THE WHITE HOUSE
WASHINGTON

November 17, 1995

RM:

Folder containing background material provided by farmers of North Dakota sent to Erskine Bowles with note.

Carol Cleveland

ECONOMIC COMPONENTS NECESSARY FOR THE 1995 FARM BILL

RETIRED FARMER

Tax break incentive to sell to beginning farmers in exchange for lower interest rates.

Sellers' loans should be backed by the Federal Government in case of default.

BEGINNING FARMER

Long term, low-interest revolving direct loans - 10 to 40 years (Cap. of $400,000)

Short term financing at competitive rates backed or subsidized by the State and/or Federal Government.

Mandatory record keeping and a means test.

Ag finance counseling provided by the State - also include crop and livestock consultants' expertise through the Cooperative Extension Service.

EXISTING FARMER

Develop a price safety net to cover cost of production through Crop Insurance. For example: Dollar coverage per acre.

Price commodities at a level to obtain a profit.

a. Institute a marketing loan and raise loan rates to the target rate.

b. Incentives for starting farmer owned value added processing of commodities with State and/or Federal financing with guaranteed loans.

NORTHERN PLAINS
PREMIUM BEEF

Box 727
MANDAN, ND 58554

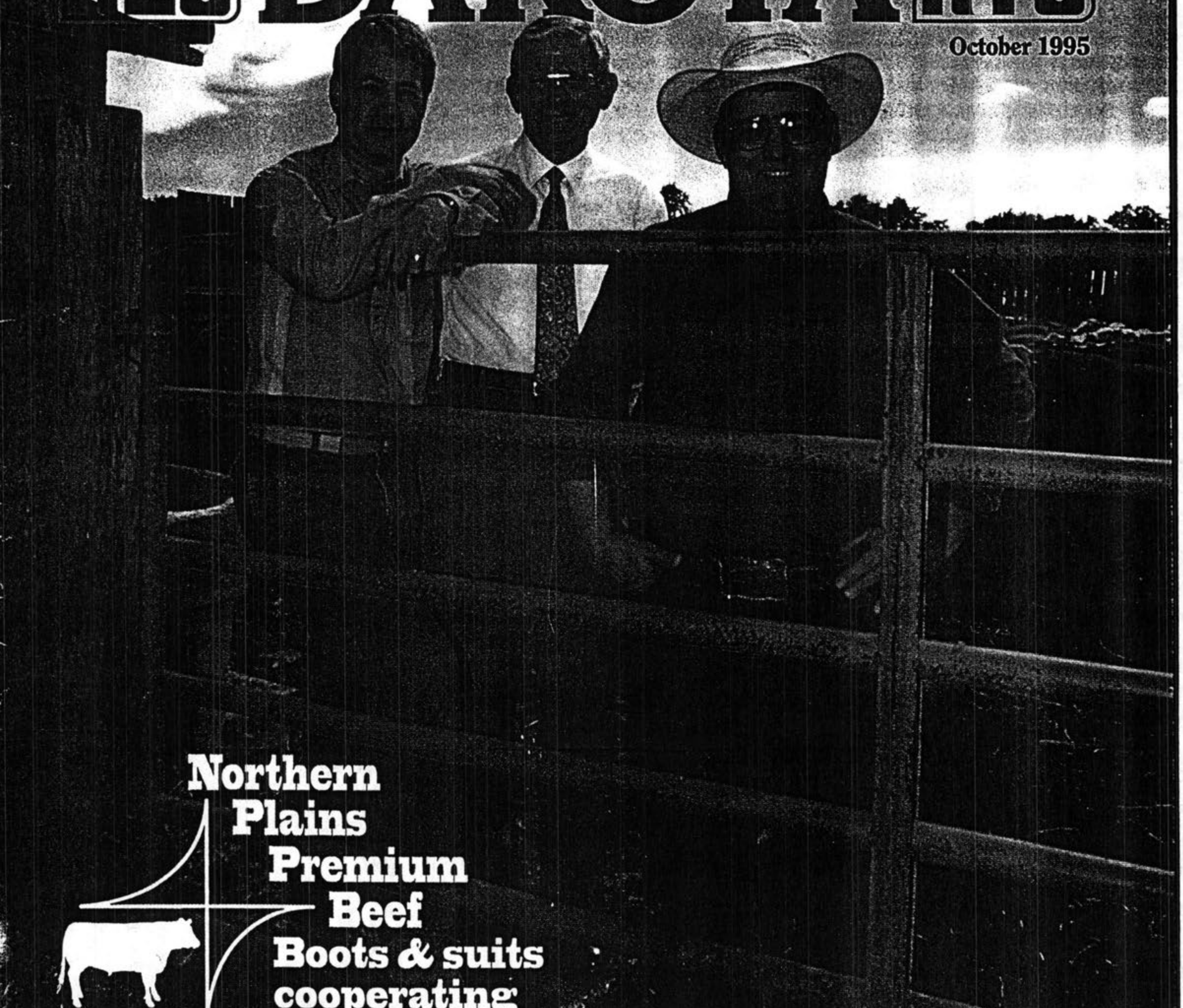
What an ag lender should know about Northern Plains Premium Beef

- NPPB is a proposal for a producer-owned beef processing plant, cow/calf ranchers could supply the plant by either feeding the cattle themselves or having them custom fed at a commercial feedyard
- NPPB offers cattle producers and their lenders an opportunity to get off the roller coaster ups and downs of the cattle cycle that results in red ink, vaporized equity and near impossible income projections
- NPPB breaks from tradition and allows cowboys to become food producers, adding value to their raw commodity (feeder calves) and capturing profits allowed only when you choose to climb the food production ladder and integrate upward
- NPPB is an investment with both risks and returns
  - ⇒ Initially, the only risk is $1 a head seed money contributed by producers interested in being a part of the project, the $1 does not obligate them to buy equity shares but it gives them the exclusive opportunity to buy shares if NPPB goes to an equity drive
  - ⇒ Most producers are contributing $1 a head for the top third or half of their calf crop
  - ⇒ If NPPB goes to an equity drive, equity shares are estimated to cost $47 per share per head, that's equal to the 40 percent equity commitment needed to finance an estimated $35 million facility (40 percent is $14 million, divided by 300,000 head is $47 each)
  - ⇒ The feasibility study predicted an internal rate of return of 28.5 percent and a return to the shareholder of 15.9 percent just on plant operations
  - ⇒ Additional returns can result from producer's feeding and adding value to their cattle, from reaping the premiums available on premium carcasses identified in the plant, and from the carcass information given back to producer's to improve their entire cow herd, allowing them to capture more consumer-focused premiums in the future
- Ag lenders need to understand the potential for a producer-owned beef plant when customer's ask for loan extensions allowing them to feed and own cattle six or eight months beyond their traditional selling date, and when they request financing for an equity investment which will probably be less than the cost of a very used pick-up

NORTH DAKOTA

REC RTC

October 1995



Northern Plains Premium Beef

Boots & suits cooperating

Also this month:

- Electric co-op service excellence
- Avoiding farmer's lung ailments
- Halloween's cute spooks

And much more

1 copy for
Jen Klein

11-10-95

Adoption: New law can't erase race issue

BY RACHEL L. JONES
Knight-Ridder/Tribune News Service

WASHINGTON — A new law making it easier for American families to adopt children of another race is likely to stir passions in the long-running debate over transracial adoption.

The Multiethnic Placement Act of 1994 aims to help thousands of black children now in foster care find permanent homes by lowering institutional barriers for families hoping to adopt a child of another race.

Under rules that went into effect Oct. 21, states and agencies that block adoptions because of race could lose the federal aid they now receive to help finance the adoption process.

Defenders of the new law say it addresses the problem of how to help a large and growing population of black children in foster care.

But critics worry that whites who adopt black children might be racially insensitive or culturally unprepared to tackle the responsibility.

Moreover, some blacks have complained about racial bias in the adoption process. They argue that social workers use negative stereotypes and misconceptions in determining their suitability as parents.

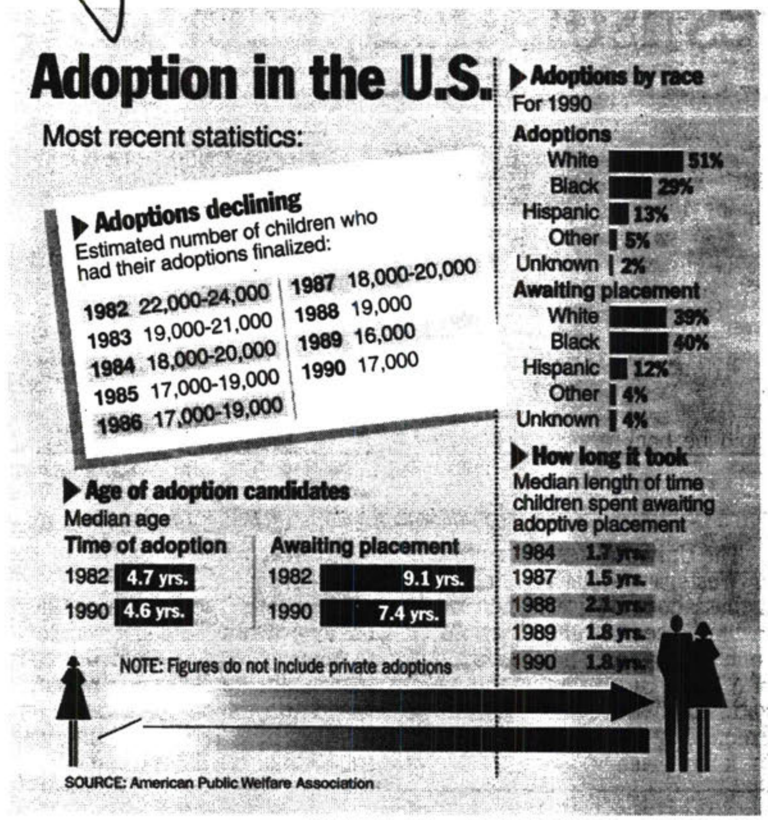
"It's slanted toward the needs of white parents without considering the bigger picture," said Charlotte Vick, assistant director of the North American Council on Adoptable Children in St. Paul, Minn.

Vick, who is white and has adopted four minority children, now all adults, thinks the furor over transracial adoption is singularly one-sided, not giving adequate consideration to racial compatibility.

"I'd like to think that this is only about giving kids to the people who want them," she said, "but there's too much evidence that you need to consider race in the process."

Of the 500,000 children in foster care in America, 40 percent are members of minorities, mostly black. Of the 60,000 children who are legally adoptable, nearly half are black.

Because black Americans make up only about 13 percent of the



Knight-Ridder Tribune/RON CODDINGTON and JUDY TREIBLE

American population, observers say there's no way they can fill the need for permanent homes.

The new law, which had been sponsored by Illinois Sen. Carol Moseley-Braun and former Ohio Sen. Howard Metzenbaum, aims to help children find permanent homes by:

- Reducing the length of time that children wait for adoptive placement.
- Ensuring that no individual is denied the opportunity to become an adoptive foster parent solely on the basis of race, color or national origin.
- Facilitating the identification and recruitment of foster or adoptive families that reflect the racial and ethnic diversity of waiting children.

Early versions of the legislation contained no language about considering a child's racial or ethnic background in adoption placements. It was expected to completely dismantle an agency's ability to use race as a factor in making placement decisions.

But vocal last-minute opposition, from such groups as the Children's Defense Fund and the Department of Health and Human Services, changed that. Also, for the past two decades the National Association of Black Social Workers has argued that the adoption of black children by whites was tantamount to "cultural genocide."

The group stands behind that sentiment.

"Most adopted children spend a lot of time grieving over the loss of family connections," said Leora Neal, a NABSW program director. "Factor into that the loss of cultural ties, and the sense of not really belonging can become profound."

Ruth-Arlene Howe, an associate professor of law at Boston College, agrees.

"It is absolutely pie in the sky to say that race doesn't matter in the adoption process," said Howe, who hopes to start a national campaign to inform people about transracial adoption. "It doesn't connect with the reality of race in America, and it certainly neglects the child's rights."

Howe thinks child welfare agencies don't do a good job of recruiting black parents. Statistics show that when child welfare agencies diversify their staffs and make an effort to find and educate black families, more blacks adopt. But in many instances they are rejected out of hand, often because of racial biases.

But prejudices go both ways, as many white parents would attest.

Donna Mattias, a staff attorney for the Institute for Justice in Washington, said child welfare officials are eager to place black children in temporary foster care with whites but balk at giving them full custody.

"It's as if whites are good enough to care for a child during an emergency, but they're somehow flawed as potential parents," Mattias said. The institute was established this year to represent parents who have had difficulties adopting children of different racial backgrounds.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11-17-95

TO: Marcia –

FROM: **Staff Secretary**

I haven't given this to POTUS yet -- I'll wait 'til I send the bill up. But this should help you.

Todd

THE WHITE HOUSE

WASHINGTON

November 17, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN TDS

SUBJECT: S. 395 -- Sale of Alaska Power Administration and Export of Alaska North Slope Oil

Attached for your signature is S. 395, a three-part bill that will privatize the Alaska Power Administration, permit the export of Alaska North Slope crude oil, and provide royalty relief for deep water oil and gas development in certain non-environmentally sensitive areas of the outer continental shelf. It passed the Senate 69-29; the House 289-134. It is strongly supported by the Alaska delegation. **OMB and Energy approve your signing the bill as do relevant White House staff. No one objects.**

Alaska Power Administration (APS). The bill directs the Secretary of Energy to sell the Snettisham and Eklutna power projects in Alaska and terminate the APS. The State will acquire Snettisham; Anchorage plus two electric associations will acquire Eklutna. The sale will yield $83 million in FY 96, and reduce revenues by $44 million in FY 1997-2000.

Export of ANS Oil. The bill lifts the long-time export ban unless the President determines that exports would not be in the national interest, considering market, employment and environmental effects. Your national interest determination must be made within 5 months of enactment. If you do deem exports to be in the national interest, you can still impose conditions, and nothing bars the President from reinstating the export ban. With limited exceptions, all exported ANS oil must be transported by U.S.-flagged vessels. Within 15 months of enactment, the Coast Guard must submit a plan to Congress for responding to vessels in distress within the Olympic Coast National Marine Sanctuary or the Strait of Juan de Fuca.

OCS Deep Water Royalty Relief. The bill empowers the Secretary of the Interior to suspend royalty payments in the designated areas (non-environmentally sensitive portions of the Gulf of Mexico) for an initial volume of oil or gas that he deems sufficient to make new production economical. While some environmental groups and Members of Congress criticize this as an unnecessary subsidy to the oil and gas industry, the Administration has supported it as a plus for jobs, economic activity and federal revenues.

QS-Figh-Be

THE PRESIDENT HAS SEEN
11-16-95

Vol. 145, No. 146

San Jose Mercury News
Serving Northern California Since 1851
A KNIGHT-RIDDER NEWSPAPER

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WASHINGTON CLOSE-UP

'Contract' popularity challenged

■ Backtracking: Poll that measured support for GOP's agenda was flawed.

BY FRANK GREVE
Mercury News Washington Bureau

WASHINGTON — After recent polls suggested the popularity of the "Contract With America" had fallen, House Speaker Newt Gingrich blamed pollsters for asking "totally dishonest" questions.

There may be another explanation.

Republican pollster Frank Luntz, a Gingrich protege, never really measured the contract's popularity in the first place, even though he claimed at least 60 percent of Americans supported each of its 10 main proposals.

Instead, in a survey he won't disclose for publication, Luntz merely measured the popularity of the strongest slogans that the contract's drafters could come up with. Luntz now concedes that his methods were flawed, and even some Republicans suspect public support for the contact was overstated.

Luntz

On the one hand, Luntz's claims of the contract's massive appeal helped Gingrich sell the agenda as "reforms that the American people want."

On the other, reports of Luntz's extensive testing led opponents to blast the contract as "poll-driven pandering."

Different findings

But recent polls find otherwise. An Associated Press poll taken the week of Oct. 27-31, for example, found that 51 percent of those surveyed felt Republican proposals to cut federal spending go too far, 30 percent felt they don't go far enough and only 7 percent felt they were right.

President Clinton's poll standing has improved as he has taken on the GOP over some of the contract provisions. And Democrats now seem better positioned to seize back control of the House, according to a USA Today-CNN-Gallup poll this week that found 50 percent of respondents would vote Democratic in congressional elections, while 44 percent would vote Republican.

One explanation offered by independent pollsters is that while many contract proposals are overwhelmingly popular — including calls for a balanced budget, term limits, welfare reform and smaller government — several are not.

These include explosively controversial measures, on the verge of passage by Congress, to shore up defense spending, reduce environmental and workplace regulations, cut corporate and capital-gains taxes and make it harder for plaintiffs to win civil lawsuits.

Luntz acknowledged that he'd tested only ad campaign slogans supporting the contract. And those findings, Luntz agreed, could not be used legitimately to measure public support.

Luntz said he had counted people as favoring civil law reform if they accepted, in telephone polls, the statement that "we should stop excessive legal claims, frivolous lawsuits and overzealous lawyers."

If they agreed that "we need term limits to replace career politicians with citizen legislators. Politics shouldn't be a lifetime job," Luntz counted them as favoring term limits.

Both are leading questions that "sharply overstate support for the measures in question, because they're really asking 'Don't you agree that we should do this sensible thing?' " responded Donald Ferree, associate director of the Roper Center for Public Opinion Research at the University of Connecticut at Storrs.

"You can't measure public opinion with leading questions like these," said Diane Colasanto, president-elect of the American Association for Public Opinion Research and president of Princeton Survey Research Associates.

"I'm willing to accept that," said Luntz, 33, a self-described "marketer of political ideas." The purpose of his polling, he said, had been to find the most persuasive wording of the contract's propositions for a pre-election ad.

Tony Blankley, Gingrich's spokesman, responded that Luntz's questions were "not any more misleading than most news organizations report or ask in their polls."

And Republican Party officials say Luntz actually played a very small role in developing the contract. "We did what we did because it was good policy, not because it was popular," said Chuck Greener, communications director of the Republican National Committee.

"What Luntz has said about extensively testing the content is simply untrue," said Barry Jackson, chief of staff of the House Republican Conference.

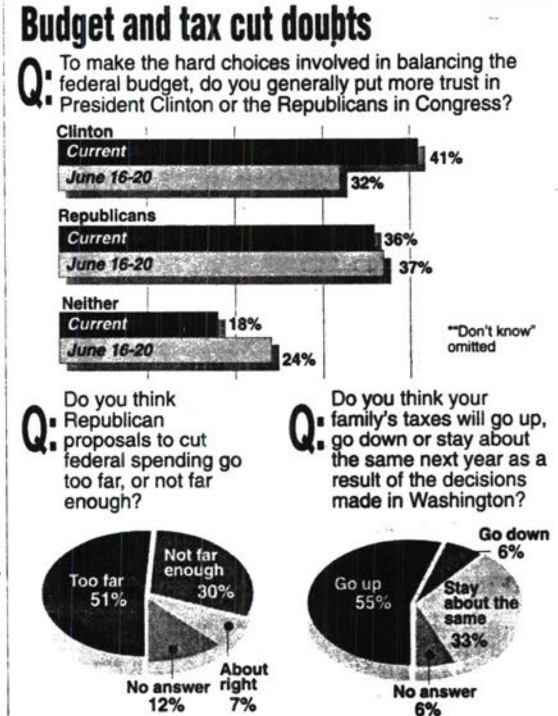
Strong influence

Many lawmakers — even Republicans — never realized that.

"It was just repeated over and over by the leadership and others that polls showed these were proposals highly popular with the American public," said Rep. Michael Castle, R-Del., a moderate who signed the contract but has opposed some of its measures.

Particularly influenced, Castle ventured, were Republican freshmen challengers, with little national opinion data or experience of their own, who "signed on to support the contract on the basis that these were all highly popular issues."

Associated Press Poll



Source: AP national telephone poll of 1,008 adults taken Oct. 27-31 by ICR Survey Research Group of Media, Pa., part of AUS Consultants. Margin of sampling error is plus or minus 3 percentage points. Sums may not total 100 percent because of rounding.

ASSOCIATED PRESS

MAKING CONTACT

To contact any member of Congress, write or call:

■ Senator's name
U.S. Senate
Washington, D.C. 20510-0001
(202) 224-3121

■ Representative's name
U.S. House of Representatives
Washington, D.C. 20515-0001
(202) 225-3121

■ Rep. Norman Mineta's staff will perform constituent work until a successor is elected. Call (202) 225-2631 or (408) 984-6045.

COMING UP

Washington-related events this week:

- **Monday:** Government spending authority expires at midnight. Senate votes on a stopgap bill to extend spending authority to Dec. 1. President Clinton has threatened a veto.
- **Tuesday:** Non-essential government offices close if President Clinton vetoes stopgap spending bill.
- **Thursday:** House Oversight Committee holds hearing on campaign finance reform and methods to revise rules governing political action committees (PACs).
- **Friday:** Florida's Republican Party holds its 1995 Presidency III straw poll convention in Orlando, through Saturday. President Clinton is scheduled to attend the Asia Pacific Economic Cooperation forum (APEC) in Osaka, Japan, through Sunday.
- **Saturday:** In a race with national implications, Louisiana holds a runoff election for governor between Republican state Sen. Mike Foster and Democratic Rep. Cleo Fields.

Source: Mercury News Wire Services

Chron

Send cc of this
Dale B / David P Senator David Pryor
Ray T — Ray Thornton
Arkansas Congressman

THE PRESIDENT
11-15-95

Dear John—

Thanks for your great letter. This is a fight worth making—

Best,

Bill

John E. Barnes
164 Pebble Beach Road
Little Rock, AR 72212

JOHN E. BARNES
164 Pebble Beach Rd.
Little Rock, Arkansas 72212

THE PRESIDENT HAS SEEN
11·16·95

November 16, 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Bill:

I just wanted to let you know how proud I am of you for taking the position you have with regard to the Republican budget proposals and holding your ground on the debt ceiling legislation. Like many other Americans, I support in principle the idea that the federal government needs to find a way to live within its means. However, I cannot support the slash-and-burn tactics the Republicans have taken in an attempt to accomplish a balanced budget in seven years. The federal deficit has grown since the Depression, and I don't think it is possible to achieve balanced budgets within seven years. But you know this better than I.

What I do know is that it is very important that we help those in need to have access to better education opportunities. I am an example of this. I borrowed money from the federal government via the National Defense Student Loan Program in the 1960s to help pay for my college education. I repaid the loan with interest, and as a result of my education, I pay more in federal income taxes each year than the total of what I borrowed. The federal government took a risk in loaning me the money for college, but it was an investment that has paid off. Now as chairman of the board of trustees of Pulaski Technical College, I see many young Americans in the same situation now, and with our society going from an industrial nation to one of information and technology, it is critical that the federal government be able to support those who need to upgrade their job skills as well as those who need to learn the basic skills to be employable. If we can't invest in our people, how can we insure the future security of our country?

When I heard on CBS last night that you were willing to stake your Presidency on stopping this Republican assault, I knew you had resolve. You are at your best when you reach that point. Keep up the fight. There are many of us still supporting you.

Give my regards to Hillary.

Your friend,

95 NOV 16 P2:19

FACSIMILE

Date:	**November 16, 1995**
To:	**The Honorable William J. Clinton** **President**
Fax Number:	**(202) 456-2215**
From:	**Bernard R. Sorkin**
Telephone:	**(212) 522-6515**
Total Number of Pages (including this):	**2**

11-16-95

Todd -
Send to RM?
Yes ____
No ____
OR TO Dorskind?
Carol

BERNARD REUBEN SORKIN
ATTORNEY AT LAW
1271 AVENUE OF THE AMERICAS
NEW YORK, N.Y. 10020
(212) 522-6515

November 16, 1995

To The Honorable William J. Clinton
President
The White House
20500

Dear Mr. President:

I respectfully and strongly urge you to hold fast to your position and not allow the Republican opposition to use the current budgetary issue as a device for imposing their anti-people program.

Secondly, may I urge you to do all you can to oppose the proposed giveaways of our federal lands and natural resources.

The news story earlier this week about the Hatch bill that would open federal lands in Utah to commercial and industrial uses was nothing less than a horror. What would be thus destroyed could never be revived.

Respectfully yours,

Bernard R. Sorkin

Bernard R. Sorkin

BRS:cvj

a facsimile from...

Lois Garner
Tel: (310) 273-7396
Fax: (310) 471-1528

95 NOV 16 P6:14

This came to Rebecca through inner-office mail.

Staff Sec
Pou. per Nat
Seen

NOVEMBER 15, 1995

PRESIDENT CLINTON
THE WHITE HOUSE
WASHINGTON, D.C. 20500
VIA FACSIMILE 202-456-6235

DEAR PRESIDENT CLINTON:

THE TIMBER SALVAGE RIDER WHICH BECAME LAW ON JULY 27 IS THE MOST ANTI-ENVIRONMENTAL LEGISLATION IN HISTORY. YOU MUST DO MORE THAN MODIFY THIS DESTRUCTIVE RIDER. ALL OF OUR FUTURES ARE AFFECTED BY THE IMPACT OF THIS DECISION. NOTHING LESS THAN A TOTAL REPEAL IS ACCEPTABLE!

Mrs James Garner
MRS. JAMES GARNER

11-16
TOOD
Send to Dorskind ?
yes

THE PRESIDENT HAS SEEN
11-16-95

POINTS FOR TONY HALL

Re: Bosnia Child Immunization Project

I've instructed U.S. AID to initiate immediate discussions with UNICEF and other NGO's on this project as part of our broad reconstruction efforts.

I've instructed my negotiators in Dayton to raise this with the Serbs to secure their cooperation.

Carter Ctr, UNICEF

→ call each - + i'll help get money

BC

Separation out / no carry

Tony Lake

→ call him re: This

BC

Todd,

This does not need to go to POTUS

- John

WIN ★IN★ '96

DEMOCRATIC ★ NATIONAL ★ COMMITTEE

Donald L. Fowler, *National Chair* • Christopher J. Dodd, *General Chair*

95 NOV 9 AM 11:21

11/16 Delivered to Ickes ofc

S.

MEMORANDUM

DATE: November 9, 1995
TO: John Sutton
FROM: Faith Brown FB
RE: Copy approval -- Second Renewal Notice

I am faxing you copy for the second membership Renewal mailing for 1996 -- this mailing is sent to people who have not renewed their membership after receiving the first Renewal mailing.

I'm also attached a xerox of the layout (with last year's copy) to give you an idea what the package will look like.

Would you please return comments/approval to me by Wednesday, November 15, 1995. As always, thank you for your help.

___ ok as is] David Strauss ~~Jack Quinn~~: _____ Date: ________
___ ok with changes]

___ ok as is] Bruce Lindsey:___ Date: ________
___ ok with changes]

___ ok as is] cheryl mills ~~WH Counsel~~: _____ Date: ________
___ ok with changes] Name: ____________________

___ ok as is] Doug Sosnik: ____ Date: ________
___ ok with changes]

___ ok as is] George Stephanopoulos: ____
___ ok with changes] Date: _______

___ ok as is] Harold Ickes: ___ Date: ________
___ ok with changes]

Name of person returning this document and attached documents to the Democratic National Committee: ____________________

Date returned: ____________

___ ok as is (one typo) Todd Stern: ✓
✓ ok with changes Date: 11-16-95

DEMOCRATIC NATIONAL COMMITTEE
RENEWAL #2

<TITLE, LAST NAME>, on October 30, your 1996 Democratic National Committee election year membership card and membership renewal portfolio were sent to you at the address listed on this form.

As of November 27, we have yet to receive your response. We fear our records for your address may be incorrect and your materials were not delivered. Your renewed membership in the Party is essential in this election year, so we are sending you this form to confirm your mailing address.

Please check the information listed on this form and return it in the enclosed envelope. If any information is incorrect, please note those corrections. If you have not yet renewed your contributing membership in the DNC, please also return this form with your membership renewal contribution. If you have already responded, please disregard this notice and accept our thanks.

[] Enclosed, please find my Democratic National Committee 1996 election year membership renewal contribution in the amount of:

[] HPC [] 1.5 x HPC [] 2 x HPC [] Other $_____

[note HPC = Highest Previous Contribution]

1996 ELECTION YEAR

DEMOCRATIC NATIONAL COMMITTEE

MEMBERSHIP RENEWAL FORM

☐ **YES,** I want to renew my support for President Clinton and the Democratic Party at this critical time. Please use my contribution in this crucial election year to support our efforts to retain the White House, to regain Congress, and to support our best candidates at the state level.

☐ Please renew my contributing membership for 1996 with the Democratic National Committee with my contribution in the amount of:

( )$20 ( )$30 ( )$40 ( )OTHER $______

TO CHARGE YOUR MEMBERSHIP CONTRIBUTION, SEE OTHER SIDE.

☐ Yes, I would like to receive monthly briefings by fax or e-mail from the DNC.
e-mail address:____________________ fax number: ________________

Steven Solter
9 Hampden St
Wellesley, MA 02181-7004

ROH531 025491058

PLEASE FILL OUT REQUIRED FEDERAL INFORMATION ON THE REVERSE SIDE.

MEMBERSHIP ADDRESS VERIFICATION FORM:

COPY for position only

MR. DOE, ON NOVEMBER 16, YOUR 1995 DEMOCRATIC N/ COMMITTEE MEMBERSHIP CARD AND MEMBERSHIP RENEWAL WERE SENT TO YOU AT THE ADDRESS LISTED ON THIS FORM.

AS OF DECEMBER 7, WE HAVE YET TO RECEIVE YOUR RESPON FEAR OUR RECORDS FOR YOUR ADDRESS MAY BE INCORRI POSSIBLY YOUR MATERIALS WERE NOT DELIVERED. YOUR RI MEMBERSHIP IN THE PARTY IS ESSENTIAL AT THIS CRITICAL TIME ARE SENDING YOU THIS FORM TO CONFIRM YOUR MAILING AI PLEASE CHECK THE INFORMATION LISTED ON THIS FORM AND RE THE ENCLOSED ENVELOPE. IF ANY INFORMATION IS INCORRECT, NOTE THOSE CORRECTIONS. IF YOU HAVE NOT YET RENEWE CONTRIBUTING MEMBERSHIP IN THE DNC, PLEASE ALSO RETUI FORM WITH YOUR MEMBERSHIP RENEWAL CONTRIBUTION. IF YC ALREADY RESPONDED, PLEASE DISREGARD THIS NOTICE AND ACCI THANKS.

( ) ENCLOSED, PLEASE FIND MY DEMOCRATIC NATIONAL COI MEMBERSHIP RENEWAL CONTRIBUTION FOR THE YEAR 1995 AMOUNT OF:

( )HPC ( )HPC + 50% ( )HPC + 100% ( )OTHER $______

ON THE BACK OF THIS FORM, PLEASE BE CERTAIN TO COMPLETE THE IMPORTANT INFORMATION REQUIRED BY THE FEDERAL ELECTION COMM

Front

Federal law requires political committees to report the name, mailing address, occupation and name of employer for each individu
whose contributions aggregate in excess of $200 in a calendar year.

Employer: Occupation:

[ ]Check if self-employed.

Home Phone Number:

Reverse Side

THE PRESIDENT HAS SEEN
11-16-95

THE WHITE HOUSE

WASHINGTON

95 NOV 16 P5:16

November 16, 1995

MEMORANDUM FOR THE PRESIDENT

FROM: PATRICK GRIFFIN

SUBJECT: CORRESPONDENCE

Attached for your signature are letters for Congressman David Bonior and Congressman Richard Gephardt thanking them for their support of the Administration's position against House Joint Resolution 122, the Continuing Appropriations Resolution for FY 1996.

We have autopened thank-you letters for the other members who voted against the Continued Resolution on November 15, 1995.

THE WHITE HOUSE

WASHINGTON

November 16, 1995

Dear David:

I want to extend my sincere thanks for your efforts to protect our core values by voting against the Republican majority's latest temporary spending proposal -- a measure that was designed to impose through the back door, a budget plan that would require severe cuts in Medicare, Medicaid, education, the environment and other vital programs.

As you know, I am distressed about the shutdown of the federal government and the severe consequences many are facing as a result. While I do not want these difficult conditions to continue, we cannot allow our nation and the long-term welfare of the American people to be held hostage to extreme budget measures.

I remain committed to working with Congress to achieve a balanced budget, but I will not support a measure that would be harmful for Americans. It is time for Congress to move swiftly to pass an extension of the current continuing resolution -- free of extraneous provisions -- that would allow sufficient time for completion of a fair and prudent budget, while putting an end to the government shutdown. We can all agree that this is in the best interest of America.

Again, I am grateful for your commitment to ensuring a brighter future for our children.

Sincerely,

Bill Clinton

The Honorable David E. Bonior
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

November 16, 1995

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Sincerely,

Bill Clinton

The Honorable Richard A. Gephardt
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

November 16, 1995

TO: George Stephanopoulos
Gene Sperling

FROM: Todd Stern

For your information.

(1)

THE PRESIDENT HAS SEEN
11-15-95

Oct 19, 1995

Dear Cherry,

I am asking you, if at all possible, to get this directly to President Clinton, and to somehow ensure that he himself reads it. It is cogent idea about Social Security and taxation that could prove a real political coup for the President. It is from Prof. Robert McElvaine, my author of "The Great Depression"

What the Democrats need to get out of their Chapter Eleven of the mind is a "Big Idea" that sharply delineates the difference between their basic outlook and that of the Republicans.

Here's a good candidate for that Big Idea: Remove the cap on income susceptible to Social Security taxes (currently $61,200) and lower the rate of that payroll tax. As it stands now, a near-minimum wage worker making $10,000 annually pays 7.5% of his/her wages in FICA-Medicare taxes, while a CEO who carries off $5 million pays only 1.52% of his income for the same purpose.

Americans pay two principal taxes to the federal government. One is mildly progressive, the other extraordinarily regressive.

Laura

What do you think of this idea - Pls analyze it

BC

THE PRESIDENT HAS SEEN
11-15-95

The Republicans propose to flatten the progressive one, thereby helping the rich, but to leave the very regressive one untouched, thus doing nothing for the middle class or the poor. Democrats have a golden opportunity to take the opposite position: keep the income tax progressive and flatten the regressive FICA tax.

Republicans have indicated a willingness to means test Medicare benefits. The FICA tax is currently based on a *negative means test*: the less one earns, the larger the share of his or her income that is taken by this tax.

Why not apply means tests to taxes? That is all that progressive taxation is. Of course lifting the cap on income susceptible to the FICA tax would *not* means test it; it would merely remove the negative means test on which it is now based. It would not make this tax progressive; it would produce a *flat tax*. That's what most Republicans claim they want, so how could they argue against a flat tax to support Social Security and Medicare?

Nearly half of all income now goes to the top 20% of income recipients, which is approximately the same as the group that earns above the current FICA cap. This suggests that a conservative estimate is that applying the FICA tax to all income would allow the rate to be reduced at least to the 5% range. The effects of such a change would be dramatic. The FICA-Med tax paid by a person earning $35,000 a year would be reduced by $1000 annually, adding more than $80 to his or her monthly take-home pay. The wage-earner making the current cap of $61,200 now pays $4590; at 5% that would drop to $3060, adding more than $125 a month to his/her take-home

pay. What's more, this would not be money people had to wait to receive in tax refunds; they would see it directly added to every paycheck. And, although persons earning above the current cap would pay tax on all their income, their total FICA-Med tax would remain below what they now pay until they passed $104,000 in annual income.

This proposal would stimulate the economy by giving consumers more money, combat the fundamental problem of growing maldistribution of income, and be a great boon to small businesses (which rarely pay any employee above the current cap and so would see their share of the payroll tax substantially reduced). It would spur job creation and reduce unemployment, since the size of the payroll tax is one of the greatest obstacles to hiring new workers. It would also be something of a disincentive to the payment of the huge salaries that many Americans find so disturbing. Perhaps Jerry Jones would pay Dieon Sanders a little less if he had to pay the employer's share of the FICA tax on *all* of it.

This is, moreover, a way to assure the solvency of Social Security and Medicare, since by significantly reducing the tax rate now, there would be room for modest increases as needed in the future to cover the huge number of retirees in the Baby Boom generation. This, in turn, would restore confidence in the system. Younger people would have a strong assurance that Social Security and Medicare will be there for them when they retire.

The only people who would pay significantly more are those

making above about $200,000 a year--precisely those whose incomes have been skyrocketing in recent years while all others have been left in the dust.

This could be the key to reuniting Democrats and winning back the allegiance of a unified middle and lower class. It could be a major step towards securing the reelection of President Clinton and restoring Democratic majorities in Congress.

How could the GOP argue against it? Surely they would scream "class warfare," their standard response to any proposal for fairness and equity. In fact the regressive FICA tax that presently exists is part of the class warfare on the middle class and working poor that has been waged for many years and is being increased almost daily by the Republican majority in Congress. The FICA flat tax would merely be a defensive maneuver in the class war in which Republicans and the wealthy are very much on the offensive.

There is only one argument against this: that Social Security is a retirement fund, and no one should have to pay vastly more in taxes than she or he will receive back in benefits. But this argument has already been undermined by the lifting of the cap on the Medicare tax, by the fact that almost all participants now receive far more than they put into the system, and by the fact that the system is actually run on a pay-as-you-go basis.

This idea would correct one of the basic mistakes in the original Social Security Act. The potential benefits far outweigh the solitary objection that this is a pension system and obliging

the rich to pay much more than they will get out of it is unfair to them.

I have discussed this proposal with several leading Democrats in the Congress and with White House advisers in recent weeks. The reception has been unanimously favorable, ranging from a high-ranking adviser to the President who said, "That's a *really big* idea; we need to look at it carefully," to Sen. Dale Bumpers' response: "That's a *dynamite* idea!"

This proposal has everything to recommend it. Economically, it would put significantly more money in the hands of middle-class and poorer consumers, thereby providing stimulus to the economy, and it would materially assist small businesses. Morally, it would be a step to begin to counter the rapid skewing of income to the few at the expense of the many. Politically, it would bring together the middle class and the poor, allowing the Democrats to make an effective and honest case that they are looking out for the well-being of the vast majority of Americans, while the Republicans are presenting proposals designed to assist only the rich.

Removing the cap on income susceptible to the FICA tax and lowering the rate of that tax is the right thing to do in terms of economics, morality, and politics.

What are the Democrats waiting for?

{Robert S. McElvaine is Elizabeth Chisholm Professor of Arts and Letters and Professor of History at Millsaps College in Jackson, Mississippi. He is working on a manuscript, What's Left?, which seeks to define a new

(6)

progressive vision. He wishes to thank Martin Colucci of Atlantic City, N.J., and Millard Grimes of Athens, Ga., for their contributions to his thinking on this topic. }

THE WHITE HOUSE
WASHINGTON

November 16, 1995

TO: Sandy Berger
Bo Cutter

FROM: Todd Stern

We'll need a reply to this letter. The writer is a friend of the POTUS according to Nancy Hernreich. Your memo is in staffing -- hasn't gone to Oval yet.

11/15 - from Oval Ofc,
Send to NSC for appropriate
handling

cc: Bo Cutter
Sandy Berger

S

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11-16

TO: Sandy
Bo

FROM: Staff Secretary

We'll need a reply to ~~to~~ this letter. The writer is a friend of POTUS according to Nancy H. Your memo is in staffing - hasn't gone to Oval yet. Todd

95 NOV 15 P5:28

VERNER · LIIPFERT
BERNHARD · McPHERSON AND HAND
CHARTERED

901 - 15TH STREET, N.W.
WASHINGTON, D.C. 20005-2301
(202) 371-6000
FAX: (202) 371-6279

WRITER'S DIRECT DIAL
(202) 371-6034

November 15, 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I have been asked to transmit to you the attached letters from the Chief Executive Officers of Alliant Techsystems, Allied Signal Aerospace, GenCorp Aerojet, ITT Defense & Electronics, McDonnell Douglas Aerospace, Rockwell and Thiokol.

As you see, these companies are extremely concerned about the impact which proposed space launch services agreements with Russia and the Ukraine will have on their businesses and on the continued viability of the domestic U.S. launch industry. They fear a significant loss of jobs, in such states as California, Colorado, New Jersey, Florida, Utah, and Minnesota, among others, should the current proposal be implemented.

We understand that the U.S. position is now being finalized. We hope that you will give due regard to the positions of these companies as you consider this issue. We appreciate your attention to this matter and I look forward to seeing you and Hillary during the Holidays.

Sincerely,

Amy

Amy Bondurant

Enclosures

HOUSTON, TEXAS OFFICE
2600 TEXAS COMMERCE TOWER
600 TRAVIS
HOUSTON, TEXAS 77002
(713) 237-9034
FAX: (713) 237-1216

AUSTIN, TEXAS OFFICE
SAN JACINTO CENTER
98 SAN JACINTO BLVD., SUITE 1440
AUSTIN, TEXAS 78701
(512) 703-6000
FAX: (512) 703-6003

HONOLULU, HAWAII OFFICE
HAWAII TIMES BUILDING
928 NUUANU AVE., SUITE 400
HONOLULU, HAWAII 96817
(808) 566-0999
FAX: (808) 566-0995

McLEAN, VIRGINIA OFFICE
8280 GREENSBORO DRIVE
SUITE 601
McLEAN, VIRGINIA 22102
(703) 749-6000
FAX: (703) 749-6027

(Original sent directly to The President)

ALLIANT TECHSYSTEMS

Richard Schwartz
President and
Chief Executive Officer

Alliant Techsystems Inc.
MN11-2012
600 Second Street NE
Hopkins, MN 55343-8384

Tel 612 931-5900

14 November 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

The Administration's 1994 National Space Transportation Policy recognized the importance of the U.S. commercial space transportation industry and sought to promote free and fair trade so that the U.S. industry could fully compete in the world markets. The U.S. space launch industry supports the goals set out in the Policy; and, based on that Policy, significant investments have been undertaken to assure that we have the capabilities to meet the demands of the marketplace.

The Policy contained a commitment to negotiate and enforce commercial space launch services agreement with relevant non-market economy countries and a commitment to keep all U.S. government launches on U.S. launchers. We now understand, however, that the Administration is planning to negotiate a new space launch agreement with Ukraine and reopen the current agreement with the Russians. The cumulative impact may be to more than double the number of launches available to the non-market economy countries.

We believe that this result will have a significant adverse impact on the viability of the U.S. space launch effort. We are concerned that the remaining number of addressable launches will not be sufficient to sustain a viable, competitive U.S. industry. Such a result has the potential of eliminating tens of thousands of high technology, high wage jobs in key states such as California, Florida, Utah, and Minnesota, among others.

Representatives of our industry would like to meet with U.S. policy makers prior to the Ukrainian and Russian negotiations so that they are fully aware of the implications of this apparent change in U.S. policy on the U.S. launch industry. Thank you for your consideration. We look forward to working with you on this critical national policy issue.

Sincerely,

Richard Schwartz

Richard Schwartz

AlliedSignal
AEROSPACE

AlliedSignal Inc.
2525 West 190th Street
Torrance, CA 90504-6099

310 512 3636
310 512 1197 Fax

November 15, 1995

Daniel P. Burnham
President

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

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We ask you to provide an opportunity for representatives of our industry to meet with relevant U.S. policy makers prior to Ukrainian and Russian negotiations. Our intention would be to provide data in sufficient detail to make these officials fully aware of the implications of this apparent change in U.S. policy on the U.S. launch industry.

Thank you for your consideration. We look forward to working further with your Administration on this critical national policy issue.

Sincerely,

D P Burnham

D. P. Burnham

GENCORP
AEROJET

P O Box 13222
Sacramento CA 95813-6000

(916) 351-8616

Roger I. Ramseier
President

14 November 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

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Sincerely,

Roger I. Ramseier

ITT
CELEBRATING
75
YEARS

ITT Defense & Electronics

Louis J. Giuliano
President and CEO

November 15, 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

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We believe that this result will have a significant adverse impact on the viability of the U.S. space launch effort. We are concerned that the remaining number of addressable launches will not be sufficient to sustain a viable and competitive U.S. industry. This could also undermine ITT's developing California Spaceport at Vandenberg Air Force Base, as well as Florida's commercial spaceport. Such a result has the potential of eliminating tens of thousands of high technology, high wage jobs in states such as California, Florida, Utah, and Minnesota, among others.

We ask you to provide an opportunity for representatives of our industry to meet with relevant U.S. policy makers prior to the Ukrainian and Russian negotiations. Our intention would be to provide data in sufficient detail to make these officials fully aware of the implications of this apparent change in U.S. policy on the U.S. launch industry.

Thank you for your consideration. We look forward to working further with your Administration on this critical national policy issue.

Sincerely,

Lou G.L.

1650 Tysons Boulevard, Suite 1700, McLean, VA 22102
Telephone (703) 790-6301 Fax (703) 790-6361

MCDONNELL DOUGLAS

JOHN P. CAPELLUPO
President McDonnell Douglas Aerospace

November 15, 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

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Thank you for your consideration. We look forward to working further with your Administration on this critical national policy issue.

Sincerely,

John Capellupo

P.O. Box 516, Mailcode 0013122, St. Louis, MO 63166-0516 (314) 234-7000

Rockwell

Rockwell International Corporation
World Headquarters
2201 Seal Beach Boulevard
PO Box 4250
Seal Beach, CA 90740-8250
310.797.5127
drbeall@corpsb.remnet.rockwell.com

Donald R. Beall
Chairman of the Board and
Chief Executive Officer

November 14, 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

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Sincerely,

Don Beall

Donald R. Beall

THIOKOL CORPORATION
2475 WASHINGTON BOULEVARD
OGDEN, UTAH 84401-2398
801-629-2052 FAX: 801-629-2422

THIOKOL
SPACE • DEFENSE • FASTENING SYSTEMS

JAMES R. WILSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

November 14, 1995

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

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Sincerely,

James R. Wilson
Chairman, President and
Chief Executive Officer

THE WHITE HOUSE
WASHINGTON

November 16, 1995

To: Leon
Mike
George
Don
Gene

Fr: Todd Todd

I think we should absolutely stay away from the "I'd rather lose the Presidency than sacrifice my principles" line because it won't ring true. It sounds disingenuous. If there's one thing people believe about the President it's that he wants to be President again and we're not going to change that impression by making statements like this. Indeed, it reinforces the worst impression that he'll say anything he thinks you want to hear. I would bet 10 to 1 that the reaction of the man on the street to that line would be "Yeah, right."

The line that I thought worked great in the Rather interview was -- "if they want somebody who's going to accept their extreme proposals, they're going to have to elect another President" -- or words to that effect. That makes the point but in a highly credible way. It also sends a good secondary message -- 'folks, I'm the only thing standing between you and that guy on the cover of the *Daily News*.'

BRIEFING FOR RATHER INTERVIEW

* I deeply believe we must balance the budget. This debate offers a clear choice about how to do it. Do we follow the Republican plan to balance the budget in 7 years, with deep cuts in education, the environment, health care, raising taxes on working people? Or do we follow my plan to balance the budget in 10 years, in a way that reflects our values and avoids unnecessary cuts in these critical areas? That is the choice before America.

* I'd rather lose the Presidency than sacrifice the principles and values I am fighting for on this budget.

* The American people depend upon me to use my constitutional powers, including the power of the veto, to protect their interests. That's my duty.

* There are some who say: balance the budget in 7 years, no matter what. It may be that the economy will grow strongly enough so we can balance the budget more quickly than the 10 years I proposed. But it may not. We should not handcuff our country to a figure like 7 years and say we will cut Medicare, education and the environment -- whatever we need to do to meet that arbitrary target. We should say: we will protect Medicare, education, and the environment, and balance the budget in a way that protects these priorities. If it takes longer to balance the budget so we can honor our values, that's the right choice to make.

MEDICARE

If I signed my name to their budget now, it would mean that millions of elderly couples across America would have to sign away $264 each in increased Medicare premiums next year.

They are trying to force senior citizens to pay $264 a couple each year as the price for keeping the government open. To a typical couple, that's not small change at all.

The Republican budget will cut $450 billion out of the health care system, etc.

ON RAIDING TRUST FUNDS

Secretary Rubin today took appropriate action to make sure that Social Security beneficiaries will be able to get their checks on December 1. This step was necessary because the Congress has failed to pass legislation that will enable the government of the Untied States to meet its obligations. That was the right thing for him to do. It will not threaten anyone's pension.

Medal of Freedom
(Medal11)

Thank you for joining Hillary and me at the White House for the presentation of the Presidential Medal of Freedom.

Since its inception, the Medal has rewarded the remarkable service and outstanding achievement of individuals who have changed America for the better. I was so pleased that you were able to help honor this year's Medal winners.

I look forward to se 11/15/95

To
JD (Dosskind)

Jim —
see
comments.

Thanks.
T.

Domestic Violence
(medal2)

Thank you for joining me at the White House to help observe National Domestic Violence Awareness Month.

As I said then, it is time to recognize that domestic violence affects us all -- regardless of our race, our income, our age, where we live, or what we do. We owe it to America's women and childen to ensure their safety for today and the future.

I am grateful for your support and look forward to your continued involvement.

Human Radiation
(mcda13)

Thank you for joining me at the White House as I accepted the final report from the Advisory Committee on Human Radiation Experiments.

The report is an important milestone ~~piece of~~ in our history. ~~and it will shape America's future in ways that will make us a more honorable and more ethical country~~. Through this investigation, we have ~~recognized that there is a right way and a wrong way to do~~ reaffirmed our understanding of the ethical imperatives associated with human subject research. I am committed to ensuring that our nation lives up to its responsibility.

I am grateful for your support and look forward to your continued involvement.

help strengthen our ~~the~~ citizens' ~~trust~~ trust in the federal government

~~The report~~ It recognizes the government's obligation to ~~treat~~ admit mistakes, to right past wrongs & to deal with the American people in a climate of openness and trust.

Medal of Arts
(medal 4)

Thank you for joining Hillary and me at the White House for the presentation of the National Medal of Arts. I hope you enjoyed the ceremony as much as I did.

This award ~~symbolizes~~ recognizes the ~~special~~ talent and ~~brilliance~~ achievement of a ~~special~~ ~~of those who are dedicated to the arts and humanities.~~ The honorees ~~are a~~ distinguished group of Americans ~~who~~ have consistently advanced the cause of human knowledge and understanding and made all of our lives better.

I'm glad that you were able to help us honor these [national ~~heroes.~~ [treasures].]

Who was honored?

(Chris taking care that it group ~~was~~ ~~a~~ is made up of old, recognized greats —)

or "special Americans"

AmeriCorps
(mcda15)

Thank you for joining me at the White House to help swear in the newest AmeriCorps participants.

AmeriCorps proves that the American ideal is alive and well and can meet the challenges of the twenty-first century. It is not only helping to restore our values, but it is also strengthening our communities. The program is more than just ~~a step in the right direction~~, it's also cost-effective.

I'm grateful for your support and look forward to your continued involvement.

Moreover,

a potent embodiment of practical idealism --

Direct Lending (Medal 6)

Thank you for attending Secretary Riley's recent press conference on direct lending.

The education of America's young people is the key to the future of our nation. As you know, I strongly oppose the Congressional majority's efforts to eliminate or cap direct lending. The ability of those who wish to improve themselves through higher education should not be threatened by partisan politics and special interests.

I am grateful for your support of this important program.

Nat. Medal of Science/Tech
(medal7)

Thank you for joining me at the White House for the presentation of the National Medal of Science and Technology.

Those we honored have made great contributions in their fields, enriching all of our lives. Their achievements will help the United States meet the challenges of the twenty-first century.

I'm grateful for your support and glad that you were able to help recognize these fine Americans.

11-14-95

Ji[illegible]

My edits are in red. Feel free to use or not use other edits.

T.

THE WHITE HOUSE

WASHINGTON

[illegible]E OF LEGISLATIVE AFFAIRS

FAX COVER SHEET

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[illegible]AL AND INTENDED FOR THE RECIPIENT ONLY.

11.10.95

TO: Phil

rewritten
w/ new edits dr

FAX #:

FROM:

RE:

11/15/95

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-7500.

IF THERE IS A PROBLEM, THEY WERE CREATED ON JULIA'S PRINTER

Chron

THE PRESIDENT HAS SEEN
11-15-95

To Ann Lewis

We need to push the moon thru our efforts & DNC

BC

THE PRESIDENT HAS SEEN
11-15-95

Leon
Nice Analysis
to meeting
tonight
BC

THE WHITE HOUSE

WASHINGTON

95 NOV 13 P7:03

9 November 1995

MEMORANDUM TO THE PRESIDENT
LEON PANETTA
ERSKINE BOWLES
GEORGE STEPHANOPOULOS
DON BAER

From: Harold Ickes HI

Re: Peter Hart's memorandum Regarding the Recent NBC/WSJ Poll

Attached is a copy of the 2 November 1995 memorandum from Peter D. Hart Research Associates regarding budget politics. It is based on the recent NBC News/Wall Street Journal poll taken by Hart/Teeter.

The basic findings are that seniors have moved from being a GOP stronghold to being overwhelmingly Democratic, while younger voters have moved somewhat in the opposite direction.

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The Democratic message regarding medicare has not moved younger voters under the age of 50, particularly in the 18 to 34 year old group. The latter was critically important to the President's 1992 victory.

Part of the problem is that this youngest constituency remains very much under pressure economically. They give the President poor marks on managing the economy (34% approve, 54% disapprove).

Agree

Mr. Hart strongly recommends that education cuts, especially in student loans, be the second Democratic focus in the next month. According to Mr. Hart, a strong emphasis on education over the next month will send a strong message that the Democrats are willing not only to stand behind America's contract with the elderly but make certain that there is a contract for America's future generations by investing in education.

He also stressed the importance of the Democrats having "an opportunity message" as well as a "security message".

TO: Democratic Leaders

FROM: Peter D. Hart Research Associates

DATE: November 2, 1995

SUBJECT: Budget Politics

OVERVIEW

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SUCCESS ON MEDICARE

The radical Republican fiscal agenda -- especially Republicans' spending reductions on Medicare -- has transformed generational political alignments over the past three months (see the following table). Seniors have moved from being a GOP stronghold to being overwhelmingly Democratic, while younger voters have moved somewhat in the opposite direction. Perhaps even more surprising than the change among seniors is the movement of voters age 50 to 64 toward the Democrats. While these voters have been the GOP's best age group in recent elections, they seem to share their elders' Medicare concerns.

Age and Politics

	October 1995				July 1995			
	Age 18-34 %	Age 35-49 %	Age 50-64 %	Age 65+ %	Age 18-34 %	Age 35-49 %	Age 50-64 %	Age 65+ %
Party Identification								
Democrats	35	40	42	48	39	38	36	36
Republicans	37	35	33	32	32	37	35	43
Democratic Advantage	-2	+5	+9	+16	+7	+1	+1	-7
Attitudes toward Republican Agenda								
Agree w/GOP Agenda	37	37	33	27	36	44	43	42
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Net GOP Agreement	-1	-8	-14	-28	-4	+4	+3	+4
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Agree w/GOP	40	42	36	31	42	46	46	40
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Net GOP Budget Edge	-	-1	-11	-20	+2	+7	+9	+5

There are many clear indications in the survey that dissatisfaction with Republicans' Medicare cuts is what is driving these changes. Americans age 65 and over:

- Oppose the GOP Medicare bill by better than two to one;
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The opposition of seniors and other voters to the Medicare cuts has led to solid overall rejection of the Republican budget. By two to one (61% veto, 32% sign), the public wants President Clinton to veto rather than sign the budget, and seniors are even more insistent (69% veto, 24% sign). The focus groups we have conducted recently in California underscore the importance of a Clinton veto, both on policy grounds and for character reasons. Voters want to know that the President has both the commitment to the Democratic principles of helping people and the strength of character to see it through.

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Part of the problem is that this youngest constituency remains very economically stressed -- they give President Clinton poor marks on managing the economy (34% approve, 54% disapprove), express more interest in Republicans' $500 per child tax credit than do older Americans, and trust the Republicans in Congress over Bill Clinton on the tax issue. Democrats are not speaking to these younger Americans' economic concerns in any compelling way at the moment.

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It also is important for Democrats to have an opportunity message as well as a security message. Voters know they can trust the Democrats to protect the vulnerable (the elderly, disabled, and poor), and the Medicare debate has driven that point home. We also have to establish, however, that we care about economic opportunity. In the public mind, education is by far the most important thing that government does today to provide economic opportunity. We could not ask for better ground on which to contest GOP claims that they are creating an "opportunity society."

For most of 1995, the Democrats have been on the defensive. The Republicans have given us the opportunity to be on the offense. Seize it now. Be disciplined in our attack messages, and make certain that we offer a message of both security and opportunity.

THE PRESIDENT HAS SEEN
11-13-95

THE WHITE HOUSE

WASHINGTON

95 NOV 13 P7:03

9 November 1995

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DATE: **November 2, 1995**

SUBJECT: **Budget Politics**

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Donald Dunn

cc: Supporter File

Doug Sosnick

Craig Smith

She's sharp H's Sr. classmate

THE WHITE HOUSE

WASHINGTON

November 15, 1995

Susan Boothman Studenberg
Magnet Schools
School District of Hillsborough County
901 East Kennedy Boulevard
Tampa, Florida 33602

Dear Susan:

Thanks so much for your letter of November 6. It was great to hear from you, and I hope your work with the magnet schools is going well.

Your continued support means a great deal to me, and I really appreciate your willingness to help our efforts in Florida. As you well know, we have a lot of work ahead of us, and I may well call upon you sometime soon.

Sincerely,

MFL rec'd 11/13

Nancy

cc Supp Feli Don Ove

MAGNET SCHOOLS
HILLSBOROUGH COUNTY SCHOOL DISTRICT

RAYMOND O. SHELTON SCHOOL ADMINISTRATIVE CENTER
901 E. Kennedy Boulevard
Tampa, Florida 33602
(813) 272-4000

WALTER L. SICKLES
Superintendent of Schools

PETE DAVIDSEN
Deputy Superintendent

BETH SHIELDS
Assistant Superintendent
for Instruction

MARYELLEN ELIA
Supervisor for Magnet Schools

November 6, 1995

Dear Bill,

After reading this article in the paper Sunday, I wanted to write to you and offer my support and help in Hillsborough County. Because our magnet schools are part of the school district's restructuring and desegregation plan, I work very closely with urban area community groups.

I am on the board of directors for the Lee Davis Neighborhood Development Corporation and this gives me a great deal of access. Chloe Coney, the Executive Director, is a very well-known minority community leader. She and her husband have been working for a number of years in the areas of parenting, jobs, and economic development in the community.

I will be more than happy to do whatever I can do to campaign among these groups. The issue will be to mobilize and provide transportation but it can be done. The "word on the wire" is that someone highly placed will be visiting Tampa soon. If a school visit is in the plans, I have a middle school and an elementary school in these urban areas and a health care magnet in another area of Tampa and we would love to have a visiting dignitary. You know that I am always available to help in any way that I can.

I heard your speech at the Rabin funeral and was very moved during the necktie story. The camera panned to the family and you should have seen the smiles. I think it was just the right touch.

I look forward to working in the magnet.

Sincerely,

Susan B. Studenberg

Susan Boothman Studenberg

Opportunity could be knocking

Democrats say conditions are right for Clinton to win Florida, but Republicans call that a pipe dream.

By WILLIAM MARCH
Tribune Staff Writer

TAMPA

Every four years as the race for president gets going, the Democrats say this year, they can win Florida.

Usually, they say it right before getting steamrolled.

ANALYSIS

They're saying it again this year.

"Clearly, Florida is up for grabs in 1996," said Karl Koch, campaign worker for Clinton in 1992 and Gov. Lawton Chiles in 1994.

"The short answer is yes, Clinton can win Florida," said Democratic pollster Geoffrey Garin.

We've heard it before.

But this year, maybe — just maybe — they've got a shot.

This year, the Democrats have what could be a big advantage: Medicare and the Republican budget cuts.

Polls nationwide show dissatisfaction with the Republican-controlled Congress and a Democratic trend among the elderly, who make up a third of Florida's electorate.

"It's clear that's hurting the Republicans in a substantial way," said Garin.

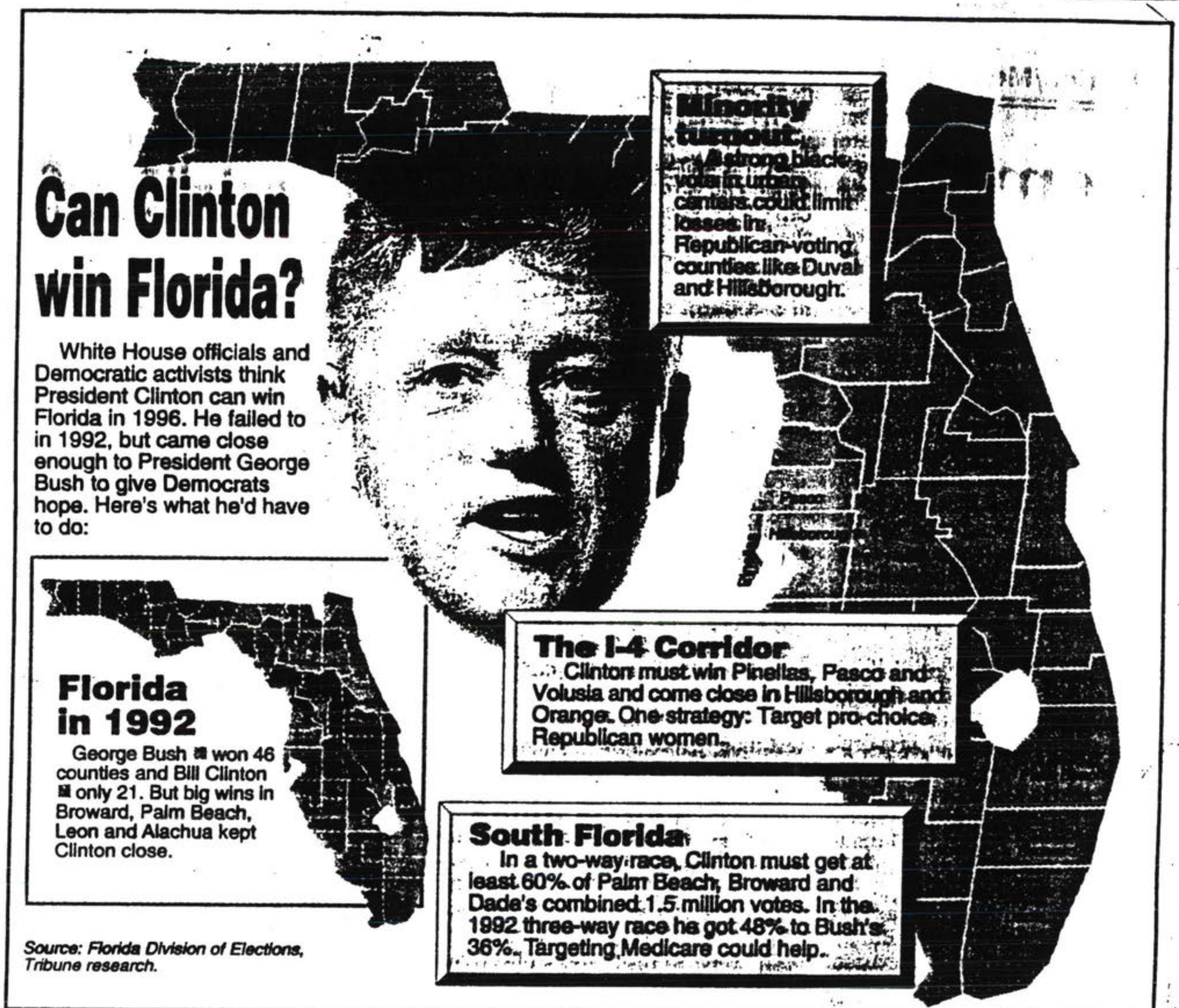
Dream on, say the Republicans.

In 1988, Michael Dukakis' campaign insisted it would fight to the last man to win Florida.

They kept insisting that right up to the first week of October, when the staff packed up the Tallahassee office and hopped on a plane for Illinois, conceding a 3-2 Florida landslide for George Bush.

In 1992, a few weeks before election day, Bill Clinton's Florida staff, convinced they could win, begged headquarters for about $300,000 for last-minute ad buys.

Headquarters sent the available money to North Carolina instead, thinking they'd get more bang for their bucks. Clinton lost Florida 41-39 percent. He also lost North Carolina.



VAUGHN HUGHES/Tribune graphic

"I hope the Democrats delude themselves that they can win Florida," said state Republican chairman Tom Slade. "If they do, they'll spend a lot of money here. And that will be money they can't spend where they might have a chance."

Once part of the Democrats' Solid South, Florida has been trending Republican for 20 years. In 1994, Democratic registration slipped below 50 percent for the first time. It is still going down.

There are still more Democrats than Republicans, 48 to 41 percent.

But the state has voted Democratic in only two of the past 10 presidential elections, for Jimmy Carter in 1976 and Lyndon Johnson in 1964.

The biggest reason the Democrats think this year could be different is Medicare and Medicaid.

"The very future of Medicare will be on the table in this election," said Ann Lewis, Clinton campaign spokeswoman. "No party can take Florida for granted, certainly not the party that is fighting to make health care harder to get for elderly people."

Bob Dole's boasting that he voted against establish-

See DEMOCRATS, Page 6

Democrats revive talk of Florida victory

■ From Page 1

ing Medicare in 1965 and Newt Gingrich's comment that traditional Medicare fee-for-service medicine may "wither on the vine" could make good Democratic attack ads.

Medicare pays more than a third of all Florida doctor bills; Medicaid pays for two-thirds of all nursing home care. And according to Census Bureau surveys, 31 percent of Floridians who voted in 1994 were 65 or over.

A Wall Street Journal poll last week said that since August the number of elderly who call themselves Democrats has increased from 36 percent to 48 percent.

And in 1992, 60-plus voters were Clinton's most reliable age bloc, according to exit polls by CNN and the major networks. In Florida, they gave him 50 percent, Bush 38 percent and Ross Perot 12 percent; national figures were identical.

But Medicare may not be enough to turn Florida's GOP tide.

"Florida's elderly are more educated and affluent than most," said University of South Florida political scientist Susan MacManus. "A balanced budget may be more important to many of them than marginal changes in Medicare."

U.S. Rep. Dick Gephardt, on a tour last month to drum up opposition to Medicare cuts, got loud applause at Tampa's Jewish Towers, a low-income retirement home.

But in well-to-do Sun City Center, opinions are mixed.

"In this area, I don't hear any hue and cry," said Marilyn Balkany, a Republican and community activist. She herself is ambivalent.

Lyndon Johnson, left, and Jimmy Carter won in Florida.

"I agree to an extent with what the Republicans are doing," she said. "But I think more could be done to cut fraud. And there ought to be provisions for people on the breaking point — some may have trouble buying medicine or food because of it."

Clinton can't keep the Medicare pot boiling until election day, said California political scientist John J. Pitney Jr.

"Sooner or later, he'll have to compromise with the Republicans and sign a budget with some Medicare and Medicaid cuts. That will take some zing out of the issue."

Democrats also take heart from George Bush's narrow 1992 margin in Florida, and his son Jeb's loss to Chiles in 1994.

With slightly more effort and money, Democrats say, Clinton could have won in Florida.

"I think the president's mad at himself over that," said state Democratic Party executive director Scott Falmlen. "He feels they made the wrong call and regrets it."

But to Republicans, it's an article of faith that Ross Perot elected Clinton, and cut Bush's margin in Florida, by taking Republican votes. Without Perot, they say, Clinton couldn't have come close.

"The combined Perot-Bush vote was an exact mirror of the Reagan vote," said Slade. "Those people won't go for Clinton in 1996."

Garin said the CNN exit polls showed Clinton would have nearly split the Perot vote in a two-man race. That would have been enough for him to win the two-man race nationwide but not in Florida.

The effect of a Ross Perot candidacy is disputed by Democrats and Republicans.

Still, Chiles' 1994 win proves a Democrat can overcome the Republican tide with the right candidate and campaign, Democrats say.

"He had the right argument with Jeb Bush and the Republicans," Garin said. "He claimed the mainstream."

But Clinton doesn't have the same stature in Florida as Democrats like Chiles and Bob Graham, said Sally Harrell, Jeb Bush's campaign manager.

"Florida historically has gone for a conservative, and it will again in 1996," said Sally Harrell, Jeb Bush's campaign manager.

Koch said Clinton could win with a coalition of black, elderly and women voters. "The Republican Party has turned its back on all of them."

Here's how Koch and others said it might be done:

■ Target Medicare for a big win in the Democratic bastion: Broward, Dade and Palm Beach counties. Those three alone, with their huge coastal retiree condominiums, gave Clinton more than a third of his 1992 votes.

■ In the Interstate 4 corridor, target pro-choice Republican women in hope of narrow losses.

"In 1994, we identified them a few months before the election and stayed in touch," said Koch. "It clearly helped in Pinellas."

Pinellas is registered predominantly Republican but votes Democratic for president. Hillsborough, on the other hand, is registered Democratic but votes Republican. A Democrat must win either Pinellas or Hillsborough — more likely Pinellas — plus Pasco and a big margin in Volusia.

■ Try for a big turnout among inner-city blacks, especially in counties like Hillsborough and Duval with Republican suburbs, and in Democratic strongholds in Leon and Alachua.

■ In hostile Panhandle territory, Clinton could limit losses by emphasizing that military base closings have left Florida largely unscathed.

Clinton's ultimate weapon remains his considerable public charm. But even that is a question for 1996, said MacManus.

"This time around it will be more difficult for him to dazzle us with his campaign style," she said. "People are used to it."

Spafford Elementry School
Flandreau, SD 57028
November 14, 1995

Dear Mr President,

We like what you do for our country. We think you are doing very well on the problems were having in America such as the Oklahoma City bombing. We appreciate the speeches you give to the nation.

Our class would enjoy having you come and visit our fine community of Flandreau and our Spafford Elementry School. Flandreau, SD is in the heart of rural America. We hope you can come.

Sincerely,
Mrs Donna Smiths 4th Grade class

Owen Wiese
Angela DeClerck
Joshua Brown
Whitney Ullom
Rhiannon Tye
Kendra McMahon
Brian Klontz
Kacie Fodness
Miriam E. Warner
Michelle L Heesch
Billy Marsh
Angela Carr
Jason Scott Ramsdell
Jenna Rae Mohr
Cisalie becker
Tarah Leigh Thooft
Shaya Marie Riston
Chris Barse
Rudy Miller
Jacob Carlsrud
Collin Cartwright

Do letter to kids

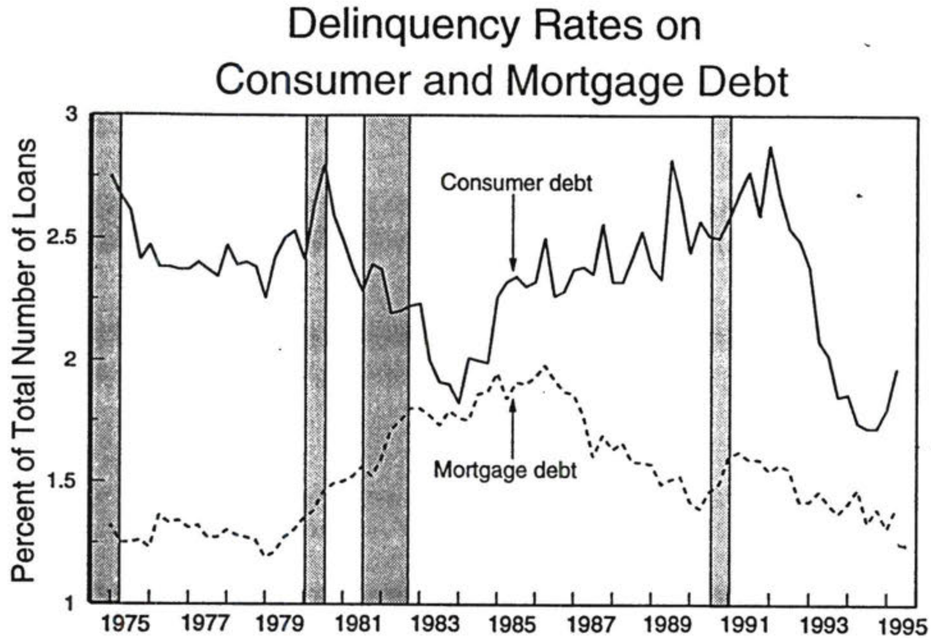
11-15-95
Jim Dorskind.
This ltr came from Oval Ofc Box today

Sharon

EBrown
Eyler Rel

THE PRESIDENT HAS SEEN
11-15-95

Chart 1



Note: Shaded regions indicate recessions.

Chart 2

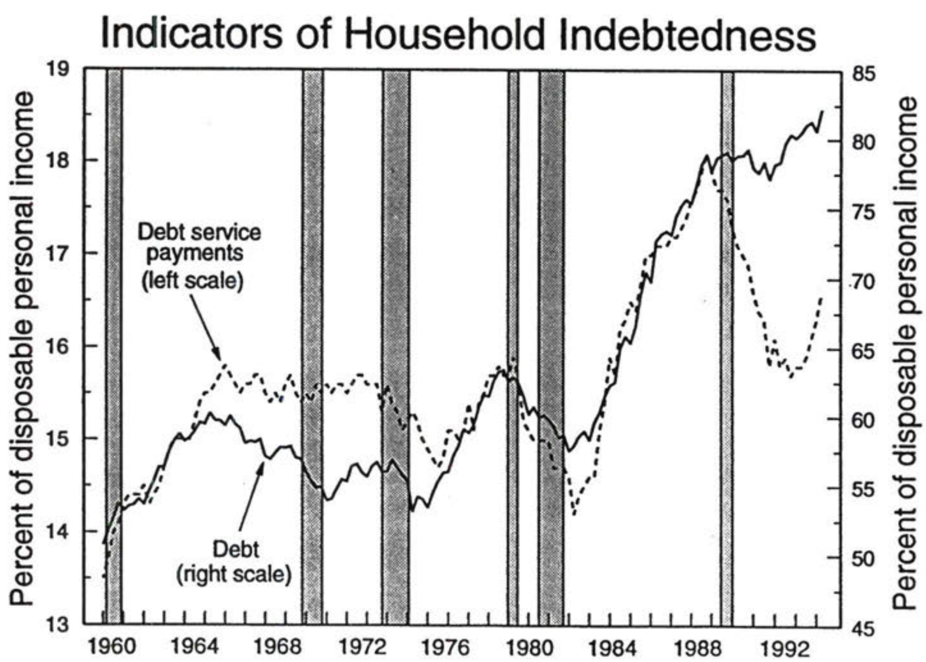


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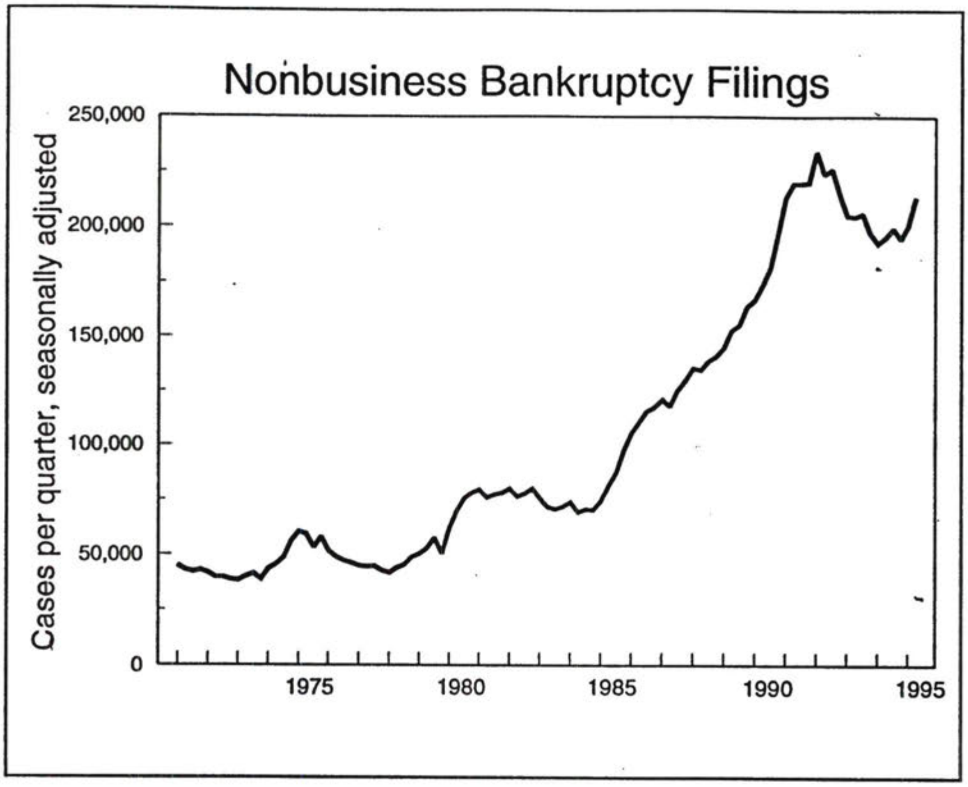
Chart 3



Note: Although personal bankruptcy filings are a lot higher than they were in earlier years, an upward shift in what might be considered a "normal" level of filings occurred during the second half of the 1980s. This upward shift apparently was due to increased social acceptance of bankruptcy and easier (and less expensive) access to legal advice. Thus, the main concern today is the recent increase in bankruptcy filings after several years of decline, and not so much the level of filings relative to the past.

GS - fyi - J. Cerotto
& hosp. assoc. all
circulating in all St - BC

THE PRESIDENT HAS SEEN
11-15-95

Expected Impact of Medicare Spending Reductions on Arkansas Hospitals

The Senate Finance Committee and the House Ways and Means and Commerce committees have each proposed plans to reduce the rate of growth in Medicare spending over the next seven years by $270 billion. Details of the proposals differ to some degree, but both rely heavily on reducing the amounts that would be spent on hospital services. Under the Senate bill, hospital payments would be $86 billion less than budgeted today. The House version of Medicare reform reins in hospital payments $75 billion, but includes a "lookback" provision directing the Secretary of Health and Human Services to further reduce provider payments in the future, if they are on track to exceed targeted amounts. This "lookback" mechanism could place hospitals at risk for an additional $40 billion. The list below shows the losses expected to accrue to Arkansas hospitals if the Senate Finance Committee bill is eventually approved.

Medicare Revenues 1996 – 2002
Expressed In Thousands Of Dollars

Hospital	Revenue Under Current Law	Revenue Under Senate Bill	Estimated Revenue Decrease
Arkansas Methodist Hospital	76,334	68,902	(7,432)
Ashley Memorial Hospital (Crossett)	21,188	19,293	(1,895)
Baptist Medical Center, Arkadelphia	47,158	41,958	(5,200)
Baptist Medical Center (LR)	694901	628321	(66,580)
Baptist Memorial Hospital (Blytheville)	42,131	37,886	(4,245)
Baptist Memorial Hospital (Forrest City)	40,266	36,002	(4,264)
Baptist Memorial Hospital (Osceola)	29,229	26,500	(2,729)
Baptist Memorial Medical Center (NLR)	206,958	187,106	(19,852)
Bates Medical Center (Bentonville)	54,521	49,024	(5,497)
Baxter County Regional Hospital (Mtn. Home)	194,812	175,655	(19,157)
Booneville Community Hospital	11,482	10,431	(1,051)
Bradley County Memorial Hospital (Warren)	27,144	24,735	(2,409)
Carroll Regional Medical Center (Berryville)	26916	24204	(2,712)
Central Arkansas Hospital (Searcy)	132,244	120,476	(11,768)
Chambers Memorial Hospital (Danville)	15,005	13,595	(1,410)
Chicot Memorial Hospital (Lake Village)	32560	29560	(3,000)
Cleburne Memorial Hospital (Heber Springs)	21765	19507	(2,258)
Columbia Doctors Hospital (LR)	104699	92547	(12,152)
Conway County Hospital (Morrilton)	34,065	30,910	(3,155)
Conway Regional Medical Center	83,233	74,362	(8,871)
Crawford County Mem. Hospital (Van Buren)	88,593	79,400	(9,193)
Crittenden Memorial Hospital (West Memphis)	107,697	96,607	(11,090)
Cross County Hospital (Wynne)	21,815	19,927	(1,888)
Dallas County Hospital (Fordyce)	19078	17130	(1,948)
Dardanelle Hospital	12,673	11,452	(1,221)
Delta Memorial Hospital (Dumas)	12,289	11,178	(1,111)
DeQueen Regional Medical Center	40664	36449	(4,215)
DeWitt City Hospital	12,546	11,331	(1,215)
Drew Memorial Hospital (Monticello)	27,408	24,876	(2,532)
East Ozarks Reg. Med. Cntr. (Cherokee Village)	21533	19526	(2,007)
Eureka Springs Hospital	8,788	7,938	(850)
Fayetteville City Hospital	1,262	1,155	(107)
Fulton County Hospital (Salem)	16,321	14,863	(1,458)
Gravette Medical Center	27,585	25,197	(2,388)
Harris Hospital (Newport)	38,802	35,186	(3,616)
Helena Regional Medical Center	68200	61220	(6,980)
Hot Spring County Memorial Hospital (Malvern)	51,725	47,307	(4,418)
Howard Memorial Hospital (Nashville)	27996	25435	(2,561)
Jefferson Regional Medical Center (Pine Bluff)	308,573	273,552	(35,021)
Johnson County Regional Hospital (Clarksville)	39,896	36,151	(3,745)
Lawrence Memorial Hospital (Walnut Ridge)	19,392	17,588	(1,804)
Little River Memorial Hospital (Ashdown)	12,277	11,260	(1,017)
Magnolia Hospital	34,968	31,488	(3,480)
McGehee–Desha County Hospital	13195	12022	(1,173)
Medical Center of Calico Rock	12,130	11,084	(1,046)
Medical Center of South Arkansas (El Dorado)	166842	148390	(18,452)
Medical Park Hospital (Hope)	50227	45241	(4,986)
Mena Medical Center	29,911	27,078	(2,833)
Mercy Hospital of Scott County (Waldron)	14,739	13,263	(1,476)
Mercy Hospital–Turner Memorial (Ozark)	20,112	18,264	(1,848)
Methodist Hospital of Jonesboro	74639	66884	(7,755)
National Park Medical Center (Hot Springs)	141,902	127,157	(14,745)
Newport Hospital & Clinic	35,885	32,370	(3,515)
North Arkansas Medical Center (Harrison)	108,812	97,896	(10,916)
North Logan Mercy Hospital (Paris)	11998	10842	(1,156)
Northwest Medical Center (Springdale)	182,330	165,911	(16,419)
Ouachita County Medical Center (Camden)	60,345	53,818	(6,527)
Piggott Community Hospital	26,287	23,729	(2,558)
Pike County Hospital (Murfreesboro)	8,926	8,170	(756)
Randolph County Medical Center (Pocahontas)	21,629	19,521	(2,108)
Rebsamen Regional Med. Center (Jacksonville)	79,974	72,576	(7,398)
Saline Memorial Hospital (Benton)	89481	80683	(8,798)
Siloam Springs Memorial Hospital	39,387	35,712	(3,675)
Southwest Hospital (LR)	56,925	51,054	(5,871)
Sparks Regional Medical Center (Ft. Smith)	402,092	359,813	(42,279)
Stone County Medical Center (Mtn. View)	14,223	12,827	(1,396)
Stuttgart Regional Medical Center	64,341	57,447	(6,894)
St. Bernard's Reg. Med. Center (Jonesboro)	397,369	361,437	(35,932)
St. Edward Mercy Medical Center (Ft. Smith)	324,939	293,488	(31,451)
St. Joseph's Reg. Health Center (Hot Spgs)	418,357	378,401	(39,956)
St. Mary's Regional Medical Center (Russellville)	107,617	97,780	(9,837)
St. Mary–Rogers Memorial Hospital	101,517	91,812	(9,705)
St. Michael Hospital (Texarkana)	276353	247220	(29,133)
St. Vincint Infirmary Med. Center (LR)	817,959	738,939	(79,020)
The University Hospital of Arkansas (LR)	291,010	239,879	(51,131)
Van Buren County Memorial Hospital (Clinton)	12,802	11,641	(1,161)
Washington Reg. Medical Center (Fayetteville)	195,808	173,938	(21,870)
White County Memorial Hospital (Searcy)	71375	64989	(6,386)
White River Medical Center (Batesville)	131180	118791	(12,389)
ARKANSAS TOTAL			(792,053)

Source: American Hospital Association

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 11-15

TO: Laura –

FROM: Staff Secretary

In Joe's response to the Pena infrastructure memo, he proposes an alternative CEA idea, which I plan to flag for the President when I send up the Pena memo. (I am also, of course, noting the strong views of OMB, NEC & CEA on the Pena proposals.) My question is whether

you have any view on
the CEA "Revolving Fund"
idea. I'd like to send
Prez memo up tomorrow.

Don

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

October 27, 1995 95 OCT 27 P 7:36

TO: TODD STERN

FROM: JOE STIGLITZ

SUBJECT: SECRETARY PENA'S MEMO TO PRESIDENT ON INFRASTRUCTURE INITIATIVES (DOCUMENT 136387)

We reviewed the memo from Secretary Pena to the President (attached). The memo proposes three separate infrastructure initiatives: State Infrastructure Banks (SIBs); Lines of Credit; and Taking Trust Funds "Off-Budget". CEA strongly supports the State Infrastructure Bank proposal, but does not support the others. However, we do have an alternative to the third proposal that may have some merit (called a National Revolving Transportation Trust Fund).

State Infrastructure Banks

This proposal is very similar to the concept developed by the NEC-led Infrastructure Finance Group last Fall. The Federal Government would provide "seed money" to the States for starting revolving loan funds, or SIBs. This proposal would allow States to make the choices between different types of infrastructure projects and, since this is primarily a loan program, probably lead to more pricing of road systems. The goal of SIBs is to enhance infrastructure efficiency. If they are funded with "new" money, States should generally be receptive. If funded by reprogramming existing funds, States will feel something has been taken away and be less enamored with the concept.

Lines of Credit

This proposal would provide credit guarantees and bridge loans from the Federal government to States. In principal, this might be desirable policy, but States will immediately realize it is just a way to reduce the match rate from the current law 80 percent to something like 10 percent. While a few more infrastructure projects may be generated, the response from States likely will be lackluster.

Taking Trust Funds Off-Budget

CEA strongly opposes this proposal, since it is simply a budget gimmick. The proposal would treat the Aviation and Highway Trust Funds like Social Security. This would provide a way to evade the discretionary spending caps, leading to greater deficit spending (unless other discretionary spending is reduced). There would be less control over aggregate Federal spending, leading to upward pressure on the deficit.

National Revolving Transportation Trust Fund

This proposal would provide some of the advantages of the SIBs with a smaller budgetary effect, while preserving Aviation and Highway Trust Fund revenues for transportation purposes. A National Revolving Fund would be established and States given entitlements to draw on the Fund for transportation purposes. Three components make up the entitlement: (1) A tranche of funds available for States at rates comparable to their tax-exempt borrowing rates; (2) A tranche of additional funds available to States that accept restrictions on their use of tax-exempt debt (essentially "trading" access to tax-exempt debt for borrowing from the Federal government); and (3) A tranche of funds available at the Federal cost of funds.

The first tranche would have some budgetary cost, but lower than the SIB proposal since the subsidy is paid over time. The second tranche should have a positive budgetary impact, since it is a more effective financing mechanism than tax-exempt debt. The third tranche should have no budgetary impact (assuming the Federal government can collateralize the debt).

11-15-95

The "Ella"

Celebrating
10 YEARS
Our Tenth Anniversary

The Society of Singers

Lifetime Achievement Award

Vic Damone
Barbara and Marvin Davis
Laraine and David Gerber
Jack L. Gilardi
Michael and Susan Goldberg
Whoopi Goldberg and Lyle Trachtenberg
Linda and Sonny Golden
Marie and Shecky Greene
Merv Griffin
Joan and Shelly Gross
Bill Harbach
Kit and Dwight Hemion
Sandra Moss and Lew Hyman
Kim and Jack Jones
Alan King
Larry King
Mr. & Mrs. James Komack
Charles Koppelman
Mr. & Mrs. Bernie Lawrence
Miss Peggy Lee
Abbe Lane and Perry Leff
Mr. & Mrs. Jerry Lewis
Hillie and David Mahoney
Barry Manilow

Jolene and George Schlätter
Natalie and David Schwartz
Artie Shaw
Ellie and George Shearing
Ann and Herb Siegel
Lilian Silbert
Barbara Sinatra
Ruth and Joesph Sinay
Maxine and Gary Smith
Judy Tannen
Roseanne
Shirley and Saul Turteltaub
Rita and Jerry Vale
Felisa Vanoff
Jill and Robert Wagner
Mr. & Mrs. Lew Wasserman
Maria and Eliot Weisman
Andy Williams
Joe Williams
Patrick and Catherine Williams
Michele and Jerry Wolkoff
Elaine and Steve Wynn

Society of Singers

cordially invites you to join us in celebration
of our 10th Anniversary and in honor of

Steve Lawrence & Eydie Gorme

as the recipients of the fifth

"Ella"

Lifetime Achievement Award

With Special Guest Stars*

Steve Allen
Pat Harrington
Don Knotts
"Los Corazons"
Tom Poston
Toni Tennille
Bill Dana
Jack Jones
Peggy Lee
Louis Nye
Dianne Reeves
Joe Williams

and the SOS Choir

Beverly Hilton Hotel
International Ballroom
December 7, 1995
Cocktails: 6:30 p.m.
Dinner: 7:30 p.m.

Black tie
No host bar

*a partial list

Society of Singers
8242 West Third Street
Suite 250
Los Angeles, California
90048

MARINA DEL REY, CA 902
PM
7 NOV
1995

The Honorable Bill Clinton & Mrs. Clinton
Attention: Betty Curry
1600 Pennsylvania Avenue
Washington, D.C.
20500

The "Ella"

THE PRESIDENT HAS SEEN
11-15-95

Sosnik

Need letters
to Miss Lt Gov
to key legis pickups

BILL CLINTON

November 13, 1995

The Honorable Edward B. Hatchett, Jr.
Auditor-Elect
454 Chinook Trail
Frankfort, Kentucky 40601

Dear Edward:

Congratulations on your victory. You have earned the trust of the people of Kentucky, and you should be proud of that achievement. I look forward to working with you in the coming months.

I hope you will be able to get some much deserved rest. Hillary and I wish you the best.

Sincerely,

Bill Clinton

430 S. Capitol St., S.E.
Washington, DC 20003

(1)

THE PRESIDENT HAS SEEN
11-15-95

Oct 19, 1995

Dear Chery,

I am asking you, if at all possible, to get this directly to President Clinton, and to somehow ensure that he himself reads it. It is cogent idea about Social Security and taxation that could prove a real political coup for the President. It is from Prof. Robert McElvaine, my author of "The Great Depression"

What the Democrats need to get out of their Chapter Eleven of the mind is a "Big Idea" that sharply delineates the difference between their basic outlook and that of the Republicans.

Here's a good candidate for that Big Idea: Remove the cap on income susceptible to Social Security taxes (currently $61,200) and lower the rate of that payroll tax. As it stands now, a near-minimum wage worker making $10,000 annually pays 7.5% of his/her wages in FICA-Medicare taxes, while a CEO who carries off $5 million pays only 1.52% of his income for the same purpose.

Americans pay two principal taxes to the federal government. One is mildly progressive, the other extraordinarily regressive.

Laura

What do you think of this idea - Pls analyze it

BC

THE PRESIDENT HAS SEEN
11-15-95

The Republicans propose to flatten the progressive one, thereby helping the rich, but to leave the very regressive one untouched, thus doing nothing for the middle class or the poor. Democrats have a golden opportunity to take the opposite position: keep the income tax progressive and flatten the regressive FICA tax.

Republicans have indicated a willingness to means test Medicare benefits. The FICA tax is currently based on a *negative means test*: the less one earns, the larger the share of his or her income that is taken by this tax.

Why not apply means tests to taxes? That is all that progressive taxation is. Of course lifting the cap on income susceptible to the FICA tax would *not* means test it; it would merely remove the negative means test on which it is now based. It would not make this tax progressive; it would produce a *flat tax*. That's what most Republicans claim they want, so how could they argue against a flat tax to support Social Security and Medicare?

Nearly half of all income now goes to the top 20% of income recipients, which is approximately the same as the group that earns above the current FICA cap. This suggests that a conservative estimate is that applying the FICA tax to all income would allow the rate to be reduced at least to the 5% range. The effects of such a change would be dramatic. The FICA-Med tax paid by a person earning $35,000 a year would be reduced by $1000 annually, adding more than $80 to his or her monthly take-home pay. The wage-earner making the current cap of $61,200 now pays $4590; at 5% that would drop to $3060, adding more than $125 a month to his/her take-home

pay. What's more, this would not be money people had to wait to receive in tax refunds; they would see it directly added to every paycheck. And, although persons earning above the current cap would pay tax on all their income, their total FICA-Med tax would remain below what they now pay until they passed $104,000 in annual income.

This proposal would stimulate the economy by giving consumers more money, combat the fundamental problem of growing maldistribution of income, and be a great boon to small businesses (which rarely pay any employee above the current cap and so would see their share of the payroll tax substantially reduced). It would spur job creation and reduce unemployment, since the size of the payroll tax is one of the greatest obstacles to hiring new workers. It would also be something of a disincentive to the payment of the huge salaries that many Americans find so disturbing. Perhaps Jerry Jones would pay Dieon Sanders a little less if he had to pay the employer's share of the FICA tax on *all* of it.

This is, moreover, a way to assure the solvency of Social Security and Medicare, since by significantly reducing the tax rate now, there would be room for modest increases as needed in the future to cover the huge number of retirees in the Baby Boom generation. This, in turn, would restore confidence in the system. Younger people would have a strong assurance that Social Security and Medicare will be there for them when they retire.

The only people who would pay significantly more are those

making above about $200,000 a year--precisely those whose incomes have been skyrocketing in recent years while all others have been left in the dust.

This could be the key to reuniting Democrats and winning back the allegiance of a unified middle and lower class. It could be a major step towards securing the reelection of President Clinton and restoring Democratic majorities in Congress.

How could the GOP argue against it? Surely they would scream "class warfare," their standard response to any proposal for fairness and equity. In fact the regressive FICA tax that presently exists is part of the class warfare on the middle class and working poor that has been waged for many years and is being increased almost daily by the Republican majority in Congress. The FICA flat tax would merely be a defensive maneuver in the class war in which Republicans and the wealthy are very much on the offensive.

There is only one argument against this: that Social Security is a retirement fund, and no one should have to pay vastly more in taxes than she or he will receive back in benefits. But this argument has already been undermined by the lifting of the cap on the Medicare tax, by the fact that almost all participants now receive far more than they put into the system, and by the fact that the system is actually run on a pay-as-you-go basis.

This idea would correct one of the basic mistakes in the original Social Security Act. The potential benefits far outweigh the solitary objection that this is a pension system and obliging

(5)

the rich to pay much more than they will get out of it is unfair to them.

I have discussed this proposal with several leading Democrats in the Congress and with White House advisers in recent weeks. The reception has been unanimously favorable, ranging from a high-ranking adviser to the President who said, "That's a *really big* idea; we need to look at it carefully," to Sen. Dale Bumpers' response: "That's a *dynamite* idea!"

This proposal has everything to recommend it. Economically, it would put significantly more money in the hands of middle-class and poorer consumers, thereby providing stimulus to the economy, and it would materially assist small businesses. Morally, it would be a step to begin to counter the rapid skewing of income to the few at the expense of the many. Politically, it would bring together the middle class and the poor, allowing the Democrats to make an effective and honest case that they are looking out for the well-being of the vast majority of Americans, while the Republicans are presenting proposals designed to assist only the rich.

Removing the cap on income susceptible to the FICA tax and lowering the rate of that tax is the right thing to do in terms of economics, morality, and politics.

What are the Democrats waiting for?

{Robert S. McElvaine is Elizabeth Chisholm Professor of Arts and Letters and Professor of History at Millsaps College in Jackson, Mississippi. He is working on a manuscript, <u>What's Left?</u>, which seeks to define a new

(6)

progressive vision. He wishes to thank Martin Colucci of Atlantic City, N.J., and Millard Grimes of Athens, Ga., for their contributions to his thinking on this topic. }

(1)

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11-15-95

Oct 19, 1995

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Leon Erskine

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THE PRESIDENT HAS SEEN
11-15-95

THE WHITE HOUSE

WASHINGTON

95 NOV 13 P7:04

November 10, 1995

INFORMATION

MEMORANDUM FOR THE PRESIDENT

very worthy dropped
Good.

FROM: Chris Jennings

THROUGH: Leon Panetta

SUBJECT: Frank Brannon's Memo on Medicaid Malpractice/Budget Reconciliation

I. SUMMARY

Good

You asked for the status of the medical malpractice provisions in the reconciliation bill and how the Byrd rule, which is used to drop extraneous and/or non-budgetary items, applies to these provisions. As it turns out, since these provisions were reportedly dropped on Wednesay evening from the Senate/House conference, we may never know for certain. However, it appears clear that the House agreed to drop their malpractice provisions due to their concern that it could not pass the scrutiny of the Byrd rule.

II. DISCUSSION

The Senate Republican Leadership, believing they would lose a Byrd rule challenge, decided to leave out the very aggressive House-passed medical malpractice provisions from their bill. The Republicans in the House (and indirectly the AMA) had tried to work with the CBO and the Senate Parlimentarian to develop a package that could survive a Byrd rule challenge. Apparently, they were unsuccessful.

The House Republican proposal goes far beyond the provisions the Administration proposed in the Health Security Act last year. The Justice Department, working with Bruce Lindsey, has already written an Administration cleared statement of opposition. The letter outlined in great detail the serious concerns we have about their provisions including, but certainly not limited to, the $250,000 limit on awards for pain and suffering (non-economic damages).

Attached for your information is a comparison of the major differences in our provisions in malpractice reform and those currently being proposed by the Republicans.

A Comparison of Republican Provisions and the Administration's Provisions on Medical Malpractice Reform

Last year the Administration incorporated a number of provisions in the Health Security Act which addressed the medical community's concern about malpractice suits. These provisions included, a limit on attorney's fees, broad use of alternative dispute resolution, consumer access to the National Practitioner Data Bank, and a requirement of a certificate of merit from a qualified medical specialist in order to file suit.

This year Republicans have proposed much more aggressive legislation which has created widespread concern in the legal community and among many consumer groups. Outlined below are several of the most extreme provisions included in the House reconciliation bill, along with a description of our concerns about them:

- **Caps on Awards for Damages Pain and Suffering.** The House Republicans limit awards for pain and suffering (non-economic damages) to $250,000.

  -- The Justice Department opposes non-economic damages caps because they disproportionately impact the most severely injured who, under current law, are compensated for major lifestyle changes as well as women, minorities, the elderly, and children who often cannot demonstrate substantial economic losses.

- **Limits on Punitive Damages.** The House Republican cap damages in medical malpractice cases at three times economic damages, or $250,000, whichever is greater.

  -- The Justice Department opposes a cap on punitive damages because when they are awarded (and it is extremely rare), they are to penalize gross deviation from accepted medical standards.

- **Statute of Limitations for Filing Claims.** Limits the time period for filing claims to two years after the date of discovery and a maximum of five years from the event.

  -- The Justice Department believes this provision would arbitrarily cut off claims for diseases with long incubation period, even if they were not discovered. If a hospital negligently transfuses a patient with HIV-infected blood, and the patient develops AIDS six years later, this provision would bar a claim against the hospital.

- **Immunity for Drugs and Devices.** This provision excludes punitive damages in cases where drugs or medical devices have received pre-market approval by the Food and Drug Administration, unless there has been misrepresentation or fraud.

  -- This provision causes concern because it would give a government agency's approval the power to insulate an egregious wrongdoer from punitive damages. It is strongly opposed by Senator Pryor and goes well beyond the provisions included in the Senate product liability bill. Under any scenario, the Justice Department believes that Medicare reform is not the appropriate venue for fundamental changes in product liability law.

To Chris J

THE PRESIDENT HAS SEEN
11/2/95

BC/cc Leon/CO
→ what's the status here

what's the status here —

MEMO

October 17, 1995

To: President Clinton

From: Frank Branson

Re: Medical Malpractice/Budget Reconciliation

As we have discussed, we are very concerned that extreme malpractice "reform" provisions may be included in the budget reconciliation bill. It is because these extreme provisions could not stand the light of day that the Republican leadership has chosen the budget reconciliation bill as a Trojan Horse for these anti-consumer provisions.

These provisions are not only unfair to consumers and the victims of medical negligence, but they are particularly inappropriate for consideration in the context of budget reconciliation. It is the consensus of the academic literature as well as the historic position of the Congressional Budget Office that malpractice reform will have a negligible effect on federal healthcare expenditures. Even after the strong arm efforts of the Republican leadership, CBO has only scored incidental savings to these broad liability provisions.

Our legislative advisors in Washington tell us that we can challenge malpractice provisions in the reconciliation bill using the so-called "Byrd Rule," pointing out that the provisions do not have a sufficient budgetary impact. If the parliamentarian and the Chair rule in our favor, proponents would then need 60 votes to overcome our successful Byrd Rule challenge.

The White House could be tremendously helpful in this process in two respects. First, Democratic negotiators and Administration representatives should pressure the conferees on budget reconciliation to exclude malpractice from the provisions of the reconciliation bill. The lack of significant budgetary impact and any threat that such provisions would endanger final passage and signature of the reconciliation bill could prove effective at this point.

Second, Vice President Gore, as President of the Senate, could take the Chair during the challenge to this part of the budget reconciliation bill so as to ensure a fair ruling in our favor on our Byrd Rule objection. Our allies in the Senate would work very closely with the Vice President to ensure that he had an adequate basis to rule in our favor. This would be, of course, a meritorious ruling, and the Vice President's presence in the Chair would simply ensure that Republican leadership does not play politics on this issue.

On behalf of American consumers across this country, we thank you for your concern with these important issues.

FLB/ld

THE WHITE HOUSE

WASHINGTON

November 15, 1995

To: Harold Ickes
Jack Quinn
Pat Griffin
Alexis Herman
Rahm Emanuel
Bruce Reed

Fr: Todd Stern

The attached is a draft response to a letter from 20 Members of the Black Caucus opposing the sentencing bill on crack and powder cocaine that the President signed October 30. It was largely prepared by DOJ. **The bracketed sentence in the fourth paragraph has been suggested by Lee Brown.**

Please let me know if you approve of the letter or have any edits -- especially whether you think the bracketed sentence should be deleted.

cc: Leon Panetta

DRAFT

Dear Representative 1˜:

Thank you for your letter regarding the bill to disapprove of amendments to the Federal Sentencing Guidelines relating to the lowering of crack sentences. As you know, I signed this bill on October 30, 1995.

You are correct in emphasizing the importance of fairness in the criminal justice system. African Americans have indeed been subjected too often to treatment that has been less than just. I am committed to ensuring that federal law enforcement under my Administration adheres to the principle of equal protection under the law. However, I believe that tough penalties are warranted for crack distribution because of the devastating impact crack has had on communities across America, especially inner-city communities.

Current federal law does require a substantial disparity between sentences for crack as compared to equal amounts of powder cocaine, and for that reason I stated, upon signing the ~~Sentencing Commission~~ bill, that some adjustment to the current sentencing scheme is warranted.

The legislation I signed directs the United States Sentencing Commission to submit new recommendations to Congress. I intend to ask the commission to review the recommendations of Dr. Lee Brown, Director of the Office of National Drug Control Policy, that the sentencing guidelines be amended to account for, and punish appropriately, the dangers associated with both crack and powder cocaine.

What we need is a sentencing scheme that is tough but fair. I want to assure you that I am willing and ready to work with you, the Commission, and the Department of Justice to address this important issue.

Sincerely,

The Honorable 2˜
House of Representatives
Washington, D.C. 20515

CBC
Congressional Black Caucus
Congress of the United States

2244 Rayburn Building
Washington, D.C. 20515
(202) 225-3436

October 24, 1995

The Honorable William Jefferson Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to urge you to veto H.R. 2259, the disapproval of certain sentencing guidelines advanced by the United States Sentencing Commission.

The United States Sentencing Commission was established for the purpose of promulgating sentencing guidelines based on the bipartisan experiences of judges, prosecutors, and others. It was designed to insulate these important questions from political influences.

The Sentencing Commission's recommendations would equalize penalties for crack cocaine and powder cocaine possession and trafficking, recognizing that the 100-to-1 disparity between the two is not justified on the merits and results in disproportionately harsh penalties for African Americans.

According to the National Institute on Drug Abuse, whites account for two-thirds of those who have tried crack cocaine and constitute a majority of regular users. Notwithstanding this fact, African Americans and Latinos account for 96 percent of defendants prosecuted for crack cocaine offenses in federal courts. While Blacks are charged in federal courts and face a ten-year mandatory minimum sentence, whites are charged in state courts and may receive probation or as little as a year in jail for exactly the same offense.

For example, between 1988 and 1994, no whites were prosecuted in federal courts for crack offenses in the Los Angeles area. Only minorities were so prosecuted.

Conviction of possession of five grams or crack cocaine means a mandatory five-year prison term. One would have to be convicted of possession of five hundred grams of powder cocaine to receive a like sentence.

These disparities fuel the appearance of unfairness -- and rightfully so. They undermine our faith in equal protection under the law.

These disparities make a mockery of justice, as the Sentencing Commission recommendations acknowledge. By equalizing penalties and adding enhancements for trafficking that involves violence or children, the Sentencing Commission recommendations eliminate the disparities and insure that the penalties fit the crime.

Last week we saw one million Black men rally in our nation's capital. They vowed to take responsibility for themselves and their communities. They also expect something of their government. They expect us to aggressively root out and eliminate policies and practices that are patently unfair and unjust.

This disparity in cocaine sentencing is the first test of our seriousness. We urge you to uphold the eminently reasonable recommendations of the United States Sentencing Commission and veto H.R. 2259.

Sincerely,

Donald Payne

Maxine Waters

James Clyburn

Charles Rangel

Corrine Brown

Eddie Bernice Johnson

Earl Hilliard

Sheila Jackson Lee

towns

Barbara-Rose Collins

Bobby Scott

Eleanor H. Norton

Bobby Scott