenda. Indian Country will recommend four Indian leaders who have extensive experience and involvement in intergovernmental relationships between their nations, the states, and all three branches of the national government.

Our Nations are very willing to go to the Congress and express our concerns about being excluded from the ACIR, which is crucial in recognition of the appropriation concerns of ACIR. However, we do believe this would be unnecessary if we could work with your office and peers in a spirit of cooperation.

Tribal leadership would like to meet with you, and those of the Administration you believe pertinent to a deeper discussion of the merits of our proposal. We request you to call a meeting with tribal leadership within the next ten days. Should we not, we will have to assume the Administration rejects our request and begin initiating contact with the appropriate Committee members.

We, obviously, are aware of the need to meet with Governor Winters as well. The Chairmanship should be fully cognizant of our proposed actions and request. There is absolutely no reason for the Indian Nations to be ignored in an atmosphere of openness expressed by the Clinton/Gore Administration. Last April, our Indian Nations, saw the doors to the White House open. Now, it is necessary for actions of implementation to make the President's Policy and commitment meaningful.

Please contact our local representative, C. Juliet Pittman at SENSE, Inc., (202) 628-1151 telephone or (202) 638-4502 facsimile, if our proposal is probable. We would want to organize a tribal leadership meeting to address the implications of your response hereto.

In anticipation of your cooperation and encouragement, thank you very much.

Respectfully yours,

W. Ron Allen

Wm. Ron Allen, Chairman
Jamestown S'Klallam

Pearl Capoeman-Baller

Pearl Capoeman-Baller, President
Quinault Indian Nation

William E. Jones for

Henry Cagey, Chairman
Lummi Indian Nation

Dale Risling

Dale Risling, Chairman
Hoopa Valley Tribe

WRA/PCB/HC/DR;kap

CC: Bill Winters, ACIR Chairman
Loretta Avent, Spec. Asst.
Ofc. Intergovernmental Affairs
Goshkiabos, President
National Congress of American Indians

ACIR

THE WHITE HOUSE

WASHINGTON

February 27, 1995

MEMORANDUM

TO: Loretta Avent

FROM: Marcia Hale

SUBJECT: Attached Letter

Please take a look at the attached draft letter as a response and make any changes you think are necessary. I will need to circulate this letter and receive sign-off before it is sent as it makes official policy. So please send it back as soon as possible.

I have talked with Governor Winter and he agrees with the position as well and will work with us on this. Should this be sent to NCAI? Who would be the appropriate nominating organization for Native Americans? Please advise. Thank you.

cc: Harold Ickes

THE WHITE HOUSE

WASHINGTON

February 27, 1995

Dear :

Thank you for your recent letter on the composition of the Advisory Commission on Intergovernmental Relations (ACIR).

As you know, the ACIR was created by Congress in 1959 by passage of PL 86-388 and signed into law by President Eisenhower. The Commission consists of 26 members serving two year terms -- three U.S. Senators appointed by the President of the Senate, three members of the U.S. House of Representatives appointed by the Speaker of the House, three private citizens, and three officers of the Executive Branch appointed by the President of the United States, and fourteen elected officials of state and local governments nominated by their respective national associations and appointed by the President of the United States. Except for the private citizen and Executive Branch members, appointments must have bipartisan balance within each membership group. The state and local officials on the Commission are divided into the following groups: four governors, three state legislators, four mayors, and three elected county officials. As you can see, the size and composition of the Commission was set in that original legislation and cannot be changed without further congressional action. However, please know that the Clinton Administration would support the number of Commission members necessary to include official representation by American Indians. I would encourage you to meet with the appropriate members of the House and Senate to accomplish this through the necessary legislative process as soon as possible.

Due to the fact that it will take legislative action to increase the number of members of the ACIR, the thought was to consider filling the present citizen vacancy with a Native American which could be accomplished in a relatively short period of time and provide representation until such time as the law can be amended to your full satisfaction.

I hope this answers some of your concerns. Thank you for your help and cooperation.

Sincerely,

we are considering

Marcia L. Hale
Assistant to the President for Intergovernmental Affairs

THE PRESIDENT HAS SEEN
3-1-95

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

95 FEB 27 A11 : 12

SECRETARY OF THE TREASURY

To Laura Tyson

February 27, 1995

MEMORANDUM FOR PRESIDENT CLINTON

FROM: Robert E. Rubin REA

SUBJECT: Analysis of Tax Proposals

You asked for Treasury's analysis of five proposed economic initiatives. The proposals would:

- Eliminate Federal income taxes on dividends of new stock issues, held for more than one year, of corporations with assets under $50 million;

- Simplify the SEC process for securities offerings under $50 million;

- Expand tax credits to employers who hire people on welfare and who are unemployed;

- Eliminate Federal income taxes on interest from any savings account under $100,000 or from medical or college savings accounts; and

- Provide a tax credit on the employer share of medical expenses and/or premiums by employers for employee health coverage for basic health care benefits.

The attached paper provides a brief discussion of the five proposals and how they relate to current law and the Administration's overall objectives. The discussion suggests how much the proposals may potentially cost, but more precise revenue estimates cannot be made without more specifics on how the proposals would be structured.

I will be happy to provide additional analyses of any of these proposals.

Attachment

ANALYSIS OF FIVE PROPOSED ECONOMIC INITIATIVES

Small Business Dividend Tax.

Proposal. The proposal would permit no federal taxes on the dividends of new stock issues, held for more than one year, issued by new corporations with assets under $50 million.

Current Law. Under current law, dividends paid by corporations are taxed under both the corporate income tax (at rates up to 35 percent) and the individual income tax (at rates up to 39.6 percent). But small businesses do not pay the corporate-level tax if they organize themselves as sole proprietorships, partnerships, or subchapter-S corporations. (The income of these business entities is allocated directly to owners of the business and taxed once at the individual level.)

Administration Policy. The Administration has favored increased incentives for small business. In OBRA-93, the Congress, in response to Administration proposals, increased the annual amount of equipment purchases that small businesses can deduct immediately from $10,000 to $17,500 (the Administration originally favored raising the limit to $25,000) and provided a 50 percent exemption for capital gains on sales of new stock in small businesses held for over 5 years.

Analysis. The proposal would provide additional tax incentives for small businesses. Providing an exemption for dividends, but not capital gains, however, would favor companies that distribute income instead of retaining it for reinvestment and could reduce overall investment. In addition, the proposal would encourage firms to subdivide into smaller units to qualify for the $50 million exemption. This could lead to inefficient forms of business organization. Rules to prevent artificial recharacterizations of firms (either as separate firms or as new firms) to take advantage of the tax break could be complex and difficult to administer.

One reason to provide additional assistance for small business is a belief that they create most of the new jobs. But recent studies suggest that small businesses do not create proportionally more jobs than larger businesses.

Potential Costs. In 1992, about $8 billion or 5 percent of dividend income was distributed by companies with assets below $50 million. Less than $300 million was distributed by new corporations with assets under $50 million. Assuming a 25% average tax rate on dividend income, the annual revenue loss could thus range from $75 million to $2 billion. The loss would approach the larger figure to the extent firms are able to redeem existing shares and reissue them as new stock.

SEC Approval

Proposal. Simplify the SEC approval process for securities offerings under $50 million.

Current Law. The SEC is authorized to provide simplified registration of offerings of up to $5 million per issuer during any 12-month period. Under the SEC's aggregation rules, a company using the simplified registration procedure could raise up to $11 million in capital annually.

Administration Policy. To our knowledge, this Administration has not taken a position on raising the ceiling. The SEC, however, has endorsed legislation increasing the statutory ceiling from $5 million to $10 million.

Analysis. Applying the aggregation rules to a $50 million ceiling would enable a company to raise over $100 million per year from the capital markets using the simplified procedure. This suggests the proposal may go far beyond what is needed to achieve the objective of helping small businesses. An alternative approach would raise the upper limit to $50 million, but give the SEC discretion to approve a lesser amount based on its assessment of balancing the objectives of providing more regulatory relief for small business and protecting investors. This is consistent with SEC's current legal authority, which is permissive, but not mandatory.

Opponents of an increase of the current ceiling to $50 million argue that an increase merely increases the SEC's exemptive authority since the benefits are not necessarily targeted to small businesses. Moreover, increasing the ceiling at the federal level would not by itself provide full relief without amendments in state securities laws to conform to the change in federal law.

Welfare Tax Credits

Proposal. Expand tax credits to employers who hire people on welfare and who are unemployed.

Current Law. There is no general employment tax credit for employers under current law. The targeted jobs tax credit (TJTC), which expired on December 31, 1994, was available for hiring individuals from nine targeted groups, including economically disadvantaged groups and those with special needs. Targeted groups included recipients of Supplemental Security Income (SSI) and Aid to Families with Dependent Children (AFDC). The credit was equal to 40 percent of the first $6,000 of qualified first year wages paid to a member of a targeted group. The maximum credit, therefore, was $2,400 per employee in any year.

Administration Policy. The FY 1996 budget supports the objectives of the TJTC, but states that the Administration favors its extension only with major reforms. A 1994 report by the Department of Labor's Inspector General (IG) criticized the current credit and recommended against its extension. The principal criticisms in the IG Report were that 1) TJTC jobs are generally low-wage and short-term, with little or no evidence of any impact on earning power and 2) the credit is largely a windfall to participating firms because employers do not make special efforts to recruit workers from target groups.

Analysis. The TJTC, originally enacted in 1978, was intended to encourage employment of groups with special needs. It replaced a more general new jobs tax credit. The Congress believed at the time that growth in the overall economy had reduced the employment rate enough that incentives were only required for those with special needs. A similar conclusion may be warranted today, since unemployment has declined to 5.7 percent -- about 2 percentage points less than at the trough of the recession. In any event, the experience with the TJTC, as reflected in the IG Report, indicates that if this type of credit is not well targeted, it can be wasteful and not help those to whom it is intended.

Potential Costs. Treasury has estimated that a two-year extension of the TJTC (through December 31, 1996) would reduce revenue by $0.7 billion in the budget period. If welfare reform contains a work requirement, however, the eligible TJTC population would increase, raising the potential revenue loss substantially. Extension of the TJTC to those currently unemployed would further increase the revenue loss. In 1994, almost 8 million people were unemployed, compared with an estimated 450,000 participants in the TJTC program.

Expand Tax Exemption for Savings

Proposal. Exempt from tax income on any savings account under $100,000 or any medical or college savings account.

Current Law. In general, interest income from savings accounts is taxable. Individuals may, however, accumulate interest income tax-free through qualified retirement plans and qualified salary reduction plans (401k plans and 403b plans) established by employers or through individual retirement accounts (IRAs). Taxpayers may contribute up to $2,000 per employee ($250 for non-working spouses) to deductible IRAs either if they have no employer pension plan or their income is below specified limits.

Administration Policy. The Administration is proposing an expansion of IRAs in the FY 1996 budget to help boost private saving of middle income individuals and families. The Administration's IRA proposals would raise the income limits for which taxpayers qualify for deductible IRAs, 2) allow qualified taxpayers to establish back-loaded IRAs, and 3) allow penalty-free withdrawals for non-retirement purposes, including educational expenses, first home purchases, extraordinary medical expenses, and care for an aged relative. But the Administration does not support a general exemption from taxes on investment income for high income individuals.

Analysis. The proposal as described would be less effective than the Administration's proposed expansion of IRAs in increasing saving and more likely to provide windfall benefits for taxpayers with existing assets. Unlike IRAs, the proposal has no limit on annual contributions. This would provide an incentive for some taxpayers (those who would otherwise save more than $2,000 annually) to save more, but it would also provide a large tax benefit to wealthy taxpayers without increasing their saving by enabling them to transfer all their interest-bearing assets immediately into tax-exempt accounts and to incur tax deductible debt (by, for example, taking home equity loans) to acquire tax-free interest-bearing assets. (To prevent unlimited funds transfers, the law would have to set the limit at $100,000 per taxpayer instead of $100,000 per account.)

Potential Costs. In 1996, 81.9 million tax returns reported taxable interest income of $205.8 billion. If all of this interest income were exempt from tax, the revenue loss would be $40.2 billion per year. If the proposal limited the exclusion to $100,000 per taxpayer, instead of $100,000 per account and the average interest rate on all accounts was 5 percent, the annual revenue loss would be $18.3 billion per account. By contrast, the Administration's proposal to expand IRAs reduces revenue by $3.8 billion over the 5-year FY 1996-2000 period.

Employer Medical Tax Credit

Proposal. Provide a tax credit on the employer share of medical expenses and/or premiums paid by employers for employee health coverage in an approved plan providing basic health care benefits.

Current Law. The tax code provides preferential treatment for employer contributions for health insurance benefits. Employer-provided insurance premiums are deductible to employers, but tax-free to employees. In combination, this means that compensation employees receive in the form of employer-paid health insurance is tax-free. In contrast, most other forms of employee compensation (both cash and fringe benefits) are taxable.

Administration Policy. The Administration's proposed Health Security Act (HSA) would have achieved universal coverage by requiring employers and individuals to purchase health insurance. HSA proposed premium discounts (e.g., subsidies) to low-wage firms and small firms to offset the costs of mandated health insurance benefits. Under HSA, these subsidies would have cost about $30 billion per year. The HSA also proposed including employer-provided supplemental benefits (in addition to those defined in the standard benefits package) in taxable income of employees, beginning in 2004.

In this year's State of the Union address, the President recommended that Congress enact an incremental health reform plan, which would include subsidies to help low-income families with children and the unemployed purchase health insurance.

Analysis. Expanding health insurance coverage continues to be an important policy objective. With limited resources, however, the most cost-effective way to expand coverage is to target subsidies directly to low-income families with children instead of providing credits to employers. Employers will generally not have complete information about family income and other eligibility criteria for subsidies and some people in the target population are unemployed. In addition, to minimize subsidies paid to those who would otherwise be insured, the Administration is considering options to limit eligibility to children who have not been covered by an employer plan for the previous 6 months.

Potential Costs. The current exclusion for employer-provided health insurance reduces income tax revenues by about $60 billion per year. An unlimited tax credit could increase costs by a comparable amount, depending on the credit rate. Targeting credits to low-income families with children would reduce the additional subsidy costs substantially.

THE PRESIDENT HAS SEEN
3-1-95

THE WHITE HOUSE

WASHINGTON

March 1, 1995 95 MAR 1 P12 : 26

looks good

MEMORANDUM FOR THE PRESIDENT

FROM: BO CUTTER BC

RE: **Information: Alaska North Slope (ANS) Oil Exports**

Today, the Department of Energy testified before the Senate Energy and Natural Resources Committee in support of Alaska North Slope (ANS) oil exports. Legislation to permit exports has been introduced by Chairman Murkowski, Sen. Stevens, and Rep. Young, and it stands a reasonably good chance of passage.

The purpose of this memo is to summarize, for your information, your Administration's proposals regarding ANS oil exports, and to address the jobs, environmental, and other concerns you have expressed about this policy.

Summary

Your Administration has proposed that the 21-year ban against exports of Alaska North Slope (ANS) crude oil be modified to permit the Commerce Department to issue export licenses for ANS oil, subject to three conditions:

- that any ANS exports be carried in U.S.-flag (U.S.-owned and crewed) tankers;
- that a thorough review of potential environmental impacts be conducted prior to issuance of any export licenses; and
- that to protect jobs, appropriate enforcement action be taken, including suspension of exports, if West Coast refiners are denied access to ANS crude at prevailing world market prices.

agree

We believe that these conditions effectively address the concerns you, Sen. Murray, and others have raised regarding ANS exports. (For your information, a complete list of criteria describing our proposed approach to exports is attached.)

Benefits

Permitting exports will relieve the ANS crude surplus in West Coast markets, which currently depresses producer prices in California and Alaska. As a result, domestic production will rise, and with it, oil industry employment will increase by 10,000 to 20,000 jobs -- primarily in California and Alaska. Royalty and tax revenues to those states will also increase. From a political perspective, permitting exports will send a signal to the energy industry and its friends in Congress that you are concerned about its economic difficulties. Moreover, ANS exports, unlike most other energy production incentives we have examined, will be cost-free to the Treasury.

Concerns

You have mentioned your concern about job losses and environmental hazards from oil tankers. Following are brief responses to those and other issues:

West Coast Refiner Access to ANS crude: Refiners' access to ANS crude should continue, provided they are willing to pay world-market prices, as other U.S. refiners do. Plentiful crude supplies will prevent refiners' crude costs from rising above market levels. If market-distorting pricing and supply problems do occur, however, our proposal would allow exports to be halted.

Gasoline Prices: Plentiful supplies of petroleum products on the West Coast will make it virtually impossible for retailers to increase gasoline or other product prices above existing market levels.

Environmental Protection: All oil tankers, regardless of their country of origin, will have to meet stringent U.S. environmental safety codes, just as they do now. We do not expect a significant increase in foreign tanker traffic into Puget Sound or elsewhere on the West Coast, because we believe West Coast refiners will continue to have ready access to ANS crude. In any event, as noted above, we propose that a full environmental review be conducted of this and other environmental issues, before exports are permitted.

Ship-building and repair jobs: Allowing ANS exports will prolong ANS oil production, thereby helping to preserve American shipyard jobs that would otherwise be lost much sooner. In addition, British Petroleum (the ANS producer expected to account for nearly all of the ANS exports) has previously committed to Sen. Feinstein that it will use U.S.-built ships to carry ANS exports. These exports are likely to be carried on existing U.S.-built ships -- probably the larger tankers that are already engaged in international service and are often serviced in foreign ports.

The existing Jones Act fleet of US-flag, US-built tankers would carry the more than 80% of ANS oil that would continue to be shipped to West Coast refiners, even after the ban is lifted. Some of those ships will need to be reconstructed in order to comply with the Oil Pollution Act of 1990. To retain their Jones Act status, the ships will need to be rebuilt in the U.S.. This fleet also will continue to be maintained in U.S. shipyards, because it will be serving West Coast refiners, not carrying exports overseas.

Outline of the Administration's Position Regarding Exports of Alaska North Slope Oil

The Administration believes that there are economic and energy benefits that can be gained from permitting exports of ANS crude, -- including the enhancement of domestic energy supplies and the creation of new jobs -- without significantly endangering the environment or existing jobs. Legislation to permit exports should address the following concerns:

1. **Consumer Protection.** Exports must not cause substantial increases in retail gasoline or other petroleum product prices. The Administration will monitor prices.

2. **Economic Protection.** The President must retain the authority, including the authority he has under current law, to reinstate the ban should exports be found to be contributing to adverse energy, economic, or environmental conditions, or otherwise threatening the national economic security.

3. **Monitoring and Enforcement.** To assure monitoring and enforcement of all conditions under which ANS exports will be permitted, any exports of ANS crude should be approved and administered under the appropriate export licensing process. Once exports have begun, appropriate federal agencies should consult with affected state and local governments, affected industry and worker representatives, and environmental organizations to help ensure that all applicable energy, economic, and environmental criteria are being met.

4. **Jobs Protection.**

- West Coast refiners must be assured continued access to adequate supplies of crude oil, including crude oil produced in Alaska, at prevailing market prices. If evidence develops of market distortions -- such as sustained crude supply shortages on the West Coast or prices significantly above world market levels -- appropriate enforcement action should be taken, including the denial or suspension of crude oil export licenses.

- Any legislation to permit exports of Alaskan oil must provide substantial protection of maritime employment opportunities for American workers, including a statutory requirement that all oil be exported in American-flagged and -crewed vessels. Any statutory conditions imposed on exports, however, must be consistent with established U.S. international trade policies.

5. **Environmental Protection.** Before any oil is exported, a full environmental review must be undertaken, consistent with the National Environmental Policy Act of 1970. Marine and coastal resources, both along the West Coast of the United States and along shipping routes crossing the Pacific, must be fully protected. Any new shipping that occurs as a result of exports, whether exports from Alaska or imports into the U.S., will have to meet all prevailing U.S. environmental protection standards, including the provisions of the Oil Pollution Act of 1990.

6. **Arctic National Wildlife Refuge.** No export proposal should be linked to a change in status of the Arctic National Wildlife Refuge. ANWR will continue to be managed for its wildlife and wilderness values.

The Washington Times
TUESDAY, FEBRUARY 21, 1995

A hearty welcome to the sudden debate on racial preferences

Editor's note: The following is the latest Memorandum to Republican Leaders from the Project for the Republican Future, whose chairman is William Kristol. It is being released today.

"I think the worst thing that could happen is you take an issue like affirmative action or the whole issue of civil rights and race relations in this country and make it a political issue. That's the most dangerous thing that could happen. . . . On affirmative action, we clearly oppose moving backwards. Where you have discrimination, you need to have a remedy. That includes affirmative action."

— White House Chief of Staff Leon Panetta, on Meet the Press, February 12, 1995

"Affirmative action was never meant to be permanent, and now is truly the time to move on to some other approach. You can try to paint Republican opponents as having been captured by the far right and the like, but that's not going to make the Democratic Party the majority party again. In fact, there's a bad potential for this issue to drive a wedge right through the Democratic Party, if it doesn't yield some."

— Democratic strategist Susan Estrich, quoted in The New York Times, February 16, 1995

Ironies abound in politics; large issues have a way of forcing themselves into public debate in unexpected form, on an unpredictable schedule. We're now halfway through the Republican Contract's 100-day legislative calendar. The GOP House and Senate have already achieved some notable successes. But neither chamber has yet cast, to the best of our knowledge, a floor vote on any bill that directly undoes an existing government program. Until now, that is. And the bill and program in question aren't mentioned in the Contract at all. In fact, the bill the House is scheduled to vote on (and will likely pass) today, Ways and Means Committee Chairman Bill Archer's H.R. 831, would actually kill a large tax break.

Now as it happens, the tax break involved is preposterous and Chairman Archer's legislation is self-evidently necessary. It would pay for a permanent extension of the 25 percent deduction for self-employed health insurance costs. That's a good cause. But the bill's true subject is affirmative action. And we'd be for it, and for doing it now, even if it paid for nothing — because it represents a strategically intelligent first step in what should be a major element of the Republican Party's larger, post-Contract agenda: a rollback of the massive system of racial preferences and set-asides that has come to infect federal law and American life over the past 25 years.

Chairman Archer's bill repeals section 1071 of the Internal Revenue Code, which since 1978 has been interpreted by the Federal Communications Commission to allow companies selling broadcast properties to "minority controlled" enterprises to defer taxes on any capital gain. Mr. Archer's principal complaint against this provision is that its World War II-era provisions have been oozily transformed by the FCC into an agency-granted tax break — a usurpation of Congressional prerogative and authority. He's right. But there's also a much deeper ugliness at work in the FCC

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program, as recent news accounts of an attempt by the Viacom Corporation to take advantage of it make clear.

Viacom, the world's second largest media and entertainment company, plans to sell off its cable television stations to a group of investors dominated by InterMedia Partners and Tele-Communications Inc., the giant cable company. It's a $2.3 billion deal. But because, technically speaking, the investor of record in this deal is a minority, Viacom would be permitted to defer hundreds of millions of dollars — maybe more than a billion — in taxes. And the real purchasers here won't be inconvenienced at all; the deal's investor of record is allowed to cash out his $1 million stake at a hefty profit after just a few years. He is, incidentally, one Frank Washington, who as a Carter Administration FCC attorney in 1978 designed the whole "minority ownership program" in the first place.

Not to put too fine a point on it, Viacom is engaged in a particularly vulgar, though perfectly legal, affirmative action scam. But it's not a new one; again, this particular FCC initiative has been in place, doling out more than 300 such tax certificates, for 17 years. And the program isn't an isolated affirmative action grotesquerie, either. There is the huge 8(a) set-aside program at the Small Business Administration, for example. And hundreds of other programs and provisions, written into the sinews of federal law and administrative practice, make similar distinctions among American citizens on the basis of their skin color — with ever-increasingly questionable effects on their ostensible beneficiaries, and to the obvious detriment of race relations nationwide.

What's interesting, then, is that all of a sudden it seems possible that mere scrutiny of these programs will be enough to demolish them. Many of us long ago came to the conclusion that affirmative action, at this point in American history, is virtually indefensible. What's striking about the current political situation, in the aftermath of November 8, is how many other people apparently think so, too. Consider this: Charlie Rangel, second-ranking Democrat on Ways and Means, could produce only 10 of 15 possible Democratic votes against Chairman Archer's bill in committee, and was reduced to invoking Adolf Hitler in his churlish post-vote press release. Or this: Susan Estrich, no right-winger she, tells the New York Times (as quoted above) that the statute of limitations on slavery and segregation has run out, and that affirmative action should be scrapped. Period.

Of course, it's easy for Ms. Estrich to speak so bluntly and candidly; she has no current institutional responsibility to the Democratic Party, whose alignment of constituencies is such that any debate on affirmative action may blow it completely apart. Which is why Leon Panetta (also quoted above) is so eager to deny that affirmative action is a legitimate political issue at all — what kind of issue does he think it is, we wonder? — and why he wants us to understand that any near-term political movement on the question of race preference will be movement "backwards."

Republicans are not obliged to alter or trim their principles for the convenience of Democratic Party voter mobilization, of course, which is why we say: move forward — it's the right thing to do. Men like California state assembly Speaker Willie Brown will decry any rollback as "totally and completely racist" (USA Today, February 16). Jim McDermott (D-WA) will try to muddy the waters with a substitute to H.R. 831 that blocks the Viacom tax break while otherwise preserving the FCC program. And Mr. Panetta will probably warn, again, that "discrimination" needs a "remedy." But the guessing here is that neither Congress nor ordinary voters will be fooled. Discrimination does have a remedy: it's illegal. Affirmative action — counting citizens by race, and allocating benefits accordingly — is something else, something that increasingly strikes more and more Americans of all colors as fundamentally unfair and incompatible with their own best traditions and highest hopes. Witness the spectacular early success of the California Civil Rights Initiative (CCRI), whose sponsors haven't even begun collecting the requisite signatures for ballot approval in 1996, bu already considered a virtually s thing for passage.

Congressional Republicans n not immediately reach for a CC like magic bullet that would in fell swoop erase every offensive of race consciousness from fede pı actice. Constructing such a would be a complicated undert

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ing, in any case, so thoroughly h affirmative action buried itself our laws and regulations. And t effort need not be rushed. It woul n't be a bad thing to have the aff mative action debate again ar again, program by program ar law by law, as the next sever months go by. It's only through su revealing debate, after all, that a f public consensus about the neec close our affirmative action era c be achieved. Bill Archer has dc us the service of beginning such responsible and level-head debate by readying Congress, t the first time in a quarter centu to dismantle a race-conscious fe eral program. Republicans shou continue the service by dogged pursuing the subject in the futur

The sudden willingness, eve courage, of American politicians challenge what was until ver recently unchallengeable — raci preferences — is a clear sign how completely November's Cor gressional election has altered ou national landscape. Almost ever American political piety of the pas few decades is now squarely on th table, open for debate at last. Thes are debates that the Democrati Party, defender of the status quo can only fear. And those Republi cans who might privately worr over what to do once our first 10 days are complete can take heart there is a broader, just as popular just as principled agenda available for our future pursuit. Establishing a system of color-blind law and public policies is a not inconsiderable case in point.

THE PRESIDENT HAS SEEN
3-1.95

THE WHITE HOUSE
WASHINGTON

DATE: 3/1/95

NOTE FOR: Alice Rivlin

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

Information ☐

Action ☑

The attached was given to the President in Canada during the meeting with the opposition party. He asked that it be reviewed for ideas.

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

FROM POTUS MTG W/ MANNING
PLEASE FORWARD
TO OMB - RIVLIN'S
OFFICE
ANY GOOD IDEAS?

— Stephen

Tony →
fr. POTUS
of w/opposi.
party in canada

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THE TAXPAYERS' BUDGET

The Reform Party's Plan
to Balance the Federal Budget
&
Provide Social and Economic Security
for the 21st Century

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February 21, 1995