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RON BROWN PLANE CRASH CONDOLENCE

PARTIAL BIRTH ABORTION LETTERS

PARTIAL BIRTH ABORTION INFO

BACKGROUND ON VETOED BILLS

STATE OF THE UNION

TECHNOLOGY POLICY

TELECOMMUNICATIONS

U.S. ATTORNEY RESIGNATION LTRS

WHITE HOUSE MEETINGS/JDP

WHITE HOUSE PAPERFLOW

WIRETAPPING

YEAR-END ACCOMPLISHMENTS

SECRECY COMMISSION

BOOK, THE THIRD CPSR CRYPTOGRAPHY AND PRIVACY CONFERENCE

Total Number of Vetoes for All Presidents

RANK	PRESIDENT	TOTAL VETOES
1	Franklin Roosevelt	635
2	Grover Cleveland	414
3	Harry Truman	250
4	Dwight Eisenhower	181
5	Grover Cleveland	170
6	Ulysses S. Grant	93
7	Theodore Roosevelt	82
8	Ronald Reagan	78
9	Gerald R. Ford	66
10	Calvin Coolidge	50
11	Benjamin Harrison	44
13	Woodrow Wilson	44
14	George Bush	44
15	Richard M. Nixon	43
17	William McKinley	42
18	William H. Taft	39
19	Herbert Hoover	37
20	Jimmy Carter	31
21	Lyndon B. Johnson	30
22	Andrew Johnson	29
23	John F. Kennedy	21
24	William Clinton	15
25	Rutherford B. Hayes	13
26	Andrew Jackson	12
27	Chester A. Arthur	12
28	John Tyler	10
29	Franklin Pierce	9
30	Abraham Lincoln	7

31	James Buchanan	7
32	James Madison	7
33	Warren G. Harding	6
34	James K. Polk	3
35	George Washington	2
36	James Monroe	1
37	Martin Van Buren	1
38	Zachary Taylor	0
39	William Henry Harrison	0
40	Millard Fillmore	0
41	John Quincy Adams	0
42	Thomas Jefferson	0
43	John Adams	0
44	James A Garfield	0

Total Number of "Public Law" Vetoes or Non-Private Relief Vetoes for All Presidents

RANK	PRESIDENT	NON-PRIVATE RELIEF VETOES
1	Franklin Roosevelt	262
2	Harry Truman	105
3	Dwight Eisenhower	86
4	Ronald Reagan	71
5	Grover Cleveland	69
6	Gerald R. Ford	62
7	Grover Cleveland	58
8	George Bush	44
9	Richard M. Nixon	41
11	Calvin Coolidge	38
12	Theodore Roosevelt	38
13	Woodrow Wilson	35
14	Ulysses S. Grant	30
15	Jimmy Carter	29
16	William H. Taft	29
17	Herbert Hoover	28
18	Andrew Johnson	28
19	Benjamin Harrison	21
20	Lyndon B. Johnson	16
21	William Clinton	15
22	Andrew Jackson	12
23	Rutherford B. Hayes	11
24	John Tyler	10
25	John F. Kennedy	9

26	Franklin Pierce	9
27	William McKinley	8
28	Abraham Lincoln	7
29	James Madison	6
30	Warren G. Harding	6
31	James Buchanan	5
32	Chester A. Arthur	4
33	James K. Polk	3
34	George Washington	2
35	Martin Van Buren	1
36	James Monroe	1
37	William Henry Harrison	0
38	John Adams	0
39	Millard Fillmore	0
40	Thomas Jefferson	0
41	John Quincy Adams	0
42	James A Garfield	0
43	Zachary Taylor	0

Total Vetoes per Congress

Since Andrew Johnson

Rank	Congress	President	Number of Vetoes	House	Senate
1	50	Cleveland (D)	212	D	R
2	49	Cleveland (D)	202	D	R
3	76	F. Roosevelt (D)	167	D	D
4	74	F. Roosevelt (D)	148	D	D
5	75	F. Roosevelt (D)	117	D	D
6	54	Cleveland (D)	89	R	R
7	77	F. Roosevelt (D)	82	D	D
8	53	Cleveland (D)	81	D	D
9	81	Truman (D)	79	D	D
10	80	Truman (D)	75	R	R
11	79	Truman (D)	74	D	D
12	73	F. Roosevelt (D)	73	D	D
13	83	Eisenhower (R)	52	R	R
14	85	Eisenhower (R)	51	D	D
15	78	F. Roosevelt (D)	46	D	D
16	86	Eisenhower (R)	44	D	D
17	94	Ford (R)	39	D	D
18	51	Harrison (R)	36	R	R
19	56	McKinley (R)	35	R	R
20	84	Eisenhower (R)	34	D	D
21	70	Coolidge (R)	32	R	R
22	42	Grant (R)	32	R	R
23	59	T. Roosevelt (R)	30	R	R
24	44	Grant (R)	30	D	R
25	60	T. Roosevelt (R)	29	R	R
26	66	Wilson (D)	28	R	R
27	93	Ford (R)	27	D	D
28	62	Taft (R)	26	D	R
29	102	Bush (R)	25	D	D
30	98	Reagan (R)	24	D	R
31	82	Truman (D)	22	D	D
32	57	T. Roosevelt (R)	21	R	R
33	101	Bush (R)	21	D	D
34	99	Reagan (R)	20	D	R
35	87	Kennedy (D)	20	D	D
36	92	Nixon (R)	20	D	D
37	71	Hoover (R)	19	R	R
38	95	Carter (D)	19	D	D
39	100	Reagan (R)	19	D	D
40	72	Hoover (R)	18	D	R
41	43	Grant (R)	16	R	R
42	41	Grant (R)	16	R	R
43	40	Johnson (R)	16	R	R
44	97	Reagan (R)	15	D	R
45	104	Clinton (D)	15	R	R
46	89	Johnson (D)	14	D	D
47	61	Taft (R)	13	R	R
48	39	Johnson (R)	13	R	R
49	96	Carter (D)	12	D	D
50	93	Nixon (R)	12	D	D
51	91	Nixon (R)	11	D	D
52	69	Coolidge (R)	11	R	R
53	46	Hayes (R)	9	D	D
54	48	Arthur (R)	9	D	R
55	52	Harrison (R)	8	D	R
56	88	Johnson (D)	8	D	D
57	90	Johnson (D)	8	D	D
58	68	Coolidge (R)	7	R	R
59	55	McKinley (R)	7	R	R
60	64	Wilson (D)	7	D	D
61	67	Harding (R)	6	R	R
62	65	Wilson (D)	5	D	D
63	63	Wilson (D)	4	D	D
64	45	Hayes (R)	4	D	R
65	47	Arthur (R)	3	R	R
66	58	T. Roosevelt (R)	2	R	R
67	79	F. Roosevelt (D)	2	D	D
68	88	Kennedy (D)	1	D	D
69	47	Garfield (R)	0	R	R
70	57	McKinley (R)	0	R	R
71	103	Clinton (D)	0	D	D

Total Number of Vetoes 20th Century Only

Rank	Congress	President	Number of Vetoes	House	Senate
1	76	F. Roosevelt (D)	167	D	D
2	74	F. Roosevelt (D)	148	D	D
3	75	F. Roosevelt (D)	117	D	D
4	77	F. Roosevelt (D)	82	D	D
5	81	Truman (D)	79	D	D
6	80	Truman (D)	75	R	R
7	79	Truman (D)	74	D	D
8	73	F. Roosevelt (D)	73	D	D
9	83	Eisenhower (R)	52	R	R
10	85	Eisenhower (R)	51	D	D
11	78	F. Roosevelt (D)	46	D	D
12	86	Eisenhower (R)	44	D	D
13	94	Ford (R)	39	D	D
14	56	McKinley (R)	35	R	R
15	84	Eisenhower (R)	34	D	D
16	70	Coolidge (R)	32	R	R
17	59	T. Roosevelt (R)	30	R	R
18	60	T. Roosevelt (R)	29	R	R
19	66	Wilson (D)	28	R	R
20	93	Ford (R)	27	D	D
21	62	Taft (R)	26	D	R
22	102	Bush (R)	25	D	D
23	98	Reagan (R)	24	D	R
24	82	Truman (D)	22	D	D
25	101	Bush (R)	21	D	D
26	57	T. Roosevelt (R)	21	R	R
27	99	Reagan (R)	20	D	R
28	92	Nixon (R)	20	D	D
29	87	Kennedy (D)	20	D	D
30	95	Carter (D)	19	D	D
31	100	Reagan (R)	19	D	D
32	71	Hoover (R)	19	R	R
33	72	Hoover (R)	18	D	R
34	97	Reagan (R)	15	D	R
35	104	Clinton (D)	15	R	R
36	89	Johnson (D)	14	D	D
37	61	Taft (R)	13	R	R
38	93	Nixon (R)	12	D	D
39	96	Carter (D)	12	D	D
40	69	Coolidge (R)	11	R	R
41	91	Nixon (R)	11	D	D
42	88	Johnson (D)	8	D	D
43	90	Johnson (D)	8	D	D
44	64	Wilson (D)	7	D	D
45	68	Coolidge (R)	7	R	R
46	67	Harding (R)	6	R	R
47	65	Wilson (D)	5	D	D
48	63	Wilson (D)	4	D	D
49	58	T. Roosevelt (R)	2	R	R
50	79	F. Roosevelt (D)	2	D	D
51	88	Kennedy (D)	1	D	D
52	57	McKinley (R)	0	R	R
53	103	Clinton (D)	0	D	D

Same Party Majorities in Both Houses

Since Andrew Johnson

Rank	Congress	President	Number of Vetoes	House	Senate
1	76	F. Roosevelt (D)	167	D	D
2	74	F. Roosevelt (D)	148	D	D
3	75	F. Roosevelt (D)	117	D	D
4	77	F. Roosevelt (D)	82	D	D
5	53	Cleveland (D)	81	D	D
6	81	Truman (D)	79	D	D
7	79	Truman (D)	74	D	D
8	73	F. Roosevelt (D)	73	D	D
9	83	Eisenhower (R)	52	R	R
10	78	F. Roosevelt (D)	46	D	D
11	51	Harrison (R)	36	R	R
12	56	McKinley (R)	35	R	R
13	42	Grant (R)	32	R	R
14	70	Coolidge (R)	32	R	R
15	59	T. Roosevelt (R)	30	R	R
16	60	T. Roosevelt (R)	29	R	R
17	82	Truman (D)	22	D	D
18	57	T. Roosevelt (R)	21	R	R
19	87	Kennedy (D)	20	D	D
20	71	Hoover (R)	19	R	R
21	95	Carter (D)	19	D	D
22	43	Grant (R)	16	R	R
23	41	Grant (R)	16	R	R
24	40	Johnson (R)	16	R	R
25	89	Johnson (D)	14	D	D
26	39	Johnson (R)	13	R	R
27	61	Taft (R)	13	R	R
28	96	Carter (D)	12	D	D
29	69	Coolidge (R)	11	R	R
30	88	Johnson (D)	8	D	D
31	90	Johnson (D)	8	D	D
32	68	Coolidge (R)	7	R	R
33	55	McKinley (R)	7	R	R
34	64	Wilson (D)	7	D	D
35	67	Harding (R)	6	R	R
36	65	Wilson (D)	5	D	D
37	63	Wilson (D)	4	D	D
38	47	Arthur (R)	3	R	R
39	58	T. Roosevelt (R)	2	R	R
40	79	F. Roosevelt (D)	2	D	D
41	88	Kennedy (D)	1	D	D
42	103	Clinton (D)	0	D	D
43	57	McKinley (R)	0	R	R
44	47	Garfield (R)	0	R	R

Same Party Majorities in Both Houses

20th Century Presidents Only

Rank	Congress	President	Number of Vetoes	House	Senate
1	76	F. Roosevelt (D)	167	D	D
2	74	F. Roosevelt (D)	148	D	D
3	75	F. Roosevelt (D)	117	D	D
4	77	F. Roosevelt (D)	82	D	D
5	81	Truman (D)	79	D	D
6	79	Truman (D)	74	D	D
7	73	F. Roosevelt (D)	73	D	D
8	83	Eisenhower (R)	52	R	R
9	78	F. Roosevelt (D)	46	D	D
10	70	Coolidge (R)	32	R	R
11	59	T. Roosevelt (R)	30	R	R
12	60	T. Roosevelt (R)	29	R	R
13	82	Truman (D)	22	D	D
14	57	T. Roosevelt (R)	21	R	R
15	87	Kennedy (D)	20	D	D
16	95	Carter (D)	19	D	D
17	71	Hoover (R)	19	R	R
18	89	Johnson (D)	14	D	D
19	61	Taft (R)	13	R	R
20	96	Carter (D)	12	D	D
21	69	Coolidge (R)	11	R	R
22	90	Johnson (D)	8	D	D
23	88	Johnson (D)	8	D	D
24	64	Wilson (D)	7	D	D
25	68	Coolidge (R)	7	R	R
26	67	Harding (R)	6	R	R
27	65	Wilson (D)	5	D	D
28	63	Wilson (D)	4	D	D
29	79	F. Roosevelt (D)	2	D	D
30	58	T. Roosevelt (R)	2	R	R
31	88	Kennedy (D)	1	D	D
32	57	McKinley (R)	0	R	R
33	103	Clinton (D)	0	D	D

Both Houses in other party's control

Since Andrew Johnson

Rank	Congress	President	Number of Vetoes	House	Senate
1	54	Cleveland (D)	89	R	R
2	80	Truman (D)	75	R	R
3	85	Eisenhower (R)	51	D	D
4	86	Eisenhower (R)	44	D	D
5	94	Ford (R)	39	D	D
6	84	Eisenhower (R)	34	D	D
7	66	Wilson (D)	28	R	R
8	93	Ford (R)	27	D	D
9	102	Bush (R)	25	D	D
10	101	Bush (R)	21	D	D
11	92	Nixon (R)	20	D	D
12	100	Reagan (R)	19	D	D
13	104	Clinton (D)	15	R	R
14	93	Nixon (R)	12	D	D
15	91	Nixon (R)	11	D	D
16	46	Hayes (R)	9	D	D

Both Houses in other party's control

20th Century Presidents Only

Rank	Congress	President	Number of Vetoes	House	Senate
1	80	Truman (D)	75	R	R
2	85	Eisenhower (R)	51	D	D
3	86	Eisenhower (R)	44	D	D
4	94	Ford (R)	39	D	D
5	84	Eisenhower (R)	34	D	D
6	66	Wilson (D)	28	R	R
7	93	Ford (R)	27	D	D
8	102	Bush (R)	25	D	D
9	101	Bush (R)	21	D	D
10	92	Nixon (R)	20	D	D
11	100	Reagan (R)	19	D	D
12	104	Clinton (D)	15	R	R
13	93	Nixon (R)	12	D	D
14	91	Nixon (R)	11	D	D

Divided Government

Since Andrew Johnson

Rank	Congress	President	Number of Vetoes	House	Senate
1	50	Cleveland (D)	212	D	R
2	49	Cleveland (D)	202	D	R
3	54	Cleveland (D)	89	R	R
4	80	Truman (D)	75	R	R
5	85	Eisenhower (R)	51	D	D
6	86	Eisenhower (R)	44	D	D
7	94	Ford (R)	39	D	D
8	84	Eisenhower (R)	34	D	D
9	44	Grant (R)	30	D	R
10	66	Wilson (D)	28	R	R
11	93	Ford (R)	27	D	D
12	62	Taft (R)	26	D	R
13	102	Bush (R)	25	D	D
14	98	Reagan (R)	24	D	R
15	101	Bush (R)	21	D	D
16	92	Nixon (R)	20	D	D
17	99	Reagan (R)	20	D	R
18	100	Reagan (R)	19	D	D
19	72	Hoover (R)	18	D	R
20	97	Reagan (R)	15	D	R
21	104	Clinton (D)	15	R	R
22	93	Nixon (R)	12	D	D
23	91	Nixon (R)	11	D	D
24	46	Hayes (R)	9	D	D
25	48	Arthur (R)	9	D	R
26	52	Harrison (R)	8	D	R
27	45	Hayes (R)	4	D	R

Divided Government

20th Century Presidents Only

Rank	Congress	President	Number of Vetoes	House	Senate
1	80	Truman (D)	75	R	R
2	85	Eisenhower (R)	51	D	D
3	86	Eisenhower (R)	44	D	D
4	94	Ford (R)	39	D	D
5	84	Eisenhower (R)	34	D	D
6	66	Wilson (D)	28	R	R
7	93	Ford (R)	27	D	D
8	62	Taft (R)	26	D	R
9	102	Bush (R)	25	D	D
10	98	Reagan (R)	24	D	R
11	101	Bush (R)	21	D	D
12	92	Nixon (R)	20	D	D
13	99	Reagan (R)	20	D	R
14	100	Reagan (R)	19	D	D
15	72	Hoover (R)	18	D	R
16	104	Clinton (D)	15	R	R
17	97	Reagan (R)	15	D	R
18	93	Nixon (R)	12	D	D
19	91	Nixon (R)	11	D	D

TOTAL VETOES/TOTAL LAWS

YEAR	President	Total Vetoes	Total Laws	Vetoes/Laws
1933-1945	F.Roosevelt (D)	635	8758	7.25%
1945-1952	Truman (D)	250	6565	3.81%
1952-1960	Eisenhower (R)	181	6712	2.70%
1960-1963	Kennedy (D)	21	1861	1.13%
1963-1969	Johnson (D)	30	3020	0.99%
1968-1974	Nixon (R)	43	2157	1.99%
1974-1976	Ford (R)	66	1035	6.38%
1976-1980	Carter (D)	31	1538	2.02%
1980-1988	Reagan (D)	78	2645	2.95%
1988-1992	Bush (D)	46	1273	3.61%
1992-	Clinton (D)	15	576	2.60%

B I L L S V E T O E D B Y P R E S I D E N T B U S H

Unless otherwise indicated, no vote to override was taken.

* Indicates those bills that were pocket vetoed.

See special note appearing after those vetoed bills.

C O N G R E S S - 1 0 1 - 1

Convened: January 3, 1989

Adjourned: November 22, 1989

DATE VETOED

- (1) H.R. 2, An Act to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

NOTE: On 6/14/89, the House sustained the President's veto by a vote of 247 yeas to 178 nays.

6/13/89
- (2) S.J. Res. 113, Joint Resolution prohibiting the export of technology, defense articles, and defense services to codevelop or coproduce the FS-X aircraft with Japan.

NOTE: On 9/14/89, the Senate sustained the President's veto by a vote of 66 yeas to 34 nays.

7/31/89
- (3) *H.J. Res. 390, Joint Resolution waiving certain enrollment requirements with respect to the bill H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (the Savings and Loan bill).

Pocket veto eff.
midnight 8/18/89
- (4) H.R. 2990, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1990.

NOTE: On 10/25/89, the House sustained the President's veto by a vote of 231 yeas to 191 nays.

10/21/89
- (5) H.R. 3026, District of Columbia Appropriations, 1990.

10/27/89
- (6) H.R. 2939, Foreign Assistance Appropriations, 1990.

11/19/89
- (7) H.R. 3610, District of Columbia Appropriations Act, 1990.

11/20/89
- (8) H.R. 1487, Foreign Relations Authorization Act, Fiscal Years 1990 and 1991.

11/21/89
- (9) H.R. 1231, An Act to establish a commission to investigate and report respecting the dispute between Eastern Airlines and its collective bargaining units, and for other purposes.

NOTE: On 3/7/90, the House sustained the President's veto by a vote of 261 yeas to 160 nays.

11/21/89

B I L L S V E T O E D B Y P R E S I D E N T B U S H (con't)

C O N G R E S S 1 0 1 - 1 (con't)

- (10) *H.R. 2712, Emergency Chinese Immigration Relief Act of 1989.

Pocket veto eff.
midnight, 12/2/89

#NOTE: H.R. 2712 and the original Memorandum of Disapproval delivered to the Clerk of the House of Representatives on 11/30/89. The last paragraph of the Memorandum reads as follows:

The adjournment of the Congress has prevented my return of H.R. 2712 within the meaning of Article I, section 7, clause 2 of the Constitution. Accordingly, my withholding of approval from the bill precludes its becoming law. The Pocket Veto Case, 279 U.S. 655 (1929). Because of the questions raised in opinions issued by the United States Court of Appeals for the District of Columbia Circuit, I am sending H.R. 2712 with my objections to the Clerk of the House of Representatives.

NOTE: On 1/24/90, the House of Representatives voted 390 to 25 to override the President's veto. On 1/25/90, the Senate voted 62 to 37 to sustain the President's veto.

(NONE OF THE ABOVE WERE OVERRIDDEN)

C O N G R E S S - 1 0 1 - 2

Convened: January 23, 1990

Adjourned: October 28, 1990

DATE VETOED

- (11) H.R. 2364, An Act to amend the Rail Passenger Service Act to authorize appropriations for the National Railroad Passenger Corporation, and for other purposes.

5/24/90

NOTE: On 6/7/90, the House of Representatives voted 294 to 123 to override the President's veto. On 6/12/90, the Senate voted 64 to 36 to sustain the President's veto.

- (12) H.R. 20, An Act to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes. ("Hatch Act Reform Amendments of 1990")

6/15/90

NOTE: On 6/20/90, the House of Representatives voted 327 to 93 to override the President's veto. On 6/21/90, the Senate voted 65 yeas to 35 nays to sustain the President's veto.

- (13) H.R. 770, Family and Medical Leave Act of 1990.

6/29/90

On 7/25/90, the House of Representatives voted 232 yeas to 195 nays to sustain the President's veto.

- (14) H.R. 4328, Textile, Apparel, and Footwear Trade Act of 1990.

10/5/90

NOTE: On 10/10/90, the House of Representatives voted 275 yeas to 152 nays to sustain the President's veto.

- (15) H.J. Res. 660, Further continuing appropriations until October 12, 1990.

10/6/90

NOTE: On 10/16/90, the House voted 260 yeas to 138 nays to sustain the President's veto.

B I L L S V E T O E D B Y P R E S I D E N T B U S H (con't)

C O N G R E S S - 1 0 1 - 2 (con't)

- (16) S. 2104, Civil Rights Act of 1990. 10/22/90
- NOTE: On 10/24/90, the Senate voted 66 yeas to 34 nays to sustain the President's veto.
- (17) *H.R. 4638, Orphan Drug Amendments of 1990. Pocket veto eff. midnight 11/10/90
- (18) *H.R. 3134, An Act for the relief of Mrs. Joan R. Daronco. Pocket veto eff. midnight 11/17/90
- (19) *S. 321, Indian Preference Act of 1990. Pocket veto eff. midnight 11/21/90
- (20) *H.R. 4653, Omnibus Export Amendments Act of 1990. Pocket veto eff. midnight 11/17/90
- (21) *S. 2834, Intelligence Authorization Act, Fiscal Year 1991. Pocket veto eff. midnight 11/30/90

(NONE OF THE ABOVE WERE OVERRIDDEN)

C O N G R E S S - 1 0 2 - 1

Convened: January 3, 1991

Adjourned: January 3, 1992

- (22) *#H.R. 2699, District of Columbia Appropriations Act, 1992, and Supplemental Appropriations and Rescissions Act, 1991. DATE VETOED Pocket veto eff. midnight, 8/17/91

#NOTE: H.R. 2699 and the original Memorandum of Disapproval delivered to the Clerk of the House of Representatives on 8/17/91. The last paragraph of the Memorandum reads as follows:

The adjournment of the Congress has prevented my return of H.R. 2699 within the meaning of Article I, section 7, clause 2 of the Constitution. Accordingly, my withholding of approval from the bill precludes its becoming law. The Pocket Veto Case, 279 U.S. 655 (1929). Because of the questions raised in opinions issued by the United States Court of Appeals for the District of Columbia Circuit, I am sending H.R. 2699 with my objectives to the Clerk of the House of Representatives.

- (23) S. 1722, Emergency Unemployment Compensation Act. 10/11/91
- NOTE: On 10/16/91, the Senate sustained the President's veto by a vote of 65 yeas to 35 nays.
- (24) H.R. 2707, Departments of Labor, Health and Human Services, Education, and Related Agencies, Appropriations Act, 1992 (Title X language/abortion). 11/19/91
- Note: On 11/19/91, the House sustained the President's veto by a vote of 276 yeas to 156 nays.

B I L L S V E T O E D B Y P R E S I D E N T B U S H (con't)

C O N G R E S S - 1 0 2 - 1 (con't)

- (25) *S. 1176, Morris K. Udall Scholarship and Excellence in National Environmental Policy Act. Pocket veto eff.
midnight 12/20/91

(NONE OF THE ABOVE WERE OVERRIDDEN)

C O N G R E S S - 1 0 2 - 2

Convened: January 3, 1992

Adjourned:

- (26) H.R. 2212, United States-China Act of 1991 (MFN). 3/2/92

NOTE: On 3/11/92, the House of Representatives voted 357 to 61 to override the President's veto. On 3/18/92, the Senate sustained the President's veto by a vote of 60 yeas to 38 nays.
- (27) H.R. 4210, Tax Fairness and Economic Growth Act of 1992. 3/20/92

Note: On 3/25/92, the House sustained the President's veto by a vote of 211 yeas to 215 nays.
- (28) S. 3, Congressional Campaign Spending Limit and Election Reform Act of 1992. 5/9/92

NOTE: On 5/13/92, the Senate sustained the President's veto by a vote of 57 yeas to 42 nays.
- (29) S. 2342, An Act to amend the Act entitled "An Act to provide for the disposition of funds appropriated to pay judgment in favor of the Mississippi Sioux Indians in Indian Claims Commission dockets numbered 142, 359, 360, 361, 362, and 363, and for other purposes", approved October 25, 1972 (86 Stat. 1168 et. seq.). 6/16/92
- (30) H.R. 2507, An Act to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes. (Fetal Tissue Research) 6/23/92

NOTE: On 6/24/92, the House sustained the President's veto by a vote of 271 yeas to 156 nays.
- (31) S. 250, National Voter Registration Act of 1992. 7/2/92

NOTE: On 9/22/92, the Senate sustained the President's veto by a vote of 62 yeas to 38 nays.
- (32) S.5, Family and Medical Leave Act of 1992. 9/22/92

NOTE: On September 24, 1992, the Senate voted to override the President's veto by a vote of 68 yeas to 31 nays. On 9/30/92, the House voted 258 yeas to 169 nays to sustain the President's veto.
- (33) S. 323, Family Planning Amendments Act of 1992. 9/25/92

NOTE: On 10/1/92, the Senate voted 73 yeas to 26 nays to override the President's veto. On 10/2/92, the House voted 266 yeas to 148 nays to sustain the President's veto.

B I L L S V E T O E D B Y P R E S I D E N T B U S H (con't)

C O N G R E S S - 1 0 2 - 2 (con't)

- (34) H.R. 5318, United States-China Act of 1992. 9/28/92
- NOTE: On 9/30/92, the House voted to override the President's veto by a vote of 345 yeas to 74 nays and 1 present. On 10/1/92, the Senate voted 59 yeas to 40 nays to sustain the President's veto.
- (35) H.R. 5517, District of Columbia Appropriations, 1993. 9/30/92
- (36) S. 12, Cable Television Consumer Protection and Competition Act of 1992. 10/3/92
- NOTE: On 10/5/92, the Senate voted to override the President's veto by a vote of 74 yeas to 25 nays. On 10/5/92, the House voted to override the President's veto by a vote of 308 yeas to 114 nays.
- THIS IS THE FIRST TIME THE CONGRESS HAS OVERRIDDEN A VETO BY PRESIDENT BUSH.
- (37) *S. 3095, Jena Band of Choctaws of Louisiana Restoration Act. Pocket veto eff. midnight 10/21/92
- (38) *H.R. 2859, An Act to direct the Secretary of the Interior to conduct a study of the historical and cultural resources in the vicinity of the city of Lynn, Massachusetts, and make recommendations on the appropriate role of the Federal Government in preserving and interpreting such historical and cultural resources. Pocket veto eff. midnight 10/27/92
- (39) *H.R. 5021, New River Wild and Scenic Study Act of 1992. Pocket veto eff. midnight 10/27/92
- (40) *H.R. 5061, An Act to establish Dry Tortugas National Park in the State of Florida. Pocket veto eff. midnight 10/27/92
- (41) *H.R. 5452, An Act granting the consent of the Congress to a supplemental compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning the Delaware River Port Authority. Pocket veto eff. midnight 10/27/92
- (42) *H.R. 2109, An Act to direct the Secretary of the Interior to conduct a study of the feasibility of including Revere Beach, located in the city of Revere, Massachusetts, in the National Park System. Pocket veto eff. midnight 10/28/92
- (43) *H.R. 6185, Federal Courts Administration Act of 1992. Pocket veto eff. midnight 10/30/92
- (44) *H.R. 6138, An Act to amend the Consolidated Farm and Rural Development Act. Pocket veto eff. midnight 10/31/92
- (45) *S. 3144, Military Health Care Initiatives Act of 1992. Pocket veto eff. midnight 10/31/92
- (46) *H.R. 11, Revenue Act of 1992 (Tax Bill). Pocket veto eff. midnight 11/5/92

Presidential Vetoes

Andrew Johnson - Bill Clinton

Shaded portions denote years when
the majority in both houses were
not from the President's party

Congress	President	# of Vetoes	House	Senate
39	Johnson (R)	13	U	U
40		16	R	R
41	Grant (R)	16	R	R
42		32	R	R
43		16	R	R
44		30	D	R
45	Hayes (R)	4	D	R
46		9	D	D
47	Garfield (R)	0	R	R
	Arthur (R)	3	R	R
48		9	D	R
49	Cleveland (D)	202	D	R
50		212	D	R
51	Harrison (R)	36	R	R
52		8	D	R
53	Cleveland (D)	81	D	D
54		89	R	R
55	McKinley (R)	7	R	R
56		35	R	R
57		0	R	R
	T. Roosevelt (R)	21	R	R
58		2	R	R
59		30	R	R
60		29	R	R
61	Taft (R)	13	R	R
62		26	D	R
63	Wilson (D)	4	D	D
64		7	D	D
65		5	D	D
66		28	R	R
67	Harding (R)	6	R	R
68	Coolidge (R)	7	R	R

69		11	R	R
70		32	R	R
71	Hoover (R)	19	R	R
72		18	D	R
73	F. Roosevelt (D)	73	D	D
74		148	D	D
75		117	D	D
76		167	D	D
77		82	D	D
78		46	D	D
79		2	D	D
	Truman (D)	74	D	D
80		75	R	R
81		79	D	D
82		22	D	D
83	Eisenhower (R)	52	R	R
84		34	D	D
85		51	D	D
86		44	D	D
87	Kennedy (D)	20	D	D
88		1	D	D
	Johnson (D)	8	D	D
89		14	D	D
90		8	D	D
91	Nixon (R)	11	D	D
92		20	D	D
93		12	D	D
	Ford (R)	27	D	D
94		39	D	D
95	Carter (D)	19	D	D
96		12	D	D
97	Reagan (R)	15	D	R
98		24	D	R
99		20	D	R
100		19	D	D
101	Bush (R)	21	D	D
102		25	D	D
103	Clinton (D)	0	D	D
104		15	R	R

20TH CENTURY PRESIDENTS

Chronological list

YEARS	PRESIDENT	TOTAL VETOES	PERSONAL RELIEF*	A - B
1901-1909	Theodore Roosevelt	82	44	38
1909-1913	William H. Taft	39	10	29
1913-1921	Woodrow Wilson	44	9	35
1921-1923	Warren G. Harding	6	0	6
1923-1929	Calvin Coolidge	50	12	38
1929-1933	Herbert Hoover	37	9	28
1933-1945	Franklin Roosevelt	635	373	262
1945-1953	Harry Truman	250	145	105
1953-1961	Dwight Eisenhower	181	95	86
1961-1963	John F. Kennedy	21	12	9
1963-1969	Lyndon B. Johnson	30	14	16
1969-1974	Richard M. Nixon	43	2	41
1974-1977	Gerald R. Ford	66	4	62
1977-1981	Jimmy Carter	31	2	29
1981-1989	Ronald Reagan	78	7	71
1989-1993	George Bush	44	0	44
1993-	Bill Clinton	15	0	15

20th CENTURY PRESIDENTS
Sorted by Total Number of Vetoes

RANK	YEARS	PRESIDENT	TOTAL VETOES
1	1933-1945	Franklin Roosevelt	635
2	1945-1953	Harry Truman	250
3	1953-1961	Dwight Eisenhower	181
4	1901-1909	Theodore Roosevelt	82
5	1981-1989	Ronald Reagan	78
6	1974-1977	Gerald R. Ford	66
7	1923-1929	Calvin Coolidge	50
8	1913-1921	Woodrow Wilson	44
9	1989-1993	George Bush	44
10	1969-1974	Richard M. Nixon	43
11	1909-1913	William H. Taft	39
12	1929-1933	Herbert Hoover	37
13	1977-1981	Jimmy Carter	31
14	1963-1969	Lyndon B. Johnson	30
15	1961-1963	John F. Kennedy	21
16	1993-	Bill Clinton	15
17	1921-1923	Warren G. Harding	6

Divided Government

(AT LEAST ONE HOUSE IN OTHER PARTY'S CONTROL)

20th Century Presidents Only

Rank	Years	President	Number of Vetoes
1	1955-1961	Eisenhower (R)	129
2	1981-1989	Reagan (R)	78
3	1947-1949	Truman (D)	75
5	1974-1977	Ford (R)	66
6	1989-1993	Bush (R)	46
7	1969-1974	Nixon (R)	43
8	1919-1921	Wilson (D)	28
9	1911-1913	Taft (R)	26
10	1931-1933	Hoover (R)	18
11	1995-	Clinton (D)	15

Both Houses in other party's control

20th Century Presidents Only

Rank	Years	President	Number of Vetoes
1	1955-1961	Eisenhower (R)	129
2	1947-1949	Truman (D)	75
3	1974-1977	Ford (R)	66
4	1989-1993	Bush (R)	46
5	1969-1974	Nixon (R)	43
6	1919-1921	Wilson (D)	28
7	1987-1989	Reagan (R)	19
8	1995-	Clinton (D)	15

Same Party Majorities in Both Houses

20th Century Presidents Only

Rank	Year	President	Number of Vetoes
1	1933-1945	F. Roosevelt (D)	635
2	1945-47, 1949-53	Truman (D)	175
3	1901-1909	T. Roosevelt (R)	82
4	1953-1955	Eisenhower (R)	52
5	1923-1929	Coolidge (R)	50
6	1976-1980	Carter (D)	31
7	1963-1969	Johnson (D)	30
8	1961-1963	Kennedy (D)	21
9	1929-1931	Hoover (R)	19
10	1913-1919	Wilson (D)	16
11	1909-1911	Taft (R)	13
12	1921-1923	Harding (R)	6
13	1993-1995	Clinton (D)	0

20th CENTURY PRESIDENTS
Sorted by Non-Private Relief Vetoes

RANK	YEARS	PRESIDENT	Public Law Vetoes
1	1933-1945	Franklin Roosevelt	262
2	1945-1953	Harry Truman	105
3	1953-1961	Dwight Eisenhower	86
4	1981-1989	Ronald Reagan	71
5	1974-1977	Gerald R. Ford	62
6	1989-1993	George Bush	44
7	1969-1974	Richard M. Nixon	41
8	1923-1929	Calvin Coolidge	38
9	1901-1909	Theodore Roosevelt	38
10	1913-1921	Woodrow Wilson	35
11	1909-1913	William H. Taft	29
12	1977-1981	Jimmy Carter	29
13	1929-1933	Herbert Hoover	28
14	1963-1969	Lyndon B. Johnson	16
15	1993-	Bill Clinton	15
16	1961-1963	John F. Kennedy	9
17	1921-1923	Warren G. Harding	6

Presidential Vetoes

Andrew Johnson - Bill Clinton

Congress	President	# of Vetoes	House	Senate
39	Johnson (R)	13	U	U
40		16	R	R
41	Grant (R)	16	R	R
42		32	R	R
43		16	R	R
44		30	D	R
45	Hayes (R)	4	D	R
46		9	D	D
47	Garfield (R)	0	R	R
	Arthur (R)	3	R	R
48		9	D	R
49	Cleveland (D)	202	D	R
50		212	D	R
51	Harrison (R)	36	R	R
52		8	D	R
53	Cleveland (D)	81	D	D
54		89	R	R
55	McKinley (R)	7	R	R
56		35	R	R
57		0	R	R
	T. Roosevelt (R)	21	R	R
58		2	R	R
59		30	R	R
60		29	R	R
61	Taft (R)	13	R	R
62		26	D	R
63	Wilson (D)	4	D	D
64		7	D	D
65		5	D	D
66		28	R	R
67	Harding (R)	6	R	R
68	Coolidge (R)	7	R	R

69		11	R	R
70		32	R	R
71	Hoover (R)	19	R	R
72		18	D	R
73	F. Roosevelt (D)	73	D	D
74		148	D	D
75		117	D	D
76		167	D	D
77		82	D	D
78		46	D	D
79		2	D	D
	Truman (D)	74	D	D
80		75	R	R
81		79	D	D
82		22	D	D
83	Eisenhower (R)	52	R	R
84		34	D	D
85		51	D	D
86		44	D	D
87	Kennedy (D)	20	D	D
88		1	D	D
	Johnson (D)	8	D	D
89		14	D	D
90		8	D	D
91	Nixon (R)	11	D	D
92		20	D	D
93		12	D	D
	Ford (R)	27	D	D
94		39	D	D
95	Carter (D)	19	D	D
96		12	D	D
97	Reagan (R)	15	D	R
98		24	D	R
99		20	D	R
100		19	D	D
101	Bush (R)	21	D	D
102		25	D	D
103	Clinton (D)	0	D	D
104		15	R	R

Presidential Vetoes

Andrew Johnson - Bill Clinton

Congress	President	# of Vetoes	House	Senate
39	Johnson (R)	13	U	U
40		16	R	R
41	Grant (R)	16	R	R
42		32	R	R
43		16	R	R
44		30	D	R
45	Hayes (R)	4	D	R
46		9	D	D
47	Garfield (R)	0	R	R
	Arthur (R)	3	R	R
48		9	D	R
49	Cleveland (D)	202	D	R
50		212	D	R
51	Harrison (R)	36	R	R
52		8	D	R
53	Cleveland (D)	81	D	D
54		89	R	R
55	McKinley (R)	7	R	R
56		35	R	R
57		0	R	R
	T. Roosevelt (R)	21	R	R
58		2	R	R
59		30	R	R
60		29	R	R
61	Taft (R)	13	R	R
62		26	D	R
63	Wilson (D)	4	D	D
64		7	D	D
65		5	D	D
66		28	R	R
67	Harding (R)	6	R	R
68	Coolidge (R)	7	R	R

69		11	R	R
70		32	R	R
71	Hoover (R)	19	R	R
72		18	D	R
73	F. Roosevelt (D)	73	D	D
74		148	D	D
75		117	D	D
76		167	D	D
77		82	D	D
78		46	D	D
79		2	D	D
	Truman (D)	74	D	D
80		75	R	R
81		79	D	D
82		22	D	D
83	Eisenhower (R)	52	R	R
84		34	D	D
85		51	D	D
86		44	D	D
87	Kennedy (D)	20	D	D
88		1	D	D
	Johnson (D)	8	D	D
89		14	D	D
90		8	D	D
91	Nixon (R)	11	D	D
92		20	D	D
93		12	D	D
	Ford (R)	27	D	D
94		39	D	D
95	Carter (D)	19	D	D
96		12	D	D
97	Reagan (R)	15	D	R
98		24	D	R
99		20	D	R
100		19	D	D
101	Bush (R)	21	D	D
102		25	D	D
103	Clinton (D)	0	D	D
104		15	R	R

Bill
Memos



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 5, 1995

Vetoed
6/7/95

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1158 -- Emergency Supplemental Appropriations for Additional Disaster Assistance for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City, and Rescissions Act, 1995

Sponsors: Representative Livingston (R), Louisiana
Senator Hatfield (R), Oregon

Last Day for Action

June XX, 1995. I recommend that you veto H.R. 1158 as soon as possible.

Purpose

Provides supplemental funding of \$7.3 billion for FEMA Disaster Relief, for the Federal response to the bombing in Oklahoma City, for increased anti-terrorism efforts, and for providing debt relief to Jordan in order to contribute to further progress toward a Middle East peace settlement. Rescinds \$16 billion in FY 1995 and other funding for agencies and accounts across the Federal government.

Agency Recommendation

Office of Management and Budget

Disapproval (Veto
Statement attached)

Discussion

H.R. 1158 provides urgently needed supplemental funding for FEMA Disaster Relief, for the Federal response to the bombing in Oklahoma City, for increased anti-terrorism efforts, and for providing debt relief to Jordan to contribute to further progress toward a Middle East peace settlement. However, the bill would rescind funding from several high-priority Administration programs. Those reductions are nearly as objectionable as those included in the earlier House version of the bill, which the Administration strongly, and consistently, opposed.

The conference report on H.R. 1158 passed the House by a vote of 235-189 and the Senate by a vote of 61 to 38.

High-Priority Programs

In letters to the Congress, we consistently stated that the Administration strongly opposed the House version of the bill because it would unnecessarily cut valuable, proven programs that educate our children, invest in the future, and protect our health and safety. We worked closely with the Senate -- specifically with the Bipartisan Leadership -- to improve the bill and make it acceptable. Regrettably, for the programs for which the Dole-Daschle amendment restored \$835 million on the Senate floor, the conferees reduced funding by almost \$700 million (or over 80 percent).

H.R. 1158 would rescind funding for many of your high-priority investment items, including:

- o National Service, \$210 million, which would reduce funding for the Americorps program to the FY 1994 enacted level and deprive 15,000 young adults of the opportunity to serve their communities as Americorps members and earn money for education;
- o Goals 2000, \$92 million, which would deprive 2,000 schools in 47 States from receiving funds to devise comprehensive reforms to boost academic standards;
- o Safe and Drug Free Schools, \$236 million, which would reduce or eliminate anti-violence and drug prevention programs serving nearly 20 million students in over 90 percent of all schools;
- o School-to-Work, \$25 million, which would reduce State and local grant funds and would be a major setback to this innovative program that would prepare our young people to compete in the global economy of the 21st century;
- o One-Stop Career Shopping, \$20 million, which would reduce funding for career centers that are the key to successful implementation of a new consolidated and integrated workforce development system serving the needs of job seekers and employers;
- o Assisted Housing, \$5 billion, which includes a \$30 million reduction in the Housing Opportunities for People With Aids (HOPWA) program;
- o Women, Infants, and Children (WIC) feeding program, \$20 million, which would prevent 480,000 food packages from being distributed to nutritionally at-risk women, infants, and children;

- o Safe drinking water grants, \$1.3 billion, which would seriously exacerbate local financing problems, thus hampering the ability of States to comply with existing drinking water regulations and jeopardizing the health of residents;
- o Crime prevention programs, such as Family and Community Endeavor Schools (FACES) and Drug Courts, \$59 million, which would weaken the Administration's fight to prevent drug abuse, violence, and crime;
- o Adult Job Training, \$98 million, which would eliminate 28,300 training opportunities for economically disadvantaged adults;
- o Veterans' Affairs Medical care, \$50 million, which would adversely affect the VA's ability to treat poor veterans and veterans with service-connected disability; and,
- o Community Development Financial Institutions (CDFI) Fund, \$124 million, which would eliminate funding for this program under the Community Development Banking and Financial Institutions Act, which you signed last year. Instead, the conferees provided \$36 million for community development funding under the Bank Enterprise Act of 1991, a program which would be implemented by the Federal Deposit Insurance Corporation and which subsidizes traditional commercial banks for lending they are already required to undertake under the Community Reinvestment Act.

Timber Salvage Sales

The conferees did not address any of the Administration's stated concerns with respect to the bill's objectionable timber salvage sale language. The bill would direct the Forest Service and the Bureau of Land Management (BLM), to the maximum extent possible, to achieve timber salvage goals contained in the Statement of the Managers. The Department of Agriculture would have to salvage 750 million additional board feet this year and 1.5 billion additional board feet in both FY 1996 and FY 1997. Both the Forest Service and BLM have informed the Congress that this amount of salvage timber is not obtainable regardless of whether the bill is enacted or not.

The bill also authorizes timber salvage sales notwithstanding environmental laws, thus jeopardizing the Nation's environment and raising the potential for litigation that could halt implementation of the Administration's Pacific Northwest Forest Plan.

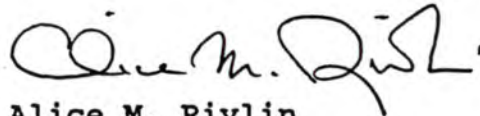
Striker Replacement

The conferees struck a House provision that would have prohibited the Executive Branch from using FY 1995 funds to issue, implement, administer, or enforce any Executive Order or other rule or order that prohibits Federal contracts with companies that hire permanent replacements for striking employees.

Recommendation

I recommend that you veto this bill, return it to the Congress, and ask that an acceptable bill be submitted for your signature as soon as possible.

Disapproving this legislation will not force the Federal Emergency Management Agency to discontinue any of its disaster relief activities at this time, nor will it impede the Federal response to the bombing in Oklahoma City. However, it will be essential that such supplemental funding be provided within the next two months.



Alice M. Rivlin
Director

Attachment

re. 001
8/11/95

AUG 8 1995

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 21 - Bosnia and Herzegovina Self-Defense Act of 1995
Sponsors - Sen. Dole (R) KS and 18 others

Last Day for Action

August 14, 1995 - Monday

Purpose

To terminate participation of the United States in the international arms embargo imposed on the Government of Bosnia and Herzegovina.

Agency Recommendations

Office of Management and Budget	Disapproval
Department of State	Disapproval (Veto Message attached)
Department of Defense	Disapproval
National Security Council (NSC)	Disapproval
Department of Justice	Cites constitutional concerns

Discussion

On September 25, 1991, the United Nations (UN) Security Council (UNSC) unanimously approved Resolution 713, an international embargo, which barred all weapons sales to what was then Yugoslavia. The Resolution was intended to help defuse armed conflict that had broken out in parts of the former Yugoslavia.

In April 1992, a new armed conflict broke out in the newly independent Republic of Bosnia and Herzegovina. The Bosnian Serbs have been fighting the Government of Bosnia and Herzegovina (GBH) which is composed mostly of Muslims and Croats. The Bosnian Serbs have received military support and substantial weaponry, including tanks and artillery, from the Government of Serbia which took over the former Yugoslav army.

The Bosnian Serbs have taken control of over 70 percent of the territory in Bosnia. To date, of the parties in this conflict, the GBH has been the most severely affected by the UN arms embargo imposed by Resolution 713, and remains only lightly armed.

S. 21, which passed the House by a vote of 298-128 and the Senate by a vote of 69-29, would direct the President to terminate the U.S. arms embargo of the GBH if the following occurs:

- the United States receives a request from the GBH for the U.S. arms embargo to be terminated and the UNSC is also requested to remove the UN Protection Force for Bosnia (UNPROFOR); or
- the UNSC or the countries contributing forces to UNPROFOR decide to withdraw the protection force from Bosnia and Herzegovina.

S. 21 specifies that the termination of the arms embargo is not to be interpreted as authorization for deployment of U.S. forces in Bosnia and Herzegovina for any purpose. The enrolled bill specifies that these purposes include "training, support, or delivery of military equipment."

Implementing Termination of the Embargo

The enrolled bill would permit the United States to terminate its participation in the arms embargo prior to the complete withdrawal of UNPROFOR personnel. The embargo is to be lifted, however, "no later than the earlier of": the date of completion of the UNPROFOR's withdrawal or 12 weeks after the GBH's request to the UNSC for withdrawal of UNPROFOR personnel.

The President may extend the deadline for lifting the embargo for up to 30 days upon a determination, and reports in advance to Congress, that the safe withdrawal of UNPROFOR cannot be accomplished within the deadline. Such determinations and extensions may be exercised for additional 30-day periods.

Reporting Requirements

Within seven days after the commencement of the UNPROFOR's withdrawal and every 14 days thereafter, the President is required to report to the congressional leadership on the status and estimated date of completion of the withdrawal. If the withdrawal is expected to take more than 12 weeks, the report must include the operational reasons that require the additional withdrawal time.

Required Actions at the United Nations

If the GBH requests UNPROFOR withdrawal or the UNSC or the contributing countries decide to undertake such withdrawal, the President is required to take certain actions at the United Nations. Specifically, the United States must immediately introduce and seek a vote by the UNSC on a resolution to terminate the application of Resolution 713 to Bosnia and Herzegovina. Such termination is to occur no later than the date of the completion of the UNPROFOR withdrawal. If the UNSC does not adopt the resolution, the United States is required to bring the issue before the UN General Assembly for a decision.

Agency Views

The Department of State, in its views letter, recommends the veto of S. 21, as it concludes that:

"[T]his bill would undermine efforts to achieve peace in Bosnia, interfere with important foreign policy objectives, unnecessarily risk lives, and impermissibly intrude into the Executive's constitutionally mandated responsibility to conduct foreign policy."

The Department of Defense, in its views letter, cites the bill's potential to undermine NATO, destabilize the military situation in Bosnia, and involve U.S. troops in the withdrawal of UNPROFOR personnel. Defense is also concerned that S. 21 "could place the United States unilaterally in direct violation of the international legal obligation to comply with United Nations Security Council (sic) resolutions" Defense concludes that "S. 21 risks spreading the conflict and increasing the level of American involvement . . ." and, accordingly, recommends veto of the enrolled bill.

The Department of Justice, in its views letter, advises that "[T]he requirements of S. 21 impermissibly intrude on the core constitutional responsibilities of the President for the conduct of foreign affairs and would compromise the ability of the President to carry out his function of protecting vital U.S. national security interests abroad." Justice concludes that "[T]hese encroachments . . . are unacceptable."

Conclusion and Recommendations

As noted in your July 25th letter to Senators Dole and Daschle, S. 21 "would undermine efforts to achieve a negotiated settlement in Bosnia and could lead to an escalation of the conflict there, including the possible Americanization of the conflict." This Office, therefore, joins State, Defense, and NSC in recommending that you veto S. 21.

A draft veto message, prepared by State, is attached to its enrolled bill views letter for your consideration. The message has been reviewed and approved by the NSC staff, Defense, Justice, the Office of the White House Counsel, and this Office.

(signed)

Alice M. Rivlin
Director

Enclosures

LRD:HFitter:dmc:ads 8/8/95

HFitter

OK GC (Darius)

NSIA (G. Adams)

IA (Du Sault, Sany, Birken)

RK Peterson
8/8/95



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 3, 1995

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1854 -- Legislative Branch
Appropriations Act, FY 1996

Sponsors: Representative Packard (R), California
Senator Mack (R), Florida

Last Day for Action

October 7, 1995 - Saturday.

The agencies and accounts covered by the enrolled bill are currently being funded under the continuing resolution (P.L. 104-31).

Purpose

Provides FY 1996 appropriations for the Congress, the Congressional Budget Office, the Architect of the Capitol, the General Accounting Office, the Government Printing Office, and the Library of Congress.

Agency Recommendation

Office of Management and Budget

Disapproval (Veto
Statement attached)

Discussion

H.R. 1854 provides \$2.1 billion in discretionary budget authority for FY 1996. This funding level represents a nine-percent decrease from the FY 1995 enacted level. The conference report on H.R. 1854 passed the House by a vote of 305 to 101 and the Senate by a vote of 94 to 4.

The enrolled bill provides an overall funding level for the House of Representatives that is approximately eight percent below the FY 1995 level, including a 29-percent reduction in committee staff. However, funding for the House Leadership Offices is increased by 14 percent, and the "Members' Representational Allowances" account is increased by three percent over FY 1995 levels.

Vetoed 10/3/95

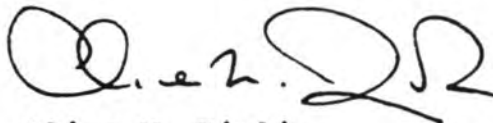
Similarly, the enrolled bill provides overall Senate funding that is approximately 16 percent below the FY 1995 enacted level. However, the "Expense Allowances" account of the leadership offices would be increased by 52 percent, and the "Salaries, Officers and Employees" account would be increased by 26 percent over FY 1995 levels.

The Congressional Budget Office (CBO) is funded at \$24.3 million, a six-percent increase over the FY 1995 enacted level. Funding provided for the CBO includes an additional \$1.1 million and 13 FTE for costs associated with the implementation of the unfunded mandates legislation.

The Office of Technology Assessment is terminated. The bill provides funds sufficient for the closure of the agency, including 60 days of severance pay for employees.

Recommendation

On August 1st, you stated that if the congressional leadership were to follow through on its plan to send you its own funding bill before it finished work on the rest of the budget, you would be compelled to veto it. Although the Congress has sent to you a fiscally disciplined bill that, on its own merits, would be acceptable, it has done so before completing work on the majority of the 13 spending bills that fund the essential work of the Federal Government. To date, the Congress has sent you only two of the 13 FY 1996 appropriations bills: this one and H.R. 1817, the Military Construction appropriations bill. For this reason, I recommend that you veto the enrolled bill. A veto statement is attached for your consideration.



Alice M. Rivlin
Director

Attachment

Vetoed 11/13/95



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

NOV 10 1995

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2586 - Temporary Increase in
the Statutory Limit on the Public Debt
Sponsor - Rep. Archer (R) Texas

Last Day for Action

Purpose

(1) Increases the statutory limit on the public debt from \$4.9 trillion to \$4.967 trillion through December 12, 1995; (2) reduces the public debt limit to \$4.8 trillion effective December 13, 1995; (3) prohibits specified cash management practices; and (4) contains miscellaneous provisions not directly related to the debt limit provisions.

Agency Recommendations

Office of Management and Budget

Disapproval (Veto
message attached)

Department of the Treasury
Other interested agencies

Disapproval (Informally)
Disapproval assumed

Discussion

H.R. 2586 provides for a temporary increase in the public debt limit, and contains several other provisions that are not directly related to the debt limit increase. In addition to increasing the risk of a default on the Federal Government's financial obligations, the enrolled bill would link an increase in the debt limit to the Republicans' proposal to enact their seven-year budget plan. The Congress has been informed repeatedly that this legislation would be vetoed.

Debt Limit/Cash Management Provisions

Debt Limit Increase. H.R. 2586 would increase the statutory limit on the public debt from \$4.9 trillion to \$4.967 trillion through December 12, 1995. Effective December 13th, the debt limit would be reduced to \$4.8 trillion.

Cash and Debt Management Restrictions. Notwithstanding the public debt limit, H.R. 2586 would prohibit: (1) delaying certain deposits, credits, and investments if the purpose of the delay is to avoid increasing obligations subject to the debt limit; and (2) disinvesting certain funds in order to reduce the amount of outstanding public debt.

The enrolled bill would repeal provisions of law that authorize Treasury to suspend the issuance of new obligations for certain Federal employee retirement funds, or to disinvest such obligations, to prevent the debt limit from being exceeded. It would also repeal a provision under which lost earnings are automatically restored at the end of a debt limit impasse.

Exceptions to Debt Limit. H.R. 2586 would allow Treasury to issue new obligations -- notwithstanding the public debt limit -- when necessary to pay benefits and administrative costs from specified funds.

The specified funds include those for Old Age and Survivors Insurance, Disability Insurance, Civil Service Retirement and Disability, Military Retirement, railroad retirement, Unemployment, Defense and Veterans Education, and Black Lung Disability. (This authority would not apply to interest on the public debt, Medicare, Medicaid, military pay, certain veterans benefits, payments to defense and other contractors, Federal civilian pay, tax refunds, the Earned Income Tax Credit, Supplemental Security Income, and all other non-specified funds.)

For the specified funds, certain of the enrolled bill's restrictions on cash management and disinvestment would not apply. Treasury would, however, have to give three days notice of certain transactions to the Congress and the General Accounting Office.

Commitment to Seven-Year Balanced Budget

H.R. 2586 states that "[w]ith the enactment of this Act the President and Congress commit to enacting legislation in calendar year 1995 to achieve a balanced budget, as scored by the non-partisan Congressional Budget Office, not later than the fiscal year 2002." The enrolled bill also "affirms" that Congress will not further increase the permanent debt limit unless the President signs such legislation into law.

Habeas Corpus Provisions

H.R. 2586 contains habeas corpus provisions that are identical to those which passed the Senate on June 7th as part of S. 735, the anti-terrorism bill. These provisions place limitations on appeals to Federal courts by persons in custody pursuant to judgments of State courts. The limitations include time limits and conditions on appeals of Federal district court rulings. Special procedures are established for State prisoners who are subject to death sentences.

Regulatory Procedures

H.R. 2586 contains extensive revisions to procedures for the issuance and review of Federal regulations. It explicitly supersedes existing health, safety, and environmental laws, replacing them with the results of the cost-benefit and risk analysis required by the bill. The bill also includes a process for the public to petition for the review of existing agency regulatory policy documents within an 18-month time limit and with provision for judicial review.

H.R. 2586 establishes detailed procedures for congressional and judicial review of agency rulemaking actions. It requires the President to issue an annual "accounting statement" that estimates the costs and benefits of major rules.

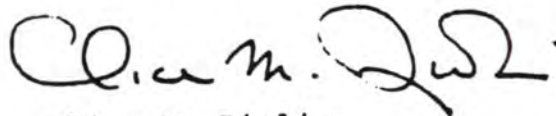
Medicare Coverage of Certain Anti-Cancer Drug Treatments

The enrolled bill provides for new coverage under Medicare of certain oral drugs prescribed for the treatment of breast or prostate cancer.

Conclusion and Recommendations

We join the Department of the Treasury in recommending disapproval of H.R. 2586, which passed the House by a vote of 219-185 and the Senate by 49-47.

Attached for your consideration is a veto message.



Alice M. Rivlin
Director

Enclosures



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 13, 1995

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.J. Res. 115 -- Second Continuing Resolution, FY 1996

Sponsors: Representative Livingston (R), Louisiana
Senator Hatfield (R), Oregon

Last Day for Action

It is recommended that you veto this measure as soon as possible so that it may be returned to the Congress expeditiously. The current continuing resolution, P.L. 104-31, expires at 12:01 A.M., Tuesday, November 14th.

Purpose

Provides funds for continuing the activities of the Federal Government from November 14, through December 1, 1995.

Agency Recommendation

Office of Management and Budget

Disapproval (Veto Statement attached)

Discussion

H.J. Res. 115 provides for a temporary extension of appropriations for the period November 14, through December 1, 1995, for government operations funded through the 11 FY 1996 appropriations bills that have not been enacted. This second continuing resolution passed the House on November 10, by a vote of 224 to 172 and the Senate by voice vote on November 13.

Rather than draft a proper continuing resolution -- that is, a simple extension of the current continuing resolution -- the Congress has passed a continuing resolution that contains extreme provisions, including severely restrictive funding levels. These reductions would reduce funding for education, the environment, technology and other critical programs.

For ten of the eleven bills, funding is the lower of the House-passed bill, the Senate-passed bill or current rate, with a floor of 60 percent of FY 1995 enacted. For the Labor/HHS/Education bill, funding is at the lower of the House-passed bill or current rate, with a 60 percent floor. In all

Vetoed
11/13/95

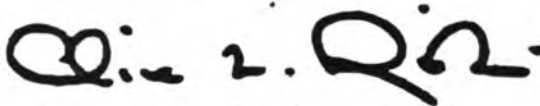
bills, funding is provided under FY 1995 terms and conditions. Furlough protection language is included in the resolution.

H.J. Res. 115 uses a measure that should simply extend current operations as an opportunity to make new policy in an area where significant disagreement exists. H.J. Res. 115, would raise the monthly contribution that beneficiaries must pay for Medicare Part B premiums to \$53.50, effective in January of 1996.

The Congress agreed to drop from the continuing resolution the so-called Istook political advocacy language.

Recommendation

For the reasons discussed above, I recommend that you veto the enrolled H.J. Res. 115. A veto statement is attached for your consideration.



Alice M. Rivlin
Director

Attachment

Vetoed
12/6/95

DEC 1 1995

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2491 - Balanced Budget Act of 1995
Sponsor - Rep. Kasich (R) Ohio

Last Day for Action

Purpose

Provides for deficit reduction as required by the congressional budget resolution.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Other interested agencies	Disapproval assumed

Discussion

This memorandum summarizes the highlights of H.R. 2491, which you have stated you would veto. A veto message is attached for your consideration.

Budget Effect

All estimates in this memorandum of the budget effects of H.R. 2491 reflect congressional scoring. The attached report of the Congressional Budget Office (CBO) contains summary tables and itemized estimates of the budgetary effects of the provisions of H.R. 2491.

During FYs 1996-2002, H.R. 2491 would:

- Reduce "mandatory" outlays by \$577 billion. Of these reductions, roughly \$500 billion are derived from the bill's cuts in Medicare, Medicaid, and welfare programs.
- Reduce receipts by \$215 billion. The largest revenue loss (\$148 billion) would result from the bill's dependent child tax credit.

CBO states that these effects -- when combined with (1) the \$440 billion in "discretionary" savings provided for in the congressional budget resolution for FY 1996; (2) the \$170 billion "fiscal dividend" estimated to result from budget balance by FY 2002 (due to lower interest rates and higher economic growth); and (3) \$150 billion savings in interest on the public debt -- would result in a budget surplus of \$4 billion in FY 2002.

The enrolled bill increases the public debt limit from \$4.9 trillion to \$5.5 trillion, a level intended to accommodate necessary borrowing through FY 2002.

Taxes

The principal tax provisions of the enrolled bill are described below.

Dependent Child Tax Credit. H.R. 2491 would provide a \$500 per child nonrefundable tax credit for dependent children under age 18. The credit would phase out for single taxpayers with incomes above \$75,000, and for joint filers with incomes above \$110,000. For 1995 the credit would be \$125 per child, and could not be paid to taxpayers until October 1, 1996. Neither the income thresholds nor the credit amount would be indexed for inflation. (The Administration proposed a credit for dependent children under age 13 of \$300 per child in FYs 1996-1998 and \$500 per child thereafter. The credit would be phased out for taxpayers with adjusted gross incomes between \$60,000 and \$75,000. Under the Administration's proposal both the income thresholds and the credit amount would be indexed for inflation.)

Capital Gains Taxes. The enrolled bill would reduce effective capital gains tax rates for 1995 and subsequent years. Individuals would be allowed a 50 percent deduction for net long-term capital gains, effectively reducing the maximum capital gains tax rate from 28 percent to 19.8 percent. The maximum capital gains tax rate for corporations would be reduced from 35 percent to 28 percent. Individuals would be allowed a capital loss deduction for the sale of a principal residence. Indexing of capital assets for inflation would be allowed beginning in 2004. Capital gains tax rates for investment in certain small business stock would be reduced. (The Administration did not propose capital gains tax relief.)

Individual Retirement Accounts (IRAs). H.R. 2491 would gradually increase the income limits that apply to participants in employer-sponsored retirement plans for making tax-deductible contributions to IRAs. By 2007, single taxpayers earning \$85,000 and married taxpayers earning \$100,000 could deduct the maximum amount; these amounts would be indexed for inflation thereafter. The current limits are \$25,000 and \$40,000, respectively. (The Administration proposed increasing the thresholds to \$50,000 and

\$80,000 effective in 1996, and proposed indexing these amounts for inflation.) The current \$2,000 maximum on tax deductible contributions to IRAs would be indexed beginning in 1997. The maximum deductible contribution that can be made for a non-working spouse would be increased from \$250 to \$2,000.

The bill would authorize tax-free withdrawals from IRAs for special purposes such as the first purchase of a home; expenses for higher education; certain extraordinary medical expenses; and certain periods of unemployment. The bill also authorizes new non-deductible IRAs with no taxes on interest earned if the contributions are not withdrawn except under specified circumstances. (The Administration made proposals that were generally similar, but applied income limits to the new non-deductible IRAs.)

The bill provides for new medical savings accounts. Earnings within the account would accumulate tax-free and distributions from such accounts would be tax-free if used for certain medical expenses. Contributions to such accounts of up to \$4,000 per family would be tax-deductible (or excludable from income if made by an employer). Long-term care insurance would receive the same tax treatment as accident and health policies. Penalty-free withdrawals from IRAs would be allowed for the purchase of such coverage. (The Administration proposed similar treatment of long-term care, but did not propose medical savings accounts.)

Earned Income Tax Credit (EITC). The enrolled bill reduces the EITC by \$32 billion over seven years. It repeals part of the scheduled 1996 increase in the credit for taxpayers with incomes above \$14,000 with two or more children and it eliminates the credit for workers who do not live with qualifying children. The bill also counts all untaxed retirement (including Social Security) and interest income and a portion of child support toward the phaseout of the credit. The phaseout rate for one- and two-child families with incomes above certain limits is increased. (The Administration strongly opposed the bill's EITC provisions, except for Administration-proposed compliance provisions such as requiring disclosure of social security numbers.)

Pension Asset Reversions. Under current law, companies are generally prohibited from withdrawing assets from pension plans without terminating the plan, satisfying all liabilities, and paying an excise tax of up to 50 percent on assets reverting to the company. A narrow exception allows certain pension assets to fund retiree health benefits within the same pension plan, subject to specified conditions.

H.R. 2491 would substantially broaden the ability of companies to remove assets from their pension plans, free of the

excise tax that recaptures pension tax benefits. It would allow companies to remove billions of dollars from retirement plans to pay health and other benefits to current employees and as well as retirees. The withdrawals could occur as long as the pension plan was funded at or above 125 percent of "termination liability" -- i.e., the value of the pension obligations if the plan terminated at the time of the withdrawal. Because the funds withdrawn could simply substitute for pre-existing company spending, the reverted pension assets could effectively be withdrawn for any purpose.

The Administration opposed this provision because it would: (1) endanger workers' retirement income; (2) expose the Pension Benefit Guaranty program to greater risk; and (3) allow corporations to use for non-pension purposes funds accumulated through special tax preferences intended to promote pension savings.

Low Income Housing Tax Credit (LIHTC). The enrolled bill terminates the LIHTC for equity investments in low-income housing placed in service after December 31, 1997. Under current law, the credit is permanent. The bill also repeals the authority of the Treasury to reallocate unused tax credits among States that have used their allocations after December 31, 1995. (The Administration strongly opposed these provisions.)

Expiring Provisions. H.R. 2491 extends, for varying periods and with some modifications, several expiring tax laws, including the research and development credit; the targeted jobs tax credit; the exclusion for employer-provided educational assistance; the orphan drug credit; and Superfund taxes. (The Administration expressed willingness to support some of these provisions on a revenue-neutral basis.)

Other Items. Other major tax provisions of H.R. 2491 would: (1) reduce the "marriage penalty" for couples by permitting non-itemizers to claim a higher standard deduction; (2) generally reduce the alternative minimum tax by changing rules concerning depreciation and credits; (3) reduce estate taxes; (4) phase out the tax credit for companies investing in Puerto Rico; and (5) revise certain tax rules applicable to expatriates. (None of these items were proposed by the Administration, but the Administration had an alternative proposal concerning expatriates.)

Medicare

H.R. 2491 would make the most sweeping changes in the Medicare program since its establishment in 1965. The enrolled bill cuts Medicare spending by \$270 billion over seven years. H.R. 2491 would cut payments to virtually every type of provider that serves Medicare beneficiaries -- doctors, hospitals, skilled

nursing facilities, home health care providers, durable medical equipment suppliers, and laboratories. It would also require beneficiaries to pay a greater share of the cost of the Part B (physician, outpatient, labs and other providers) program through increased premiums. For the first time, the level of the Part B premium would be related to a beneficiary's income.

By contrast, the Administration's balanced budget plan would reduce Medicare spending by \$124 billion over seven years. The Administration's plan would strengthen the Medicare trust fund, expand the kinds of health plan choices available to Medicare beneficiaries, and add preventive and long-term care benefits to Medicare without imposing new cost increases on senior citizens. The Administration's plan maintains the Part B premium at 25 percent of program costs, as Congress has consistently done in the past. The Administration objected to the Medicare cuts contained in H.R. 2491 because their primary purpose is to pay for the bill's tax cuts.

Medicaid

H.R. 2491 would transform the current Medicaid program into a new program of block grants to States for medical assistance to low-income individuals and families -- "MediGrant". Under MediGrant, an individual's entitlement to Medicaid coverage would be eliminated. States would be responsible for determining eligibility of low-income individuals and families. The bill purports to "guarantee" coverage to pregnant women and children under 13 in families at or below 100 percent of the Federal Poverty Level, and to disabled individuals. Another provision of the bill, however, effectively negates this "guarantee".

The enrolled bill would repeal the Vaccines for Children program, a 100 percent federally funded entitlement for Medicaid-eligible, uninsured, under-insured, and Indian children. H.R. 2491 would also restrict the growth rate of Federal Medicaid funding to specified annual increases. The average annual growth in Federal Medicaid funding over the next seven years would be reduced to less than half the rate projected under current law by CBO. Over seven years, H.R. 2491 would reduce Federal Medicaid payments to States by \$163 billion below current law levels.

Under the Administration's balanced budget plan, Medicaid program reforms would save \$54 billion during 1996-2002. These savings would result from reforms in Medicaid "disproportionate share" payments to hospitals and from the application of a "per capita growth limit" to Medicaid matching payments to States. Additional reforms would give States greater flexibility in the design and management of their Medicaid programs. The Administration's proposal would maintain the current guarantee of health coverage for 36 million mothers, children, elderly, and disabled individuals.

Welfare Reform

H.R. 2491 would cut welfare assistance by about \$80 billion over seven years. (This amount takes into account \$5 billion in savings that CBO attributes to the MediGrant program.) The bill would abolish the Aid to Families with Dependent Children (AFDC) program and replace it with a Temporary Assistance for Needy Families (TANF) block grant to States. To qualify for full TANF block grant funding, States would be required to spend 75 percent of what they spent on AFDC in FY 1994. States could, however, transfer 30 percent of the TANF grant to offset State funding in other programs.

The enrolled bill would set time limits on those receiving welfare assistance. It would establish strict work requirements, which are expressed as percentages of families on assistance who must participate in specified work activities. The percentage increases to 50 percent by 2002. States that fail to meet these requirements could lose some of their Federal block grant funding. No additional block grant funding above current levels is provided for work-related activities (e.g., training and employment preparation). Therefore, if States do not cut benefits sharply, the bill's work requirements are likely to be an underfunded mandate on the States.

H.R. 2491 would cap child care funding at a level a little above the CBO baseline and would significantly cut child protection programs (including foster care and adoption assistance). The bill provides for an \$800 million Federal contingency grant fund for States to expand their block grants, but the fund would probably be insufficient to meet increased needs during a regional or national recession. The bill would give States the option of denying benefits to the children of unwed teenage mothers and to children born into households already receiving welfare benefits.

The enrolled bill would cut \$35 billion over seven years from the Food Stamp program. This represents about a 20 percent reduction in program spending in FY 2002, based on preliminary CBO estimates. The bill allows States to elect an optional Food Stamp block grant, which would weaken the national nutritional safety net and eliminate the program's ability to respond to economic changes.

H.R. 2491 would ban legal immigrants from the Food Stamp and Supplemental Security Income (SSI) programs and restrict their eligibility for all Federal and State benefits. It would also tighten the SSI eligibility criteria for disabled children and apply the new criteria to children already receiving SSI as well as new applicants. While all the children added to the SSI rolls in the future would be seriously disabled, the less severely

disabled of these children would be eligible for only 75 percent of the full cash benefit.

The provisions of H.R. 2491 represent a compromise between the House- and Senate-passed versions of H.R. 4, the stand-alone welfare legislation. You stated that you could not sign the House version of H.R. 4 because it did not represent real welfare reform. When the Senate passed its version of H.R. 4, you signaled that, while far from perfect, it did reflect the bipartisan common ground that welfare reform must be tough on work and fair to children. Although H.R. 2491 addresses a number of the objectionable features of the House-passed version of H.R. 4, it does represent a retreat from some of the improvements in the Senate-passed version of H.R. 4.

Arctic National Wildlife Refuge

The enrolled bill mandates the opening of the Arctic National Wildlife Refuge to oil and gas drilling. Exploration and development activities would bring physical disturbances to the area, unacceptable risks of oil spills and pollution, and long-term effects that could harm wildlife for decades. The Administration, instead, supports efforts to secure permanent protection for the refuge's coastal plain.

Student Loans

H.R. 2491 would virtually eliminate lending under the Federal Direct Student Loan program by capping it at 10 percent of the total volume of federally supported student loans (direct and guaranteed). Under current law, the direct loan program would increase to 60 percent of total volume. The Administration initially proposed an increase to 100 percent, and now supports giving schools a choice of direct or guaranteed lending.

The enrolled bill would also limit participation in the program to those institutions that participated in the first year of the program, and make it more difficult for students to restructure repayments of student loans to reflect their incomes. The Secretary of Education's authority and resources to manage loan programs would be reduced, potentially increasing defaults and opening the program to waste and abuse.

Agricultural Programs

H.R. 2491 follows the overall approach of the "Freedom to Farm" proposal by severing the safety net that farm programs now provide in stabilizing farm income. Under current law, income-stabilizing Federal payments reflect changes in market conditions. The enrolled bill would instead set fixed annual payments that producers would receive, regardless of market conditions. The result would be large profits for farmers when

prices are high, and no increase in income price support payments when market prices are low. In the latter case, family farmers would have to absorb the lost income. The Administration has proposed maintaining the farm income safety net by linking income support payments to market conditions.

In addition, the bill would repeal the requirement that current farm program participants have crop insurance -- a major, recently-enacted reform. Combined with cuts in the safety net, this proposal likely would raise pressure to return to ad hoc disaster payments. The bill would also significantly reduce funding for export assistance programs supported by the Administration.

Hardrock Mining and Other Natural Resource Provisions

H.R. 2491 leaves the current hardrock mining law largely intact. It retains the "patenting" provision under which the Government transfers billions of dollars of publicly-owned minerals at relatively little charge to private interests. The provision's "net" royalty on proceeds from minerals production on Federal lands would raise only \$12 million over five years.

Western water policies would be changed through amendment to the Reclamation Reform Act, allowing owners of large landholdings to receive unlimited amounts of low-priced water from Federal projects.

The enrolled bill would also: (1) change the awarding of concession contracts for National Parks, Forests, and other Public Lands in a manner that would likely reduce competition for concession contracts; (2) direct the unconditional transfer of Federal lands for a low-level radioactive waste storage site in California; (3) establish rental fees for Forest Service ski areas that may not reflect their fair market value; and (4) change how the Government collects oil and gas royalties, making the collection more difficult and costly to perform.

Banking and Housing

H.R. 2491 would require thrift savings institutions to pay a one-time fee to capitalize and ensure the solvency of the Savings Association Insurance Fund. It would also reduce the rate of increase in payments to landlords participating in Federal housing assistance programs. The Federal Housing Administration (FHA) would be given new tools to help homeowners avoid foreclosure and reduce losses to the Government. The Administration generally supported or did not object to these provisions.

Spectrum

The enrolled bill would expand and extend the authority of the Federal Communications Commission to auction rights to the electromagnetic spectrum. The Administration supported this provision, which would increase receipts by \$15 billion.

Federal Employee Retirement

H.R. 2491 would gradually increase employee contributions under both the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) by 0.5 percentage points by 1998 and maintain that increased rate through 2002, costing the average Federal employee \$200 per year. Agency contributions for most CSRS employees would be increased by 1.51 percentage points for calendar years 1996-2002. In addition, the bill would continue for six more years, through December 31, 2002, the three-month delay in each year's retiree cost-of-living adjustments under CSRS and FERS. The Administration expressed concern that these provisions are tantamount to raising employees' taxes and deprive most Federal retirees of the same cost-of-living increases enjoyed by Social Security recipients.

Conclusion and Recommendations

I recommend that you veto H.R. 2491, which passed the House and Senate by final votes of 235-192 and 52-47, respectively.

Attached for your consideration is a veto message, which has been reviewed and approved by this Office, the Treasury Department, and senior White House staff.

(signed)

Alice M. Rivlin
Director

Jones/Jones 11-27-95

*Sent to Lew, Anderson, Dams, and all PADs + reflects PAD input.
Veto message coordinated with OMB/WH policy officers by AD/C (Hear).*



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 16, 1995

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1977 -- Department of the Interior
and Related Agencies Appropriations Act, FY 1996

Sponsors: Representative Regula (R), Ohio
Senator Gorton (R), Washington

Last Day for Action

December 28, 1995 - Thursday

Disapproval is recommended on Saturday, December 16th, so that the bill can be returned to the Congress as soon as possible. Since November 20, 1995, temporary FY 1996 funding for the agencies and programs covered by this bill has been provided by P.L. 104-56, the Third FY 1996 Continuing Resolution, which expired at 12:01 A.M. this morning.

Purpose

Provides FY 1996 appropriations for the Department of the Interior, various programs of the Department of Energy, the Forest Service (Department of Agriculture), Indian Health Service (Department of Health and Human Services), and other smaller agencies.

Agency Recommendation

Office of Management and Budget	Disapproval (Veto Message attached)
Department of the Interior	Disapproval
Department of Agriculture	Disapproval
Department of Health and Human Services	Disapproval
Department of Energy	Disapproval
Department of Education	Disapproval
National Endowment for the Arts	Disapproval
National Endowment for the Humanities	Disapproval

Discussion

Overall, H.R. 1977 provides \$12.1 billion in FY 1996 discretionary budget authority. This level of funding is \$1.6 billion, or 12 percent, below your overall request and \$1.3 billion, or 10 percent, below the FY 1995 enacted level for discretionary programs funded by this bill. The conference

Vetoed
12/18/95

report on H.R. 1977 passed the House by a vote of 244-181 and the Senate by a vote of 58-40.

The bill severely cuts Interior's Bureau of Indian Affairs and the Department of Energy's energy conservation programs. It also contains several seriously objectionable language riders.

Department of the Interior

H.R. 1977 provides \$5.9 billion for the Department of the Interior, \$0.8 billion below your request and \$0.4 billion, or seven percent, below the FY 1995 enacted level. The Bureau of Indian Affairs (BIA) is funded at \$1.6 billion, \$339 million below your request and \$160 million, or nine percent, below the FY 1995 enacted level. The most significant effects of the cuts to Native American programs are the reductions targeted at tribal priority allocation programs, which support essential tribal services such as law enforcement, general assistance and adult vocational training, and Indian child welfare. The bill also includes a provision affecting the Lummi Tribe and seven other self-governance tribes in Washington State, which would have the potential of reducing critical self-governance funding by 50 percent as a penalty for actions determined to be detrimental to non-Indian owners of land on reservations.

Further, the bill includes an objectionable provision that would make permanent the protocol for identification of marbled murrelet nests related to provisions in the FY 1995 rescission bill, thereby eliminating normal flexibility for both the Departments of the Interior and Agriculture to use new scientific information as it develops. The bill also contains a moratorium on future listings and critical habitat designations under the Endangered Species Act.

The bill would place management of the Mojave National Preserve with the Bureau of Land Management, rather than the National Park Service, at funding levels significantly below your FY 1996 request. This provision undermines the purposes of the 1994 California Desert Act, under which the Preserve was established.

Changes to the bill in the third conference continue the existing moratorium on hard rock mining patents, but the bill still contains language that requires expedited processing of grandfathered patent applications within five years. The Department of the Interior reports that this change is acceptable.

Forest Service (Department of Agriculture)

The bill provides \$2.1 billion in funding for the Forest Service. This level of funding is \$267 million below your

request and \$414 million, or 16 percent, below the FY 1995 enacted level. In addition, the bill contains objectionable language provisions regarding the management of the Tongass (Alaska) National Forest. These provisions would dictate the use of an outdated forest plan for FY 1996 and FY 1997, require unsustainable timber sale levels, and not allow the plan to be updated during this period.

The bill contains a provision regarding the Columbia River Basin Ecosystem Management Project that would continue to impede implementation of the comprehensive plan for management of public lands by prohibiting the publication of the final Environmental Impact Statement or Record of Decision and limiting the contents to exclude information on fisheries and watersheds. The provision would risk a return to legal gridlock on timber harvesting, grazing, mining, and other economically desirable activities.

Department of Energy

The enrolled bill provides \$1.3 billion for Department of Energy (DOE) programs, \$217 million below your request and \$280 million, or 17 percent, below the FY 1995 enacted level. The bill severely reduces funding for DOE's energy conservation programs. These programs are funded at a net level of \$536 million, \$187 million, or 26 percent, below the net FY 1995 enacted level of \$723 million, and 38 percent below your request. The bill provides for a one-year moratorium on Department of Energy issuance of efficiency standards.

Indian Health Service (Department of Health and Human Services)

The bill provides \$2.0 billion in funding for the Indian Health Service, \$72 million below your request but \$24 million, or one percent, over the FY 1995 enacted level.

Indian Education Programs (Department of Education)

The bill provides \$53 million for Indian Education programs. This funding level is \$33 million, or 38 percent below your request and \$29 million, or 35 percent, below the FY 1995 enacted level.

Cultural Agencies

The bill contains \$99 million in funding for the National Endowment for the Arts (NEA), \$73 million less than your request and \$63 million, or 39 percent, below the FY 1995 enacted level. In addition, the bill contains the Helms language that would prohibit the funding of any project that depicts or describes "pornographic" activities.

The bill provides \$110 million in funding for the National Endowment for the Humanities (NEH). This level of funding is \$72 million less than your request and \$62 million, or 36 percent, below the FY 1995 enacted level.

These significantly reduced funding levels would jeopardize NEA's and NEH's ability to provide important cultural, educational, and artistic programs for communities across America.

Finally, the bill provides \$457 million in funding for the Smithsonian Institution.

Recommendation

This bill does not reflect your priorities or the values of the American people. I join the Secretaries of the Interior, Agriculture, Health and Human Services, Energy, and Education in recommending that you veto the enrolled bill. A veto message is attached for your consideration.



Alice M. Rivlin
Director

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 16, 1995

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2099 -- Departments of Veterans
Affairs and Housing and Urban Development, and
Independent Agencies Appropriations Act, FY 1996

Sponsors: Representative Lewis (R), California
Senator Bond (R), Missouri

Last Day for Action

December 28, 1995 - Thursday

Disapproval is recommended on Saturday, December 16th, so that the bill can be returned to the Congress as soon as possible. Since November 20, 1995, temporary FY 1996 funding for the agencies and programs covered by this bill has been provided by P.L. 104-56, the Third FY 1996 Continuing Resolution, which expired at 12:01 A.M. this morning.

Purpose

Provides FY 1996 appropriations for the Departments of Housing and Urban Development and Veterans Affairs, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, and a number of smaller agencies.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto Message attached)
Department of Veterans Affairs	Disapproval
Department of Housing and Urban Development	Disapproval
Environmental Protection Agency	Disapproval
National Aeronautics and Space Administration	Defers
National Science Foundation	Defers

Discussion

H.R. 2099 provides \$61.4 billion in discretionary budget authority for FY 1996, \$9.3 billion below your request and \$1.0 billion below the FY 1995 enacted level. The second conference report on the bill passed the House by a vote of 227 to 190 and the Senate by a vote of 54 to 44.

Vetoed 12/18/95

Investment Proposals

The enrolled bill provides \$11.1 billion for your discretionary investments, \$2.6 billion, or 19 percent, less than your request, and \$0.7 billion, or six percent, below the FY 1995 enacted level. The bill terminates several high priority programs, including the Corporation for National and Community Service and Community Development Financial Institutions. Many other investment programs are funded at or below the FY 1995 enacted level and are discussed under the agency headings.

- o Corporation for National and Community Service. The enrolled bill provides \$15 million for the termination costs of the Corporation for National and Community Service. If the Corporation were to be terminated, the bill would cost nearly 50,000 young Americans the opportunity to help their community, through Americorps, to address vital local needs such as health care, crime prevention, and education while earning monetary award to help them pursue additional education or training.
- o Community Development Financial Institutions (CDFI). The bill provides no new funding for the Community Development Financial Institutions (CDFI) program, an important initiative for bringing credit and growth to communities long left behind.

Veterans Affairs (VA)

The enrolled bill provides \$16.6 billion for VA Medical Care, \$402 million, or 2.4 percent, less than your request. Funding for VA Construction is reduced by \$385 million, or 75 percent, below your request. The bill does not provide the requested funding for VA hospitals at Travis Air Force Base in Fairfield, California, and in Brevard County, Florida. Instead, the bill contains funding for clinics at these two locations.

The bill includes significant restrictions on funding for the Secretary that appear aimed at impeding him from carrying out his duties as an advocate for veterans throughout the country.

Department of Housing and Urban Development (HUD)

H.R. 2099 provides \$19.5 billion for HUD, \$4.9 billion, or 20 percent, less than your FY 1996 request. While the bill provides spending authority for several important initiatives, including Community Development Block Grants, homeless assistance, and the sale of HUD-owned properties, it lacks funding for other important areas. Most of the cuts and program reforms included in the enrolled bill are aimed at the most vulnerable populations.

The drastic reduction in HUD funding includes cuts to programs designed to develop and preserve affordable housing for low-income Americans. The bill provides no funds to support economic development initiatives and has insufficient funds for incremental housing vouchers. The bill also contains harmful riders that would transfer HUD's responsibilities for enforcing the Fair Housing Act to the Department of Justice and eliminate Federal preferences in the section 8, tenant-based program.

The bill does not include funding for your Mark-to-market proposal, which is aimed at reinventing the way HUD does business, providing more freedom and incentives to residents of public housing, and generating long-term savings and viability with respect to the Nation's public housing projects.

Environmental Protection Agency (EPA)

Congress has provided \$5.7 billion for EPA, \$1.6 billion, or 22 percent, less than your request. While many of the environmental roll-backs included in the House-passed bill have been removed, the bill dramatically reduces funding for EPA's operating program, including a 22-percent cut in environmental enforcement. The bill would cut the Superfund program by 25 percent, thereby continuing the risk of exposure to dangerous chemicals for hundreds of thousands of citizens living near hazardous waste sites. The bill cuts funding by 18 percent for HHS' program to train workers in hazardous waste cleanup.

The bill contains a \$762 million reduction in funds requested to go directly to the States and needy cities for clean water and drinking water needs, such as assistance to clean up Boston Harbor. The bill also contains cuts to the environmental technology program, the climate change action plan, and other environmental programs. These reductions would significantly hamper the Federal Government's ability to protect public health and the environment.

In addition to drastic funding reductions, the bill also includes legislative riders that were tacked onto the bill without any hearings or adequate public input, including one that would prevent EPA from exercising its legislative authority under the Clean Water Act to prevent wetlands losses.

National Aeronautics and Space Administration (NASA)

H.R. 2099 provides \$13.8 billion for NASA, \$439 million, or three percent, less than your request. The bill fully funds your request for the Space Station program and the New Millennium initiative.

Federal Emergency Management Agency (FEMA)

Congress has reduced your request for FEMA by \$118 million, or 16.2 percent. The bill funds Disaster Relief at \$222 million, \$98 million below your request.

National Science Foundation (NSF)

The enrolled bill provides \$3.1 billion for non-defense activities of NSF, \$180 million below your request.

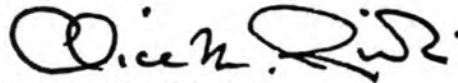
Other Agencies

Funding provided by H.R. 2099 for other agencies is summarized below:

- o Council on Environmental Quality (CEQ). The bill provides \$1 million for the CEQ, a 50-percent reduction to your request. Such a reduction would severely hamper the Council's ability to provide the President with advice on environmental policy and carry out its responsibilities under the National Environmental Policy Act.
- o Selective Service System. The enrolled bill provides \$22.9 million to support the program.
- o Office of Science and Technology Policy (OSTP). The Congress provides full funding for your request.
- o Office of Consumer Affairs (OCA). The bill would terminate the Office of Consumer Affairs, an agency that represents consumer needs and viewpoints across the Federal Government by coordinating Federal consumer policy and providing information to consumers through a help line and a consumer's handbook.

Recommendation

Clearly, this bill does not reflect your priorities or the values of the American people. I join the Secretaries of Veterans Affairs and Housing and Urban Development, the EPA Administrator, and the Director of the Corporation for National and Community Service in recommending that you veto the enrolled bill. A veto statement is attached for your consideration.



Alice M. Rivlin
Director

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

December 14, 1995

95 DEC 14 PG: 49

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2076 -- Departments of
Commerce, Justice, and State, the Judiciary,
and Related Agencies Appropriations Act, FY 1996

Sponsors: Representative Rogers (R), Kentucky
Senator Gregg (R), New Hampshire

Last Day for Action

December 25, 1995 - Monday

Disapproval no later than Friday, December 15th, is recommended so that the bill can be returned to the Congress before the current FY 1996 Continuing Resolution expires.

Purpose

Provides FY 1996 appropriations for the Departments of Commerce, Justice, and State; the Judiciary; the Small Business Administration; the Legal Services Corporation; and several smaller agencies.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto Message attached)
Department of Commerce	Disapproval
Department of Justice	Disapproval
Department of State	Disapproval
Legal Services Corporation	Disapproval

Discussion

H.R. 2076 provides \$26.8 billion in FY 1996 discretionary budget authority. This level of funding is \$3.4 billion below your overall request but \$0.9 billion over the FY 1995 level for discretionary programs funded by this bill. The conference report on H.R. 2076 passed the House by a vote of 256-166 and the Senate by a vote of 50-48.

The enrolled bill eliminates the Community Oriented Policing Services (COPS) program, terminates the Advanced Technology Program (ATP), and cripples our ability to provide legal services to disadvantaged individuals.

Programs to Fight Crime

The bill provides \$14.4 billion for the Department of Justice, including \$3.9 billion from the Violent Crime Reduction Trust Fund. This level of funding is \$0.7 billion below your request but \$2.4 billion, or 20 percent, over the FY 1995 enacted level.

The bill eliminates the COPS program and, instead, funds a law enforcement block grant program that would allow spending on anything from street lights to public works projects. The block grant approach would not guarantee a single new police officer. COPS is a proven success and should be maintained as a separate discretionary program. You have stated that you would not sign any version of this appropriations bill that does not fund the COPS program.

Similarly, the bill fails to ensure funding for important crime prevention activities, most notably so-called "drug courts," the Community Relations Service, and your Ounce of Prevention Council. In addition, there are reductions below the request for the immigration initiative and the Justice Inspector General, and the bill discontinues funding for the Associate Attorney General's Office.

The prison grants "Truth in Sentencing" provisions of the bill would disproportionately and unfairly benefit a small number of States, deprive some States of any funds, and harm many States -- including some with very strong sentencing policies. In addition, these provisions would generate delay in the awards of much needed prison grant funds for some States.

Technology Programs of the Department of Commerce

H.R. 2076 provides \$3.5 billion for the Department of Commerce, \$1.2 billion below your request and \$515 million, or 13 percent, below FY 1995. The bill eliminates funding for the Advanced Technology Program (ATP) and prohibits new awards. Eliminating ATP funding would unnecessarily jeopardize our Nation's long-term economic growth and competitiveness.

The bill sharply reduces funding for the National Information Infrastructure (NII) grants program. The NII program assists hospitals, schools, libraries, and local governments in procuring advanced communications equipment to provide better health care, education, and local government services. In addition, the bill eliminates funding for the GLOBE program, which promotes knowledge of science and the environment in our schools. The bill includes \$80 million, \$67 million below the request, for the Manufacturing Extension Program, which provides grassroots manufacturing outreach to our Nation's 381,000 smaller manufacturers.

The Technology Administration is funded at \$5 million, a level that would threaten fulfillment of the U.S. commitment for the U.S.-Israeli Science and Technology Commission. Harmful reductions are made to the requests for economic and statistical analysis and for the Census Bureau, which would endanger the quality of our Nation's statistics. In addition, the level of funding for the Economic Development Administration's Defense Conversion program is reduced.

In addition, the Administration has expressed concern about the legislative rider that would impose a moratorium on future listings under the Endangered Species Act by the National Oceanic and Atmospheric Administration and other agencies.

Legal Services Corporation

The bill provides \$278 million in funding for the Legal Services Corporation (LSC), \$122 million, or 31 percent, below the FY 1995 enacted level. This level of funding would cripple the ability of the Corporation to serve people in need. The bill also includes excessive restrictions on LSC operations, which would restrict the representation of clients and unduly limit their access to the justice system.

International Programs

The bill contains \$4.6 billion in funding for international programs, \$880 million below your request and \$887 million below FY 1995. The bill includes a \$220 million, or 50-percent, reduction to your request for Contributions to International Peacekeeping Activities and a \$223 million, or 24-percent, reduction to your request for Contributions to International Organizations, which fund the treaty-obligated U.S. share of activities of the United Nations, International Atomic Energy Agency, NATO, and others. These activities support important U.S. national security and foreign policy interests including, among others, the Middle East (including Israel's borders and Kuwait/Iraq), weapons nonproliferation and safeguards activities, sanctions against international renegade countries, promotion of an open international trading framework, control of diseases such as the Ebola virus, and promotion of human rights.

Other international affairs programs of the Department of State, the Arms Control and Disarmament Agency, and the United States Information Agency are reduced to levels that would hinder the execution of important national security and foreign policy activities. In addition, funding for these agencies shall cease to be available on April 1, 1996, unless the State Department Authorization Act and related authorization legislation has been signed into law. The bill also includes extraneous language related to the presence of U.S. Government facilities in Vietnam.

Other Issues

Section 103 of the bill contains a prohibition on the use of Department of Justice funds for performing abortions, with exceptions for situations involving rape or where the mother's life is endangered. This provision was in law before the FY 1994 Commerce/Justice/State Appropriations Act, when it was removed at the Administration's request. The Department of Justice believes that there is a serious question as to the constitutionality of this provision as applied to female prison inmates and that there is a substantial risk that it would be held unconstitutional.

The conference bill adopts a General Provision included in the Senate version of the bill that would amend the National Voter Registration Act of 1993 to exempt states which have adopted same-day registration laws prior to August 1, 1994, rather than March 11, 1993, as in current law. The National Voter Registration Act includes a motor voter provision that requires States to give individual citizens an opportunity to register to vote when they acquire or renew their drivers licenses. The Act exempts States from the motor voter requirement if they adopted same-day registration policies by March 11, 1993. The date change adopted by the conference would exempt New Hampshire and Idaho from the Act. Additionally, moving forward the cutoff date would effectively end a legal challenge to New Hampshire's refusal to comply with the motor voter requirement in the Act. This would be viewed as the wrong thing to do by the plaintiffs in that lawsuit, including organized labor and various consumer groups.

Recommendation

Clearly, this bill does not reflect your priorities or the values of the American people. I join the Secretaries of State and Commerce, the Attorney General, and the Director of the Legal Services Corporation in recommending that you veto the enrolled bill. A veto statement is attached for your consideration.



Alice M. Rivlin
Director

Attachment

Vetoed 12/19/95

DEC 19 1995

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1058 - Private Securities
Litigation Reform Act of 1995
Sponsors - Rep. Bliley (R) Virginia and 23 others

Last Day for Action

December 19, 1995 - Tuesday

Purpose

To make changes in how private litigation pursuant to Federal securities laws may be conducted.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Commerce	Approval
Department of Justice	No recommendation
Securities and Exchange Commission (SEC)	No response

Discussion

The stated purpose of H.R. 1058 is to curb frivolous suits against companies whose predictions of future profitability turn out to be erroneous. The conference report on H.R. 1058 passed the Senate by a vote of 65-30 and the House by 320-102.

In summary, H.R. 1058 would: protect securities issuers from liability when they issue certain "forward-looking statements"; limit certain damage awards; generally limit a defendant's liability in multi-defendant securities cases to the portion of the judgment for which that defendant was responsible; require the court to award attorneys fees in certain circumstances; establish procedures for selecting the lead plaintiff and counsel in class action securities lawsuits; and require plaintiffs to present facts inferring the defendant's fraudulent intent.

The preceding major provisions are described below; other provisions are described in the Attachment.

Major Provisions of H.R. 1058

"Safe Harbor". H.R. 1058 would protect securities issuers and other parties from liability for certain "forward-looking statements" in private suits alleging misstatements or omissions of fact. (Examples of such statements are projections of revenues and statements of management's plans for future operations.) This "safe harbor" from liability would apply only if the forward-looking statement is identified as such and accompanied by "meaningful cautionary statements identifying important factors that could cause actual results to differ materially" from the projections.

The safe harbor would not apply if the plaintiff proved that the defendant's forward-looking statement was made with the actual knowledge that it was false or misleading. The safe harbor also would not apply to suits initiated by the SEC.

Limits on Damages. In certain private securities actions based on the misstatement or omission of facts, H.R. 1058 would limit damage awards. The maximum award would be the difference between the purchase or sale price paid or received by the plaintiff and the mean trading price of the security during the 90-day period after corrective information was issued to the market. If the plaintiff sells the security during the 90-day period, the award may not exceed the difference between the sale price and the 90-day mean trading price described above.

Proportionate Liability. The enrolled bill would hold a defendant jointly and severally liable for damages only if he or she "knowingly" violated securities laws. Such a defendant would be responsible for the full amount of uncollectible damages due to a plaintiff from other defendants in multi-defendant cases. H.R. 1058 states that reckless conduct shall not be construed as a "knowing" violation.

Absent a "knowing" violation, a defendant would be liable only for the portion of the plaintiff's loss for which that defendant is responsible, with two exceptions:

- All defendants would be jointly and severally liable for any uncollectible share of the plaintiff's award where the damages exceed 10 percent of the plaintiff's net worth and the plaintiff's net worth is \$200,000 or less.
- In all other situations where there is an uncollectible amount, the defendant's liability for that amount would be in the same proportion as his or

her responsibility for the total award. This additional liability could not exceed 50 percent of the defendant's own share of the award.

Attorneys Fees. H.R. 1058 would generally require the court to award attorneys fees to the opposing party in a private securities lawsuit where a party does not comply with Rule 11(b) of the Federal Rules of Civil Procedure. Rule 11(b) requires that presentations to a court not be frivolous and not needlessly delay or increase the cost of litigation. An exemption from this attorneys fees provision is provided where: (1) the violation of rule 11(b) is minimal; or (2) the award would impose an unreasonable burden on the party or attorney and would be unjust, and failure to make the award would not impose a greater burden on the opposing party.

The enrolled bill would require the court to make "specific findings regarding compliance by each party and each attorney" with Rule 11(b) upon final adjudication of every private securities lawsuit. A court could require attorneys and/or their clients to obtain bonds to cover the potential cost of sanctions for Rule 11(b) violations. According to the conference report on H.R. 1058, the bonding provision is intended to preempt State bar restrictions on attorneys posting bond.

Class Action Suits. H.R. 1058 would require that named plaintiffs in a securities class action receive the same per share portion of any final judgment or award as the other members of the class. The enrolled bill would permit plaintiffs to be awarded lost wages and other expenses related to representing the class.

The court would be required to appoint a lead plaintiff in securities class action cases. The enrolled bill establishes a rebuttable presumption that the lead plaintiff would, among other things, have the largest financial interest in the case. The lead plaintiff would represent the aggrieved group and would be responsible for selecting the counsel for the class.

The enrolled bill would prohibit individuals from serving as lead plaintiffs in more than five securities class actions during any 3-year period. In addition, H.R. 1058 would require certain information (including the average amount of damages per share) to be included in any proposed or final settlement agreement distributed to the plaintiff class.

According to the conference report, these provisions are intended to discourage the use of "professional plaintiffs" who own a nominal number of shares in a large number of public companies.

Pleading Requirements. The enrolled bill would require plaintiffs in private securities fraud cases to "state with particularity facts giving rise to a strong inference" of the defendant's fraudulent intent. The plaintiff must also specifically identify each statement alleged to have been misleading, the reasons why the statement is misleading, and all the facts supporting this belief. According to the conference report, this provision is "based in part on the pleading standard of the Second Circuit [which is regarded as] the most stringent pleading standard".

Dissenting Congressional Views

Congressional opposition to the final version of H.R. 1058 centered on several issues, including:

- The "safe harbor" provision, on the grounds that its practical effect would be to protect perpetrators of securities fraud from liability for their misdeeds.
- The absence of an Administration-recommended provision to allow private actions against persons who aid and abet securities fraud. (A 1994 Supreme Court decision prohibits such suits. The enrolled bill, however, authorizes the SEC to undertake such suits.)
- The absence of an Administration-recommended extension of the statute of limitations for private securities fraud actions to 5 years after a violation occurred. The current statute of limitations, established by the Supreme Court's 1994 Lampf decision, is the earlier of 1 year after a plaintiff learns of the violation or 3 years after the violation occurred.

Agency Views

The Department of the Treasury, in recommending the approval of H.R. 1058, states that the bill would be "good for the economy and the competitiveness of U.S. companies."

The Department of Commerce "strongly supports approval" of H.R. 1058 because it "substantially accomplishes the important goal of ending securities litigation abuses and clarifying securities litigation law, without improperly limiting the rights of investors to pursue civil actions against financial fraud."

The Department of Justice advises that it "has no direct interest in most of the provisions of H.R. 1058 and therefore, takes no position on whether the legislation ultimately should

be signed into law." The Department notes, however, that the litigation rules established by H.R. 1058 will be amendable only by subsequent legislation, and not through the "notify-and-wait" process defined by the Rules Enabling Act. According to Justice, "H.R. 1058 represents the first time that Congress has significantly departed from the concept of a single set of national procedural rules for all types of Federal civil litigation."

The SEC declined to respond to this Office's request for views on H.R. 1058. We are, therefore, unable to advise you of the SEC's recommendation on the enrolled bill.

Conclusion and Recommendations

We join the Departments of the Treasury and Commerce in recommending approval of H.R. 1058.

We understand that the National Economic Council is preparing a signing statement for your consideration.

(signed)

Alice M. Rivlin
Director

Enclosures

Schroeder 12/14/95

Jules 12.14

Brighan - HTF
Wiggins - HTF
Haun - TCJS
Stig. 12 - BASD
Litan - PAD/GGF

*Sent in draft to
GC (Damus)*

Other Provisions of H.R. 1058

RICO Amendment

H.R. 1058 would amend the Racketeer Influenced and Corrupt Organizations (RICO) Act to exclude securities fraud as a predicate offense subject to treble damages in civil cases. The Department of Justice advises that while it "does not support enactment of this provision, this concern does not rise to the level that would lead the Department to recommend a Presidential veto." The conference report cites SEC Chairman Levitt's support for this provision on the basis that "securities laws generally provide adequate remedies for those injured by securities fraud"

Provisions Concerning Attorneys

Various attorney-related provisions of H.R. 1058 would:

- Prohibit securities brokers, dealers, and others from soliciting or accepting referral fees from attorneys seeking to represent any person in a private securities action.
- Limit attorneys fees in class action cases to an amount that would not exceed a reasonable percentage of the amount awarded to the class.
- Permit courts to prohibit attorneys that have a conflict of interest from representing a party in a securities class action. An attorney's ownership of a firm's securities that are the subject of the litigation may constitute a conflict of interest.
- Generally prohibit attorneys fees from being paid out of funds awarded as a result of an action initiated by the SEC.

Miscellaneous Provisions

Other provisions of H.R. 1058 would:

- Authorize the SEC to take action against those who knowingly aid and abet securities fraud. (There has been uncertainty regarding the SEC's authority to sue aiders-and-abettors as a result of the 1994 Supreme Court's Central Bank decision, which eliminates the right of investors to sue persons who aid and abet securities fraud.)

- Generally require discovery proceedings to be stayed during the pendency of a motion to dismiss a private securities lawsuit.
- Relieve a defendant from liability in cases where the defendant's misstatement or omission did not actually cause the plaintiff's loss.
- Require independent public accountants, who in the course of an audit detect certain illegal acts, to notify the firm's audit committee or board of directors or the SEC. The SEC may impose a civil penalty against the public accountant or any other party in violation of this requirement.
- Require the SEC to determine if senior citizens or certain retirement plans are adequately protected against or have been adversely affected by abusive securities litigation. The SEC would have to report to Congress any recommendations for additional protections within 180 days after the enactment of H.R. 1058.

Vetoed 12/28/95

DEC 22 1995

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1530 - National Defense
Authorization Act for Fiscal Year 1996
Sponsors - Rep. Spence (R) SC and Dellums (D) CA

Last Day for Action

January 3, 1996 - Wednesday

Purpose

Authorizes (1) FY 1996 appropriations for Department of Defense programs and Department of Energy national security programs; (2) personnel strengths for the active and reserve components of the Armed Forces; and (3) national security programs and policies.

Agency Recommendations

Office of Management and Budget	Disapproval
Department of Defense	Disapproval (Veto message attached)
Department of State	Disapproval
Arms Control and Disarmament Agency (ACDA)	Disapproval
National Security Council (NSC)	Disapproval
Department of Justice	Disapproval
Department of Energy	Does not recommend disapproval
Office of Government Ethics (OGE)	Approval
General Services Administration (GSA)	Approval
Panama Canal Commission (PCC)	Approval
Department of Transportation	Approval (Informally)

Export-Import Bank	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Commerce	Defers to Defense (Informally)
National Aeronautics and Space Administration	Defers to Defense (Informally)
Agency for International Development	Defers to Defense (Informally)
Federal Emergency Management Agency	Defers to Defense (Informally)
Department of Health and Human Services	Defers to Defense (Informally)
Department of Education	Defers to Defense (Informally)
Department of the Interior	Defers to Defense (Informally)
Office of National Drug Control Policy	Defers to Defense (Informally)
Office of Personnel Management	Defers to Defense (Informally)
Small Business Administration	No comment (Informally)
Environmental Protection Agency	No comment (Informally)
Office of Science and Technology Policy	No comment (Informally)
Department of Veterans Affairs	No comment (Informally)
Department of Agriculture	No comment (Informally)
Selective Service System	No comment (Informally)
Central Intelligence Agency	No comment (Informally)

Discussion

A Statement of Administration Policy sent to Congress by this Office prior to House and Senate consideration of the conference report on H.R. 1530 advised that "the President would veto" the enrolled bill. We join the Departments of Defense, State, and Justice, the NSC, and ACDA in recommending that you veto H.R. 1530.

H.R. 1530 would authorize FY 96 appropriations of \$265.4 billion, approximately \$7.2 billion more than requested for national defense programs. The bill would restrict the Administration's ability to achieve national security objectives and to implement key Administration programs. Certain provisions also raise serious constitutional issues by restricting the President's powers as Commander-in-Chief and his foreign policy powers. The enrolled bill does, however, contain provisions which would be beneficial to Defense, including important procurement reform, new authorities to improve military housing, and essential pay raises for military personnel.

The conference report on H.R. 1530 passed the House by a vote of 267 to 149 and the Senate by a vote of 51 to 43.

The enrolled bill's major provisions are discussed below. A comparison of the bill's appropriation authorization levels with the authorizations proposed by the Administration is presented in Attachment A. Additional provisions, including those beneficial to Defense, are summarized in Attachment B.

MAJOR PROVISIONS OF H.R. 1530

Missile Defenses

The Departments of Defense and State, the NSC, and ACDA have serious concerns about the enrolled bill's missile defense provisions for the reasons explained below.

H.R. 1530 would require deployment by 2003 of a costly missile defense system to defend the United States from a long-range missile threat which the Intelligence Community does not believe will materialize in the coming decade. By forcing an unwarranted and unnecessary National Missile Defense (NMD) deployment decision now, the bill would needlessly incur tens of billions of dollars in missile defense costs and force Defense to commit prematurely to a specific technological option.

By directing that the NMD be "operationally effective" in defending all 50 States (including Hawaii and Alaska), the bill would likely require a multiple-site NMD architecture that cannot be accommodated within the terms of the ABM Treaty as now written. This would put at risk continued Russian implementation of the START I Treaty and Russian ratification of START II. The successful implementation of these two treaties, which together will reduce the number of U.S. and Russian strategic nuclear warheads by two-thirds from Cold War levels, will lower significantly the threat to U.S. national security.

Infringement on Presidential Authorities

Contingency operations. H.R. 1530 would impose restrictions on the President's ability to conduct contingency operations that are essential to the national interest. Restrictions on funding to commence a contingency operation and the requirement to submit a supplemental request to Congress within a certain time period to continue an operation are unwarranted restrictions on the President's authority.

Command and Control of U.S. Forces. H.R. 1530 would require a Presidential certification that it is in the national security interests of the United States to place U.S. Armed Forces under United Nations (UN) operational or tactical control.

Demining. The bill would require the Secretary of Defense to prevent members of the Armed Forces, while providing humanitarian assistance, from engaging in the physical detection, lifting, or destroying of land mines except in support of a U.S. military operation.

Strategic Delivery Systems

H.R. 1530 stipulates that funds available to Defense may not be obligated or expended during FY 96 for retiring or dismantling, or for preparing to retire or dismantle, B-52H bomber aircraft, Trident submarines, Minuteman III ICBMs and Peacekeeper ICBMs.

State advises that this restriction would undermine the agreement with President Yeltsin that, once START II is ratified, the United States and Russia would proceed to deactivate all strategic nuclear delivery systems to be reduced under the Treaty. Although the provision would not affect U.S. plans for ballistic missiles or strategic submarines, additional resources not currently budgeted would be required to sustain a larger than planned B-52H force.

High Priority Programs

Technology Reinvestment Project (TRP). H.R. 1530 would authorize FY 96 appropriations of \$195 million for TRP, \$305 million less than requested, but the same amount as that appropriated in FY 96. The bill limits the use of the appropriations to "continuing or completing technology reinvestment projects that were initiated before October 1, 1995." Thus, no new projects could be initiated with FY 96 funds.

Cooperative Threat Reduction (CTR). The enrolled bill would authorize appropriations of \$300 million in FY 96 for the CTR program, \$71 million less than requested, but the same amount as appropriated in FY 96. The enrolled bill would require, however, that the President certify that Russia is in compliance with the Biological Weapons Convention. This certification would potentially prohibit the obligation of \$60 million that would help Russia to eliminate chemical weapons and adhere to the Chemical Weapons Convention. The bill would also impose funding limits on individual elements of the CTR program, thereby reducing the ability to respond to changing requirements.

The bill would eliminate funding for the Defense Enterprise Fund, which funds the conversion of industries in the former Soviet Union capable of producing weapons of mass destruction to civilian production.

Defense Environmental Restoration (DERA). The bill would authorize DERA at the FY 96 appropriated level, which is \$200 million less than the requested \$1.622 billion. This reduction will slow the pace of the Department's cleanup program.

Humanitarian and Disaster Relief Programs. The Administration requested a total of \$133 million for humanitarian assistance and disaster relief programs; the enrolled bill would authorize only \$50 million. This reduction would severely constrain the only source of funds the Services and regional Commanders-in-Chief use to defray the costs of major relief operations, such as the Bangladesh flood disaster and the Kobe, Colombian, and Indian earthquakes.

Attack Submarine Procurement. H.R. 1530 would authorize procurement of four new attack submarines between FYs 1998-2001, two more than the Administration plans. It would also require that these submarines be built at specific shipyards. The bill restricts the obligation and expenditure of funds in FY 96 for submarines until the Secretary of Defense submits a plan to procure the four submarines. Defense has determined that these additional submarines are not justified by military missions or the need to preserve the Nation's industrial base.

Personnel Restrictions and Other Requirements

HIV. H.R. 1530 would require military personnel infected with the HIV virus to be discharged, regardless of their capability to perform the military mission. Current Defense policy denies enlistment to persons who are HIV positive, but retains members who test positive and are able to perform their duties. (Only a small number of active duty members, less than one-tenth of a percent, test positive for the HIV virus.) The enrolled bill would provide the same access to the military health care system for those discharged as a result of HIV infection as is available to military retirees.

Abortion. The bill would prohibit privately financed abortions in DOD facilities except to save the life of the mother or in cases of rape or incest. Administration policy has been to allow privately financed abortions in overseas military facilities for service members and their dependents stationed overseas. (Defense advises that, since the Administration policy was implemented, no privately financed abortions have been performed.) The 1996 Department of Defense Appropriations Act contains these same restrictions.

Management Provisions. The enrolled bill would undercut the Secretary's management authority and seek to micromanage Defense operations. For example, H.R. 1530 would: restrict the ability of the Secretary to reduce full-time equivalent civilian employment unless the reduction is due to decreased funding; require the Department to convert, during FY 96, 10,000 military positions to civilian positions; exempt military technicians from planned civilian personnel reductions; and restrict the ability of the Secretary to manage military end-strength and overall civilian personnel levels.

Provisions Relating to Other Agencies

Department of Energy (DOE). H.R. 1530 would authorize \$10.6 billion for DOE's Atomic Energy Defense Activities, including stewardship and management of the nuclear weapons stockpile and environmental cleanup of DOE's defense facilities. The bill would also authorize the sale of DOE's Naval Petroleum Reserves (NPR), as requested by the Administration. However, the provisions authorizing payments to the California Teachers Retirement Fund from the proceeds of the NPR sale are more restrictive than the Administration requested.

AGENCY VIEWS

Defense cites its strong objection to several of the enrolled bill's provisions which would "unduly restrict [the President's] ability to execute our national security and foreign policy responsibilities." In particular, Defense states that:

"[T]he language concerning the START II Treaty and the ABM Treaty could seriously erode United States and Russian efforts to control and eliminate nuclear weapons The provisions dealing with contingency operations and with United Nations command and control are unacceptable on constitutional and policy grounds."

Defense states that H.R. 1530 would also impose a variety of restrictions on "key" Administration programs, including the Cooperative Threat Reduction Program and the Technology Reinvestment Project. Defense is also concerned that other provisions, as previously described, would undermine its ability to manage programs effectively.

Regarding the pay increases for military personnel contained in H.R. 1530, Defense recommends that the Administration seek the immediate re-enactment of this authority.

In its enrolled bill views letter, State recommends veto as it concludes that H.R. 1530 "could threaten the overall strategic arms control framework and would likely result in the failure of Russia to ratify the START II Treaty, as well as threaten the reductions underway in accord with START I."

Similarly, ACDA recommends veto of the enrolled bill given its potential to "derail Russian ratification of START II and our current efforts to agree on an ABM/TMD [Theater Missile Defense] demarcation with the Russian Federation."

NSC, in its enrolled bill views letter, recommends veto, principally because of the provisions on missile defense and contingency operations. The NSC also expresses concern regarding the enrolled bill's prohibitions on retiring strategic delivery systems.

In its views letter, Justice recommends veto for primarily two reasons. First, the requirements for Presidential certification before assigning U.S. armed forces under UN control would "impermissibly infringe on the President's authority as Commander in Chief." Second, the requirement to discharge Armed Forces members who test positive for HIV "runs directly counter to the President's policy on non-discrimination -- that the United States judge people by their individual abilities not their status as a person with a disability."

In its enrolled bill views letter, Energy advises that several provisions of H.R. 1530 would "hinder the flexibility of the Department to carry out necessary defense and environmental programs efficiently." The Department concludes, however, that those concerns "would not be sufficient to recommend a veto"

Transportation, GSA, OGE, and PCC recommend approval of H.R. 1530 because of provisions in the bill that would be beneficial to the respective agencies. These provisions are discussed in the agencies' views letters. Transportation informally recommends approval because the Coast Guard would benefit from the bill's military pay increase and other personnel-related provisions.

SCORING FOR THE PURPOSE OF PAY-AS-YOU-GO

H.R. 1530 would affect direct spending and receipts, and is, therefore, subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. This Office estimates that the enrolled bill will increase the deficit by a total of \$1.673 billion during FYs 1996-2000. Of this increase, \$1.586 billion is due to the cost of increasing the military retirement COLA.

CONCLUSION AND RECOMMENDATIONS

We join Defense, State, Justice, and other agencies in recommending the disapproval of H.R. 1530.

A veto message, prepared by Defense, is attached for your consideration. The message has been reviewed and approved by Justice, State, Energy, CIA, ACDA, NSC, Office of the White House Counsel, and this Office. (Defense informally advises that it is considering some changes to the veto message.)

The veto message strongly objects to the enrolled bill's missile defense system and contingency operations provisions. It also objects to provisions that would thwart the effective management of specific national defense programs or unfairly affect certain service members. The message acknowledges the enrolled bill's beneficial provisions and urges the Congress to enact expeditiously an acceptable Defense Authorization bill, particularly the authorization for the military pay raise (even if separate legislation is necessary).

(signed)

Alice M. Rivlin
Director

Enclosures

NSD/LRD:PVickers/RNassif/RPeterson:dmc 12/22/95 (3:15 p.m.)

OK per:

Gordon Adams

Nancy Ann Minn

NSD

P. Vickers
D. Morrison
S. Actson

HLTH

B. Clendenin
R. Turman
M. Miller

OIRA

B. McConnell

ESD

L. Krauss
B. Civiale

OFPP

S. Kellman
M. Blum

OMB/LA

C. Kieffer (Veto
Message
only)

IAO

B. Sasser
L. Gura

Attachment A

A. Authorizations by Appropriation Category
(Budget Authority in billions)¹

	<u>Request</u>	<u>H.R. 1530</u>	<u>Difference</u>
DOD Military			
Military Personnel ²	\$ 68.7	\$ 69.2	+0.5
Operations and Maintenance	91.6	92.3	+0.7
Procurement	39.7	44.6	+4.9
Research, Development, Test and Evaluation	34.3	35.5	+1.2
Construction/Housing	10.7	11.2	+0.5
Revolving Fund/Other	<u>1.9</u>	<u>1.9</u>	<u>0.0</u>
Total DOD Military	246.9	254.7	7.8
DOE Programs	11.2	10.6	-.6
Other	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>
Total National Defense Function	\$258.2	\$ 265.4	\$ 7.2

¹ May not add due to rounding.

² Authorization of funds not required.

B. Selected Procurement Programs
(Budget Authority in millions)

	<u>Request</u>	<u>H.R. 1530</u>	<u>Difference</u>
Apache Longbow Helicopter	\$ 342	\$ 418	\$ +76
Kiowa Warrior Helicopter	71	211	+140
Army Wheeled Vehicles	98	405	+307
Trident II Missile	343	343	0
B-2 Bomber	280	773	+493
C-17 Aircraft	2,403	2,403	0
E-8B JSTARS	395	377	-18
F/A-18 C/D Aircraft	610	823	+213
F-15E Fighter	0	311	+311
F-16 C/D Fighter	0	159	+159
Ballistic Missile Defense	454	349	-105
DDG-51 Destroyers	2,162	2,162	0
LHD-7 Amphibious Ship	0	1,300	+1,300
SSN-21 Seawolf Attack Sub	1,507	700	-807
LPD-17 Amphibious Transport Dock Ship	0	974	+974
New Attack Submarine Advance Procurement	705	805	+100

C. Selected R&D Programs
(Budget Authority in millions)

	<u>Request</u>	<u>H.R. 1530</u>	<u>Difference</u>
Comanche Helicopter	\$ 199	\$ 299	\$ +100
F-22 Aircraft	2139	2139	0
F/A-18 Aircraft	919	919	0
V-22 Aircraft	763	758	-5
B-1 Bomber	174	202	+28
B-2 Bomber	624	624	0
New Attack Submarine	455	455	0
Ballistic Missile Defense	2,442	3,151	+708
Technology Reinvestment Project	500	195	-305

Beneficial Provisions of H.R. 1530

Military Pay Raises and Retiree Cost of Living Adjustment (COLA). H.R. 1530 authorizes pay raises for military personnel: a 2.4 percent increase in basic pay and the Basic Allowance for Subsistence (BAS) and a 5.2 percent increase in the Basic Allowance for Quarters (BAQ). Without this or other legislation, military members will only receive a 2 percent raise in each of these categories. The bill also contains a provision accelerating the effective payment date for military retirees' COLA from October to April in FY 96, as proposed by the Administration.

Acquisition Reform. The enrolled bill would make important changes to improve acquisition laws, consistent with the intent of the National Performance Review. It would simplify procedures to procure commercially-available goods and services. The bill would significantly improve resolution of bid protests, particularly those involving information-technology acquisitions. The bill also would streamline and clarify "procurement integrity" laws, and would expand pilot programs to test alternative procurement procedures. In addition, the bill's provisions on capital planning and investment control would significantly improve management of large information technology acquisitions.

New Authorities to Improve Military Housing. The enrolled bill includes the Administration's proposal to expand the authorities available to provide improved housing for military personnel. These provisions would authorize making direct and guaranteed loans, entering into limited partnerships, and conveying land to private developers as incentives to construct quality housing for military personnel.

Additional Problematic Provisions of H.R. 1530

DOD Medical Programs. H.R. 1530 would require the Secretary of Defense to give preference for care in military facilities to retirees who enroll in TRICARE Prime, the Defense managed care health program. This preference would be given at the expense of retirees who do not enroll. The bill, while making technical changes to the TRICARE program, also eliminates a potential savings of \$100 million annually. The bill includes a "Sense of Congress" provision that the President's FY 97 Budget should include Medicare subvention for the Department of Defense.

Presidential Appointments. H.R. 1530 would eliminate a number of Presidentially-appointed positions, including the Deputy Under Secretary of Defense for Acquisition and Technology, the Deputy Under Secretary of Defense for Policy, the Director of Defense Research and Engineering, the Director of Operational Test and Evaluation, the Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs, and the Assistant Secretary of Defense for Health Affairs.

Peacekeeping Assessments. H.R. 1530 did not authorize the \$65 million the Administration requested for the Contributions in Peacekeeping and Peace Enforcement Activities account (CIPPEA). The purpose of this account is to pay Defense's share of UN Peacekeeping Assessments of UN peacekeeping operations in which the U.S. military forces participate. This lack of authorization and funding for the CIPPEA account makes it impossible to implement the "shared Defense-State responsibility" policy on UN peacekeeping.

Defense Export Loan Guarantees. The enrolled bill would require the Secretary of Defense to establish a program to issue loan guarantees insuring against losses arising from the financing of defense exports to certain countries. This program is unnecessary given the availability of existing authority for transactions of this type and the substantial American presence in international markets for military equipment.

Uniformed Services University of Health Sciences (USUHS). The bill would require the continuation of USUHS, which the National Performance Review had recommended closing. Furthermore, the bill would authorize additional graduate schools at USUHS.

Civil Military Cooperative Action. The bill would terminate the authorization for civil-military and community outreach programs such as: the Civil-Military Cooperative Action Program, a pilot outreach program to reduce demand for illegal drugs; the National Guard Youth Opportunities Program; and the Civilian Community Corps.

Vetoed
1/9/96

JAN 9 1996

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4 - Personal Responsibility and
Work Opportunity Act of 1995
Sponsors - Rep. Shaw (R) FL and 122 others

Last Day for Action

January 10, 199~~6~~ - Wednesday

Purpose

(1) Eliminates the Aid to Families with Dependent Children, Emergency Assistance, and Job Opportunities and Basic Skills programs and replaces them with a block grant to States;
(2) makes major changes to a variety of Federal programs including Supplemental Security Income, food stamps, child nutrition, foster care, and adoption assistance; and
(3) restricts legal immigrants' eligibility for welfare benefits.

Agency Recommendations

Office of Management and Budget	Disapproval
Department of Health and Human Services (HHS)	Disapproval (Veto message attached)
Department of Agriculture (USDA)	Disapproval
Social Security Administration (SSA)	Disapproval
Department of Housing and Urban Development (HUD)	Disapproval
Council of Economic Advisers (CEA)	Disapproval
Railroad Retirement Board	Does not recommend approval
United States Postal Service	Cites concerns
Department of Justice	Defers

Department of Veterans Affairs	Defers
Department of Commerce	Defers (Informally)
Department of Energy	Defers (Informally)
Department of the Treasury	Defers (Informally)
Corporation for National and Community Service	No comment (Informally)
Federal Reserve	No comment (Informally)
Office of National Drug Control Policy	No comment (Informally)
Office of Personnel Management	No comment (Informally)

DISCUSSION

In 1994, you transmitted to Congress a sweeping welfare reform proposal. Congress was asked to enact stringent work requirements for welfare recipients and provide the child care resources to support them. Other proposed reforms included: time limits on the receipt of welfare; flexibility for States to move people to work; tough child support enforcement provisions; "personal responsibility" contracts; a national campaign against teen pregnancy; and requirements for teen mothers to live at home, stay in school, and identify their children's fathers.

As enrolled, H.R. 4 includes some important Administration priorities. It provides for tough child support enforcement and paternity establishment; requires minor mothers to live at home and stay in school; and sets aside funding to campaign against teen pregnancy. In many other respects, however, H.R. 4 is seriously flawed. The bill does not provide sufficient resources to move people from welfare to work. It contains large budget cuts and compromises the national nutritional safety net. It fails to ensure basic protections for children and eliminates the guarantee of health care for individuals receiving cash assistance, including poor children and pregnant women and the disabled. It does not require welfare recipients to acknowledge their stake in welfare reform by signing personal responsibility contracts. It unduly restricts the eligibility of legal immigrants for a variety of Federal assistance programs.

On December 21st, you stated that you would veto H.R. 4 because it does not represent true welfare reform. Accordingly, this Office joins HHS and other Executive departments and agencies in recommending disapproval of H.R. 4, which passed the House and Senate by a vote of 245 to 178 and 52 to 47, respectively.

The major provisions of H.R. 4 are summarized below.

CUTTING NOT REFORMING WELFARE

The overriding purpose of H.R. 4 is to achieve budget reductions, not to enable States to achieve real and lasting welfare reform. The bill would cut \$64 billion below the Congressional Budget Office (CBO) baseline over seven years from low-income programs, including Medicaid. In contrast, CBO estimates that the Administration's proposal would reduce low-income spending by \$37 billion over seven years.

MOVING PEOPLE FROM WELFARE TO WORK

There is broad bipartisan consensus that real welfare reform is about moving people from welfare to work. As enrolled, H.R. 4 fails to take enough constructive steps to meet this goal successfully.

Block Grant to States. H.R. 4 would eliminate the Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), and Job Opportunities and Basic Skills (JOBS) programs. It would replace these programs with a Temporary Assistance to Needy Families (TANF) block grant to States. In contrast, the Administration has not assumed block granting the AFDC, EA, and JOBS programs.

Time Limits. H.R. 4 would require welfare recipients to get a job within two years of first receiving benefits and would terminate assistance after five years (or shorter at State option). It would allow States to exempt only 15 percent of all families from the five-year time limit. The Administration has stated that a 20 percent "hardship" exemption is preferable.

Child Care. Although H.R. 4 would set a five-year time limit on the receipt of cash welfare benefits and require 50 percent of recipients to work by 2002, it would not provide adequate child care funding for those expected to work. Instead

of strengthening child care provisions as the Administration proposed, CBO estimates that H.R. 4 would increase Federal child care spending by only \$2 billion over seven years.

In contrast, based on CBO estimates, an additional \$3 to \$4 billion in Federal funds (matched by the States) would be necessary to provide child care to those in a work program or leaving welfare for work. In addition, the enrolled bill would eliminate current statutory requirements concerning quality, health, and safety standards for child care. Without sufficient child care resources, the bill's work requirements would be, in effect, an unfunded mandate on States and localities and would limit States' ability to restructure the welfare system.

"Maintenance-of-Effort" Requirements. H.R. 4 would reduce the requirement for States to maintain their commitment to funding programs for low-income individuals. To receive the TANF block grant, States would only have to spend 75 percent of what they expended on cash assistance, child care, and job training for welfare recipients in FY 1994. H.R. 4 would also allow States to transfer up to 30 percent of their TANF block grant to other State programs.

The "performance bonus" in the enrolled bill would encourage States to cut welfare recipients off the rolls (rather than put them to work) and would lower the maintenance-of-effort requirement for States that perform well in certain categories, such as reducing the number of individuals on welfare. Cumulatively, these provisions could effectively reduce the maintenance-of-effort requirement to 45 percent or less for all States and potentially eliminate it for some States.

Contingency Fund for Economic Downturn. H.R. 4 would establish a \$1 billion contingency fund for economic downturns due to regional or national recessions. The enrolled bill fails to provide: (1) adequate resources for States facing increased demand for welfare assistance and (2) a "trigger mechanism" that is more sensitive to increases in child poverty. Inadequate contingency funding could cause States to abandon their commitment to helping welfare recipients find work and remain employed at the very time that the need is greatest. It also could result in a shortfall of funds to help children who are pushed into poverty because of a recession. In addition, H.R. 4 includes technical scoring instructions that would make it difficult for Congress to reauthorize the contingency fund after FY 2001.

Health Care. Currently, AFDC and SSI beneficiaries are automatically eligible for Medicaid. H.R. 4 would sever the link between eligibility for cash assistance and Medicaid benefits. Therefore, recipients of assistance under the new TANF block grant or SSI would not automatically be eligible for Medicaid. As a result, millions of poor children and pregnant women and many disabled individuals could lose access to health care coverage.

PRESERVING THE NUTRITIONAL SAFETY NET

As enrolled, H.R. 4 makes deep cuts in, and unwise structural changes to, the Nation's nutrition programs. These provisions would have the hardest impact on children.

Magnitude of Food Stamp Cuts. Excluding the savings from benefit reductions to legal immigrants that are discussed below, CBO estimates that H.R. 4 would cut \$27 billion over seven years from the food stamp program. This represents a 20 percent reduction in program spending by FY 2002, based on CBO estimates. In contrast, CBO estimates that the Administration's proposal would reduce food stamp spending by \$19 billion. The Department of Agriculture estimates that H.R. 4 would cause the average family with children to lose about \$85 each month by FY 2002. The deep cuts and unnecessary structural changes to the food stamp program in H.R. 4 would compromise the Nation's nutritional safety net and needlessly penalize children.

Food Stamp Spending Cap. H.R. 4 would cap food stamp spending based on CBO's projections of program spending for the next seven years. If CBO's projections underestimate the funding requirements, Congress would have to enact additional legislation with pay-as-you-go offsets to avoid USDA reducing benefits. Such a spending cap could punish low-income adults and children nation-wide because of forecasting errors made by CBO. The food stamp program's success is based on its ability to respond to increased need. The cap would compromise the program.

Optional Food Stamp Block Grant. H.R. 4 would jeopardize entitlement to a basic minimum food allowance for low-income adults and families with children by giving States the option to receive a food stamp block grant even though they lack adequate anti-fraud protections. A food stamp block grant would:

- (1) weaken the national nutrition safety net;
- (2) eliminate the program's ability to respond to changing economic conditions;

(3) eliminate national eligibility and benefit standards; and
(4) sever the link between food stamps and nutrition. The optional food stamp block grant is imprudent, especially for those States that do not have Electronic Benefit Transfer systems and low food stamp error rates.

School Lunch Block Grant and Citizenship/Legal Residence Test. Although the child nutrition cuts in H.R. 4 are only modestly deeper than those proposed by the Administration, there are significant policy differences. H.R. 4 would allow a School Lunch and Breakfast block grant to be established in each of the seven USDA regions. These block grants do not require States to serve the same number of children that they did before the block grant, and they would weaken the national standards that ensure that nutritious meals are available to all children. Under the block grant, schools would be allowed to increase the price of meals served to children between 130 and 185 percent of poverty, thereby increasing food costs for low-income families.

The bill would also establish a new Federal mandate that would require schools to implement a citizen/legal resident test for school lunches and other nutrition programs. This would create substantial new burdens on families and schools and needlessly complicate administration of the child nutrition program. Tens of millions of school children, including U.S. citizens, who currently participate in the school lunch program would be required to complete new, burdensome paperwork requirements.

Maximum Shelter Deduction Limits. Current law allows families with children that pay more than half their income for housing to receive additional food stamps. H.R. 4 would repeal current law and limit the maximum shelter deduction allowed in these households. If repealed, almost two million households with children would receive fewer food stamps. The Administration strongly opposed this provision because it would force families to choose between paying for shelter and food.

Four-Month Time Limit for the Unemployed. H.R. 4 would limit unemployed childless adults' participation in the food stamp program, even if these individuals were actively seeking jobs or entry into work training programs. Without requiring States to provide jobs or training, H.R. 4 would deny food stamp benefits to 700,000 unemployed adults, even those who are willing to work.

PROTECTING CHILDREN

Throughout the welfare reform debate, the Administration has stated that reform must not punish children for their parents' mistakes. The provisions contained in H.R. 4 fail to include basic protections for children.

Child Protection. H.R. 4 would create two new block grants. One would consolidate four open-ended, mandatory foster care and adoption assistance programs (for placement services, training, and administration). The second would combine a number of discretionary child protection programs.

The first block grant would cap funding for: (1) removal of children from abusive homes; (2) placement of children in permanent homes; (3) reunification of families; and (4) administrative functions. The second block grant would consolidate the Child Abuse Prevention and Treatment Act with several similar programs. Both the Independent Living and Family Preservation and Support programs would be repealed. In addition, H.R. 4 would remove State accountability measures designed to protect and improve the quality of services such children receive. Reductions in mandatory programs total \$.4 billion over seven years using the CBO baseline. The Administration has supported maintaining current law.

Children with Disabilities. Based on CBO estimates, the enrolled bill would cut over \$8 billion more than the Administration has proposed for the childhood disability portion of the Supplemental Security Income (SSI) program. H.R. 4 would tighten the definition of disability for children applying for SSI benefits. Under the new definition of disability, only severely disabled children would receive cash assistance. The enrolled bill would apply the new criteria to those currently receiving SSI, as well as to new applicants. An estimated 190,000 children currently on the rolls would lose benefits as a result of the bill's enactment.

H.R. 4 would also create two levels of payment for severely disabled children. Those needing "personal assistance" to remain at home would be eligible for 100 percent of the full SSI cash benefit. Those severely disabled children who do not require "personal assistance" to remain at home would be eligible for only 75 percent of the full SSI cash benefit. The new payment structure would apply to recipients coming onto the

rolls as of January 1997. In the year 2002, as many as 735,000 children would be receiving reduced benefits under this provision. Creating two categories of severely disabled children is unwarranted. The low-income parents of all these children experience special costs and reduced employment opportunities as a result of their responsibilities for their children.

CHANGES FOR LEGAL IMMIGRANTS

Although the Administration supports holding immigrants' sponsors responsible for their financial well-being, legal immigrants should not be treated inequitably. According to CBO estimates, H.R. 4 would cut welfare assistance and Medicaid to legal immigrants by \$23 billion over seven years. In contrast, the Administration's proposal would reduce spending on benefits to immigrants by \$5.4 billion. The cuts to immigrant benefits in H.R. 4 are too severe. The bill would unduly penalize disabled and elderly immigrants and shift costs to States with high immigrant populations.

Ineligibility for Benefits. H.R. 4 would deny food stamp and SSI benefits to current and prospective legal immigrants. It would also allow States to deny cash assistance, Medicaid, and other services to legal immigrants. Only refugees, asylees, veterans, active duty military, or those who have worked 40 quarters (approximately 10 years) would be exempt from these restrictions. It would not exempt immigrants who have become disabled after entering the United States or those over 75 years of age. In contrast, the Administration has proposed to continue to allow qualified legal immigrants access to food stamps and SSI benefits as well as cash assistance and Medicaid.

Sponsors' Responsibilities. H.R. 4 would require States to take into account the income of an immigrant's sponsor if the immigrant applies for Medicaid, Head Start, or other income-tested benefits prior to citizenship. The Administration has proposed taking into account a sponsor's income until the immigrant becomes a citizen for only the SSI, AFDC, and food stamp programs.

Verification of Citizenship Status. H.R. 4 would require Federal, State, and local public and private benefit programs to verify the citizenship or alienage status of applicants for: the School Lunch Program; Maternal and Child Health Block Grant;

Social Services Block Grant; Community and Migrant Health Centers services; WIC; and Head Start. This unprecedented administrative burden could result in cases of discrimination toward citizens and, in some cases, undermine the effectiveness of existing programs.

AGENCY VIEWS

HHS recommends disapproval of H.R. 4 because the "bill would make sweeping changes to a broad range of cash assistance and related programs for needy children and families that, taken as a whole, would severely weaken the safety net supporting some of the most vulnerable individuals in our society." HHS states that the bill lacks adequate funding for key elements of welfare reform, and "balancing Federal and State budgets has been given priority over the ostensible goal of self-sufficiency for poor families." The Department also objects "to those portions of the bill affecting programs for families and children administered by HHS" as well as "severe cuts in safety net programs available to legal immigrants"

USDA states that H.R. 4 "will unravel the national nutritional safety net by fundamentally altering the structure of the school nutrition programs, cutting nutrition benefits -- especially for children -- too deeply, creating an optional food stamp block grant, and capping the food stamp program." Accordingly, USDA recommends that the bill be disapproved.

SSA recommends disapproval of H.R. 4 because of its "impact on children with disabilities; the increase in the age of eligibility for the elderly for SSI; [and] restrictions on benefits to immigrants" SSA states that H.R. 4 "goes too far" in changing the SSI childhood disability program and in barring SSI eligibility for legal immigrants. In addition, the increase in the age requirements for SSI for the elderly "could put at risk those poor, elderly individuals who lack skills or experience to enable them to be self-supporting at an advanced age."

CEA recommends disapproval of H.R. 4. CEA states that the bill's maintenance-of-effort requirement is "too weak", and its contingency fund is "grossly inadequate". In addition, CEA believes that the bill's food stamp block grant option is "fundamentally flawed" and that additional child care funding is needed for States to meet the bill's work requirements.

HUD recommends disapproval of H.R. 4 because "the bill could result in increased homelessness among families" HUD states that H.R. 4 "will result in the loss of income to a number of families now living in HUD assisted housing. Since rents are means-tested, it would result in reduced rents or in families being unable to pay the rent. PHAs [public housing authorities] and assisted housing owners will have to absorb these rental losses, making their operating situations difficult. Alternatively, HUD outlays to meet current commitments would have to increase substantially."

The Department of Justice raises a number of constitutional concerns with the bill. For example, Justice states that the provision in H.R. 4 that "purports to authorize the states to discriminate among beneficiaries based on the length of in-state residence" raises serious constitutional concerns. The Department notes that the "Supreme Court has held that a state impermissibly penalizes the right to interstate travel when it denies newcomers the 'same right to vital government benefits and privileges . . . as are enjoyed by other residents'." In addition, Justice states that the bill's provisions to limit severely the eligibility of legal and illegal aliens for Federal and State social welfare programs are "neither fair nor sensible" and that "it is not clear that Congress can authorize the states, at their option, to deny welfare benefits to legal aliens."

CONCLUSION AND RECOMMENDATIONS

H.R. 4 does not represent real welfare reform. It fails to provide States with adequate resources to move people from welfare to work. Its profound budget cuts and harmful programmatic changes would penalize children, the disabled, legal immigrants, and the elderly. We join HHS and other Executive departments and agencies in recommending the disapproval of H.R. 4. We are working with concerned White House staff on a veto message, which will be submitted to you separately for your consideration.

(signed)

Alice M. Rivlin
Director

Enclosures



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

March 29, 1996 96 MAR 2

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 1833 - Partial-Birth Abortion
Ban Act of 1995
Sponsors - Rep. Canady (R) FL and 115 others

Last Day for Action

Purpose

Makes it unlawful under most circumstances for doctors to perform a certain type of late-term abortion procedure.

Agency Recommendations

Office of Management and Budget

Disapproval

Discussion

In a February 28, 1996, letter to various Members of Congress, you stated a willingness to support H.R. 1833 if amended to make clear that the prohibition on a certain type of late-term abortion procedure would not apply when the attending physician considered the procedure necessary to preserve the life or health of the woman.

H.R. 1833 was not amended to address your concerns. The enrolled bill passed the House by a vote of 286-129, and the Senate by a vote of 54-44.

Description of H.R. 1833

H.R. 1833 would ban under most circumstances a certain type of late-term abortion procedure, which the bill calls a "partial-birth abortion." H.R. 1833 defines the term "partial-birth abortion" to mean any "abortion in which the person performing the abortion partially vaginally delivers a living fetus before killing the fetus and completing the delivery."

H.R. 1833 would allow a "partial-birth abortion" in cases where it is needed "to save the life of a mother whose life is endangered by a physical disorder, illness, or injury" This exception, however, is permitted only when no other procedure would suffice. This bill does not include an exception for cases in which the woman's health is threatened.

H.R. 1833 would subject doctors and others who perform the procedure to civil and criminal fines and/or up to two years of imprisonment. The enrolled bill would also allow the father, if married to the woman at the time of the procedure, and certain other family members to sue the individual performing the procedure for damages. H.R. 1833 would exempt women who obtain such abortions from any criminal penalties.

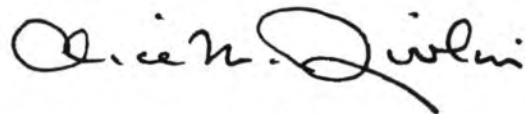
Proponents of H.R. 1833 describe the abortion procedure as cruel and largely unnecessary. Opponents of the bill, however, argue that the procedure in question is almost always medically necessary and that Congress should not criminalize the practice. The National Abortion Federation, which represents doctors, nurses, and centers that provide abortion services, has estimated that 450 of the 1.5 million abortions in the United States annually are performed using the procedure that would be prohibited by H.R. 1833.

Pay-As-You-Go Scoring

H.R. 1833 could increase both direct spending and receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. This Office estimates that the net pay-as-you-go effect of this bill would be zero, as the money collected from fines (an estimated \$500,000 annually) would be expended from the Crime Victims Fund.

Conclusion and Recommendation

Recognizing that Congress did not amend H.R. 1833 to address your concerns, I recommend that you disapprove the enrolled bill. A veto message will be presented separately for your consideration.



Alice M. Rivlin
Director

Enclosure

Comparison of Recissions of HR 1158 and HR 1944

Program	Recissions in HR 1158	Recissions in HR 1944
Goals 2000	\$92 million	\$32 million
Housing opportunities for People with AIDS	\$30 million	\$15 million
National Service	\$210 million	\$105 million
Safe Drinking Water	\$1.3 billion	\$1.1 billion
Safe and Drug Free Schools	\$236 million	\$16 million
Schools to Work	\$25 million	\$2.5 million
WIC	\$20 million	\$20 million

Comparison of Recissions of HR 1158 and HR 1944

Prograrm	Recissions in HR 1158	Recissions in HR 1944
Adult Job Training	\$98 million	??? 58million
Community Development Financial Institutions	\$124 million	??? 124million
Goals 2000	\$92 million	\$32 million
Housing opportunities for People with AIDS	\$30 million	\$15 million
National Service	\$210 million	\$105 million
One-Stop Career Shopping	\$20 million	??? 20million
Safe Drinking Water	\$1.3 billion	\$1.1 billion
Safe and Drug Free Schools	\$236 million	\$16 million
Schools to Work	\$25 million	\$2.5 million
WIC	\$20 million	\$20 million

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H.R.1158

Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City,... (Enrolled Bill (Sent to President))

Community Development Financial Institutions

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103-327, \$124,000,000 are rescinded.

Corporation for National and Community Service

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-327, \$210,000,000 are rescinded: *Provided*, That none of the funds remaining for obligation during fiscal year 1995 may be used for national awards to Federal agencies.

Environmental Protection Agency

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103-327, \$14,635,000 are rescinded.

ABATEMENT, CONTROL, AND COMPLIANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103-327, \$9,806,805 are rescinded: *Provided*, That notwithstanding any other provision of law, the Environmental Protection Agency shall not be required to site a computer to support the regional acid deposition monitoring program in the Bay City, Michigan, vicinity.

buildings and facilities

(RESCISSION)

Of the funds made available under this heading in Public Law 102-389 and Public Law 102-139 for the Center for Ecology Research and Training, \$83,000,000 are rescinded.

HAZARDOUS SUBSTANCE SUPERFUND**(RESCISSION)**

Of the funds made available under this heading in Public Law 103-327, \$100,000,000 are rescinded.

WATER INFRASTRUCTURE/STATE REVOLVING FUNDS**(RESCISSION)**

Of the funds made available under this heading in Public Law 103-327 and Public Law 103-124, \$1,302,200,000 are rescinded: *Provided*, That \$1,299,000,000 of this amount is to be derived from amounts appropriated for State revolving funds and \$3,200,000 is to be derived from amounts appropriated for making grants for the construction of wastewater treatment facilities specified in House Report 103-715.

Administrative Provisions

SEC. 1004. None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Environmental Protection Agency to require any State to comply with the requirement of section 182 of the Clean Air Act by adopting or implementing a test-only or IM240 enhanced vehicle inspection and maintenance program, except that EPA may approve such a program if a State chooses to submit one to meet that requirement.

SEC. 1005. None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Environmental Protection Agency to impose or enforce any requirement that a State implement trip reduction measures to reduce vehicular emissions. Section 304 of the Clean Air Act (42 U.S.C. 7604) shall not apply with respect to any such requirement during the period beginning on the date of the enactment of this Act and ending September 30, 1995.

SEC. 1006. None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Environmental Protection Agency for listing or to list any additional facilities on the National Priorities List established by section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended (42 U.S.C. 9605), unless the Administrator receives a written request to propose for listing or to list a facility from the Governor of the State in which the facility is located, or unless legislation to reauthorize CERCLA is enacted.

SEC. 1007. None of the funds made available in any appropriations Act for fiscal year 1995 shall be spent by the Environmental Protection Agency to disapprove a State implementation plan (SIP) revision solely on the basis of the Agency's regulatory 50 percent discount for alternative test-and-repair inspection and maintenance programs.

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H.R.1944

Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City,... (Enrolled Bill (Sent to President))

Community Development Financial Institutions

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

PROGRAM ACCOUNT

(RESCISSION)

COFI Of the funds made available under this heading in Public Law 103-327, \$124,000,000 are rescinded and any unobligated funds as of June 30, 1995 are also rescinded.

Corporation for National and Community Service

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-327, \$105,000,000 are rescinded.

Environmental Protection Agency

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103-327, \$14,635,000 are rescinded.

ABATEMENT, CONTROL, AND COMPLIANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103-327, \$9,806,805 are rescinded: *Provided*, That notwithstanding any other provision of law, the Environmental Protection Agency shall not be required to site a computer to support the regional acid deposition monitoring program in the Bay City, Michigan, vicinity.

buildings and facilities

(RESCISSION)

Of the funds made available under this heading in Public Law 102-389 and Public Law 102-139 for the Center for Ecology Research and Training, \$83,000,000 are rescinded.

HAZARDOUS SUBSTANCE SUPERFUND**(RESCISSION)**

Of the funds made available under this heading in Public Law 103-327, \$100,000,000 are rescinded.

WATER INFRASTRUCTURE/STATE REVOLVING FUNDS**(RESCISSION)**

Of the funds made available under this heading in Public Law 103-327 and Public Law 103-124, \$1,077,200,000 are rescinded: *Provided*, That \$1,074,000,000 of this amount is to be derived from amounts appropriated for State revolving funds and \$3,200,000 is to be derived from amounts appropriated for making grants for the construction of wastewater treatment facilities specified in House Report 103-715.

Administrative Provisions

SEC. 1004. None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Environmental Protection Agency to require any State to comply with the requirement of section 182 of the Clean Air Act by adopting or implementing a test-only or IM240 enhanced vehicle inspection and maintenance program, except that EPA may approve such a program if a State chooses to submit one to meet that requirement.

SEC. 1005. None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Environmental Protection Agency to impose or enforce any requirement that a State implement trip reduction measures to reduce vehicular emissions. Section 304 of the Clean Air Act (42 U.S.C. 7604) shall not apply with respect to any such requirement during the period beginning on the date of the enactment of this Act and ending September 30, 1995.

SEC. 1006. None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Environmental Protection Agency for listing or to list any additional facilities on the National Priorities List established by section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended (42 U.S.C. 9605), unless the Administrator receives a written request to propose for listing or to list a facility from the Governor of the State in which the facility is located, or unless legislation to reauthorize CERCLA is enacted.

SEC. 1007. None of the funds made available in any appropriations Act for fiscal year 1995 shall be spent by the Environmental Protection Agency to disapprove a State implementation plan (SIP) revision solely on the basis of the Agency's regulatory 50 percent discount for alternative test-and-repair inspection and maintenance programs.

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H.R.1944

Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City,... (Enrolled Bill (Sent to President))

TRAINING AND EMPLOYMENT SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$1,349,115,000 are rescinded, including \$10,000,000 for necessary expenses of construction, rehabilitation, and acquisition of new Job Corps centers, \$2,500,000 for the School-to-Work Opportunities Act, \$4,293,000 for section 401 of the Job Training Partnership Act, \$5,743,000 for section 402 of such Act, \$3,861,000 for service delivery areas under section 101(a)(4)(A)(iii) of such Act, \$58,000,000 for carrying out title II, part A of such Act, \$272,010,000 for carrying out title II, part C of such Act, \$2,223,000 for the National Commission for Employment Policy and \$500,000 for the National Occupational Information Coordinating Committee: *Provided*, That service delivery areas may transfer up to 50 percent of the amounts allocated for program years 1994 and 1995 between the title II-B and title II-C programs authorized by the Job Training Partnership Act, if such transfers are approved by the Governor.

ADULT
JOB
TRAINING

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

(RESCISSIONS)

Of the funds made available in the first paragraph under this heading in Public Law 103-333, \$11,263,000 are rescinded.

Of the funds made available in the second paragraph under this heading in Public Law 103-333, \$3,177,000 are rescinded.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$20,000,000 are rescinded, and amounts which may be expended from the Employment Security Administration account in the Unemployment Trust Fund are reduced from \$3,269,097,000 to \$3,201,397,000.

OVER
STUD

Bureau of Labor Statistics

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$700,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

HEALTH RESOURCES AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$41,350,000 are rescinded.

Centers for Disease Control and Prevention

DISEASE CONTROL, RESEARCH, AND TRAINING

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$2,300,000 are rescinded.

National Institutes of Health

national center for research resources

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333 for extramural facilities construction grants, \$10,000,000 are rescinded.

BUILDINGS AND FACILITIES

(RESCISSION)

Of the available balances under this heading, \$60,000,000 are rescinded.

Assistant Secretary for Health

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$1,400,000 are rescinded.

Agency for Health Care Policy and Research

HEALTH CARE POLICY AND RESEARCH

(RESCISSION)

Of the Federal funds made available under this heading in Public Law 103-333, \$3,132,000 are rescinded.

Health Care Financing Administration

PROGRAM MANAGEMENT

(RESCISSION)

Funds made available under this heading in Public Law 103-333 are reduced from \$2,207,135,000 to \$2,187,435,000, and funds transferred to this account as authorized by section 201(g) of the Social Security Act are reduced to the same amount.

Administration for Children and Families

JOB OPPORTUNITIES AND BASIC SKILLS

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, there is rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year.

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H.R.1158

Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City,... (Enrolled Bill (Sent to President))

Employment and Training Administration

TRAINING AND EMPLOYMENT SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$1,399,115,000 are rescinded, including \$10,000,000 for necessary expenses of construction, rehabilitation, and acquisition of new Job Corps centers, \$12,500,000 for the School-to-Work Opportunities Act, \$4,293,000 for section 401 of the Job Training Partnership Act, \$5,743,000 for section 402 of such Act, \$3,861,000 for service delivery areas under section 101(a)(4)(A)(iii) of such Act, \$98,000,000 for carrying out title II, part A of such Act, \$272,010,000 for carrying out title II, part C of such Act, \$2,223,000 for the National Commission for Employment Policy and \$500,000 for the National Occupational Information Coordinating Committee: *Provided*, That service delivery areas may transfer up to 50 percent of the amounts allocated for program years 1994 and 1995 between the title II-B and title II-C programs authorized by the Job Training Partnership Act, if such transfers are approved by the Governor.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

(RESCISSIONS)

Of the funds made available in the first paragraph under this heading in Public Law 103-333, \$11,263,000 are rescinded.

Of the funds made available in the second paragraph under this heading in Public Law 103-333, \$3,177,000 are rescinded.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$20,000,000 are rescinded, and amounts which may be expended from the Employment Security Administration account in the Unemployment Trust Fund are reduced from \$3,269,097,000 to \$3,201,397,000.

Bureau of Labor Statistics

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$700,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

HEALTH RESOURCES AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$41,350,000 are rescinded.

Centers for Disease Control and Prevention

DISEASE CONTROL, RESEARCH, AND TRAINING

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$2,300,000 are rescinded.

NATIONAL INSTITUTES OF HEALTH

National Center for Research Resources

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333 for extramural facilities construction grants, \$10,000,000 are rescinded.

BUILDINGS AND FACILITIES

(RESCISSION)

Of the available balances under this heading, \$60,000,000 are rescinded.

Assistant Secretary for Health

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, \$1,400,000 are rescinded.

Agency for Health Care Policy and Research

HEALTH CARE POLICY AND RESEARCH

(RESCISSION)

Of the Federal funds made available under this heading in Public Law 103-333, \$3,132,000 are rescinded.

Health Care Financing Administration

PROGRAM MANAGEMENT

(RESCISSION)

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Administration for Children and Families

JOB OPPORTUNITIES AND BASIC SKILLS

(RESCISSION)

Of the funds made available under this heading in Public Law 103-333, there is rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year.

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Comparison of Recissions of HR 1158 and HR 1944

Prograrm	Recissions in HR 1158	Recissions in HR 1944
Adult Job Training	\$98 million	???
Community Development Financial Institutions	\$124 million	???
Goals 2000	\$92 million	\$32 million
Housing opportunities for People with AIDS	\$30 million	\$15 million
National Service	\$210 million	\$105 million
One-Stop Career Shopping	\$20 million	???
Safe Drinking Water	\$1.3 billion	\$1.1 billion
Safe and Drug Free Schools	\$236 million	\$16 million
Schools to Work	\$25 million	\$2.5 million
WIC	\$20 million	\$20 million

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June 08, 1995, Thursday, Final Edition

SECTION: A SECTION; Pg. A01

LENGTH: 806 words

HEADLINE: President's First Veto Hits Package of Spending Cuts

BYLINE: Ann Devroy, Washington Post Staff Writer

BODY:

With a stroke of his pen and an avalanche of words, President Clinton yesterday followed through on his pledge to veto a \$ 16.5 billion spending cuts package. Republicans immediately announced that rather than fight they would construct a new package of cuts with modest changes.

The veto, the first of Clinton's presidency, was meant to be a dramatic moment of political definition that would set the stage for a summer of struggle over the proper role and reach of government. But neither side yesterday seemed to have its heart in this battle over less than a billion dollars with the far more difficult task of how to balance a \$ 1.4 trillion budget ahead of them this summer.

Clinton, using a ceremony lauding the government's safe and drug-free schools program as a backdrop, said: "I cannot in good conscience sign a bill that cuts education to save pet congressional projects. That is old politics. It is wrong."

Republicans took the requisite shots at Clinton, accusing him of not being capable of cutting any spending, much less heading to a balanced budget, and of manufacturing the veto fight to look tough. House Speaker Newt Gingrich (R-Ga.) said: "I'm very, very disappointed. . . . This [veto] is entirely political. This entire charade was brought about by the president's political campaign consultants and did a very big disservice to the country."

When Clinton announced last month he would use the first veto of his presidency -- a record of restraint unmatched by any president in this century -- Clinton accused the Republicans of trimming worthy programs to make way for wasteful pork barrel projects, even though he had proposed or approved some of the same projects last year.

Hewing to the adage that presidents are defined as much by what they fight as what they win, Clinton said his battles would be for education and other programs that invest in the future. He said Republicans would hurt programs that help most Americans to reward the rich with tax cuts.

The president offered an alternative: \$ 1.4 billion in alternative cuts and the closing of a tax loophole that helped billionaire expatriates escape taxation.

The Washington Post, June 08, 1995

The president's maiden veto was choreographed to look like a bill signing. Most presidents simply issue written veto statements, but Clinton delivered his remarks at a ceremony to laud safe schools and received plaudits from the students for working for their program.

With an audience of youngsters and their parents baking in the sun and 90 degree heat, the president gave a 45-minute veto speech -- long enough to send two swooning youngsters to the sick bay -- and offered a complicated message that was as much "yes" to working with Congress as it was "no" to the spending bill at issue.

Clinton told Republicans that if they gave him the power to veto individual items in the budget, he would not use it over the next year to get rid of parts of their effort to recraft tax legislation.

The president retained, however, his prerogative to veto the entire overhaul, limiting the significance of the offer. Republicans are delaying sending line-item veto legislation to Clinton, despite the support of the last two Republican presidents and the pledge for it in the GOP "Contract With America" legislative agenda. The White House maintains the GOP wants Republican presidents to have such new power, but not Democrats.

Behind the public show, Senate and House leaders said they were ready to negotiate with the White House on changes in the legislation rather than attempt to override his veto. But they indicated that the changes would have to be modest, and said that provisions calling for expedited timber sales on federal lands were not negotiable.

Clinton, in his veto speech, condemned those provisions but White House officials have said on several occasions the timber provisions alone would not prompt a veto. Senate Appropriations Committee Chairman Mark O. Hatfield (R-Ore.) said the timber language was essential for expediting the harvesting of dead and dying trees, which has been held up by suits from environmental groups. House Republicans have been even more adamant about clearing away obstacles to the cutting.

House Appropriations Committee Chairman Bob Livingston (R-La.) said changes would have to be little more than "cosmetic" if GOP support was to hold. He said he was "convinced that we'll lose Republican votes" in any case, and added that it would be up to the president to produce some Democratic votes to compensate.

Hatfield indicated this week that he would be willing to consider restoring \$ 600 million to \$ 800 million of spending, if offsetting cuts could be agreed to. But that is well below the \$ 1.4 billion the president wants.

Staff writers Dan Morgan and Paul Taylor contributed to this report.

GRAPHIC: Photo, margaret thomas, At the Rose Garden veto ceremony, Clinton prepares to use power of his pen.

LANGUAGE: ENGLISH

LOAD-DATE: June 08, 1995

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August 12, 1995, Saturday, Final Edition

SECTION: A SECTION; Pg. A01

LENGTH: 781 words

HEADLINE: Veto Keeps Arms Ban On Bosnia; Recess Gives Clinton Chance to Gain
Votes Before Override Fight

BYLINE: Ann Devroy, Washington Post Staff Writer

BODY:

President Clinton yesterday used the second veto of his presidency to reject legislation to lift the arms embargo against Bosnia, calling it the "wrong step at the wrong time" because of new U.S. efforts to broker a peace agreement.

The veto occurred just as the Senate was adjourning for its three-week summer recess, ensuring that a vote to override the veto will not occur until after Labor Day. White House and Democratic officials assert that if settlement efforts are continuing at a serious level, and if no further military crises in Bosnia occur, then the president has a decent chance of getting enough senators to change their votes to win the veto fight.

The measure would require the president to end U.S. participation in the international arms embargo against Bosnia after withdrawal of U.N. peacekeeping troops or within 12 weeks of a request by Bosnia's Muslim-led government. Forcing that move on the United States, Clinton said, would "intensify the fighting, jeopardize diplomacy and make the outcome of the war in Bosnia an American responsibility."

Clinton's written veto message was conciliatory in asserting that both he and Congress have the same goal of ending the bloodshed in the former Yugoslavia, but it said they have different routes to get there. Large majorities in both houses of Congress voted to end the embargo, which critics maintain has hampered the Muslims from defending themselves against well-armed separatist Serbs.

Clinton's other veto, in June, was of a bill that he said went too far in cutting spending on education.

Clinton's statements came as White House national security adviser Anthony Lake and a team of senior officials continued consultations in Europe on new U.S. proposals for Bosnia. They deal with redrawing the map of the country in search of a settlement that the parties will endorse, replacing U.N. peacekeepers with other forces if the current U.N. operation collapses, and easing economic sanctions against Serbia if it cooperates in achieving a deal.

It was announced yesterday that the Lake delegation will travel to the Russian Black Sea resort of Sochi Sunday for a meeting with Russian Foreign Minister Andrei Kozyrev. Lake is then expected to return to London and some

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other European capitals for further consultations, a U.S. official said. Some other members of the delegation will travel to the Balkans to inform the leaders of Croatia, Serbia, and Bosnia about the consultations with the Europeans.

The official said the Balkans delegation, to be led by Assistant Secretary of State Richard Holbrooke, is expected to visit Zagreb, Belgrade, and possibly Sarajevo, to present what U.S. officials depicted as ideas for a comprehensive peace plan in the region.

Officials in London, Bonn and France, where the delegation has already consulted, have issued positive statements about the effort, but little substantive detail about the proposals have emerged. In Washington, officials have said a new division of Bosnia -- reflecting which areas are now controlled by Serbs, Muslims and Croats -- is necessary to have a realistic chance of getting agreement.

In his veto statement, Clinton listed the talks as an effort to reduce Bosnia's suffering and protect its sovereignty and said, "This could be a moment of real promise." Of the Lake team effort, he said, "We need to try to make a decent and good peace there."

Congress voted to lift the embargo in recent weeks at one of the many low points in the Western effort to protect Bosnian civilians, just after the fall to the Bosnian Serbs of two of the Muslim "safe areas" that the United Nations had vowed to protect. Since then, the West has agreed to strengthen its air response to further attacks, and put in place a European "rapid reaction force" to bolster the peacekeepers.

In addition, the Croatian government's rout of Serb separatists in Croatia's Krajina region, which borders Bosnia, has created what the White House calls a "reshuffled deck" in Bosnia and an opportunity to press for a settlement.

Senate Democratic Leader Thomas A. Daschle (D-S.D.) said he believes there are enough votes today to sustain the veto, but that it would be close and a deterioration in Bosnia would reverse that. "All bets are off" if the situation changes there, he said.

Senate Majority Leader Robert J. Dole (R-Kan.), who led the fight to repudiate Clinton's policy and lift the embargo, agreed with that assessment. "I would say that if it [the vote] happened today, he might be right. But things can change very quickly in that part of the world," Dole said.

Staff writer Michael Dobbs contributed to this report.

LANGUAGE: ENGLISH

COUNTRY: BOSNIA & HERZEGOVINA;

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October 04, 1995, Wednesday, Final Edition

SECTION: A SECTION; Pg. A04

LENGTH: 650 words

HEADLINE: Clinton, to Make a Point, Vetoes Bill He Supports

BYLINE: Ann Devroy, Washington Post Staff Writer

BODY:

President Clinton yesterday vetoed the first spending bill of the legislative season, rejecting a measure he agrees with to score a broader political point against Republicans.

White House press secretary Michael McCurry announced that Clinton had vetoed legislation that would provide \$ 2.2 billion to run Congress, one of two annual appropriations bills for the new fiscal year that have reached the president's desk. He signed the other, a \$ 11.2 billion measure for military housing and facilities.

Clinton, according to McCurry, does not disagree with the spending levels and priorities in the legislative measure. In fact, he congratulated Congress in a statement for its "discipline" in reducing spending by \$ 200 million from last year.

The veto was necessary, McCurry said, because Congress should not be taking care of its business before it takes care of "the people's business" -- business McCurry defined as many of the 11 other spending bills stuck in one dispute or another in Congress.

McCurry said Clinton used the veto to express concern over the "pretty pathetic" work on the budget by GOP lawmakers. "The president wants to say to them, 'Look, we've got to get down to business and get serious,' " McCurry said. "If they send this bill . . . after they completed the people's work, the president will be willing to take care of their business."

Tony Blankley, spokesman for House Speaker Newt Gingrich (R-Ga.), said, "It may be the first time in history a president has vetoed legislation with which he agrees."

But as Republicans were quick to point out, the legislation Clinton vetoed cuts legislative branch spending by almost 9 percent, while the short-term spending bill he signed over the weekend to keep government running could well trim it less. Neither the White House nor Republicans could say what the exact effect of the veto will be, and both said spending is not the issue in the bill.

Lawrence Haas, spokesman for the Office of Management and Budget, said that during the period of the continuing resolution, Oct. 1 until Nov. 13, Congress

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has the authority to limit cuts in its operation to whatever it wants. "Whether Congress makes out better under the continuing resolution or under the legislation is up to them," he said.

Clinton also took a swipe at Republicans in signing the military construction appropriations bill, which allows for spending at military bases to house troops. The approval came despite Clinton's objections to \$ 70 million in provisions that McCurry said were unnecessary. "You might describe them as pork," McCurry said. "And they will oink appropriately."

He said the \$ 70 million was a small enough portion of the bill to allow for a presidential signature. If Clinton were given the line-item veto as he has requested, "those certainly would have been provisions stricken from this bill," McCurry said.

Some administration officials said Clinton's veto has a disguised motive -- getting Congress to approve similar legislation that includes the budget for White House operations. That spending bill is caught up in an unrelated controversy, but it also provides for an 11 percent cut in the operations of the Executive Office of the President.

McCurry insisted yesterday that Clinton was not holding out for his own funding. He said even if the president had gotten a companion bill to fund the White House, he would have vetoed the legislative branch measure.

The veto brought a blast of objection from Gingrich, Senate Majority Leader Robert J. Dole (R-Kan.) and Rep. Bob Livingston (R-La.), chairman of the House Appropriations Committee, all of whom accused Clinton of putting politics over spending cuts. Livingston called it "muscle-flexing with a veto pen" and the two Republican leaders warned the move would make it more difficult for the GOP Congress "to deal with this White House."

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November 14, 1995, Tuesday, Final Edition

SECTION: A SECTION; Pg. A01

LENGTH: 1685 words

HEADLINE: Federal Agencies Prepare for Shutdown; Negotiations on Budget Resume After 2 Vetoes

BYLINE: Ann Devroy; Eric Pianin, Washington Post Staff Writers

BODY:

President Clinton last night vetoed legislation that would have averted a shutdown of the government today. A last-minute attempt at compromise between the White House and Republican congressional leaders ended without agreement just before midnight.

Senate Majority Leader Robert J. Dole (R-Kan.) said, "We don't have an agreement," but said that White House and GOP budget leaders will meet again today to continue negotiations. House Speaker Newt Gingrich (R-Ga.) said that all sides in the nearly two-hour meeting laid out "in a candid way" compromises each felt the other must make, and that the talks were productive enough to continue today.

In vetoing the temporary spending legislation offered by Republicans to keep the government operating another 18 days, Clinton had said it "would raise Medicare premiums on senior citizens and deeply cut education and environmental programs."

Following the late-night meeting, Gingrich said that he had offered a proposal to pass a spending bill stripped of Medicare provisions and more in line with Clinton's spending requirements, in exchange for a White House commitment to reaching a balanced budget in seven years using congressional figures as a benchmark. He said Clinton did not reject that out of hand and that it led to "a further discussion on various ways to get to a balanced budget."

Democratic leaders who attended the meeting offered a much more pessimistic assessment of the possibilities for compromise. Senate Minority Leader Thomas A. Daschle (D-S.D.) said there had been "no progress at all" and there was "no real possibility" of getting an acceptable short-term spending bill that would avoid or limit a government shutdown.

Congress failed to pass all 13 annual spending bills by Oct. 1, the start of the fiscal year, and an interim spending measure expired last night at midnight. The GOP-proposed measure Clinton rejected last night would have extended spending authority until Dec. 1.

With no assurance of a compromise, the government was poised to begin a partial shutdown and temporary furlough of more than 800,000 "nonessential"

The Washington Post, November 14, 1995

federal workers, including 150,000 of the Washington area's 310,000 federal employees. The District of Columbia government also will send home all but essential employees.

The budget battle between Congress and the White House played out like a day-long moving picture of charges, countercharges, back-channel negotiations and high tensions among House and Senate Republicans before the president and GOP and Democratic leaders finally sat down at the White House to negotiate.

Earlier yesterday Clinton vetoed a separate bill that would have temporarily raised the federal debt ceiling until Dec. 13 to avert a possible government default.

The debt ceiling bill arrived at the White House Sunday and there was virtually no doubt that Clinton would veto it. At the Treasury Department, Secretary Robert E. Rubin announced a series of maneuvers that officials say will avert a default on government loans. And while the president and Republicans continued to bitterly blame one another, a new poll shows that Americans blame Republicans more than the president for the crisis.

There was one glimmer of hope yesterday over the short-term spending bill when Senate Budget Committee Chairman Pete V. Domenici (R-N.M.) offered, in conversation with White House Chief of Staff Leon E. Panetta, to freeze Medicare premiums.

The move would have kept Part B premiums, which cover doctor bills, at the current \$ 46.10 per month rate. The legislation Clinton vetoed last night called for raising the premium to \$ 53.50 on Jan. 1. With no congressional action, rates would drop to \$ 42.50 per month.

Domenici's eleventh-hour Medicare compromise proposal seemed to catch Gingrich, House Budget Committee Chairman John R. Kasich (R-Ohio) and other House GOP leaders by surprise and sparked bitter complaints from some that Domenici was undermining their bargaining position with the White House.

The proposal would have been difficult, if not impossible, for Gingrich to sell to House freshmen and other conservatives after they were forced to make a number of concessions on the spending legislation, or continuing resolution, and on the debt ceiling legislation last week. Rep. Bill Thomas (R-Calif.), chairman of the Ways and Means subcommittee with chief jurisdiction over Medicare, said the plan "makes no sense from a policy point of view."

Domenici and Dole have been wary of the political repercussions of a government shutdown, and the Domenici overture was an attempt to keep the government running. "I don't want to see the government close down," Domenici told reporters. But the proposal was killed during an afternoon meeting of the House and Senate Republican leaders, and Dole headed back to the Senate to pass the continuing resolution without changes and send it on to the White House and a certain veto.

While the efforts to find a way out of the shutdown went on late into the night, both sides continued their message drumbeat for public consumption: Clinton maintained he was protecting Medicare and fighting for a budget that reflected the nation's "values," while Republicans maintained Clinton talked the talk of a balanced budget but won't lead in finding a real route to one and

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won't sign into law any of the steps needed to get there.

At first blush, Clinton's message -- not the GOP one -- was the one coming through to the American public and accounts at least in part for Republican second thoughts about their Medicare proposals.

A new Washington Post-ABC News survey completed last night found that more Americans blamed the Republicans in Congress than Clinton for the budget impasse. According to the poll, 46 percent of those interviewed faulted congressional Republicans for the budget stalemate, while 27 percent blamed the president. One in five said Clinton and congressional Republicans were equally at fault.

The poll of 1,005 adults, conducted Friday through yesterday, also found that 54 percent said they agreed with Clinton that the GOP budget proposal "makes too many cuts in domestic programs and gives tax breaks to the wealthy." Nearly a third, 32 percent, said they favored the GOP plan to balance the budget in seven years and cut taxes for most Americans, while the remainder were undecided. Overall, more than one-half, 53 percent, said that Clinton's position on the budget was closer to their own, while 37 percent sided with the GOP.

In a rousing address to the Democratic Leadership Council, Clinton adopted Churchillian cadences to say of the Republican budget strategy: "I will fight it. I am fighting it today. I will fight it tomorrow. I will fight it next week and I will fight it next month. I will fight it until we get a budget that is fair to all Americans."

After White House press secretary Michael McCurry announced at midday that Clinton would veto the spending bill even if the Medicare provision were removed, Republicans concluded that Clinton's opposition to the Medicare language was a smokescreen.

Republicans, who had been squabbling among themselves over whether any compromise should be offered, quickly dropped the Medicare overture, passed their version of the spending bill and began another round of maneuvering late into the night.

"It must look like a spectacle to the average American," said Gingrich.

Accepting the GOP compromise feelers would have met the president's major stated weekend objection to the GOP spending plan but also would have removed Clinton's most potent political tool: the charge that Republicans were raising premiums on the elderly as part of their "extreme" agenda.

The president cut to three days his scheduled six-day state visit to Japan and dug in for an extended battle. But until the Republicans had asked for the late-night meeting, the president preferred to stand back and watch the unfolding confusion in Congress.

There was no effort made by the White House to try to reach a last-minute compromise on the debt ceiling legislation, which Clinton vetoed in the early morning. That legislation would have extended the government's authority to borrow by raising the debt ceiling to \$ 4.967 trillion.

The Washington Post, November 14, 1995

The debt legislation contained a slew of proposals Clinton rejected, including a pledge to balance the budget in seven years, telecommunications legislation and restrictions on how the Treasury could manage money in the event of another debt problem.

Despite the veto, the bond market erased losses that started late last week and rallied yesterday after Rubin laid out details of government financing plans that will both keep borrowing levels under the \$ 4.9 trillion cap and avert a default on a \$ 25 billion interest payment due Wednesday.

The measures will free up \$ 102 billion in cash to pay interest and principal due on outstanding government securities and fund other obligations. The Treasury will dip into two retirement funds for federal employees, essentially replacing some of the government securities the funds hold -- and which count against the \$ 4.9 trillion debt ceiling -- with IOUs that are not counted. He will then use the extra space under the limit to issue short-term securities to raise the necessary cash.

The most immediate concern is the spending legislation, and this morning House Budget Committee Chairman John R. Kasich (R-Ohio) and Domenici along with the ranking Democrats on the two committees will meet at the White House with Panetta and other administration officials. If progress is made toward a compromise, the leadership will return for another session with Clinton.

Federal employees were to report to work this morning as if it were a normal workday. Alice M. Rivlin, director of the Office of Management and Budget, told agency heads that if it appears the president and Congress are likely to agree on a spending measure today, employees will not be sent home. But if it appears unlikely the legislation will be passed, the White House will order the partial shutdown.

GRAPHIC: Photo, gerald martineau; Chart, The Washington Post, WHAT THE FIGHT IS ABOUT The budget battle roiling the Federal government is being fought over three bills in which the Republican Congress is in a test of wills with Democratic President Clinton. Following are summaries of the bills: BILL DEBT LIMIT EXTENSION; Clinton vetoed this bill yesterday morning. PURPOSE OF BILL It would have raised the Treasury's borrowing limit by \$67 billion to \$4.967 trillion, through Dec. 12. There is no set time for the government to bump up against the debt limit but unless the Treasury secretary takes extraordinary action, it cannot meet \$25 billion in interest payments due Wednesday. CLINTON'S REACTION Clinton said the bill was unacceptable because it ties the hands of the Treasury secretary to juggle accounts and prevent the government from defaulting and includes unrelated provisions such as one making it more difficult for the government to issue regulations on health and the environment. BILL CONTINUING RESOLUTION; The Senate sent it to Clinton late yesterday. PURPOSE OF BILL This bill allowing the government to spend money on its operations until Dec. 1 is needed because Congress is behind in passing its regular appropriations bills for fiscal 1996, which began six weeks ago. CLINTON'S REACTION The president has vowed to veto it because it raises some premiums for Medicare, the health program for the elderly, and cuts overall spending to levels he says are too low. BILL BUDGET RECONCILIATION; Republican congressional leaders hoped to complete and vote on this mammoth measure and

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send it to the president by week's end. PURPOSE OF BILL The framework for bringing the nation's budget into balance by 2002, the bill cuts back benefits to poor children and pregnant women, the elderly, the disabled, low-paid workers, farmers and students. It also cuts taxes \$245 billion over seven years. CLINTON'S REACTION Clinton has vowed to veto it. Congre
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December 19, 1995, Tuesday, Final Edition

SECTION: A SECTION; Pg. A01

LENGTH: 1202 words

HEADLINE: GOP Hill Leaders to Meet With President on Budget; Wary Adversaries Find Little Reason for Optimism

BYLINE: Ann Devroy; Eric Pianin, Washington Post Staff Writers

BODY:

President Clinton and the two Republican congressional leaders warily arranged to meet today in an effort to break the impasse over the federal budget, but Republicans insisted that no serious negotiations can occur until the White House outlines a new seven-year route to a balanced budget.

The meeting among the three would be their first since their fruitless effort to avert the first federal government shutdown in November that lasted six days. Neither side goes into the session with optimistic predictions and even establishing the session set off bickering last night. Administration officials said firm ground rules and timing for the meeting would not be set because of "off-the-reservation comments" by some Republicans.

Senate Majority Leader Robert J. Dole (R-Kan.) and House Speaker Newt Gingrich (R-Ga.) said in a joint statement last night, "We have asked to meet with President Clinton tomorrow to discuss fulfillment of the commitment he made 29 days ago to enact a seven-year balanced budget using nonpartisan Congressional Budget Office estimates. We do not view this as a negotiating session, but as an opportunity to discuss face to face the importance of getting a balanced budget agreement this year, and how we might achieve that goal." The maneuvering came as 260,000 federal workers were officially sent home yesterday due to lack of funding for nine Cabinet departments and agencies. Clinton yesterday vetoed two spending bills and announced he will veto a third today that cover a half dozen agencies. He said provisions in those bills were "wrong" for the country.

The financial and business world responded to the impasse yesterday -- stock prices slid as investors acted on concerns the lack of agreement on the budget would diminish chances the Federal Reserve will cut interest rates. At the same time, the leaders of more than 80 major American corporations took out full-page newspaper ads calling on the White House and Congress to negotiate a seven-year balanced budget plan based on economic projections from the Congressional Budget Office.

As the White House and Republican leaders tried to negotiate a meeting, congressional Democrats yesterday continued their effort to put together a new set of overall budget positions that would present a rare united Democratic front and have some hope of attracting moderate Republicans.

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Clinton yesterday called Gingrich and Dole with a dual offer. If Republicans would accept his proposals for Medicare and Medicaid, he would put on the table a seven-year balanced budget plan that uses economic projections from the CBO. The White House has been insisting on using the more optimistic economic forecasts from the Office of Management and Budget, which mean that the government could spend billions more and still reach balance by 2002.

Reducing the GOP Medicare savings has been a prime goal of Clinton's and one that has brought the president strong support. Republicans, in the latest proposal, are seeking Medicare savings of \$ 202 billion and Medicaid savings of \$ 117 over seven years. Clinton, using his economic estimates, is seeking \$ 124 billion in Medicare savings and \$ 54 billion in Medicaid. But the CBO calculates that Clinton's savings amount to only \$ 97 billion for Medicare and \$ 37 billion for Medicaid.

Alternatively, Clinton told the leaders, he was willing to meet with them on the budget if both sides dropped all preconditions. After a Republican leadership meeting last night, House Budget Committee Chairman John R. Kasich (R-Ohio) said that Clinton had agreed to present a seven-year, CBO-scored budget.

White House officials flatly denied that, and Dole and Gingrich, in their statement, acknowledged that no conditions had been agreed to by either side. White House press secretary Michael McCurry said Clinton intended to talk to the two leaders by phone today to be sure they all have an understanding that no preconditions are involved.

For most of the day, Clinton and Republicans engaged in a welter of photo opportunities aimed at making political points and blaming the other side for the shutdown.

"We have to balance this budget in a way that reflects our values and our obligations to our children," Clinton said as part of a new White House campaign to emphasize the harm to children in GOP budget proposals. The Democratic National Committee began over the weekend to run a television ad campaign costing more than \$ 1 million attacking the Republicans on what they define as budget cuts that hurt children.

The bills Clinton vetoed provided money for the departments of Veterans Affairs, Housing and Urban Development and Interior, and the Environmental Protection Agency.

Clinton said the bills included unacceptable reductions in national park and environmental programs and would have eliminated his National Service Program that provides college money to students in return for community service.

"When I agreed a few weeks ago to work with the Congress to balance the budget in seven years, Congress committed to a budget that protects the environment," Clinton said. "These bills that I have to veto today I do because they do not meet that test."

Dole and Gingrich have been calling on Clinton for days to become personally involved in the negotiations. In a floor statement, Dole described the

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president's call as a "step in the right direction."

"I think it is time for the principals to become involved. It's time for adult leadership," he said.

Dole has predicted that unless an understanding between the two sides can be reached by Friday, "it's probably not going to happen this year." But Gingrich and other House Republicans said Friday was not a "magic date."

"For us to walk off now, take a vacation, giving up on balancing the budget, I think would be a tragedy that would haunt us for the rest of our lives," Gingrich said.

Meanwhile, the House voted 351 to 40 in favor of a GOP resolution reaffirming a commitment to a seven-year balanced budget plan using CBO scoring; 133 Democrats and one independent joined the Republicans. The House GOP leadership pushed for passage of the amendment in hopes of applying additional pressure on the White House.

Among the ideas Democrats are shopping for a potential compromise are a tax cut of \$ 40 billion to \$ 45 billion, compared with the \$ 245 billion the GOP is seeking and the nearly \$ 100 billion Clinton has called for in recent proposals.

Democrats are also discussing a much deeper bite into corporate tax benefits, enough to pay for their tax cut, and paring back Medicare by \$ 125 billion, not far from the administration's proposals. The Democrats are also considering attaching a "trigger" to both Medicare and Medicaid that would increase the amount of savings from each program if the economy performs better than expected.

As the maneuvering went on, the chairmen or chief operating officers of a variety of large businesses and business groups took out an ad in The Washington Post to warn Clinton and congressional leaders to end the gridlock and pass a seven-year balanced budget plan that does not load all its cuts into the last couple of years.

GRAPHIC: Photo, james a. parcell; Chart, bloomberg business news; Photo, robert a. reeder, At veto ceremony, the president called on Congress "to reopen the government" and resume negotiations. Behind him are Vice President Gore and a student from Jefferson Middle School in Arlington. House Majority Whip Tom DeLay (R-Tex.) talks to reporters as Speaker Newt Gingrich (R-Ga.), Majority Leader Richard K. Armey (R-Tex.) and GOP Conference Chairman John A. Boehner (Ohio) confer in background.

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December 20, 1995, Wednesday, Final Edition

SECTION: A SECTION; Pg. A08

LENGTH: 727 words

HEADLINE: Clinton Vetoes Measure to Limit Securities Suits

BYLINE: John F. Harris; Sharon Walsh, Washington Post Staff Writers

BODY:

President Clinton last night vetoed a securities bill designed to give corporations greater protection from investor lawsuits.

Clinton's decision came only hours before midnight, when it would have become law without his signature, and after days of agonizing, senior administration officials said. Even though he agrees there should be ways to protect firms from frivolous litigation, Clinton decided the bill would make it too hard for investors who had been defrauded to get justice, they said.

"The president supports the goals of this legislation, but he is unwilling to close the courthouse doors on investors who have legitimate claims," a White House statement said.

A senior official said Clinton planned to invite Congress to pass a new bill. As recently as a week ago, Clinton was reported by administration officials to be leaning toward signing the bill, which was backed strongly by the Republican Congress and also was endorsed, more tentatively, by the Securities and Exchange Commission.

But that was before a major lobbying campaign led by consumer groups and trial attorneys -- the latter being among the Democratic Party's most lavish contributors -- urging a veto.

The bill would have shortened the time investors have to file securities fraud suits and restrict their ability to collect damages from lawyers, accountants and others for "aiding and abetting" securities fraud. Proponents include many at high-technology companies, firms whose stock values often rise and fall precipitously, prompting lawsuits when the latter happens.

Two portions of the bill gave Clinton particular pause, administration officials said. One is its "safe-harbor" provision, the other its new rules for "pleading standards."

The pleading standards provision requires a consumer to demonstrate when the suit is filed that the company had a clear intent to defraud. Now, a plaintiff can sue first and collect evidence of fraud through discovery motions. Companies complain this discovery process often amounts to expensive "fishing expeditions."

The Washington Post, December 20, 1995

The safe-harbor provision would allow companies and their executives to predict future sales or profits with far less risk of being sued if they are wrong. It would not allow plaintiffs' lawyers to inquire into what executives were aware of when they issued misleading information or why they withheld certain facts. Ultimately, aides said, Clinton's fears were allayed about the safe-harbor provision by concluding the SEC has the power to punish this kind of fraud.

The securities bill has offered a classic example of Clinton decision-making. As his doubts over the measure mounted, aides said, he ordered administration lawyers to contact various academic experts and seek their opinions.

Jack Quinn, the White House counsel, said Clinton, a former law professor, has had "his legal interest piqued" by securities issues and has spent a "remarkable" amount of time poring over the bill's arcane yet consequential provisions.

But what Quinn regarded as laudable attention to the finer points proved frustrating to others who have been watching the process unfold -- often with their interests at stake.

"Can you believe this is the leader of the free world?" said one lawyer close to the decision who worked for the bill. "He's spent three or four hours on this issue today. The stock market dropped 100 points yesterday, there's no decision on the budget, and he acts like he's writing something for the law review."

Some Republicans saw a political motive. "This is a payoff to a major fat-cat trial lawyer," said Michael Collins, press aide to Rep. Thomas J. Bliley Jr. (R-Va.), chief backer of the bill in the House. The trial lawyer he referred to is William Lerach, a prominent San Diego lawyer who has become famous for filing class-action securities lawsuits.

Lerach was at the White House on Friday, along with several hundred other Democratic fund-raisers. His firm contributed \$ 180,000 to national Democratic committees in the first six months of the year, according to Federal Election Commission reports.

Lerach said yesterday he did not speak to the president about the bill. "My opinion is known to everyone in Western civilization," he said. "The legislation is horrible. It will result in incredible fraud against elderly people and pension savings."

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December 29, 1995, Friday, Final Edition

SECTION: A SECTION; Pg. A01

LENGTH: 1043 words

HEADLINE: Budget Talks May Continue Into Weekend; But Little Prospect Seen For a Quick Reopening

BYLINE: John F. Harris; Helen Dewar, Washington Post Staff Writers

BODY:

President Clinton and Republican congressional leaders yesterday pledged eagerness to restart the stalled budget negotiations today and continue talks over the New Year's weekend. But both sides cautioned there is little chance for a deal to reopen the government within the next several days.

House Speaker Newt Gingrich (R-Ga.) minimized differences over the budget and said he saw "nothing you can't solve in about two days" so long as Clinton is willing to bargain in good faith. "If there's a will to get it done, it's a two- or three-day negotiation," Gingrich said. But he added there is no chance Republicans will agree to open the government before a comprehensive deal is struck to eliminate the deficit in seven years.

"We share their abundant hope" that a round of New Year's negotiating will produce a budget pact, White House press secretary Michael McCurry said, even though weeks of previous talks have failed.

Yesterday's main events underscored disagreements that remain between Congress and the administration. Clinton followed through on earlier criticism by vetoing a defense authorization bill because of its provision for "a costly missile defense system able to defend all 50 states from a long-range missile threat that our intelligence community does not foresee in the coming decade."

White House officials, meanwhile, bristled at an offer from Gingrich and Senate Majority Leader Robert J. Dole (R-Kan.) to send the White House new versions of three appropriations bills that Clinton has vetoed. Clinton could reopen much of the government -- including the departments of Justice, State, Commerce, Housing and Urban Development, Interior and Veterans Affairs, along with the Environmental Protection Agency -- by signing the bills, but only by accepting funding levels he has rejected as unacceptably low.

"Their approach has not been constructive," McCurry said. "The president is concerned that we're getting back into a cycle of shenanigans."

At the same time, White House officials suggested there may be a new, post-Christmas political dynamic adding momentum toward a budget agreement: Republicans may be more eager to strike a compromise after facing anger of local constituents over Washington's impasse.

The Washington Post, December 29, 1995

There were hints of a softening yesterday among House Republican freshmen -- the group that so far has been the most resistant to making changes in the GOP budget to accommodate Clinton.

Rep. Joe Scarborough (R-Fla.), who appeared at a news conference with four other freshmen, said he got a dose of voters' frustration on his trip home. "People aren't bashing the president. People aren't bashing Congress. They're bashing everybody," he said. Scarborough added he tried to explain that Republicans have already produced a budget, but "they really just don't care."

"We believe it's time to end the stalling," said Rep. Jerry Weller (R-Ill.). "We believe it's time we lock up Bill Clinton and Bob Dole and Newt Gingrich in the same room . . . and we should not let [them] out of the room until they produce a balanced budget agreement."

In a surprising show of flexibility, the freshmen said all issues should be on the bargaining table, including the \$ 240 billion tax cut that has been a high priority of the first-term Republicans.

"We are willing to negotiate on the size of the tax cut, but we want to see where the president is willing to go on other issues," Rep. Phil English (R-Pa.) said. The shutdown, by far the government's longest as it heads toward the two-week mark, has slowed or halted activities at nine Cabinet departments and 38 agencies and commissions. About 280,000 federal employees are on furlough, and 480,000 have been kept at work at the unfunded agencies to provide emergency or critical services.

Administration officials yesterday estimated that about 110,000 of the 280,000 furloughed employees work in the District, Maryland and Virginia.

At his news conference with Dole yesterday, Gingrich suggested that, as a practical matter, Wednesday is probably the earliest he could bring House members back for a vote to put furloughed employees back to work.

If the Republicans and Clinton do strike a deal with unexpected alacrity, Gingrich said, it is conceivable the government could be reopened sooner without a formal majority vote under the House's "unanimous consent" rules.

But he cautioned that "having meetings doesn't count as progress; I mean, we've got to actually get an agreement."

Dole and Gingrich held the news conference to urge Clinton to sign the GOP version of welfare reform, which won final passage in the House and Senate last week. "The president made a promise to end welfare as we know it, and this is his opportunity to do so," Dole said.

But administration officials vowed that Clinton -- who had spoke favorably of an earlier GOP welfare plan that passed the Senate -- could not sign the bill that came out of a House-Senate conference.

"As soon as that arrives here we're going to send it back with a one-word stamp saying 'Phony,' " said White House aide Rahm Emanuel, adding that Clinton wants more money to help welfare recipients pay for child care and medical bills

The Washington Post, December 29, 1995

as they are moved off assistance into jobs.

Clinton, despite reservations, last month signed a defense appropriations bill, but said yesterday the authorization bill, which lays out the policy for this spending, was unacceptable. It was his 11th veto.

Chief among Clinton's numerous objections, aides said, was the GOP plan to implement a missile defense program that the administration says would violate the 1972 Anti-Ballistic Missile Treaty with Russia.

Clinton also criticized a provision requiring discharge of service members who test positive for HIV, the virus that causes AIDS, calling it "medically unwarranted."

Although Clinton said he does not plan to put U.S. troops under U.N. command, he complained that a provision barring him from doing so is an infringement on his authority as commander in chief.

The veto stops a planned 2.4 percent pay raise for the military, which Clinton supports.

He said he would raise pay 2 percent by executive order, and ask Congress to approve the rest of the raise later.

GRAPHIC: Photo, ray lustig, Gingrich makes a point at Capitol Hill news conference with Dole on the budget impasse. Gingrich leads Dole into Senate Radio and TV Gallery for news conference. Rep. Jerry Weller (Ill.) answers questions from the lectern during a news conference yesterday on the budget by House Republican freshmen. Others, from left, are Reps. Andrea Seastrand (Calif.), Joe Scarborough (Fla.), David Funderburk (N.C.) and Phil English (Pa.).

LANGUAGE: ENGLISH

LOAD-DATE: December 29, 1995

5TH STORY of Level 1 printed in FULL format.

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January 10, 1996, Wednesday, Final Edition

SECTION: A SECTION; Pg. A04

LENGTH: 562 words

HEADLINE: Clinton Vetoes Welfare Measure That Would Have Shifted Power to States

BYLINE: Judith Havemann, Washington Post Staff Writer

BODY:

President Clinton last night vetoed the landmark welfare bill that would have turned the care of the poor over to the states, saying the congressional measure was "burdened with deep budget cuts" and "does too little to move people from welfare to work."

"We remain ready at any moment to sit down in good faith . . . to work out an acceptable welfare reform plan that is motivated by the urgency of reform rather than by a budget plan that is contrary to America's values," Clinton said.

Echoing the language used repeatedly by the Republicans during the past year to explain the need for their plan, Clinton said, "The current welfare system is broken and must be replaced, for the sake of the taxpayers who pay for it and the people who are trapped by it."

But the congressional measure, he said, not only makes \$ 60 billion in budget cuts but makes "massive structural changes in a variety of programs including foster care and adoption assistance, help for disabled children, legal immigrants, food stamps and school lunch."

Clinton said it would be a "tragedy for this Congress to squander this historic opportunity" to act on the bipartisan consensus around the country for real welfare reform. He said several elements were vital to welfare reform's success, among them "sufficient child care to enable recipients to leave welfare for work [and] . . . the guarantee of health coverage for poor families."

Almost immediately after the veto, the 12th of Clinton's presidency, the deep rift among Democrats over welfare surfaced in comments by Sen. John Breaux (D-La.), a conservative on welfare issues, and Sen. Daniel Patrick Moynihan (D-N.Y.), an author of the last welfare overhaul in 1988. "This isn't over," Breaux said of the campaign for welfare reform. "We can do better than the bill that was presented to the president. Welfare reform is still a critical issue in the budget talks, but this bill was bad for kids. We need a bill that is tough on work and good for kids." Moynihan said he was "glum" because Clinton had proposed, during balanced budget negotiations with Republican congressional leaders, to eliminate the main welfare program, Aid to Families with Dependent Children (AFDC), and to limit aid to welfare recipients to no more than five years.

The Washington Post, January 10, 1996

"This bill would have begun the dismantling of the Social Security Act of 1935," which requires the federal government to match state payments for AFDC, Moynihan said. "We have avoided that, but on other hand, the administration appears to be ready to let it happen as part of the bargaining over the budget. This would be devastating."

The welfare bill, approved on almost straight party-line votes, would have ended the federal guarantee of payments for all eligible Americans and have granted states vast new authority to design welfare programs.

The House Ways and Means Committee, which crafted the original bill, said that by vetoing the bill, Clinton was "protecting the welfare status quo."

"Welfare will remain a way of life for millions of families. There will be no five-year time limit on cash welfare benefits. Without this restraint, many families will have no incentive to get off welfare, meaning that nearly 5 million families will be allowed to draw taxpayer provided cash benefits for an average of 12 years," the committee said in a statement.

LANGUAGE: ENGLISH

LOAD-DATE: January 10, 1996

1ST STORY of Level 1 printed in FULL format.

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April 11, 1996, Thursday, Final Edition

SECTION: A SECTION; Pg. A01

LENGTH: 1179 words

HEADLINE: Late-Term Abortion Ban Vetoed; 'Small but Vulnerable' Group of Women Needs Procedure, Clinton Says

BYLINE: Ann Devroy, Washington Post Staff Writer

BODY:

Maintaining a consistent abortion rights record, President Clinton yesterday vetoed legislation that would have outlawed a rare procedure that is used to end late-stage pregnancies.

The veto came in an emotional Roosevelt Room ceremony where five women sometimes tearfully described having had such abortions after being told by their doctors that they faced potentially fatal harm if they carried their pregnancies to term. Clinton had said he could allow the ban only if it contained an exception for women who faced serious health consequences.

The procedure, called partial birth abortion by its opponents, has become a fiercely divisive election-year issue. Abortion opponents have provided gruesome details and diagrams of the procedure, and abortion rights activists have countered with wrenching stories of women whose fetuses suffered rare and dangerous complications in the final months of pregnancies the women had welcomed. Had Clinton signed the legislation, it would have been the first ban of an abortion procedure since the Supreme Court legalized abortion more than two decades ago in *Roe v. Wade*.

Clinton said the legislation was not about abortion rights but about a "potentially life-saving, certainly health-saving" measure for "a small but extremely vulnerable group of women and families in this country, just a few hundred a year."

The abortion issue remains one of the most unambiguous differences between the two presidential candidates this year and one Republicans hope they can use to deprive Clinton of the Catholic vote, a major component in victorious presidential elections. Key Catholic leaders held a prayer vigil outside the White House last week and three cardinals, Joseph Bernardin of Chicago, Bernard Law of Boston and James A. Hickey of Washington, denounced Clinton yesterday.

Law criticized Clinton for what he called "unconditional support for abortion under any circumstances and by any means whatsoever, even those bordering on infanticide." Hickey said, "Not only Catholics but all Americans should sit up and take notice. . . . Thoughtful Americans should keep this in mind as they ponder their choices on Election Day."

The Washington Post, April 11, 1996

Clinton's veto yesterday followed an unbroken line of presidential actions supporting the abortion rights movement. By contrast, Senate Majority Leader Robert J. Dole (R-Kan.), Clinton's likely presidential opponent, voted for the ban on the procedure and while occasionally wavering on the details has been an opponent of abortion rights, although not an activist on the issue, and a supporter of a constitutional amendment to overturn Roe.

The House approved the ban on the abortion procedure by a veto-proof margin of 286 to 129, but the vote in the Senate, 54 to 44, was well short of the two-thirds needed to override a veto. It was unclear yesterday whether either house would try for an override to further emphasize differences with Clinton.

At issue is a procedure in which a woman's birth canal is widened and the fetus removed feet first until only the head remains in the woman's body. A doctor may crush the skull or suction out the brain before passing the head through the birth canal. The procedure is said to be rarely used and usually only when severe birth defects, such as the absence of brain development or conditions threatening the life of the woman, are discovered too late in pregnancy to use other abortion methods.

Clinton has been subjected to an intense lobbying campaign on both sides of the issue, with his allies in the abortion rights movement arguing that the ban must be resisted as congressional interference in women's health issues and a first step in undermining freedom of choice. Proponents of the ban tagged Clinton a friend of "the most extreme abortion advocates."

The rhetoric was similar yesterday after Clinton vetoed the bill. Gary Bauer, president of the Family Research Council, said the president's assertion that he wants to make abortion rare is belied by the veto. "He seems to see no life worth saving," Bauer said. " . . . This veto will mark the Bill Clinton presidency with a stain that will not be whitewashed with any amount of election rhetoric."

Kate Michelman, president of the National Abortion and Reproductive Rights Action League, applauded the veto and said it demonstrates "the importance of a pro-choice presidency in safeguarding reproductive rights against a Congress intent on returning women, step by step, to the back alleys." Dole, she said, "fought to advance this bill that would devastate Roe v. Wade and the freedom to choose."

Clinton has been allied with the abortion rights movement from his first days in the White House, when one of his first public acts was to lift a web of restrictions Republican presidents had imposed on abortion counseling at federally funded clinics, on medical use of fetal tissue and on U.N. population programs that included abortion counseling. The move was made with major fanfare, symbolizing a new era of abortion rights versus the Republican era of abortion restrictions.

Dole has been rhetorically challenged at times in explaining his position, although it has always been, at base, antiabortion. Earlier this year, Dole said he had once supported a constitutional amendment banning abortion but "I would not do it again." The next day, in the face of an uproar in Republican and conservative Christian circles, he issued a clarification returning him to his longtime position of supporting an overturn of Roe v. Wade but with exceptions

The Washington Post, April 11, 1996

for rape, incest and the life of the mother.

The Republican platform since 1980 has included a plank calling for an antiabortion constitutional amendment with no explicit exceptions. Dole has refused to pledge that he would oppose any change in that platform but insists his antiabortion position has been consistent. The Democratic platform contains an abortion rights plank.

Dole said the legislation banning the late-term abortion procedure reflected "the values of a great majority of Americans" while the White House "embraced the extreme position."

Abortion opponents said Catholics will use the veto to vote against Clinton, but there is little evidence Catholics vote on that issue alone. Clinton enjoys support of the majority of Catholics in recent polls but the Catholic vote is considered one of the key swing votes in the 1996 election, as it has been in the last several.

The White House released a letter from Clinton to Cardinal Bernardin saying, "This is a difficult and disturbing issue, one which I have studied and prayed about for many months."

The women who had undergone the procedure said it was the only alternative for them. One, Vicki Stella, of Chicago, said her fetus had no brain. Because she is a diabetic, she said, "I don't heal as well as other people, so other procedures just were not the answer. . . . I didn't make the decision for my child to die, God made the decision for my child to die."

Staff researcher Barbara J. Saffir contributed to this report.

GRAPHIC: Illustration, WHERE THEY STAND: ABORTION PRESIDENT CLINTON Executive orders, appointments and statements signal strong support of abortion rights. CURRENT ISSUE Vetoed ban Late-term abortion Supports Use of aborted fetuses for scientific research Supports Import of RU-486, the French abortion pill Opposes Hyde amendment, which bars federally funded abortions in almost all cases Key actions: 1980s: Signed Arkansas law requiring minors to tell parents of abortion or get judge's approval. 1993: Lifted restrictions on federal funding of clinics that give abortion counseling. 1994: Signed law preventing protesters from blocking access to abortion clinics. 1995: Nominated Henry W. Foster Jr., who had performed abortions, for surgeon general. SEN. ROBERT J. DOLE Says he opposes abortion except in cases of rape, incest or danger to the mother's life. CURRENT ISSUE Voted for ban Late-term abortion Supports Use of aborted fetuses for scientific research Opposes Import of RU-486, the French abortion pill Supports Hyde amendment, which bars federally funded abortions in almost all cases Key actions: 1974: Attacked opponent for Senate seat for having performed abortions. 1983: Voted for constitutional amendment to overturn Roe v. Wade. 1994: Voted against clinic access law. 1995: Lined up votes for filibuster that killed Foster nomination.

LANGUAGE: ENGLISH

LOAD-DATE: April 12, 1996April 11, 1996

1ST STORY of Level 1 printed in FULL format.

Copyright 1996 The New York Times Company
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April 13, 1996, Saturday, Late Edition - Final

SECTION: Section 1; Page 2; Column 3; Foreign Desk

LENGTH: 633 words

HEADLINE: State Dept. Budget Is Vetoed; Clinton Protests Planned Cuts

BYLINE: By JERRY GRAY

DATELINE: WASHINGTON, April 12

BODY:

Complaining that the Republican-led Congress was trying to undermine the White House's foreign policy authority, President Clinton today vetoed a \$13 billion State Department authorization bill that would have required substantial spending cuts and would have forced Washington to give more political support to Taiwan.

"This legislation contains many unacceptable provisions that would undercut U.S. leadership abroad and damage our ability to assure the future security and prosperity of the American people," Mr. Clinton said in his veto message to Congress.

"It would also restrict Presidential authority needed to conduct foreign affairs and to control state secrets, thereby raising serious constitutional concerns."

The veto sets up another major election-year fight between Mr. Clinton and Congressional Republicans, who are already locked in political battles over the 1996 budget, a seven-year plan to balance the Federal budget and tax cuts.

The Senate majority leader, Bob Dole, the all but certain Republican Presidential nominee, said, "Vetoing the bill shows that, for President Clinton, the era of big government is alive and well."

The House and the Senate passed the bill last month, but both vote margins were well shy of the two-thirds majorities needed to overturn a veto. The White House and Republicans will have to work out a deal when Congress returns on Monday from a two-week recess.

The bill would authorize \$6.5 billion in each of the next two years for the State Department and other foreign policy agencies. That annual number would be \$500 million less than the 1995 spending level, which was \$7 billion, but the bill preserved annual aid to Israel at about \$1.5 billion and to Egypt at just over \$1 billion. The bill also authorized \$426 million to fight the international drug war and \$435 million for the Peace Corps.

Led by Senator Jesse Helms of North Carolina, the chairman of the Senate

The New York Times, April 13, 1996

Foreign Relations Committee, Republicans pushed to merge the Agency for International Development, the Arms Control and Disarmament Agency and the United States Information Agency into the State Department.

But in a bow to the White House, which was rejected by the Administration, Congressional Republicans inserted a provision that would allow the President to protect two of the three agencies from elimination.

Mr. Clinton called the spending levels unacceptable, saying they would "adversely affect the operation of overseas posts of the foreign affairs agencies and weaken critical U.S. efforts to promote arms control and nonproliferation, reform international organizations and peacekeeping, streamline public diplomacy and implement sustainable development activities."

Administration officials found a section on relations with Taiwan even more onerous, saying it would further strain relations with China.

The bill would revive the 1979 Taiwan Relations Act, under which Washington guaranteed Taiwan the sale of defensive weapons; such a move would supersede the 1982 Shanghai Communique, under which the Reagan Administration promised China to gradually reduce weapons sales to Taiwan.

President Clinton said such a move would threaten "one of the cornerstones" of his China policy.

The Republican lawmakers also included a provision that called for President Lee Teng-Hui of Taiwan to be invited to the United States for a visit "with all appropriate courtesies." Last year, under Republican pressure, Mr. Clinton granted a visa to President Lee for a private visit, an action that incensed China.

The Administration had at least a dozen smaller but no less nettlesome problems with the bill, including a section urging the President not to visit China until there had been a "marked improvement" in human rights in China and Tibet.

LANGUAGE: ENGLISH

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2ND STORY of Level 1 printed in FULL format.

Copyright 1996 The Washington Post
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May 03, 1996, Friday, Final Edition

SECTION: A SECTION; Pg. A14

LENGTH: 779 words

HEADLINE: Clinton Vetoes Product Liability Measure; Move Triggers Barrage of Accusations Between White House and Hill Republicans

BYLINE: John F. Harris, Washington Post Staff Writer

BODY:

President Clinton made good yesterday on his pledge to veto a bill limiting legal damages against the makers of defective products. The action set off a round of partisan sniping between the White House and Republicans on Capitol Hill over who was on the side of consumers and who had fallen victim to special interests.

"I do not believe that we have to have a legal system which shuts the door on the legitimate problems of ordinary people in order to get rid of frivolous lawsuits and excess legal expenses," Clinton said when asked if he was vetoing the bill to bail out trial lawyers, who have contributed heavily to his political campaigns.

Earlier in the day, Senate Majority Leader Robert J. Dole (Kan.), the presumptive GOP presidential nominee, had leveled precisely this charge.

"Our legal system must be reformed to encourage people to be responsible for their own actions," Dole said in a statement. "And it should quickly and efficiently compensate victims, not lawyers. . . . Unfortunately, with today's veto, the president will be confirming what we already suspected: It is the trial lawyers who are calling the shots at the White House."

The bill did not pass Congress by enough votes to overturn a veto, and Republicans have decided to use the issue against Clinton in the fall election rather than try to rally votes for an override.

Clinton had weeks ago signaled his opposition to the product liability bill, but the event nonetheless came with a flourish, as the White House assembled victims of faulty products, or their surviving family members, in the Oval Office to witness the 15th veto of his presidency. The group included a Kentucky woman whose daughter was killed when a school bus with allegedly unsafe gas tanks blew up in a crash and a Minneapolis woman who lost her fertility from a defective intrauterine device.

Republicans were similarly theatrical when they sent the bill to Clinton, bringing forward a woman whose 9-year-old daughter depends on a medical device built with materials that some manufacturers will no longer sell because they fear lawsuits.

The Washington Post, May 03, 1996

Both sides were seeking to put a human face on a piece of legislation dealing with important but quite technical corners of the law outside the knowledge of most voters. The battle pits politically potent lobbies against each other -- big business vs. trial lawyers.

Dole cited a study from the Center for Responsive Politics showing that lawyers and law firms gave Clinton's reelection campaign \$ 2.5 million during the first nine months of 1995. But a consumer group that had urged a Clinton veto countered that corporations and various groups supporting the bill gave nearly \$ 6 million to members of Congress last year.

The bill's most dramatic effect would have been to limit punitive awards in both state and federal courts to \$ 250,000 or twice the amount of actual damages, whichever is greater. Dole said such lawsuits cost consumers about \$ 150 billion a year through higher prices.

However, Clinton said that measure "can reward wrongdoers and diminish the deterrent impact of punitive damages." He also objected to provisions that would have prevented lawsuits against products more than 15 years after sale.

Clinton, a former law professor and state attorney general, said he supports the general idea of legal reform and improving product liability laws. But his administration has not pushed for such measures, focusing instead on criticizing Republican proposals.

Yesterday's veto fits an established pattern set on budget legislation and an earlier bill that would have limited lawsuits in securities cases. Clinton has repeatedly pushed moderate positions in his rhetoric but in the end sided with traditional Democratic constituencies when the time came to sign or veto.

The product liability measure had more than just Republican support. When Clinton first signaled opposition in March, Sen. John D. "Jay" Rockefeller IV (D-W.Va.), a Clinton ally but a supporter of the bill, complained, "Unfortunately, special interests and raw political considerations in the White House have overridden sound policy judgment."

But Clinton noted yesterday that Republicans have been far from consistent in their own rhetoric and actions. While Republicans have said their mission is to return power to the states, he noted, the product liability bill imposes a national policy.

"This bill overrides the laws of all 50 states," Clinton said, "in spite of the fact that 40 of the 50 states in the last 10 years have acted on their own to reform the tort laws, and more than 30 of them have acted in the area of product liability."

GRAPHIC: Photo, James M. Thresher, Mike Moore, attorney general of Mississippi, and Janey Fair of Mothers Against Drunk Driving join President Clinton at White House announcement.

LANGUAGE: ENGLISH

LOAD-DATE: May 03, 1996May 03, 1996

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December 20, 1995, Wednesday, Late Edition - Final

SECTION: Section A; Page 1; Column 6; National Desk

LENGTH: 1509 words

HEADLINE: CLINTON, GINGRICH AND DOLE PLEDGE A DEAL ON BUDGET

BYLINE: By ALISON MITCHELL

DATELINE: WASHINGTON, Dec. 19

BODY:

In the first sign of a break in the budget impasse, President Clinton and the Republican leaders of Congress agreed today that they would personally negotiate an agreement to balance the Federal budget in seven years. After the White House made a concession the Republicans had sought, the Congressional leaders said they hoped to reach the agreement before the new year.

Speaker Newt Gingrich and Senator Bob Dole, the majority leader, said they would meet with Mr. Clinton on Wednesday to try to work out the framework of an agreement for balancing the budget. "It's a big step," Mr. Dole said. "We're serious about this now."

Mr. Gingrich said that if further progress occurred in Wednesday's meeting, Congress would consider a temporary spending bill to end the partial Government shutdown that left 260,000 Federal workers idled for a second day today. And the White House chief of staff, Leon E. Panetta, made clear tonight that negotiators were trying to pave the way for such a bill to be passed on Wednesday.

Mr. Dole said that such a measure could finance the Government through Dec. 27 or 28, putting off the possibility of any further upheaval at least until after Christmas.

The Republican leaders painted Mr. Clinton's pledge of personal involvement as an important turn in the yearlong budget dispute. "We know there are some major decisions that the President, the Speaker, the majority leader are going to have to make," Mr. Dole said.

Yet, despite the optimistic talk, it was not clear that the two sides had reached any substantive understanding on the issues that divided them and there was even some initial confusion between the White House and the Republican leaders over what occurred in the two-hour meeting today.

Mr. Gingrich said the President had agreed to use the economic assumptions of the nonpartisan Congressional Budget Office in the negotiations, a concession that the Republicans had been seeking. Those forecasts are less optimistic than the White House projections and would require deeper cuts to reach a balanced budget. Mr. Gingrich also said that the two sides had pledged to try to conclude

The New York Times, December 20, 1995

a budget agreement by New Year's Day.

But Vice President Al Gore, who attended the Oval Office session, said that there was a "slight misunderstanding" and that there had been no pledge to use the Congressional Budget Office's assumptions. He also said no timetable had been set for an agreement.

"If it is possible to do that by the end of the year, we'll do that," he said. But minutes later, Michael D. McCurry, the White House press secretary, amended Mr. Gore's remarks and said that the President had agreed that when any individual part of the budget was discussed, the parties would use Congressional Budget Office estimates of how much it would save or cost.

The meeting was the first time that the President and the Republican leaders had sat together since mid-November, when they made an unsuccessful effort to avert the first partial Government shutdown, which lasted six days.

Mr. Panetta met tonight with Congressional budget negotiators to develop a framework for Wednesday's talks. Leaving Capitol Hill midevening, he said the group was "making good progress."

Mr. Panetta said the President would not put forth a new budget proposal to Congressional leaders on Wednesday, but that a range of proposals would be examined.

Besides the competing budget plans already drawn up by Mr. Clinton and by Congressional Republicans, plans have been drafted by conservative Democrats, by Senate Democrats and by a bipartisan group of Senators.

In addition, the White House and a task force of Congressional Democrats have been working behind the scenes for days to draw up a plan that could hold the allegiance of both liberal and conservative Democrats.

Senate Democrats said today that that plan would hold firm on Mr. Clinton's proposals to slow the growth of Medicare benefits by only \$124 billion and Medicaid by \$54 billion -- as measured under the economic assumptions of the Office of Management and Budget, the White House budget office. Democrats said it would include a tax cut ranging from \$40 billion to \$69 billion, compared with the Republicans' latest proposal for a \$240 billion tax cut over seven years.

The Democrats also want \$80 billion less in other domestic spending cuts than the Republicans and they are seeking \$31 billion more in cuts from programs that provide Federal benefits to private corporations. Yet it was far from clear that such a proposal would be acceptable to Republicans or even some conservative Democrats. And White House officials said tonight that they did not plan to present it on Wednesday.

Showing how skeptical some Republicans would be to any plan that stuck to Mr. Clinton's own Medicare and Medicaid numbers, Senator Trent Lott of Mississippi, the majority whip, said that a seven-year balanced-budget plan containing those figures would be "no deal at all," even if it used Congress's preferred economic assumptions.

In November, to end an impasse that left the Government partly shut for six days, Mr. Clinton agreed to embrace the Republican goal of balancing the budget in seven years, and to use updated assumptions about national economic performance made by the Congressional Budget Office, in consultation with his own budget advisers. The agreement also said the budget must "protect future generations, ensure Medicare solvency, reform welfare and provide adequate funding" for programs ranging from Medicaid to the environment.

Since then the talks have foundered on several points. One has been on what assumptions to make about national economic performance. The Republicans have insisted on using the predictions of the Congressional Budget Office, which are slightly more conservative than the White House budget office. The conservative assumptions mean that millions of dollars more in budget cuts have to be made to reach a balanced budget by 2002.

An even more difficult question for negotiators is the fate of Medicare, the health care program for the elderly, and Medicaid, which provides health benefits for the poor. Democrats have been vowing to protect these programs.

Republicans in their latest budget proposal are seeking \$202 billion in savings in Medicare, and \$117 billion in savings in Medicaid, over seven years. Mr. Clinton is seeking \$124 billion in Medicare savings and \$54 billion in Medicaid, over the same period.

In a sign of how difficult it may be to reach a budget agreement despite the best intentions, Mr. Clinton earlier today acknowledged that disputes remained on "80 or 90 issues, policy issues that we have some differences on."

Also earlier today, before the late-afternoon agreement to go into high-gear negotiations, both sides in the dispute sent stinging messages to each other and demonstrations of their power to hold the other side hostage in negotiations.

Shortly before Mr. Clinton huddled with Mr. Dole and Mr. Gingrich, the President underscored the stalemate by vetoing the third Republican spending bill in two days.

Flanked by Attorney General Janet Reno and uniformed police officers, Mr. Clinton rejected a spending measure for the State, Justice and Commerce Departments and the Federal judiciary because it would convert a police hiring program that was a centerpiece of the 1994 anti-crime legislation into a block grant to states. The grant would allow the money to be used broadly for crime-fighting and not necessarily on new officers.

Mr. Clinton said the bill's failure to pay for more police would "turn back the clock" on efforts to fight crime in America. House Republicans forced a floor vote on Mr. Clinton's most recent budget offer -- sending it to bipartisan defeat by a vote of 412 to 0.

Representative Gerald B. H. Solomon, a Republican from upstate New York, argued that Mr. Clinton was trying to pawn off an unbalanced budget as a balanced one.

"Just as a rose is a rose is a rose, a balanced budget is a balanced budget is a balanced budget," Mr. Solomon said. "And just as a rose by any other name

smells sweet, an unbalanced budget by any other name smells rotten."

In a fiery speech, Representative Harold L. Volkmer, Democrat of Missouri, denounced the Republicans for allowing the partial Government shutdown to continue.

"You're not a patriot when you're willing to shut down Wall Street, when you're willing to shut down the bond market, when you're willing to tell investors that your money isn't worth anything when you get to the bond market," Mr. Volkmer said.

Despite the hard-line poses, both sides have come under increasing public pressure to strike a deal.

The chief executives of some of the nation's largest companies and financial houses today took out a two-page advertisement in leading newspapers, including The New York Times, urging the sides in the budget battle to strike a deal.

The advertisement said: "Without a balanced budget, the party's over. No matter which party you're in."

LANGUAGE: ENGLISH

LOAD-DATE: December 20, 1995