12. PROMOTING TAX FAIRNESS

The budget proposes tax reforms that would promote tax fairness and encourage activities that foster economic growth. It calls for tax cuts that would benefit middle-class families with children, encourage investment in higher education, and promote long-term saving. It helps small business with more favorable treatment of investment, estate tax relief, and health insurance for the self-employed. And it contains targeted tax relief to promote urban renewal.

The President's tax plan is fiscally responsible. The budget funds the tax relief through cuts in spending and in unnecessary corporate subsidies and other unwarranted tax breaks. In addition, the budget includes a "trigger" mechanism to ensure fiscal discipline by guaranteeing that most of the tax cuts would remain in effect beyond the year 2000 only if the Government is meeting deficit reduction targets.[1]

This chapter provides an overview of the President's tax proposals. For additional details, see Chapter 3 of *Analytical Perspectives.*

A Middle-Class Tax Cut

The President continues to view tax cuts for middle-income families as an important priority. In 1993, the President worked with the last Congress to enact budget policies that reversed the Nation's trend of steadily rising deficits. Building on that progress, this budget proposes to balance the Federal books by the year 2002. The President believes that middle-income Americans should share

[1] The trigger applies to all of the tax relief provisions except pension simplification, estate and gift tax relief, and tax relief for the troops in Bosnia.

Table 12–1. THE PRESIDENT'S TAX PLAN
(In billions of dollars)

	1996	1997	1998	1999	2000	2001	2002	1996–2002
Middle Class Bill of Rights tax cuts:								
Provide tax credit for dependent children	–1.100	–9.729	–6.988	–8.853	–10.725	–10.669	–10.558	–58.622
Expand individual retirement accounts	.....	–1.410	–0.446	–0.739	–1.067	–1.573	–2.510	–7.745
Provide incentive for education and training	–0.171	–5.819	–5.553	–6.223	–7.540	–7.798	–8.047	–41.151
Subtotal, Middle Class Bill of Rights tax cut	**–1.271**	**–16.958**	**–12.987**	**–15.815**	**–19.332**	**–20.040**	**–21.115**	**–107.518**
Additional targeted tax relief:								
Tax relief for small business:								
Increase expensing for small business	.....	–0.555	–0.502	–0.642	–0.700	–0.939	–0.784	–4.122
Provide estate tax relief for small business	.....	.....	–0.186	–0.191	–0.195	–0.200	–0.205	–0.977
Simplify pension plan rules[1]	0.015	–0.029	–0.118	–0.291	–0.342	–0.317	–0.289	–1.371
Increase self-employed health deduction	–0.007	–0.100	–0.117	–0.232	–0.371	–0.507	–0.541	–1.875
Other targeted tax relief:								
Provide tax incentives for distressed areas	–0.008	–0.022	–0.300	–0.589	–0.798	–0.880	–0.807	–3.404
Provide tax relief to troops in Bosnia	–0.007	–0.034	.....	.....	.....	.....	.....	–0.041
Subtotal, Additional targeted tax relief	**–0.007**	**–0.740**	**–1.223**	**–1.945**	**–2.406**	**–2.843**	**–2.626**	**–11.790**
Restrict corporate loopholes and other proposals	**–0.294**	**5.696**	**7.447**	**9.514**	**10.334**	**10.852**	**12.644**	**56.193**
Modify earned income tax credit (EITC)[2]	**0.002**	**0.278**	**0.419**	**0.409**	**0.397**	**0.388**	**0.380**	**2.273**

[1] Net of income offsets.
[2] This proposal reduces outlays by the following amounts: 1996: $14 million; 1997: $596 million; 1998: $606 million; 1999: $650 million; 2000: $668 million; 2001: $673 million; and 2002: $685 million.

VerDate 17-OCT-95 16:33 Feb 29, 1996 Jkt 000000 PO 00000 Frm 00001 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\BUD12.97

the benefits of a balanced budget and economic growth.

Specifically, the President again calls for enactment of the Middle Class Bill of Rights that he proposed last year. It would immediately and significantly benefit families with young children, encourage investment in post-secondary education, and promote long-term saving.

The Tax Credit for Dependent Children: Today, most American families with children face significant challenges. Many have two working spouses; others are headed by single parents. All, however, confront their children's economic, educational, and emotional needs.

Economic growth in the last two decades has not generated big gains in after-tax income for most families. In fact, the bottom 60 percent ranked by income have lost ground since 1973. For more on how Americans at different income levels have fared, see Chapter 2.

The President proposes a non-refundable credit for each dependent child under age 13, a credit that would benefit about 19 million families with 36.6 million dependent children. The credit would be phased in, starting at $300 per child in tax years 1996, 1997, and 1998, and rising to $500 per child in 1999 and beyond. It would be phased out for couples with adjusted gross incomes (AGI) between $60,000 and $75,000. Starting in 2000, the credit and the phase-out range would be indexed for inflation. Working families would calculate the child credit before determining their eligibility for the Earned Income Tax Credit—making it easier for them to get the benefit of both credits.

For a two-parent, two-child family with $50,000 of income and $12,500 of itemized deductions, the credit would cut taxes by 25 percent, from $4,005 to $3,005, when fully in place in 1999. Overall, the credit would cut families' taxes by an estimated $66.2 billion from 1996 to 2002.

The Education and Job Training Tax Deduction: Education is vital to making and keeping American workers the world's most productive, but tuition remains a daunting barrier to families of modest means. The President believes that the tax system should better encourage higher education.

The President proposes a deduction of up to $5,000 a year for qualifying education expenses in 1996, 1997, and 1998. Beginning in 1999, it rises to $10,000. Qualifying expenses include tuition and fees directly related to a student's course of study, while eligible activities include degree programs and courses to improve job skills. The deduction would be available for the education of a taxpayer, his or her spouse, or dependents.

The deduction would be available whether or not a person itemizes deductions. For taxpayers filing jointly, the deduction would be phased out for returns with modified[2] AGI of $100,000 to $120,000. The phase-out range is $70,000 to $90,000 for other returns. Starting in 2000, these ranges would be indexed for inflation.

Once fully implemented, this tax deduction would cut the taxes of eligible families by up to $2,800. Overall, it would give eligible families $39.1 billion in tax relief from 1996 to 2002, and increase enrollment in higher education and training programs.

Expanded Individual Retirement Accounts (IRAs): The President proposes to expand IRAs in order to provide greater incentives for saving for retirement and other important purposes. Currently, for taxpayers who participate in employer-sponsored retirement plans and file joint returns, the tax code phases out the availability of IRAs between $40,000 and $50,000 of AGI. The President's plan would double this range over time, to $80,000 to $100,000 (and double the range for single taxpayers to between $50,000 and $70,000). The plan also would index for inflation these income limits and the current maximum contribution of $2,000.

Also under this budget, eligible taxpayers could contribute to a "Special IRA" as an alternative to a deductible IRA. Contributions to Special IRAs would not be tax deductible, but distributions of the contributions would be tax-free and—if contributors kept their funds in the account for at least five years—earnings on the contributions would be distrib-

[2] Modified AGI includes taxable Social Security benefits and certain income earned abroad.

uted tax-free as well. Many taxpayers would be eligible to convert existing deductible IRAs to Special IRAs. Also, contributors to both of the IRAs could, at any time, withdraw the funds without penalty to pay for higher education, first-time home purchases, expenses during a period of unemployment, or medical care and nursing home costs.

The expanded eligibility of IRAs would enable many two-earner families to reduce their taxes by as much as $1,120 a year if they make the maximum allowable IRA contributions. From 1996 to 2002, this provision would cut taxes by an estimated $11 billion.

Tax Relief for Small Business

Increased Expensing for Small Business: The President proposes to increase the amount of investment eligible for expensing, which gives needed funds to small businesses that have limited access to capital markets. Expensing also simplifies tax reporting and record-keeping, which are more burdensome for small businesses. Today, businesses that invest less than $200,000 a year may deduct $17,500 of investment in the year they place an asset in service, rather than depreciating it over several years. The Administration plan would raise this amount to $19,000 in 1996 and continue raising the level so that it reaches $25,000 by the year 2002.

Estate Tax Benefits for Closely-Held Businesses: The budget would cut the burden of estate taxes on farms and other small businesses. It would allow owners of closely-held businesses to defer taxes on $2.5 million of value (up from $1 million under current law), and pay the taxes at a favorable interest rate over 14 years. In addition, the budget would expand the types of businesses eligible for this treatment by making the form of business ownership irrelevant. The budget would make other changes to cut the administrative burden on taxpayers electing deferral.

Pension Simplification: The President proposes measures to simplify the design and administration of employer-provided pension plans. These measures not only would simplify the tax laws, but would potentially expand pension coverage and stimulate private savings, particularly for employees of small firms.

The President proposes a new plan for small business—the National Employee Savings Trust (NEST). It would replace a series of provisions that limit the contributions of highly-compensated personnel with a simple "safe-harbor" formula, thus removing hurdles that discourage small employers from creating retirement plans for employees. NEST combines the most attractive features of IRA and 401(k) plans, minimizes administrative and compliance costs, and eliminates the need for employer involvement with the Government. NEST is designed to encourage workers of all incomes to save for retirement without complicated forms or calculations.

The budget includes other provisions to simplify pension plans sponsored by businesses of all sizes, as well as tax-exempt employers, multi-employer groups, and the self-employed. These reforms would allow employers to cut administrative costs, and direct more dollars to providing retirement benefits and stimulating retirement savings.

Increasing the Health Insurance Deduction for the Self-Employed: This Administration has worked hard to expand access to affordable health insurance. One group that faces considerable hurdles is the self-employed. Only 30 percent of their contributions for health insurance are deductible; by contrast, employer-provided insurance is fully exempt from taxes for the employee, and tax deductible for the employer. This budget would increase the deductible share of self-employed health insurance premiums, over time, to 50 percent, benefitting at least three million self-employed people.

Other Targeted Tax Relief

Expanding Empowerment Zones: The President proposes a second round of competition to designate empowerment zones and enterprise communities, providing over $1 billion in tax benefits through 2002 to these areas. The program promises to mobilize communities to promote business development and create jobs. (For more details, see Chapter 5.)

Cleaning Brownfields: The budget would provide accelerated write-offs of the costs of cleaning up and developing "brownfields"—abandoned, contaminated industrial sites,

mostly in urban centers. (For more details, see Chapter 9.)

Benefits for Troops in Bosnia Peacekeeping: The President proposes to extend tax relief that is now available to those in combat operations to U.S. troops involved in the Bosnia peacekeeping operations. While their role is peacekeeping, not combat, the risks and problems of this mission argue for providing a series of benefits, including tax exemptions for certain amounts of pay and the relaxing of filing deadlines and similar administrative requirements.

Improve EITC Targeting and Compliance

The Earned Income Tax Credit (EITC) is a cornerstone of the President's efforts to promote work and self-sufficiency. The budget would maintain the positive work incentives while better targeting the credit and improving compliance. People who are not citizens or not legally authorized to work in this country would no longer be eligible for the EITC.

The budget proposes expedited procedures for handling the failure to provide a correct social security number for the EITC and other tax purposes. It also would target the EITC to the most needy, restricting eligibility for families with sizable amounts of capital gains and other passive income and disregarding certain losses in computing the EITC phase out. These changes would raise about $1 billion a year.

Closing Loopholes, Cutting Corporate Preferences, and Improving Compliance

The Administration's plan would reduce or eliminate a series of corporate tax loopholes and preferences that are no longer warranted. Some involve highly specialized financial and accounting techniques. Restricting them would help balance the budget, increase the equity and efficiency of the tax system, and keep corporations focused on productivity and profits, rather than on reducing their taxes.

For example, the plan would:

- Close the loophole that lets individuals accrue gains as Americans and then renounce their citizenship to avoid taxes. The proposal also tightens rules governing foreign trusts with a package of information-reporting and anti-abuse rules directed at sophisticated tax-planning techniques.
- Reform depreciation deductions to better take account of expected future income.
- Capture, over time, the indefinite deferrals of income by some large farm corporations.
- Restrict interest deductions for loans taken against corporate-owned life insurance policies, preventing the policies from serving as inappropriate tax-free savings accounts for corporations.
- Require that corporations recognize gains under certain stock sales, rather than treat them as "extraordinary dividends" to avoid corporate taxes.
- Require thrift institutions to account for bad debts in the same manner as banks.
- Increase the requirements for corporate tax shelters to register with the Internal Revenue Service (IRS), in order to help the IRS make more-informed judgments about the merits of the proposed tax treatment.
- Repeal percentage depletion for non-fuel minerals mined on Federal lands that were acquired for nominal amounts under the 1872 Mining Act.
- Deny or defer interest deductions on certain financial instruments that have substantial equity features.
- Restrict interest deductions for corporations that invest in tax-exempt bonds.
- Reform inventory accounting, to reflect costs more accurately.
- Improve compliance by requiring Federal agencies to file information returns for their payments to corporations for services rendered, and by increasing the penalties for not filing correct information.
- Impose excise taxes on kerosene used as diesel fuel, with appropriate relief for space-heating and industrial use.
- Reform the section 936 tax credit (benefiting activities in Puerto Rico and other U.S. possessions), so it promotes economic ac-

tivity rather than merely encourage firms to attribute profits there.

Additional Tax Measures

Finally, the Administration supports revenue-neutral extensions of a range of tax provisions that have recently expired. It also supports revenue-neutral initiatives to promote sensible and equitable administration of the tax laws, including tax simplification initiatives and technical corrections.

MAKING GOVERNMENT WORK

VerDate 17-OCT-95 16:42 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00001 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\BUD13.97

MAKING GOVERMENT WORK

We know big government does not have all the answers. We know there's not a program for every problem. We know, and we have worked to give the American people a smaller, less bureaucratic government in Washington. And we have to give the American people one that lives within its means. The era of big government is over. But we cannot go back to the time when our citizens were left to fend for themselves.

President Clinton
January 23, 1996

As the President told the Nation, he and his team have worked hard since 1993 to create a leaner, but not meaner, Federal Government, one that works hand-in-hand with States, localities, businesses, and community and civic associations to manage resources wisely while helping those Americans who cannot help themselves.

The President has delivered:

- Since 1993, the Administration has cut the Federal workforce by over 200,000 employees, creating the smallest Federal workforce in 30 years—and, as a share of the total civilian workforce, the smallest Federal workforce since 1931.
- The Administration is creating a Government that provides better service to the American people by building on the four principles of Vice President Gore's National Performance Review—putting customers first, empowering employees to get results, cutting red tape, and cutting back to basics.
- The Administration is transforming agencies into lean, flexible organizations that emphasize performance: measuring the results of programs, not just the amount of money spent on them; making the Government an effective buyer and manager, especially of complicated information systems; and providing financial accountability for Government spending.

The job has not always been easy. After all, the Administration is trying to transform a Federal Government with vestiges of early 20th Century thinking and organization into one suited for the next century. And, as the Government moves toward a balanced budget, it will have to do as private organizations have done—that is, more with less.

The engines of change are the Federal workers themselves. They are why we can reduce the size of the workforce and still improve service. They are working harder and smarter each and every day.

The President proposes a three percent pay raise for both civilian employees and the military. Once again, the Administration will consult with employee organizations and others before recommending how to allocate the civilian pay raise between locality pay and a national schedule adjustment.

VerDate 17-OCT-95 16:49 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00003 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\BUD13.97

13. IMPROVING GOVERNMENT PERFORMANCE

In past years, debates about Government programs were usually dominated by discussions over how much the Government should spend, rather than on what the spending would accomplish. But for Americans, the debates were largely academic. For well over a decade, the public has been saying that Government simply is not working.

Americans want a Government that "works better and costs less." They want and expect common sense Government—a Government that performs well, uses their tax dollars wisely, views them as valued customers, does not impose excessive burdens, and makes a positive impact on their lives when it addresses such problems as crime and poverty and the challenges of employment and education.

To answer the call, the Administration is making Government smaller, better managed, and more efficient. It is, in fact, creating a Government that "works better and costs less."

A. A GOVERNMENT THAT WORKS BETTER

Putting Customers First

In 1993, the President issued an Executive Order directing all agencies to develop a comprehensive program of customer surveys, training, standard setting, and bench marking to enable the Government to deliver service "equal to the best in business." A year later, the National Performance Review (NPR) published the Government's first comprehensive set of customer service standards.

The focus on customer service is bearing fruit. In *Putting Customers First*, the NPR last year highlighted the following successes:

Social Security Administration's (SSA) Customer Service Line: *Business Week* reported last year that an independent survey of some of the Nation's best 1–800 customer service lines ranked the SSA's service on top, ahead of companies like L.L. Bean, Federal Express, and Disney. SSA's reputation for solving problems quickly and courteously earned it the highest overall score.

Customs Service—Streamlining Inspections: In Miami, the airlines and Federal agencies formed partnerships to overhaul Customs procedures for international travelers, eliminating three-hour delays and missed connection flights. Officials from the Customs Service, the Immigration and Naturalization Service (INS), and the Agriculture Department worked with airline officials to reduce clearance times to 45 minutes, on average.

Veterans Affairs (VA)—Responding to Customers: Responding to complaints about long waits to see benefits counselors, the VA promised veterans it would cut waiting times to 30 minutes or less. Having met that promise, the VA in the past year has aimed higher; it now promises veterans no more than a 20-minute wait and is meeting that goal 90 percent of the time.

The Administration has used advancements in information technology (IT) to serve customers faster, more accurately, and more reliably. IT is not an end in itself, but a means for agencies to work smarter, faster, more accurately, and more reliably. By making data more easily accessible, the electronic dissemination of information not only better serves current users but expands the potential audience.

Previously, for information about benefits or services, citizens typically had to visit a Federal office during business hours. Now, the Government is increasingly using 1–800 numbers and on-line connections to deliver such information 24 hours a day.

The information that only the Government collects is vital for many reasons. Businesses and markets depend on census data and other economic statistics to make sound and timely decisions, and access to the results of Federally-funded scientific and technical

VerDate 17-OCT-95 16:42 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00005 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\BUD13.97

research helps increase the competitiveness of U.S. businesses. Federal geographic and climatological information helps farmers to plan efficiently, local governments to formulate environmental policy, and public safety officials to prepare for natural disasters.

To expand access to the information, the Government is increasingly using the Internet. For instance, those who rely on economic and social data can now find them in the Economic and Social Statistics Briefing Room on the White House home page, at http://www1.whitehouse.gov/WH/html/briefroom.html. Other examples follow:

- *U.S. Business Advisor Web Site (http://www.business.gov).* In February 1996, the Vice President dedicated the opening of this new form of virtual government agency, which gives businesses one-stop access to all Federal agencies that assist or regulate business.
- *Expand Deployment of Technology in Schools (http://www.ed.gov/prog—info/ERIC/index.html).* This Education Department on-line information service gives teachers, parents, and students a personal touch through trained specialists available to help them search for information.
- *Modernize Tax Systems (http://www.irs.ustreas.gov).* This Internal Revenue Service Web site offers electronic versions of the 500 most frequently used tax forms and instruction booklets. In the first half of April 1995, Americans downloaded over 200,000 tax forms and booklets; the day that taxes were due, they downloaded nearly 20,000 forms.

Also to improve customer service, the Administration is encouraging a wider use of electronic payments between citizens and government.

The Federal Government can make more and more payments electronically. In 1996, taxpayers will be able to receive their tax refunds electronically. And as part of the Federal-State Electronic Benefit Transfer (EBT), more beneficiaries of Social Security, Food Stamps, and other programs soon will be able to receive electronic payments.

The Government makes payments to over 90 percent of Federal employees and retirees through direct deposit, and pays vendors through the Government-wide small purchase card and Government travel card. The Administration and Congress are developing legislation to mandate that, by 1999, the Government will make all Federal payments except tax refunds electronically. Chart 13–1 shows the trend for paper checks and electronic payments and, assuming enactment of the bill, projections to 2002.

These efforts to improve customer service and Government performance are beginning to pay off. In 1995, six Federal organizations each received one of the 15 prestigious Innovations in American Government Award, sponsored by the Ford Foundation and Harvard University's John F. Kennedy School of Government. Winners received $100,000 grants to foster innovation.

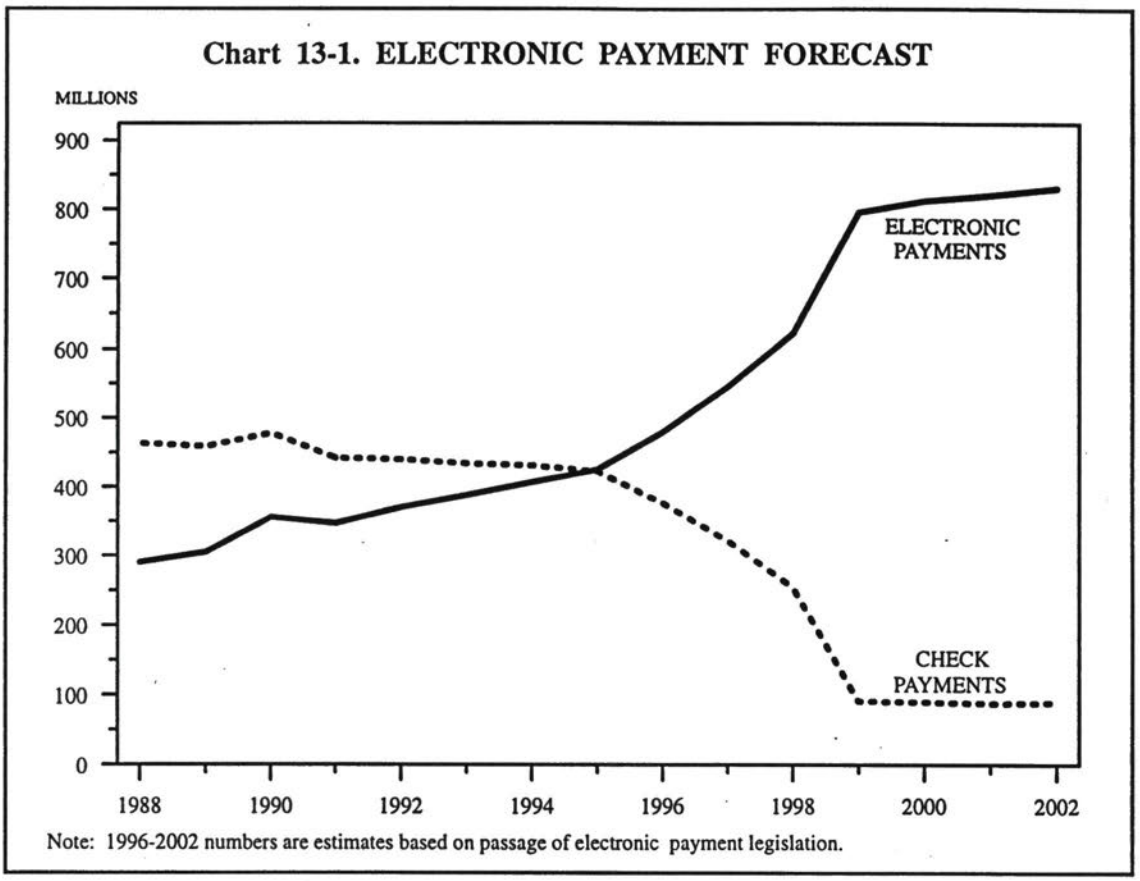
The winners included:

- The Interior Department's Bureau of Reclamation, which transformed itself from a "dam-building agency" into a leading water resource management bureau.
- The Defense Logistics Agency's Defense Personnel Support Center in Philadelphia, which connects consumers with suppliers of food, clothing, and medicine. The center replaced a cumbersome stockpile system with electronic ordering technology.
- INS' Operations Jobs Project in Dallas, which formed partnerships with businesses to help detect illegal alien workers and replace them with jobless people who can work legally.

B. A GOVERNMENT THAT COSTS LESS

Streamlining the Government

Americans want a smaller Government, and the Administration is creating one. Starting with the NPR's report of September 1993, (From Red Tape to Results,) and continuing a year later in the Federal Workforce Restructuring Act, the President and Congress agreed to cut 272,900 full-time equivalent (FTE) personnel by the end of this decade—that is, 12 percent in six years. (Put simply,



two employees who each work half-time count as one FTE.)

The Administration is ahead of schedule. It has cut the Federal civilian workforce by 9.8 percent, or by over 200,000 employees, out of 2.2 million in January 1993.[1] We now have the smallest Federal workforce in 30 years and, as a share of the Nation's total workforce, the smallest since 1931.

Just as important, virtually all departments and major agencies are streamlining their workforces. Agencies with the largest FTE cuts, as a share of their workforce, are the Office of Personnel Management (OPM), at 32 percent; the General Services Administration (GSA), at 17 percent; and the National Aeronautics and Space Administration (NASA), at 13 percent.

[1] The figure of over 200,000 refers to the latest count of actual employees. It corresponds to a reduction of 185,000 FTEs, or 8.6 percent, from January 1993 to September 30, 1995.

But a smaller Government is not an end in itself. It is a means to one. In creating a leaner, but not meaner, Government, the Administration is focused on providing better service to Government's customers—the tens of millions of Americans who come in contact with it.

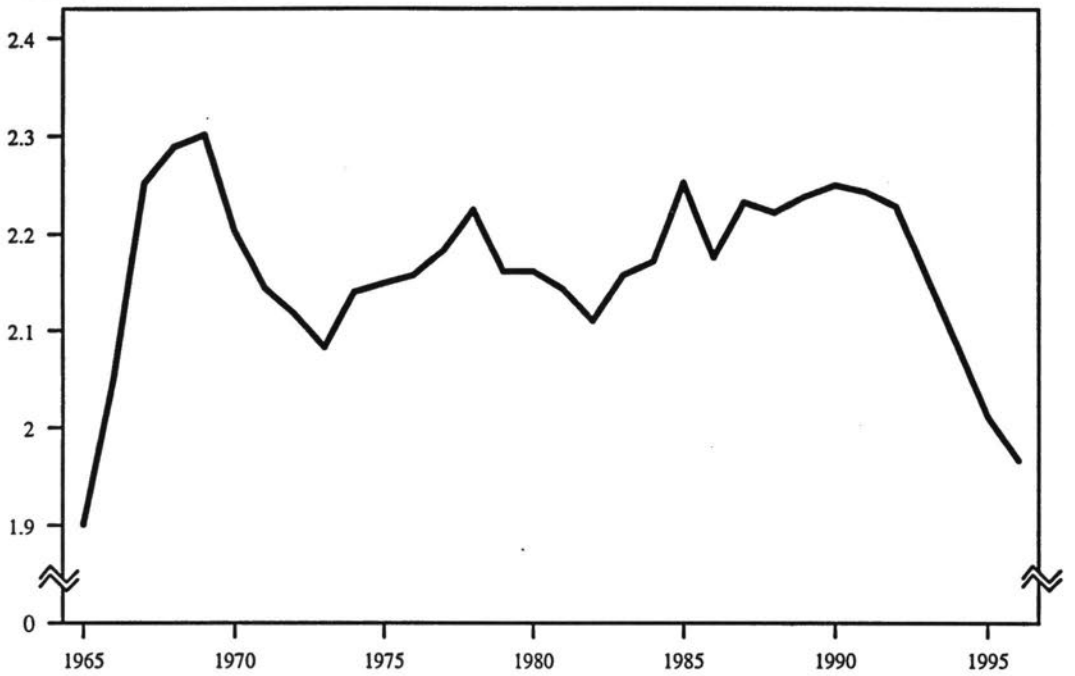
Restructuring Agencies

In place of the highly centralized, inflexible organizations of yesterday that focused on process, the Administration is creating decentralized management structures within agencies to focus on results. In the past three years, agencies themselves have cut the number of their supervisory personnel by over 45,000, or 23 percent of the overall cut in employees. The President's Management Council has led efforts to restructure and eliminate unnecessary agency field offices. In many instances, agencies are consolidating their operations, allowing them to close small, inefficient field offices in some places while

reference chart in text ?

Chart 13-2. EXECUTIVE BRANCH CIVILIAN EMPLOYMENT, 1965 - 1996

(excluding Postal Service)



Note: Data for 1965 - 1995 is end-of-year count. 1996 data is as of December, 1995.

strengthening the services they provide to customers.

NASA and OPM are two of the agencies that are restructuring:

NASA: Nearly 40 years ago, Congress created NASA and gave it nearly unlimited resources to win the "space race." Today, NASA has launched a major restructuring to do more with less. Without canceling major programs, NASA is cutting its budget needs from 1995 through the year 2000 by 36 percent, and is boosting its productivity by 40 percent over the same period. NASA also is cutting the cost of its spacecraft and increasing the number of launches a year.

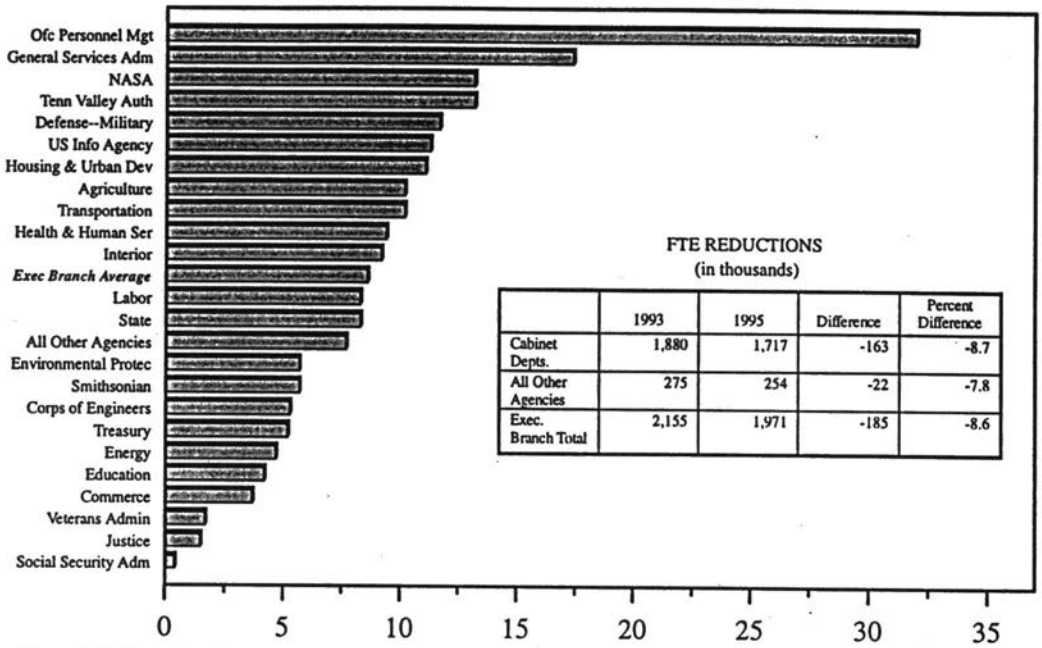
How? First, NASA is cutting its headquarters staff in half, consolidating redundant field functions, and focusing the missions of the respective field centers. From 1993–1995, NASA has cut its workforce by over 3,000 FTEs. By 2000, the agency will have 8,000 fewer civil servants and 50,000 fewer contract employees.

Second, NASA has changed the nature of its relationship with private industry. The agency and its contractors are engaged in a new partnership, with contractors operating and commercializing more routine space ventures while the Government focuses on high-reward, multi-decade research and development. NASA is using performance-based contracting to tell contractors what it needs from them, but is giving contractors more freedom on how they meet these needs.

OPM: OPM, the Government's central personnel management agency, also is doing more with less. After cutting its workforce by 32 percent from 1993 to 1995, scrapping four layers of management and overhead in its field structure, and refocusing its mission on ensuring the integrity of the merit system, OPM redesigned its management structure and functions.

reference chart in text?

Chart 13-3. CIVILIAN FTE REDUCTIONS ON A PERCENT BASIS, 1993 - 1995 CABINET DEPARTMENTS AND SELECTED INDEPENDENT AGENCIES



FTE REDUCTIONS
(in thousands)

	1993	1995	Difference	Percent Difference
Cabinet Depts.	1,880	1,717	-163	-8.7
All Other Agencies	275	254	-22	-7.8
Exec. Branch Total	2,155	1,971	-185	-8.6

Notes: The Executive Branch total excludes Postal Service. The 1993 base, which is used as the starting point to calculate the 272,900 FTE reduction required by the Federal Workforce Restructuring Act, is 2,155 thousand.

Despite furloughs and a 67 percent cut in appropriated funds in the Employment Service Program in 1996, OPM worked to provide first-rate service to its customer agencies. Among other things, it used technology to work smarter and cheaper in human resources activities. OPM also reversed a 10-year trend of higher deficits in its revolving fund by imposing tough management decisions, tighter financial controls, and increased accountability. And the agency successfully privatized its training program and will complete privatization of its investigations function in early 1996.

Reforming Procurement

Until recently, the Federal procurement process had been controlled by a maze of rigid laws and regulations that caused delay, consumed resources, hindered innovation, and made it hard for the Government to choose suppliers committed to delivering good quality at competitive prices.

Federal procurement, which accounts for about $200 billion in spending a year, has been a top focus of Administration activity. The NPR called for a redesigned procurement system that would rely less on bureaucracy and more on streamlined, customer-oriented practices to deliver better value to the taxpayer.

The Federal Acquisition Streamlining Act of 1994 (FASA), which the Administration and Congress developed cooperatively, includes many Administration proposals relating to purchases of commercial items and purchases considered "smaller-dollar"—that is, under $100,000. FASA allows agencies to use simplified procedures for a larger class of smaller-dollar purchases, promotes the acquisition of standard commercial items, eliminates many record-keeping and reporting requirements, focuses on past performance in choosing contractors, and reinforces the President's directive that instructs agencies to use electronic commerce to streamline procurement.

More recently, and at the Administration's urging, Congress reformed the way Government makes larger-dollar purchases and acquires IT as part of the Federal Acquisition Reform Act (FARA) and Information Technology Management Reform Act, which the President signed into law earlier this year.

These laws:

- Allow the Government to reduce the number of suppliers with whom it has negotiations after it receives initial proposals;
- Permit the Government to develop simplified procedures for buying commercial items up to $5 million, up from $100,000 under previous law;
- Repeal the "Brooks Act," which forced agencies that were buying IT to adhere to special rules and obtain GSA approval;
- Establish criteria for agencies to evaluate IT investment programs, modeled on the best practices of successful companies; and
- Require agencies first to make the way they work as efficient as possible, then to automate that efficient process, and, finally, to measure the improvement.

Streamlining the Negotiation Process: The Administration is working to enable agencies to issue solicitations more easily and to reduce their reliance on the detailed written proposals they receive from suppliers. For example, agencies might ask potential suppliers to present their proposals orally. The Treasury Department's Bureau of Engraving and Printing (BEP) awarded a service contract this way for an international public education campaign relating to the new version of the $100 bill. BEP estimates that oral presentations saved from eight to 12 months in negotiating time. Firms bidding on the BEP project reported significant cuts in their costs of preparing proposals.

Using a different streamlining practice, the Government renegotiated the price of its long-distance telephone contract in 1995 by putting two suppliers in direct competition with one another. The Government chose two long-distance providers up-front and will periodically put them in head-to-head competition in the future to ensure that the Government continues to get the best value for its dollar. Due to the most recent renegotiation, the Government will save $200 million a year for the next three years, and will enjoy the lowest long-distance rates anywhere—averaging 3.5 cents a minute.

Buying Commercial: FASA and FARA also will simplify the procurement process for commercial products, and encourage agencies to adopt more commercial practices. These laws are enabling the Government to enjoy the same access to good prices and current technology that other commercial market customers experience.

The Defense Department (DOD), Government's largest buyer, is increasingly using commercial products and capabilities in place of custom-designed products that were manufactured solely for the Government market:

- The Air Force, looking to meet DOD's airlift needs, was able to consider a derivative of a commercial airliner as an alternative to the C–17. The competitive pressure enabled the Air Force to save an estimated $4 billion on C–17 purchases.
- The Navy used commercial electronics in its new sonar systems, instead of a military specifications system, thus reducing the life-cycle costs for 13 systems by $100 million over 15 years. In addition, commercial electronics have reduced maintenance requirements, training, and downtime by 75 percent.

Using Performance-Based Service Contracting: The Government spends $110 billion a year for contracted services. To improve what the Government gets for its dollar, the Administration is introducing performance-based contracting; the Government will make contractors responsible to meet performance standards while giving them the freedom to decide how.

This method can cut contract costs by an average of 15 percent, according to results of a Government-wide pilot project. The Navy's conversion to performance-based contracting for aircraft maintenance saved an immediate $25 million, and the selection process took 30 fewer days than the previous, non-performance-based competition. With this in mind, OMB Director Alice M. Rivlin has asked agencies to develop a structured approach

to performance-based contracting in order to boost savings and productivity.

Using Past Performance to Pick Contractors: In an early initiative, the Administration encouraged agencies to use the commercial practice of comparing the past performance of competing contractors. Knowing their ability to get work depends on how well they perform, contractors now have a strong incentive to strive for excellence.

The change was immediately apparent to GSA's Federal Supply Service (FSS). After identifying 213 suppliers in its Stock and Special Order Program with poor work histories, FSS stopped working with 163 of them. According to FSS, the remaining 50 have significantly improved their performance.

C. MEETING BOTH GOALS

Changing the Way Government Manages Its Work

The Administration is committed to empowering Federal workers, and encouraging and recognizing their enterprising efforts. Managers and workers are transforming Government from its preoccupation with procedures, process, and penalties to a focus on customers, partnerships, and delivering information and services rapidly. That is, managers and workers are changing the way Government operates.

Reinvention Labs: In the past three years, the Administration has created over 200 "Reinvention Labs," in which groups of employees work outside normal bureaucratic processes to achieve results.

Some Reinvention Labs focus on the work of entire agencies or bureaus. Others concentrate on improving or redesigning specific processes.

- Labs within the Agriculture, Commerce, Energy, Interior, Justice, and Housing and Urban Development (HUD) Departments are developing collaborative partnerships with State and municipal governments and private entities to reach and serve customers better, and to respond more effectively to local priorities.
- Labs within the Department of Health and Human Services (HHS), GSA, and OPM are streamlining internal systems, such as travel, to save money and free up employees for other work.
- Several DOD labs are employing new technologies to enhance their battlefield support to fighting forces.

Vice President Gore has recognized the successes of reinvention with over 280 "Hammer Awards" for teams of Federal, State, and local employees, businesses, and citizens—praising their efforts to build a Government that works better and costs less.

Over a dozen such awards have gone to multi-agency teams, recognizing inter-agency and intergovernmental cooperation. Atlanta's Government Owned Real Estate Team, comprising officials from GSA and nine other agencies, received its Hammer Award for simplifying the sale of government-owned real estate.

The President's Management Council (PMC): In his first year, the President asked all executive departments and agencies to name a Chief Operating Officer who would report directly to the agency head and be responsible for the agency's overall management. At the same time, to help him and the Vice President foster management reforms, the President created the PMC, comprising the Chief Operating Officers of the Cabinet departments and several other major agencies.

The PMC is a catalyst and implementer of management reforms. It has contributed to the Administration's efforts to reform procurement and personnel systems, improve customer service, rationalize field office structures, and streamline the Federal workforce. It has worked closely with employee representatives and associations of government managers to make labor-management partnerships a reality. PMC members also worked closely with Members of Congress to craft buyout legislation to make the necessary Government downsizing more humane.

Improving Financial Management

An efficient, effective Government needs sound financial management, including management and reporting systems that produce

reliable information. To develop these systems, the Administration is establishing Government-wide accounting standards, producing audited financial statements, streamlining management controls and reporting, and modernizing debt collection.

Establishing Government-wide Accounting Standards: To make the Government's financial information more consistent, the Administration set an ambitious goal for the Federal Accounting Standards Advisory Board to develop a comprehensive set of Government-wide financial accounting and cost accounting standards. Agencies will use the standards—to be completed early this spring—as they prepare financial reports and cost information that, in turn, make the agencies more accountable to taxpayers.

Producing Audited Financial Statements: The Administration has worked to increase the number of agencies with audited financial statements that earned "unqualified opinions" (that is, a clean bill of health). Under the 1990 Chief Financial Officers (CFOs) Act, several agencies and other Government entities must prepare financial statements and have them audited. In 1991, only 35 percent of these entities earned unqualified opinions. By 1994, almost 60 percent did.

The 1994 Government Management Reform Act (GMRA) extended the requirement for audited financial statements to all activities of agencies covered by the CFOs Act, beginning in 1996. Many of the agencies, such as SSA, GSA, NASA, and the Nuclear Regulatory Commission (NRC), already have complied and issued department-wide audited financial statements with unqualified opinions.

Streamlining Management Controls and Reporting: The Administration has worked to cut agency administrative burdens by streamlining management controls and reporting. In June 1995, OMB gave agencies a framework for integrating management control assessments that are now done by agency managers, auditors, and evaluators.

SSA and GSA have produced reports that represent a first step toward such integration. These pilot Accountability Reports, a proposal of the Chief Financial Officers Council, will help these agencies track their progress in meeting performance goals. Four other agencies—the Treasury and VA Departments, NASA, and the NRC—will issue similar Accountability Reports as they complete their 1995 audited financial statements. The pilot effort will continue in 1996. These initiatives also eliminate the need to separately identify and track "high risk areas"—the Government's serious management challenges. Of the 57 high risk areas discussed in last year's budget, agencies have adequately addressed 12, and the Government is tracking the rest.

Modernizing Debt Collection: The Administration and Congress have been developing legislation to modernize debt collection, creating new incentives for the Treasury Department and other debt collection agencies to invest in systems that support electronic payment and the collection of debts owed to the Federal Government. Coordinated, Government-wide debt collection systems can have a substantial payoff.

- Treasury's Tax Refund Offset Program, which intercepts tax refund payments to individuals who owe money to the Government, collected over $1.2 billion in 1995, including the Education Department's recovery of over $1 billion for defaulted student loans.
- The Justice Department's Central Intake Facility, which gives agencies a central administrative point to which they can refer debt claims for litigation and enforcement, collected over $1.2 billion in 1995.
- HUD's Credit Alert system has helped agencies avoid making over $8.1 billion in potentially bad loans since 1987 by determining whether loan applicants have been late in paying debts owed to the Government.

Changing the Face of Federal Regulation

Regulations have the potential to be good or bad. Good regulations bring us safer cars and workplaces, cleaner air and water, and fairer business practices. But bad regulations—those that are too costly, too intrusive, and too inflexible—can impede businesses and other institutions from doing their jobs.

This Administration has sought to develop a more sensible regulatory program, one

that reduces the burdens of current and new regulations while improving their effectiveness—in short, a regulatory system that "works better and costs less." The President laid out his regulatory principles in Executive Order 12866. They include:

- collecting accurate data and using objective analysis to make decisions;
- considering the costs and benefits of alternative ways to reach the goals; and
- opening the decision-making process, providing meaningful input from affected entities.

In applying these principles to Government's day-to-day work, agencies have made impressive progress toward reforming, and restoring confidence in, the regulatory system. The following examples show how agencies have applied these principles to new regulations:

- *Properly identify problems and risks to be addressed, and tailor the regulatory approach narrowly to address them.* After reports of illness from people eating seafood, the Food and Drug Administration (FDA) worked closely with the seafood industry to adopt an approach that had proven effective in improving seafood safety. The resulting regulation requires seafood processors to continually monitor areas where health hazards will most likely develop, employing sound science and a sense of responsibility.
- *Develop Alternative Approaches to Traditional "Command-and-Control" Regulation.* Too frequently, the Government has told regulated entities precisely what to do, when to do it, and how to do it. Experience shows that, in many areas, there are better ways to reach the same goal. As a result, the Administration has decided to:

1. *Tell people the goals to meet, not how to meet them.* The Transportation Department (DOT) had long required specific designs for packages used to transport hazardous materials. Many of these designs, however, became outdated; some were never tested to see whether they actually protected the materials being moved and the people moving them. In the past several years, however, DOT has developed new rules that give shippers greater flexibility to design packages, so long as they meet safety thresholds. DOT's action has cut costs, in time as well as money.

2. *Rely on Market Incentives.* In such areas as fisheries, air transportation, and the environment, the Government is creating "tradeable permit" systems. For example, in regions where fishermen receive permits to catch a certain amount of fish, tradeable permits let them catch more fish by buying the unused portion of other fishermen's quotas. Similarly, airlines can buy and sell landing rights at congested airports, and businesses can buy and sell permits to discharge limited amounts of specific pollutants.

- *Develop rules that, according to sound analysis, are cost-effective and provide maximum benefits.* When such analysis suggested how to save more lives for less money, DOT reassessed a proposal to increase protection for side impacts in light trucks and, instead, chose to increase protection for head impacts in passenger cars and trucks.
- *Streamline, simplify, and reduce the burden of Federal regulation.* To reduce the burdens on small businesses, the Small Business Administration (SBA) recently developed an easy, one-page application for loans up to $100,000.
- *Consult with those affected by the regulation, especially State, local, and tribal governments.* The law requires the Environmental Protection Agency (EPA) to set emissions limits for new and existing municipal waste combusters of certain toxic materials. After consulting with local officials who operate these facilities, EPA revised its regulation, maintaining adequate protection without unduly burdening local governments.

Reforming Regulations: Improving new regulations is only half the challenge; revising existing ones is equally important. In 1995, the President directed agencies to review, page-by-page, their existing regulations and eliminate those that were unduly burdensome, outdated, or in need of revision. The Government is now eliminating 16,000 pages of regu-

lations, and modifying another 31,000. By the end of 1995, agencies already had eliminated over a third of the 16,000 pages, and modified nearly 5,000 others.

Last year, the President announced specific regulatory reforms by major agencies, including the EPA; FDA; the Departments of Agriculture, Labor, and Treasury; the Pension Benefit Guaranty Corporation; and SBA. For example, FDA will reform the process for developing drugs and medical devices, to bring safe and effective products to market quicker. Recently, FDA also pledged to simplify and speed the development of drugs created through biotechnology—an important growth industry. And FDA has joined with the Agriculture Department to make major reforms in the rules that govern food safety.

Waivers: The Administration has used waivers to cut Federal red tape and give more flexibility to States and localities. HHS has given welfare reform waivers to 35 States and Medicaid waivers to 12, allowing them to experiment with new ways to provide services. The Administration has provided over 700 waivers to the Food Stamp Act and has designated Kansas, Massachusetts, Ohio, Oregon, and Texas as Ed-Flex States, allowing them to provide waiver authority to their local districts without further approval.

The Education Department has used waivers extensively, approving 84 under the Elementary and Secondary Education Act and Goals 2000 to give States, school districts, and schools more flexibility to improve academic achievement.

VerDate 17-OCT-95 16:59 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00014 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\BUD13.97

14. BUILDING ON SUCCESS

As Vice President Gore said three years ago, reinventing the Federal Government will take years of work. Having accomplished much so far, the Administration remains committed to building on its success by finding new, better ways to deliver service to the American people.

As the Administration works to balance the budget, these efforts become even more important. Red tape, perverse incentives, and bureaucratic inertia are even less acceptable in an era of limited funds. In the coming years, the Government will have to make fundamental changes in the way it works with State and local governments, with those it regulates, and with the American public. The initiatives described below are the next in a series of steps to fundamentally change the way Government works:

- Despite some progress, the Government is still fragmented by agency and program, with State and local governments administering 600 Federal programs. At the local level, problems and opportunities do not fit neatly into boxes on the Federal organizational chart. As a result, the Administration is working to redefine the relationship among the Federal, State, and local governments to focus on missions and solutions, rather than organizations and structures.
- The Administration is encouraging a stronger partnership between Federal management and its employees. Across the Government, the National Partnership Council is spurring collaborative labor-management efforts, improving customer service, and cutting costs.
- In all of its efforts, the Administration is working to ensure that Government delivers better service to its customers, the American people. In fact, the Administration is creating a new kind of organization—a Performance-Based Organization (PBO)—to put customer service at the forefront when agencies perform their tasks. And the Administration is redoubling its customer service efforts in those "Vanguard Agencies" that most frequently have contact with citizens.
- To improve customer service and ensure that taxpayer dollars are well spent, the Administration is implementing a comprehensive plan for agencies to manage their resources and programs with a focus on performance and results. The 1993 Government Performance and Results Act and other performance management efforts will give taxpayers a report card on the cost-effectiveness of Government programs.

Performance-Based Intergovernmental Partnerships

The Administration is working to fundamentally shift the way the Federal Government finances and administers over 600 intergovernmental programs. Performance-based intergovernmental partnerships are agreements between the Federal Government and other levels of government based on goals and the progress toward meeting them. In exchange for commitments to specific performance levels, State and local governments receive increased administrative flexibility on how to achieve these levels of performance.

Performance Partnerships: Last year, the President proposed to consolidate 271 programs into 27 "Performance Partnerships" in public health, rural development, education and training, housing and urban development, transportation, and the environment. Generally, these partnerships would consolidate funding streams and eliminate overlapping authorities, create financial incentives and reward results, and cut Federal micro-management and paperwork.

For example, the Public Health Service would consolidate over 100 programs into partnership categories, such as chronic diseases. Larger, flexible funding pools would replace small categorical grants. Grantees would decide how to use funds, but would develop—and show progress toward meeting—

VerDate 17-OCT-95 18:07 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00001 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\BUD14.97

public health goals, such as the share of women whose breast cancer is detected at an early stage.

Congress has not yet enacted legislation to implement the proposed partnerships. But, where it can, the Administration is acting on its own. For example, the Department of Health and Human Services has begun consulting with State and local governments, and non-profit service providers, on appropriate measures of program performance.

The Southern Alliance of States: Most States are working with the Federal Government to enhance the dignity and security of public assistance recipients; rather than use cash or paper instruments such as Food Stamps, they will be able to use debit cards. The efforts build on existing commercial automated teller machine and point-of-sale debit card networks.

In 1994, the Federal Government signed onto a multi-State, multi-program prototype to provide cash and food assistance to households that do not have bank accounts. The Southern Alliance of States—which includes Arkansas, Missouri, Alabama, North Carolina, Tennessee, Kentucky, Georgia, and Florida—formed a partnership with the Treasury, Agriculture, and Health and Human Services Departments and the Social Security Administration to choose a financial services provider and implement a one-card program of electronic benefits transfer, starting in 1995.

Regional alliances in the Northeast, Midwest, and West also are implementing EBT. By 1999, any State will be able to enter a partnership with the Federal Government, giving the 31 million citizens who lack bank accounts access to Federal and State benefits on a secure plastic card.

Oregon Option: In 1994, the Federal Government launched an interagency partnership with Oregon to achieve specific results: better health for children, more stable families, and a more capable workforce. Federal agencies are giving their State counterparts more freedom in how to spend Federal dollars, in exchange for a commitment to be accountable for achieving measurable results. The Administration signed a similar partnership with Connecticut to improve the State's poorest communities through economic development and neighborhood revitalization.

Local partnerships: Individual Federal agencies also have developed performance-based intergovernmental partnerships. The Department of Housing and Urban Development, for example, formed a partnership with the State of Texas and the City of Dallas to revitalize that city, with deadlines for achieving certain objectives and performance measures to assess success. The Environmental Protection Agency (EPA) has launched an effort, "XL for Communities," giving communities the assistance and flexibility to implement their own community-designed strategies for greater environmental quality.

"Local Flex": More flexibility for States and localities to address their own needs will increase the impact of Federal programs. Only a few Federal agencies, however, can now provide the necessary waivers from legal and regulatory requirements. Other steps are needed.

With some key changes, the proposed Local Empowerment and Flexibility Act would give States and localities a chance to propose plans for better coordination of Federal, State, local, and nonprofit funds and services, and to request waivers from Federal laws and regulations that hinder a locality's ability to achieve results.

Under the legislation, proposed by Senator Hatfield, a team of Cabinet-level officials would review local plans to integrate Federal funds, and Federal agencies could provide more flexibility to achieve results.

Regulatory Partnerships

Among its steps to improve the regulatory process, the Administration is moving away from adversarial enforcement and toward partnerships.

For example, the Labor Department's Occupational Safety and Health Administration (OSHA) is taking its "Maine 200" program to the Nation at large. The program gives the owners of high-injury workplaces the option of developing health and safety plans or facing intense scrutiny by OSHA.

Maine 200 demonstrates the benefits of treating businesses as partners: through this

program, companies have eliminated 14 times more workplace hazards than Government inspectors could have found. Under its enforcement partnerships, OSHA also (1) reduces penalties for violations that employers fix during inspection; (2) provides incentives for employers to fix hazards quickly in exchange for reduced penalties; and, most importantly, (3) measures its own performance based on safety and health results, not regulatory compliance.

Partnering with the Federal Workforce

In any large organization, change requires leadership, the continued commitment of senior management, and meaningful participation by workers. Leadership and management-employee partnerships will help create a more flexible, efficient Government.

The National Partnership Council (NPC) and Labor-Management Partnerships: Since its creation in October 1993, the NPC has stimulated collaborative labor-management activities across the Government, enabling agencies to accomplish their missions more efficiently and save tax dollars. For example, Red River Army Depot and its six unions saved over $14 million in 1994; the Denver Mint and the American Federation of Government Employees ended third-party intervention in disputes, saving an estimated $10 million; the Customs Service and the National Treasury Employees Union joined hands to reorganize Customs in order to provide better service; and the Labor Department's myriad of partnership reinvention activities led to seven of the Vice President's Hammer Awards. (For additional information on the Hammer Awards, see Chapter 13.)

The NPC and other interagency councils—the President's Management Council, the Chief Financial Officers Council, and the President's Council on Integrity and Efficiency—encourage the cross-agency dissemination of ideas, speeding the process of reforming Government. These councils will be responsible for maintaining the reforms in 1997 and beyond.

Performance-Based Organizations and Market Incentives

Performance-Based Organizations: In September 1995, the Vice President unveiled the next phase of Administration efforts to improve the delivery of Government services, designating the Commerce Department's Patent and Trademark Office as the first agency function to be transformed into a PBO.

With PBOs, the customer comes first. The Administration will transform some agency customer service functions, such as issuing patents or passports, into performance-driven, customer-oriented tasks. The agencies will get considerable flexibility to make personnel, procurement, and financial management decisions and, in return, will be held accountable for meeting measurable performance goals in delivering services to the public.

Before the Administration designates a PBO, the agency must have a clear mission with broad support from key "stakeholders"; and it must be able to clearly distinguish between its policy-making, regulatory, and service delivery functions. The Administration will only target the service delivery function for PBO status.

In a major change from how the Government normally does business, agencies will hire "chief executives" of the PBOs on a fixed-term contract, with a clear agreement on performance goals, service delivery and, in some cases, taxpayer savings. Agencies will pay chief executives at market rates, with a large chunk of pay tied to performance.

Candidates to become PBOs in 1997 are listed in Table 14–1.

Table 14–1. Performance-Based Organizations

Department or Agency	Function
Agriculture	Inspection of international travelers and cargo
Commerce	—Technical information dissemination
	—Intellectual property rights (Patent and Trademark Office)
Defense	Commissary services
Housing and Urban Development	Mortgage insurance services
Interior	Minerals royalty collection services
State	Passport services
Transportation	St. Lawrence Seaway Corporation
Treasury	
Office of Personnel Management	Retirement benefit management services

Creating Internal Market Competition, Contracting Out, and Privatizing: Competition spurs efficiency. Agencies that provide administrative services to captive customers lack the stimulus of competition to sharpen their performance. The Administration's "franchising" initiative is designed to increase competition among agencies that provide common administrative services to other agencies, or components of agencies. The Administration is consulting with Congress on pilot programs in the Interior, Treasury, Veterans Affairs, and Commerce Departments, and the EPA.

Agency managers also can procure services from the private sector. OMB Circular A–76 governs how the Government chooses the most efficient source of commercial-type, public services—the Government or the private sector. OMB is revising the Circular to simplify cost comparison requirements; cut reporting and other administrative burdens; provide for more employee participation; facilitate employee placement; maintain the "level playing field" to compare costs between the Federal and private sectors; and improve oversight to ensure that the most cost-effective decision is implemented.

Redoubling the Emphasis on Customer Service

Better customer service is central to the Administration's efforts to make Government work better and cost less. The President and Vice President have challenged service-providing agencies to make significant, visible improvements in their customer service. A number of the agencies will make their specific commitments to improve service through the Internet and, for the first time, will take feedback from their customers through that medium.

VerDate 17-OCT-95 18:07 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00004 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\BUD14.97

Table 14–2. Specific Commitments of Members of the President's Vanguard

Occupational Safety and Health Administration:
- Make a spectacularly visible improvement in recruiting for partnership programs by taking the concepts of Maine 200 program nationwide.
- Overhaul the worker complaint system to cut response time in half by working with employees and employers to immediately correct the hazards.

Internal Revenue Service:
- Make it easier, faster, and more convenient for taxpayers to file their tax returns and get forms and information by: expanding electronic filing; bringing telefile to all 50 States (making form 1040 available to more people); and providing electronic services for 24-hour access—worldwide—to forms, publications, and information.

Environmental Protection Agency:
- Dramatically increase EPA's partnerships with business by boosting awareness of the positive results from programs such as Project XL, Common Sense Initiative, Energy Star, Pesticide Environmental Stewardship, WAVE, Green Lights, Climate Wise, WasteWi$e, and 33/50.

Forest Service & Park Service:
- Dramatically improve the quality of the recreational experience and the services received by campers and visitors to the forests and parks.
- Team up to develop a prototype one-stop information and reservation system for all public lands.

Customs Service, Immigration and Naturalization Service, and Agriculture:
- Use technology to strengthen enforcement by providing more comprehensive and more timely information to front-line inspectors.
- Team up to beat the International Air Transportation Association standard of 45 minutes from block time to exit in every major international airport.
- Develop and meet a similar standard for land border crossings.

Veterans Affairs:
- Give veterans and their dependents heightened interaction in benefits delivery.
- Make timely access the hallmark of veterans medical care.
- Maintain cemeteries as befit national shrines.
- Provide the advantages of electronic commerce to veterans and suppliers.

Passport Office:
- Slash the lines in passport offices by Summer 1996.
- If a customer has a concern regarding service, they can speak with a Customer Service Representative.
- Ensure that all telephone inquiries are answered within 2–3 minutes.
- Partner with the travel industry to give travelers easy access to passport information and forms.

Social Security Administration:
- Improve access to SSA's 1–800 line by giving callers nationwide immediate access to automated services and a choice of a live operator.
- Make spectacular improvements in caller's ability to reach SSA during 1996.

Agencies are communicating with their customers more than ever, and in more ways. In early 1996, many agencies will post their customer service standards on their Home Pages. Future initiatives will include: one-stop assistance, such as the U.S. General Store for Small Businesses in Houston; 24-hour on-line services, such as the U.S. Business Advisor; and new ways for Americans to find Federal services in the Government or blue pages of telephone directories. Agencies are listing their services, not their organization charts. So, instead of looking for passport services under the State Department and the Bureau of Consular Affairs, citizens need-

ing passports will be able to look under "P" for Passports.

Measuring Results

To improve customer service and ensure that Government spends money wisely, the Administration has directed agencies to manage their programs with an eye toward achieving performance goals—that is, results. Using the 1993 Government Performance and Results Act (GPRA), the Administration is working to transform the way agencies are administered and programs are managed.

The number and importance of agency performance goals is growing. For example, the Coast Guard has set a target for cutting deaths in the commercial fishing industry, one of the Nation's most hazardous occupations, from 55 deaths per 100,000 workers in 1993 to 44 in 1996 and 36 in 1998. And the Forest Service has set a goal of increasing, by nearly half over 1994 levels, the number of acres on which the Government is taking steps (such as chemical treatment) to cut the threat and consequence of wildfires.

Under GPRA, agencies will prepare strategic plans that are built around their missions and clearly outline their goals, and develop measures to track their progress in achieving the goals. They will publish annual performance reports to enable Congress and the public to better understand how the Government is spending tax dollars and what it is achieving. These reports will give the public an annual update on our efforts to create a Government that works better and costs less.

VerDate 17-OCT-95 18:07 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00006 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\BUD14.97

Table S–19. RECEIPTS BY SOURCE—SUMMARY

(In billions of dollars)

Source	1995 Actual	Estimate						
		1996	1997	1998	1998	2000	2001	2002
Individual income taxes	590.2	630.9	645.1	683.4	714.2	748.7	790.0	834.5
Corporation income taxes	157.0	167.1	185.0	201.7	212.7	225.4	236.7	245.8
Social insurance taxes and contributions	484.5	507.5	536.2	560.9	589.4	618.8	647.0	679.5
On-budget	(133.4)	(140.1)	(148.2)	(154.6)	(161.6)	(168.8)	(175.8)	(184.8)
Off-budget	(351.1)	(367.4)	(388.0)	(406.3)	(427.8)	(450.0)	(471.2)	(494.6)
Excise taxes	57.5	53.9	59.6	60.4	61.7	62.8	64.2	65.6
Estate and gift taxes	14.8	15.9	17.1	18.1	19.5	20.9	22.5	24.1
Customs duties	19.3	19.3	20.5	20.8	20.9	21.9	22.4	24.3
Miscellaneous receipts	31.9	32.1	31.8	32.7	34.2	35.3	37.1	38.4
Total receipts	**1,355.2**	**1,426.8**	**1,495.2**	**1,577.9**	**1,652.5**	**1,733.8**	**1,819.8**	**1,912.2**
On-budget	*(1,004.1)*	*(1,059.3)*	*(1,107.2)*	*(1,171.6)*	*(1,224.8)*	*(1,283.9)*	*(1,348.6)*	*(1,417.6)*
Off-budget	*(351.1)*	*(367.4)*	*(388.0)*	*(406.3)*	*(427.8*	*(450.0)*	*(471.2)*	*(494.6)*

VerDate 17-OCT-95 08:42 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00001 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\S_19.97

Table S–22. COMPARISON OF ECONOMIC ASSUMPTIONS

(Calendar years)

	Projections						
	1996	1997	1998	1999	2000	2001	2002
Real GDP (chain-weighted):[1]							
1996 Mid-Session Review[2]	2.3	2.3	2.3	2.3	2.3	2.2	2.2
CBO December	2.2	2.3	2.3	2.3	2.3	2.3	2.3
1997 Budget	2.2	2.3	2.3	2.3	2.3	2.3	2.3
Chain-weighted GDP Price Index:[1]							
1996 Mid-Session Review[2]	3.1	3.1	3.1	3.1	3.1	3.1	3.1
CBO December	2.7	2.6	2.6	2.6	2.6	2.6	2.6
1997 Budget	2.8	2.7	2.7	2.7	2.7	2.7	2.7
Consumer Price Index (all-urban):[1]							
1996 Mid-Session Review	3.2	3.2	3.2	3.1	3.1	3.1	3.1
CBO December	3.2	2.9	2.8	2.8	2.8	2.8	2.9
1997 Budget	3.1	2.9	2.8	2.8	2.8	2.8	2.8
Unemployment rate:[3]							
1996 Mid-Session Review	5.9	5.8	5.8	5.8	5.8	5.8	5.8
CBO December	5.9	6.0	6.0	6.0	6.0	6.0	6.0
1997 Budget	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Interest rates:[3]							
91-day Treasury bills:							
1996 Mid-Session Review	5.4	5.2	5.0	4.8	4.6	4.6	4.4
CBO December	5.3	5.0	4.7	4.2	3.9	3.9	3.9
1997 Budget	4.9	4.5	4.3	4.2	4.0	4.0	4.0
10-year Treasury notes:							
1996 Mid-Session Review	6.5	6.6	6.4	6.2	6.0	5.8	5.6
CBO December	5.8	5.6	5.5	5.5	5.5	5.5	5.5
1997 Budget	5.6	5.3	5.0	5.0	5.0	5.0	5.0

[1] Percent change, fourth quarter over fourth quarter.
[2] Adjusted to chain-weighted basis.
[3] Annual averages, percent.

VerDate 17-OCT-95 15:58 Feb 28, 1996 Jkt 000000 PO 00000 Frm 00001 Fmt 3620 Sfmt 3620 F:\PRINT\FY97-BUD\BUDGET\S_22.97

Nelson ltr
pmtd

Cleared by DOJ

THE WHITE HOUSE

WASHINGTON

February 29, 1996

The Honorable E. Benjamin Nelson
Governor of Nebraska
Lincoln, Nebraska 68509-4848

Dear Ben:

It was good to hear from you and Frank Keating about H.R. 2342, which would permit natural gas producers to form marketing cooperatives.

It is important for me to know the concerns of the Interstate Oil and Gas Compact Commission regarding the effects of anticompetitive activities on the domestic oil industry. My Administration is committed to ensuring fairness and competition in the marketplace, and we understand your interest in proposals such as H.R. 2342. However, as the Department of Justice stated in its letter to you, my Administration disagrees with the approach taken in this specific bill.

As we continue our efforts to strengthen our economy, I'm grateful for your involvement. You have my best wishes.

Sincerely,

Dan - 3/29/96

Could you have

these AP'd

Phil

Keating 1/V

Cleared by DOJ

THE WHITE HOUSE

WASHINGTON

February 29, 1996

The Honorable Frank Keating
Governor of Oklahoma
Oklahoma City, Oklahoma 73105

Dear Frank:

It was good to hear from you and Ben Nelson about H.R. 2342, which would permit natural gas producers to form marketing cooperatives.

It is important for me to know the concerns of the Interstate Oil and Gas Compact Commission regarding the effects of anticompetitive activities on the domestic oil industry. My Administration is committed to ensuring fairness and competition in the marketplace, and we understand your interest in proposals such as H.R. 2342. However, as the Department of Justice stated in its letter to you, my Administration disagrees with the approach taken in this specific bill.

As we continue our efforts to strengthen our economy, I'm grateful for your involvement. You have my best wishes.

Sincerely,

THE WHITE HOUSE
WASHINGTON

2/29

To Bob Nash -

This proposed Executive Order updates and expands the membership of the President's Committee on Mental Retardation.

More specifically, the EO will change the terms of the Presidentially appointed members from 3 years to 2 years (see where I've marked on p. 2 of EO). Counsel is OK with this. OK with you? Thanks,

Phil Caplan
x 62702

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

152566

THE DIRECTOR

February 23, 1996

96 FEB 23 P8:31

MEMORANDUM FOR THE PRESIDENT

FROM: Alice M. Rivlin
Director

SUBJECT: Proposed Executive Order Entitled "Continuing the President's Committee on Mental Retardation and Broadening its Membership and Responsibilities"

SUMMARY: This memorandum forwards for your consideration a proposed Executive order that was prepared by the Department of Health and Human Services. The proposed order would update and expand the membership of the President's Committee on Mental Retardation.

BACKGROUND: The President's Committee on Mental Retardation ("Committee") was first established by Executive order in 1966 and its last major revisions were made in 1974. Many of the goals and objectives set out in the 1974 Executive order have been achieved or have become obsolete.

The proposed order would update the 1974 order to reflect current goals, objectives, and trends in improving the quality of life for persons with mental retardation and their families. It would set out the goals of, among other things: (a) reducing the occurrence and severity of mental retardation by one-half by the year 2010; (b) assuring the full citizenship rights of all people with mental retardation, including those rights secured by the Americans with Disabilities Act of 1990; and (c) promote the widest possible dissemination of information on models, programs, and services in the field of mental retardation. The order also would expand the membership of the Committee to include the Commissioner of Social Security, the Chair of the Equal Employment Opportunity Commission, and the Chair of the National Council on Disability.

The Committee would comprise cabinet officials and twenty-one private citizen members who would represent a broad spectrum of experience on mental retardation and would be appointed by the President. The President would select a Chair from the twenty-one private citizen members. The Committee would provide advice and assistance in the area of mental retardation as the President or the Secretary of Health and Human Services may request and would make an annual report to the President concerning mental retardation. The Department of Health and Human Services would provide the administrative services and funding for the Committee.

None of the affected agencies objects to the proposed Executive order.

RECOMMENDATION: I recommend that you sign the proposed Executive order.

U. S. Department of Justice

Office of Legal Counsel

Office of the
Deputy Assistant Attorney General

Washington, D.C. 20530

February 23, 1996

MEMORANDUM

Re: Proposed Executive Order Entitled "Continuing the President's Committee on Mental Retardation and Broadening Its Membership and Responsibilities"

The attached proposed Executive Order was prepared by the Department of Health and Human Services. The Office of Management and Budget, with the approval of the Director, forwarded it to this Department for review with respect to form and legality.

The proposed Order would update and expand the membership of the President's Committee on Mental Retardation, which was originally established by Executive Order No. 11280 on May 11, 1966, as superseded by Executive Order No. 11776 on March 28, 1974. The proposed Order would also update the goals and objectives of the Committee in improving the quality of life for persons with mental retardation and their families.

The proposed Order is approved with respect to form and legality.

H. Jefferson Powell
Deputy Assistant Attorney General

U. S. Department of Justice

Office of Legal Counsel

Office of the
Deputy Assistant Attorney General

Washington, D.C. 20530

February 23, 1996

The President,

The White House.

My dear Mr. President:

I am herewith transmitting a proposed Executive Order entitled "Continuing the President's Committee on Mental Retardation and Broadening Its Membership and Responsibilities." This proposed Executive Order was prepared by the Department of Health and Human Services. The Office of Management and Budget, with the approval of the Director, has forwarded it to this Department for review with respect to form and legality. The proposed Executive Order is approved with respect to form and legality.

Respectfully,

H. Jefferson Powell
Deputy Assistant Attorney General

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

FEB 23 1996

Honorable Janet Reno
United States Attorney General
Washington, D.C. 20530

Dear Madam Attorney General:

Enclosed in accordance with the provisions of Executive Order No. 11030, as amended, is a proposed Executive order entitled "Continuing the President's Committee on Mental Retardation and Broadening its Membership and Responsibilities." The proposed order, which was prepared by the Department of Health and Human Services, would update and expand the membership of the President's Committee on Mental Retardation.

The President's Committee on Mental Retardation ("Committee") was first established by Executive order in 1966 and its last major revisions were made in 1974. Many of the goals and objectives set out in the 1974 Executive order have been achieved or have become obsolete.

The proposed order would update the 1974 order to reflect current goals, objectives, and trends in improving the quality of life for persons with mental retardation and their families. It would set out the goals of, among other things: (a) reducing the occurrence and severity of mental retardation by one-half by the year 2010; (b) assuring the full citizenship rights of all people with mental retardation, including those rights secured by the Americans with Disabilities Act of 1990; and (c) promote the widest possible dissemination of information on models, programs, and services in the field of mental retardation. The order also would expand the membership of the Committee to include the Commissioner of Social Security, the Chair of the Equal Employment Opportunity Commission, and the Chair of the National Council on Disability.

The Committee would comprise cabinet officials and twenty-one private citizen members who would represent a broad spectrum of experience on mental retardation and would be appointed by the President. The President would select a Chair from the twenty-one private citizen members. The Committee would provide advice and assistance in the area of mental retardation as the President or the Secretary of Health and Human Services may request and would make an annual report to the President concerning mental retardation. The Department of Health and Human Services would provide the administrative services and funding for the Committee.

Your staff may direct any questions concerning this proposed Executive order to Mac Reed of this office (202-395-3563).

This proposed Executive order has the approval of the Director of the Office of Management and Budget.

Sincerely,

Robert G. Damus
General Counsel

Enclosure

EXECUTIVE ORDER

- - - - - -

CONTINUING THE PRESIDENT'S COMMITTEE ON MENTAL RETARDATION AND BROADENING ITS MEMBERSHIP AND RESPONSIBILITIES

The President's Committee on Mental Retardation, established by Executive Order No. 11280 on May 11, 1966, as superseded by Executive Order No. 11776 on March 28, 1974, has organized national planning, stimulated development of plans, policies and programs, and advanced the concept of community participation in the field of mental retardation.

National goals have been established to:

(1) promote full participation of people with mental retardation in their communities;

(2) provide all necessary supports to people with mental retardation and their families for such participation;

(3) reduce the occurrence and severity of mental retardation by one-half by the year 2010;

(4) assure the full citizenship rights of all people with mental retardation, including those rights secured by such landmark statutes as the Americans with Disabilities Act of 1990, Pub. L. No. 101-336 (42 U.S.C. 12101 et seq.);

(5) recognize the right of all people with mental retardation to self-determination and autonomy, to be treated in a non-discriminatory manner, and to exercise meaningful choice, with whatever supports are necessary to effectuate these rights;

(6) recognize the right of all people with mental retardation to enjoy a quality of life that promotes independence, self-determination, and participation as productive members of society; and

(7) promote the widest possible dissemination of information on models, programs, and services in the field of mental retardation.

The achievement of these goals will require the most effective possible use of public and private resources.

NOW, THEREFORE, by the authority vested in me as President by the Constitution and the laws of the United States, including the Federal Advisory Committee Act, as amended (5 U.S.C. App. 2), it is hereby ordered as follows:

Section 1. Committee Continued and Responsibilities Expanded. The President's Committee on Mental Retardation (the "Committee"), with expanded membership and expanded responsibilities, is hereby continued in operation.

Sec. 2. Composition of Committee. (a) The Committee shall be composed of the following members:

(1) The Secretary of Health and Human Services;

(2) The Secretary of Education;

(3) The Attorney General;

(4) The Secretary of Labor;

(5) The Secretary of Housing and Urban Development;

(6) The President and Chief Executive Officer of the Corporation for National and Community Service (formerly ACTION);

(7) The Commissioner of Social Security;

(8) The Chair of the Equal Employment Opportunity Commission;

(9) The Chair of the National Council on Disability;

(10) No more than twenty-one other members who shall be appointed to the Committee by the President. The citizen members shall consist of individuals who represent a broad spectrum of perspectives, experience, and expertise on mental retardation, and shall include self-advocates with mental retardation and members of families with a child or adult with mental retardation, and persons employed in either the public or the private sector.

(b) Except as the President may from time to time otherwise direct, appointees under this paragraph shall have two year terms, except that an appointment made to fill a vacancy

occurring before the expiration of a term shall be made for the balance of the unexpired term.

(c) The President shall designate the Chair of the Committee from the twenty-one citizen members. The Chair shall advise and counsel the Committee and represent the Committee on appropriate occasions.

Sec. 3. Functions of the Committee. (a) The Committee shall provide such advice and assistance in the area of mental retardation as the President or Secretary of Health and Human Services may request, and particularly shall advise with respect to the following areas:

(1) evaluating and monitoring the national efforts to establish appropriate policies and supports for people with mental retardation;

(2) providing suggestions for improvement in the delivery of mental retardation services, including preventive services, the promulgation of effective and humane policies, and the provision of necessary supports;

(3) identifying the extent to which various Federal and state programs achieve the national goals in mental retardation described in the preamble and have a positive impact on the lives of people with mental retardation;

(4) facilitating liaison among Federal, state and local governments, foundations, non-profit organizations, other private organizations, and citizens concerning mental retardation;

(5) developing and disseminating such information as will tend to reduce the incidence and severity of mental retardation; and

(6) promoting the concept of community participation and development of community supports for citizens with mental retardation.

(b) The Committee shall make an annual report, through the Secretary of Health and Human Services to the President concerning mental retardation. Such additional reports may be made as the President may require or as the Committee may deem appropriate.

Sec. 4. Cooperation by Other Agencies. To assist the Committee in providing advice to the President, Federal departments and agencies requested to do so by the Committee shall designate liaison officers to the Committee. Such officers shall, on request by the Committee, and to the extent permitted by law, provide the Committee with information on department and agency programs that do contribute to or could contribute to achievement of the President's goals in the field of mental retardation.

Sec. 5. Administration. (a) The Department of Health and Human Services shall, to the extent permitted by law, provide the Committee with necessary staff, administrative services, and facilities and funding.

(b) Each member of the Committee, except any member who receives other compensation from the United States Government, may receive compensation for each day he or she is engaged in the work of the Committee, as authorized by law (5 U.S.C. 3109), and may also receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5701-5707), for persons employed intermittently in the Government service. Committee members with disabilities may be compensated for attendant expenses, consistent with government procedures and practices.

(c) The Secretary of Health and Human Services shall perform such other functions with respect to the Committee as may be required by the provisions of the Federal Advisory Committee Act, as amended (5 U.S.C. App. 2), except that of reporting to Congress.

Sec. 6. Construction. Nothing in this order shall be construed as subjecting any Federal agency, or any function

vested by law in, or assigned pursuant to law to, any Federal agency, to the authority of the Committee or as abrogating or restricting any such function in any manner.

Sec. 7. Superseded Authority. Executive Order No. 11776 is hereby superseded.

THE WHITE HOUSE,

TO Leon &
Alex &
M. FOLEY
ASAP

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

OFFICE OF
INTERGOVERNMENTAL RELATIONS
441 - 4th STREET, N.W., SUITE 1010
WASHINGTON, D.C. 20001

96 FEB 29 P3:50

ATTENTION: BETTY CURLY

TELECOPIER COVER SHEET

DATE: 2/29/96
TIME: _____

TO: President William Jefferson Clinton

OFFICE: Office of the President

ADDRESS/ROOM: 1600 Pennsylvania Avenue, N.W.

FAX NUMBER: 202-456-6703 OFFICE NUMBER: 202-456-2990

FROM: Mayor Marion Barry, Jr.

~~Office of the Mayor of the District~~ of Columbia

Our FAX number is: (202) 727-6895

Total pages to transmit, including cover letter: 3

Explanation/Description of the FAX:

Letter from Mayor Barry to President Clinton regarding urgent support of DC Appropriations Bill HR 2546.

IN CASE OF TRANSMISSION PROBLEMS, PLEASE CALL:
202-727-9111

Sender: _____

THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20001

MARION BARRY, JR.
MAYOR

February 29, 1996

President William J. Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

I want to appeal to your good sense of judgment and your support for the 600,000 residents of the District of Columbia. The Senate is scheduled to vote on cloture of the District of Columbia Appropriations Bill, HR 2546, today, February 29, at 12:30 p.m. I urge you, in the strongest terms possible, to support cloture, remove your veto threat, and conclude this long delayed District business which has become a fiscal nightmare. I am asking you to help the District of Columbia's people by not threatening to veto the District's budget and to encourage Senate Democrats to end their filibuster of our budget.

Mr. President, I, too, for some time have had grave reservations for school vouchers. I am particularly opposed to the school vouchers established in the District's Appropriations Bill. This Appropriations Bill is not a vouchers bill: it does not authorize the District to initiate vouchers. It is a bill that only gives local officials the option to do so if they chose. As much as I understand your views, I cannot go another week without our full Federal payment. Real human suffering is at stake.

Both Houses of Congress and Members of Congress on both sides of the aisle have intruded unjustly into the affairs of the District since the inception of our limited Home Rule. But to use 600,000 people in this national debate over school vouchers is unfair, unjust, wrong, and quite frankly, disgusting politics. The school voucher debate should occur in local and state governments and in the appropriate Congressional committees—not on the District's budget bill.

The District is significantly cash short. We are in a desperate situation. If we do not obtain our $254 million in Federal payment now, we will run out of cash by the end of March or early April. We have urgent needs for these delayed funds. Although the Federal payment is less than 20% of the General Fund, it is a critical resource. Our cash flow depends on the $660 million in Federal payment that we should have received on October 1, 1995. Unlike the Federal government, we cannot borrow right away.

Public safety is our top priority; yet, the delayed Federal payment is hampering our crime fighting capabilities. We have business vendors that are going out of business because of our delayed payments to them. Businesses are laying off employees, closing their doors, and vowing never to do business in the District again. School books and building repairs are not possible due to lack of funds. Trash pickups suffer because equipment is old and cannot be repaired. We are 3-1/2 months behind in our Medicaid payments. Our situation is desperate. We need this money immediately.

In addition, it is incredible that we have begun the budget process for Fiscal Year 1997 without having Fiscal Year 1996 resolved. We are just beginning our local Council hearings on the FY 97 budget; yet, we have no FY 96 budget. This situation makes accurate budget determination impossible.

We have been fiscally responsible since I have been in office. We have just completed our 1995 audit showing that we have significantly cut spending in 1995 by $281 million and decreased payroll by over 3,000 employees. The FY 1996 budget emphatically shows that we have stopped the hemorrhaging of spending and reversed the tide. Last week, I released my transformation document and the FY 97 budget which shows a decrease of 10,000 employees by year 2000 and a radical transformation of the D.C. Government. However, this transformation and FY 97 budget is predicated on the FY 96 budget and the full Federal payment. Our radical savings in 1997, 98, and 99 are integrally related to this Federal payment in 1996.

Mr. President, I have directed the City Administrator, Mr. Michael Rogers, to begin contingency plans to shut down the D.C. Government of non-essential personnel in the event we run out of money. As the Mayor of the District, it is my fiscal responsibility to make these plans if I have no money to pay salaries.

Again, I appeal to you in stark terms, Mr. President, to support the District and its people by providing leadership in your Party and to the national education lobby and lobbyists by lifting your veto threat, debating school vouchers in their proper arena, and encouraging Senate Democrats to vote for cloture today at 12:30 p.m.!

You have been supportive of the District in the past and I thank you for your support. Today I ask for your support again. I urge you to release this budget and allow us to get on with the business of radically transforming the D.C. Government and providing our residents with the services they deserve. If you have any questions, please call me at 727-6263.

Sincerely,

Marion Barry, Jr.
Mayor

THE WHITE HOUSE
WASHINGTON

96 FEB 27 A10:43

February 22, 1996

RECOMMENDED TELEPHONE CALL

TO:	Hubie Gurbst
DATE:	February 27, 1996.
RECOMMENDED BY:	Harold Ickes
PURPOSE AND BACKGROUND:	To wish him well in recovering from a serious illness. Mr. Gurbst is the father of Mimi Gurbst, Vice President of News Coverage for ABC News and a close friend of Steve Kaplan. The President may want to send a letter instead of a phone call.
CONTACT PERSON AND TELEPHONE NUMBERS:	717-821-5597

2/28/96

From Nancy: do letter

Send to Dorskind?

Yes ✓

No ———

Why so many copies?

C.

2.29.96

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
2/29/96

[redacted]

Dole/Kemp

Glenn English
invited me to address RCA
Coop 3/22-23 —

12,000 people in Houston

Did we consider going?
Did we at least do
Cruz? —

BK

2129/96

(George — (Stephanopoulos)

Look OK to Lyn ?

February 29, 1996

The Honorable Gerry E. Studds
House of Representatives
Washington, D.C. 20515

Dear Gerry:

I am delighted to congratulate you as you are honored by the Fenway Community Health Center.

You can take great pride in your lifelong efforts to advance the American ideal of equality. Whether championing the rights of lesbians and gay men, fighting workplace discrimination, or helping to prioritize our national fight against AIDS, your work in the Congress has helped to promote healing and compassion. On behalf of all Americans, I salute you for your commitment to our nation's strength and spirit of justice.

Hillary joins me in sending best wishes for a wonderful evening and every future happiness.

Sincerely,

BC/SEM/MAH/ckb (Corres. #2742760)
(2.studdsge.msg)

(Event: 03/01/96)

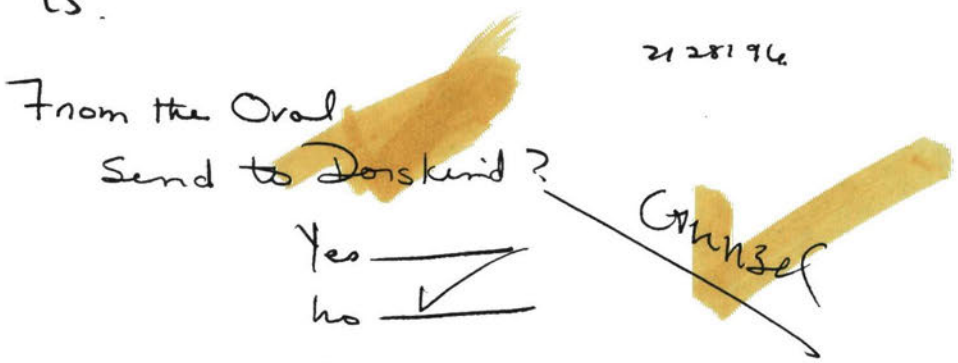
cc: Presidential Messages, 91 OEOB

*** CALL PAUL YANDURA X62674 FOR P/U ***

DO NOT MAIL -- RETURN TO CARMEN FOWLER, 91 OEOB, FOR DISPATCH

Nancy / Staff

I have no idea what this is.



Coordinate w/ Reg Affairs?

C.

Facsimile Transmission Sheet

96 FEB 28 AM : 04

To:	Betty Currie
Company:	
Phone:	
Fax:	202-456-2883

From:	mc
Phone:	
Fax:	
Date:	
Number of Pages (including fax sheet):	

Comments:

Because the President is a close friend of the Comptroller of the Currency, Republicans may make mismanagement by the OCC a campaign issue.

I am confident the President will not support a cover up of this matter.

TEXAS

United States Senate

WASHINGTON, D.C. 20510-4302

February 1, 1996

Mr. Meyer Cypkin
2702 Willow Glen Drive
Baltimore, Maryland 21209

Dear Mr. Cypkin:

Thank you for your recent letter and materials. Because the Senate Banking Committee has jurisdiction over the Office of the Comptroller of the Currency (OCC), I have forwarded your materials to Chairman Alfonse D'Amato for committee consideration. In the interim, should you wish to contact the committee directly, I have listed the address below for your convenience:

Senate Banking Committee
534 Dirksen Senate Office Building
Washington, D.C. 20510-6075

I appreciate having the opportunity to represent you and other Americans in the United States Senate. Thank you for taking the time to contact me.

Yours respectfully,

PHIL GRAMM
United States Senator

PG:atg

Dear Mr. Golden:

This memorandum is being directed to you and the other members of the Chief's Office because it is my belief that I will be retaliated against because I have recently requested a Congressional investigation regarding the sudden death of Mr. V who was the Executive Vice President of a national bank. President Clinton is aware of the circumstances surrounding Mr. V's demise.

As you know, the Bank entered into a reorganization based on approval by Bank Accounting. However, after this reorganization took place the initial approval of the transaction was suddenly reversed by Mr. Blackburn. The effect of this reversal by Mr. Blackburn resulted in a very large loss to the Bank.

On October 23, 1995 I had a conversation with Mr. V during which Mr. V told me he was frustrated with the OCC and that the frustration was adversely affecting his health. He asked me to convey his frustration to Mr. Ludwig and I sent the following memorandum to Mr. Ludwig via interoffice mail the same day:

> (Delete) asked me to tell you his health has been adversely affected by the frustration due to the delays in processing his accounting inquiry in Bank Accounting and the reversal in decision by Zane (Blackburn) after the transaction has already been approved. (Delete) believes that he is being treated so poorly because he is Indian.

After sending the above memorandum, I received no response from Mr. Ludwig. Approximately two weeks later, Mr. V collapsed and died at age 44.

Chief Accountant Blackburn is responsible for the attempt to "cover up" and falsify the initial approval process which I reported to you and Mr. Ludwig by E-mail on November 14, 1995. I was reprimanded for bringing this to Mr. Ludwig's direct attention and was told that Mr. Ludwig is not interested in the falsification attempt.

Prior to my requesting a Congressional inquiry, I conveyed my intentions

to do so by faxing a copy to you of the request I intended to send to Senators and Congressmen. Since no response from you was forthcoming and because I feared another cover up and reprimand, I then notified Mr. Leon Panetta and Betty Currie, President Clinton's personal secretary, via facsimile, that I will be requesting a Congressional investigation into the matter of whether the OCC contributed to Mr. V's death by not giving him equitable treatment because he was Indian.

It appears that you have taken steps to settle this matter with the Bank. However, without a fair and equitable compensatory settlement for gross pain and suffering for Mr. V's family, this matter should not be considered closed.By ignoring this aspect of the case, under the Freedom of Information Act a public scandal could result once you publish your final decision.

Your handling of this matter may also lead to official outside investigations to determine whether the entire OCC Ombudsman process is politically influenced. Unlike other agencies, the OCC Ombudsman is not independent of the head of the agency.

I do not believe the conduct evidenced by your office is an isolated incident. Rather it may be part of a pattern by the OCC of arbritrary and capricious application of the banking regulations. Other employees with knowledge of incidents further evidencing this pattern who are fearful of retribution if internal procedures are pursued, should consider bringing these matters to light by availing themselves of the protections of the Whistleblowers Protection Act of 1989.

As always, our primary obligation is that the law be enforced fairly and even-handedly. Seeking fair enforcement by the Comptroller's Office is consistent with Vice President Gore's reinventing Government initiative and should be welcomed at the highest levels.

Sincerely

Meyer Cypkin

2/28

Todd

- no copies done yet
- should LAKe or Dorsknid do reply

S

TONY KNOWLES
GOVERNOR

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

THE PRESIDENT HAS SEEN
2 28 96

NSC / Lamar / Marcia Mc
Ryi-ned Myy—

February 26, 1996

original sig sent to NSC
to do reply

The President
The White House
Washington, DC 20500

Dear Mr. President:

As you and I have discussed previously, Alaska is blessed with tremendous reserves of natural gas. This vast supply of energy is a valuable asset for Alaska and the nation.

Accordingly, I have been working with Alaska's oil producers to determine how we can best market our North Slope natural gas. Previous studies reveal that due to high transportation costs and abundant supply in the Lower 48 states, there is not a market for Alaska's gas in the United States.

Instead, based on detailed analysis, we have concluded that countries of the Far East, especially Japan, will require large quantities of natural gas to meet their energy needs early next century. Alaska's proximity to those markets, our enormous reserves, our stable tax and political climate, and our good relations with those nations give Alaska advantages over our competitors.

Nevertheless, we recognize the international energy market is very competitive. To assist us in capitalizing on our natural gas asset, for the benefit of Alaska and the country, I would like to enlist your Administration's active support in this effort. Everyone within your Administration with whom we have discussed the project has been very receptive and positive. I simply want to bring it to your attention again in hopes your Administration will take affirmative steps to assist in the sale of North Slope gas.

In this regard, during your upcoming trip to Japan, it would be immensely helpful if you promote Alaska's natural gas to the political and business leaders you meet. The merits of this gas project are compelling. It has been estimated the sale of our natural gas to the Far East could reduce our trade imbalance by $4 billion a year for at least 25 years. In addition, the construction and operation of marine tankers is expected to create thousands

of jobs and generate billions of dollars in investments throughout the United States. Finally, there are virtually no environmental concerns associated with a natural gas system.

I have enclosed a fact sheet we have prepared about the project. If there is any more information I can provide you or members of your Administration, please feel free to call on me. Thank you for your consideration.

Sincerely,

Tony Knowles
Governor

Enclosure

cc: Leon Panetta, Chief of Staff
The White House

TONY KNOWLES
GOVERNOR

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

Fact Sheet: Alaska's Natural Gas Development Project

* **Alaska's enormous reserves**. One of America's largest natural gas reserves was discovered on Alaska's North Slope in 1968. Discovered reserves are estimated at 37 trillion cubic feet, with undiscovered reserves estimated to be 70 trillion cubic feet. Currently, most of this gas is reinjected back into Prudhoe Bay oilfields to increase oil production.

* **Favorable for U. S. exports**. Developing and transporting this gas to Japan, Korea, Taiwan, and other markets would significantly increase U.S. exports abroad, thereby reducing America's trade imbalance. Revenues of $4 billion a year are expected for at least 25 years. America's $67 billion (1984) trade deficit with Japan could be reduced 6 percent alone.

* **Thousands of U.S. jobs**. Producing the gas would entail a $14 billion pipeline and liquid natural gas plant, under the most likely scenario. This project is estimated to generate 10,000 construction jobs in Alaska, up to 30,000 jobs in the Lower 48, and 600 permanent jobs to operate the pipeline system.

* **Country-wide benefits**. Virtually every state would benefit from the project through sales of supplies, tanker manufacturing, and other construction. For example, construction expenditures in California are estimated at $1.4 billion, in Washington at $749 million, and in Oregon at $399 million. Tanker construction shipyards in Louisiana and Virginia would bring benefits of $3.9 billion and $3.4 billion respectively, to those states.

* **No environmental concerns**. There are virtually no environmental concerns with a natural gas system. A proposed chilled and buried pipeline would follow the route of the existing trans-Alaska oil pipeline to a liquid natural gas (LNG) plant in Valdez. From there, LNG would be shipped in 125,000-cubic meter tankers to markets.

* **Trans-Alaska Gas System**. The most likely pipeline system is the trans-Alaska gas system (TAGS). No federal legislation or funds would be required; key permits are already in place. Construction of the 800-mile TAGS is estimated at 7-9 years.

* **Far East markets**. Virtually all natural gas used in Japan, South Korea, and Taiwan is imported in LNG form and about 70 percent of that is used for electric power generation. Increases in LNG demand after the year 2000 in those countries will require at least one major new supply project. Alaska's competitors include Indonesia, Qatar, Oman, Russian, and New Guinea.

* **For further information**, contact Alaska Governor Tony Knowles at (907) 465-3500.

Alaska Governor's Office, 2/26/96

2/28/96

Background
Talk: back
to Dorsky

original to
Jim D.

THE WHITE HOUSE

WASHINGTON

February 28, 1996

The Honorable John W. Olver
House of Representatives
Washington, D.C. 20515-2101

Dear Representative Olver:

Thanks very much for your letter recommending Charles Kades for the Presidential Medal of Freedom. As I may have mentioned to you, we have received other recommendations regarding Mr. Kades and the good materials you sent will be added to the file. You may be assured that the President will give Mr. Kades' nomination and your special endorsement careful attention.

Sincerely,

Todd D. Stern
Assistant to the President
and Staff Secretary

JOHN W. OLVER
1ST DISTRICT, MASSACHUSETTS

COMMITTEES:
BUDGET
SCIENCE

SUBCOMMITTEES:
ENERGY AND ENVIRONMENT
BASIC RESEARCH

WHIP-AT-LARGE

Rec'd 2/16/96 9:40

Congress of the United States
House of Representatives
Washington, DC 20515–2101

PLEASE RESPOND TO:
☐ 1027 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–2101
(202) 225–5335
(202) 226–1224 FAX

DISTRICT OFFICES:
☐ 187 HIGH STREET
HOLYOKE, MA 01040
(413) 538–7010
(413) 532-6543 FAX

☐ CONTE FEDERAL BUILDING
78 CENTER STREET
PITTSFIELD, MA 01201
(413) 442–0946
(413) 443–2792 FAX

☐ PHILBIN FEDERAL BUILDING
881 MAIN STREET
FITCHBURG, MA 01420
(508) 342–8722
(508) 343–8156 FAX

96 FEB 16 P2:51

February 13, 1996

Todd Stern
Assistant To the President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Todd,

I am enclosing letters of recommendation in support of the nomination of Mr. Charles L. Kades, now of Heath, MA, for the Presidential Medal of Freedom, and/or any other appropriate award for which he may be considered.

I do so in full recognition of the esteem required of recipients of the Presidential Medal of Freedom, and other awards issued from that high office. It is my sincere belief that Mr. Kades' outstanding accomplishments in the drafting of the Japanese Constitution and his overall participation in the events of the Japanese occupation during the immediate post-war years warrant the highest recognition possible. You will note from the enclosed letters that many very scholarly and influential people from both Japan and the United States are in agreement.

As a key participant of the Government Section of the General Headquarter of the Supreme Commander of the Allied Powers (SCAP), Mr. Kades was instrumental in instilling the highest ideals of democracy into the drafting of the Japanese Constitution, and reforming that country's political system from a government ruled by a monarch and aristocracy to a government ruled by its people. In doing so, he demonstrated a personal courage, insight and knowledge that made him - along with Major General Courtney Whitney and General Douglas MacArthur himself - one of the three most influential people involved in setting the future course of Japan. Unfortunately, Mr. Kades' accomplishments have been largely overlooked by journalists and writers, although in recent years he has been largely sought out in both Japan and the United States for his comments and insights on the impact of the Constitution, in particular its section that allows Japan to have no standing army other than a minimal self-defense force.

My own knowledge of Mr. Kades stems from the efforts of a scholarly project to establish a documentary history on the Constitution of Japan being conducted by Donald L. Robinson, professor of government and American studies at Smith College in Northampton, MA, and Raymond A. Moore, professor of history and

PRINTED ON RECYCLED PAPER

Asian studies at Amherst (MA) College. Their aim is to publish the collection in time for the 50th anniversary of the Constitution on May 3, 1997. Mr. Robinson states that the story they are unfolding tells of "one of the great triumphs of 20th Century statesmanship," which helped "to set that nation solidly on course to become one of the world's model democracies." Within this larger panorama of achievement and triumph lies the story of Mr. Charles Kades.

Before becoming a part of SCAP, Mr. Kades had served as assistant attorney counsel to the Federal Public Works Administration (1933-37) and assistant general counsel for the United States Treasury (1937-1942). In 1942, he entered active duty as a first lieutenant and was assigned to the War Department's Civil Affairs Division. After serving in France during the war, he eventually came to the Japanese occupation force in the rank of colonel. During the first three years of Japanese occupation, he participated in the writing of the Government Section's comprehensive report, "Political Reorientation of Japan." In that document, he went against a tide of skepticism and the intractability of the old order in Japan, and waxed prophetic on the prospects of democracy in that country. Despite a Washington policy that was initially ambivalent, superficial or short-sighted, Kades recognized and promoted the idea of a peacefully inclined and responsible Japanese government, and the elimination of that country's existing political system. As the "brainy New Dealer" of the Government Section, Mr. Kades primary responsibilities entailed eliminating the authority and influence of active exponents of militant nationalism and aggression in Japan. He played a leading role in the revision of the existing Meiji Constitution. His influence became most pervasive when he was concerned with removing obstacles to the development of democracy in Japan and eliminating feudal and totalitarian practices that tended to prevent government by the people. These efforts included championing the cause to eliminate ultranationalists from influential political and economic positions, which resulted in the purging of over 210,000 people. He also endorsed the immediate and total decentralization of Japan's national police system. Both actions contributed significantly to the successful implementation of democratic principles in Japan.

Kades was associated with the reform period of the Japanese occupation, and his objectives were embodied in the Potsdam Declaration and Washington policy papers to stamp out leftover feudal tendencies and promote democracy. With great courage and foresight, he sympathized with the plight of the Japanese underdog against the aristocracy, family monopolies and bureaucracy, and demonstrated great initiative and drive in implementing policies that spoke for the common citizen. His influence was most persuasive in seeing that the Japanese constitution limited the monarchy, renounced war and abolished the feudal system. But his insight and influence was perhaps most influential and constructive in the way he recognized the importance of relating these new democratic principles to the

actual political, social and economic conditions of Japanese society.

A remarkable and brilliant man, Mr. Kades was also popular among his peers of lawyers, professors, federal officials, press agents, writers and secretaries. He often welcomed and embraced ideas and enjoyed debate with abounding, gregarious pleasantness. At the same time, he exhibited confidence and determination in executing Washington's directives to bring democracy to Japan. Loyalty, devotion to duty, a sharp mind and level head made him the ideal person at the right time, and he demonstrated a remarkable tenacity in disavowing any obstacles that hindered his objectives. But the story of Charles Kades is not only within his specific contributions to Unites States foreign policy as a participant in the occupation of Japan in postwar years. It is also in its aftermath, in the way his foresight and expertise helped bring constitutional democracy to Asia, and brought an everlasting impact upon world peace. To this day, his efforts have gone largely unrecognized, although they are coming and more and more to light through such projects as that of Professors Robinson and Moore. I believe upon further review, you will find Mr. Kades to be a most deserving recipient of your recognition. An award from the office of the President would also be a fitting event for the celebration of the 50th anniversary of the Japanese Constitution. I hope you will give Mr. Kades your full and positive consideration.

Sincerely,

John W. Olver

John W. Olver
Member of Congress

JWO:rtd

Enclosures

ATTACHMENTS

1. A draft sketch of the life of Charles Kades by Professor Donald Robinson of Smith College.

2. A sketch of the documentary project of the Japanese Constitution being devised by Professor Robinson and Professor Ray Moore of Amherst College.

3. Letters of support for the nomination of Charles Kades for the Presidential Medal of Freedom from following persons:

Shoichi Koseki, Author and Professor of Law at Dokkyo University, and Winner of Yoshino Sakuzo Prize for book on the framing of the Japanese Constitution.

Rinjiro Sodei, Professor of Politics and History, Hosei University, Japan

Justin Williams Sr., Author, Historian, Educational Administrator

John M. Maki, American Scholar specializing in Japanese Constitutional Affairs

Beate Gordon, Retired Director of Performing Arts, Films and Lectures of the Asia Society and International Performing Arts

Louis S. Auchinloss, former law partner of Charles Kades

Richard B. Finn, Author and Professor Emeritus of The American University

Peter K. Frost, William K. Harris Professor of International Studies at Williams College

Eiji Takemae, Professor of Law and Political Science at Tokyo Keizai University

Eleanor M. Hadley, former member of Government Section in charge of writing Japanese Constitution

INTERGOVERNMENTAL AFFAIRS CORRESPONDENCE ROUTING SHEET

96 FEB 28 P2:46

Date received in IGA 2/22/96

Correspondence referred to: **MLH** **JPH** (**JE**) **EB**

I. **Presidential Response Needed** -- Forward to Emily Curtis, 94
X Brief Acknowledgement
____ Policy Response

Check if applicable:

Personal Signature Requested _____

Return to IGA for final approval: **MLH** **JPH** **JE** **EB**

Approval needed by other staff or office: _____

Background informaiton to assist the writer in drafting a response: _____

II. **Response from Marcia Hale -- forward to Lawton Jordan**

III. **Scheduling Request -- forward to Megan Williams, 111.5**
____Regret ____Pending ____Prepare schedule propcsal

IV. **Personal Recommendation -- forward to Anne Swartz, Office of Presidential Personnel, 135** ____ send to Staff Secy.

V. **Request for a Presidential Message (letter of greetings for an event) or Proclamation -- forward to Carmen Fowler, 91**

2/28/96

Came to our office in interoffice mail -
Sent to Dorskind?
Yes ✓ original to Jim D
cc: me No _____.

2/28/96
C

ID# 151982

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 21, 1996

NAME OF CORRESPONDENT: THE HONORABLE LAWTON CHILES

SUBJECT: RECOMMENDS JAMES M. ROCHE FOR THE PRESIDENTIAL MEDAL OF FREEDOM

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION ACT CODE	ACTION DATE YY/MM/DD	TYPE RESP	DISPOSITION C D	DISPOSITION COMPLETED YY/MM/DD
MARCIA HALE		ORG	96/02/21			
REFERRAL NOTE:						
REFERRAL NOTE:						
REFERRAL NOTE:						
REFERRAL NOTE:						
REFERRAL NOTE:						

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES:

IG MAIL USER CODES: (A) (B) (C)

*ACTION CODES:	*DISPOSITION	*OUTGOING CORRESPONDENCE:
*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS OF SIGNER
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	* CODE = A
*D-DRAFT RESPONSE	*C-COMPLETED	*COMPLETED = DATE OF OUTGOING
*F-FURNISH FACT SHEET	*S-SUSPENDED	
*I-INFO COPY/NO ACT NEC		
*R-DIRECT REPLY W/COPY		
*S-FOR-SIGNATURE		
*X-INTERIM REPLY		

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

SCANNED

151982

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

LAWTON CHILES
GOVERNOR

February 9, 1996

Honorable Bill Clinton
President
The White House
Washington, D.C. 20050

Dear Mr. President:

A distinguished Floridian, James M. Roche, is being considered by you for the Presidential Medal of Freedom. He rose from a clerk in General Motors to the Chairman of the Board and served as the first Chairman of the National Committee of the "Employer Support of the Guard and Reserve."

Presidential recognition of Mr. Roche's long and dedicated service would reflect most highly on both him and the National Committee. Mr. Roche, at 89 years of age, is the epitome of "service to country" and this award would serve to encourage others to follow this path.

It is an honor to recommend James M. Roche for this prestigious award. Thank you for your thoughtful consideration.

With kind regards, I am

Sincerely,

Lawton

LAWTON CHILES

LC/meh

THE WHITE HOUSE

WASHINGTON

February 28, 1996

The Honorable Henry J. Hyde
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I understand that the House is preparing to consider H.R. 1833, as amended by the Senate, which would prohibit doctors from performing a certain type of abortion. I want to make the Congress aware of my position on this extremely complex issue.

I have always believed that the decision to have an abortion should be between a woman, her conscience, her doctor, and her God. I strongly believe that legal abortions -- those abortions that the Supreme Court ruled in Roe v. Wade must be protected -- should be safe and rare. I have long opposed late-term abortions except, as the law requires, where they are necessary to protect the life of the mother or where there is a threat to her health. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions except where they were necessary to protect the life or health of the woman, consistent with the Supreme Court's rulings.

The procedure described in H.R. 1833 is very disturbing, and I cannot support its use on an elective basis, where the abortion is being performed for non-health related reasons and there are equally safe medical procedures available. As I understand it, however, there are rare and tragic situations that can occur in a woman's pregnancy in which, in a doctor's medical judgment, the use of this procedure may be necessary to save a woman's life or to preserve her health. In those situations, the Constitution requires that a woman's ability to choose this procedure be protected.

I have studied and prayed about this issue, and about the families who must face this awful choice, for many months. I believe that we have a duty to try to find common ground: a resolution to this issue that respects the views of those -- including myself -- who object to this particular procedure, but also upholds the Supreme Court's requirement that laws regulating abortion protect both the life and the health of American women.

I have concluded that H.R. 1833 as drafted does not meet the constitutional requirements that the Supreme Court has imposed upon us, in Roe and the decisions that have followed it, to provide protections for both the life and the health of the mother in any laws regulating abortions.

I am prepared to support H.R. 1833, however, if it is amended to make clear that the prohibition of this procedure does not apply to situations in which the selection of the procedure, in the medical judgment of the attending physician, is necessary to preserve the life of the woman or avert serious adverse health consequences to the woman.

I urge the Congress to amend H.R. 1833 to ensure that it protects the life and the health of the woman, as the law we have been elected to uphold requires.

Sincerely,

Bill Clinton

THE WHITE HOUSE

WASHINGTON

February 28, 1996

The Honorable Joseph R. Biden, Jr.
United States Senate
Washington, D.C. 20510

Dear Joe:

I understand that the House is preparing to consider H.R. 1833, as amended by the Senate, which would prohibit doctors from performing a certain type of abortion. I want to make the Congress aware of my position on this extremely complex issue.

I have always believed that the decision to have an abortion should be between a woman, her conscience, her doctor, and her God. I strongly believe that legal abortions -- those abortions that the Supreme Court ruled in Roe v. Wade must be protected -- should be safe and rare. I have long opposed late-term abortions except, as the law requires, where they are necessary to protect the life of the mother or where there is a threat to her health. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions except where they were necessary to protect the life or health of the woman, consistent with the Supreme Court's rulings.

The procedure described in H.R. 1833 is very disturbing, and I cannot support its use on an elective basis, where the abortion is being performed for non-health related reasons and there are equally safe medical procedures available. As I understand it, however, there are rare and tragic situations that can occur in a woman's pregnancy in which, in a doctor's medical judgment, the use of this procedure may be necessary to save a woman's life or to preserve her health. In those situations, the Constitution requires that a woman's ability to choose this procedure be protected.

I have studied and prayed about this issue, and about the families who must face this awful choice, for many months. I believe that we have a duty to try to find common ground: a resolution to this issue that respects the views of those -- including myself -- who object to this particular procedure, but also upholds the Supreme Court's requirement that laws regulating abortion protect both the life and the health of American women.

I have concluded that H.R. 1833 as drafted does not meet the constitutional requirements that the Supreme Court has imposed upon us, in Roe and the decisions that have followed it, to provide protections for both the life and the health of the mother in any laws regulating abortions.

I am prepared to support H.R. 1833, however, if it is amended to make clear that the prohibition of this procedure does not apply to situations in which the selection of the procedure, in the medical judgment of the attending physician, is necessary to preserve the life of the woman or avert serious adverse health consequences to the woman.

I urge the Congress to amend H.R. 1833 to ensure that it protects the life and the health of the woman, as the law we have been elected to uphold requires.

Sincerely,

Bill Clinton

THE WHITE HOUSE

WASHINGTON

February 28, 1996

The Honorable Orrin G. Hatch
United States Senate
Washington, D.C. 20510

Dear Senator Hatch:

I understand that the House is preparing to consider H.R. 1833, as amended by the Senate, which would prohibit doctors from performing a certain type of abortion. I want to make the Congress aware of my position on this extremely complex issue.

I have always believed that the decision to have an abortion should be between a woman, her conscience, her doctor, and her God. I strongly believe that legal abortions -- those abortions that the Supreme Court ruled in Roe v. Wade must be protected -- should be safe and rare. I have long opposed late-term abortions except, as the law requires, where they are necessary to protect the life of the mother or where there is a threat to her health. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions except where they were necessary to protect the life or health of the woman, consistent with the Supreme Court's rulings.

The procedure described in H.R. 1833 is very disturbing, and I cannot support its use on an elective basis, where the abortion is being performed for non-health related reasons and there are equally safe medical procedures available. As I understand it, however, there are rare and tragic situations that can occur in a woman's pregnancy in which, in a doctor's medical judgment, the use of this procedure may be necessary to save a woman's life or to preserve her health. In those situations, the Constitution requires that a woman's ability to choose this procedure be protected.

I have studied and prayed about this issue, and about the families who must face this awful choice, for many months. I believe that we have a duty to try to find common ground: a resolution to this issue that respects the views of those -- including myself -- who object to this particular procedure, but also upholds the Supreme Court's requirement that laws regulating abortion protect both the life and the health of American women.

I have concluded that H.R. 1833 as drafted does not meet the constitutional requirements that the Supreme Court has imposed upon us, in Roe and the decisions that have followed it, to provide protections for both the life and the health of the mother in any laws regulating abortions.

I am prepared to support H.R. 1833, however, if it is amended to make clear that the prohibition of this procedure does not apply to situations in which the selection of the procedure, in the medical judgment of the attending physician, is necessary to preserve the life of the woman or avert serious adverse health consequences to the woman.

I urge the Congress to amend H.R. 1833 to ensure that it protects the life and the health of the woman, as the law we have been elected to uphold requires.

Sincerely,

Bill Clinton

THE WHITE HOUSE

WASHINGTON

February 28, 1996

The Honorable John Conyers, Jr.
House of Representatives
Washington, D.C. 20515

Dear John:

I understand that the House is preparing to consider H.R. 1833, as amended by the Senate, which would prohibit doctors from performing a certain type of abortion. I want to make the Congress aware of my position on this extremely complex issue.

I have always believed that the decision to have an abortion should be between a woman, her conscience, her doctor, and her God. I strongly believe that legal abortions -- those abortions that the Supreme Court ruled in Roe v. Wade must be protected -- should be safe and rare. I have long opposed late-term abortions except, as the law requires, where they are necessary to protect the life of the mother or where there is a threat to her health. In fact, as Governor of Arkansas, I signed into law a bill that barred third trimester abortions except where they were necessary to protect the life or health of the woman, consistent with the Supreme Court's rulings.

The procedure described in H.R. 1833 is very disturbing, and I cannot support its use on an elective basis, where the abortion is being performed for non-health related reasons and there are equally safe medical procedures available. As I understand it, however, there are rare and tragic situations that can occur in a woman's pregnancy in which, in a doctor's medical judgment, the use of this procedure may be necessary to save a woman's life or to preserve her health. In those situations, the Constitution requires that a woman's ability to choose this procedure be protected.

I have studied and prayed about this issue, and about the families who must face this awful choice, for many months. I believe that we have a duty to try to find common ground: a resolution to this issue that respects the views of those -- including myself -- who object to this particular procedure, but also upholds the Supreme Court's requirement that laws regulating abortion protect both the life and the health of American women.

I have concluded that H.R. 1833 as drafted does not meet the constitutional requirements that the Supreme Court has imposed upon us, in Roe and the decisions that have followed it, to provide protections for both the life and the health of the mother in any laws regulating abortions.

I am prepared to support H.R. 1833, however, if it is amended to make clear that the prohibition of this procedure does not apply to situations in which the selection of the procedure, in the medical judgment of the attending physician, is necessary to preserve the life of the woman or avert serious adverse health consequences to the woman.

I urge the Congress to amend H.R. 1833 to ensure that it protects the life and the health of the woman, as the law we have been elected to uphold requires.

Sincerely,

Bill Clinton

February 28, 1996

96 FEB 28 A10:42

MEMORANDUM FOR TODD STERN

FROM: TIM SAUNDERS
ED THOMAS

SUBJECT: Request for Approval of Senior Foreign Service Distinguished and Meritorious Service Award Nominees

Attached for the President's approval are nominees for the FY 1995 Senior Foreign Service (SFS) Distinguished and Meritorious Service Award as transmitted by the Secretary of State. Included are 1 nominee for the Distinguished Service Award and 2 for the Meritorious Award making a total of 3 proposed awards. This total represents a significant reduction from past years awards. In 1994, 32 total awards were given.

This awards program was established by the Foreign Service Act of 1980, signed October 17, 1980, to recognize members of the Senior Foreign Service for having performed especially distinguished or meritorious service in the conduct of the foreign policy of the United States Government.

Recipients of the **Distinguished** Service Award for sustained extraordinary accomplishment receive a $20,000 stipend and recipients of the **Meritorious** Service Award for sustained superior accomplishment receive a $10,000 stipend. Each recipient receives a certificate signed by the President, which will be presented to you for the President's signature after approval of this package.

2/28/96

AP

per Todd Stern

THE SECRETARY OF STATE

WASHINGTON

February 20, 1996

UNCLASSIFIED - ADMINISTRATIVELY SENSITIVE
MEMORANDUM

TO: THE PRESIDENT

FROM: Warren Christopher WC

SUBJECT: Senior Foreign Service Presidential Award Nominations

It is my pleasure to transmit for your consideration the nominations of members of the Senior Foreign Service from the Department of Commerce and the United States Information Agency for the FY-1995 Presidential Awards. This is the thirteenth cycle for these awards, which were established pursuant to Section 405(b)(3) and 405(d) of the Foreign Service Act of 1980. Recipients of the Distinguished Service Award receive $20,000, and recipients of the Meritorious Service Award receive $10,000.

A properly constituted interagency board has certified to me that each nominee warrants special recognition by you and that the record and character of each nominee merits a high degree of public confidence and trust.

RECOMMENDATION:

That you approve the attached list of nominations for Presidential Distinguished and Meritorious Service Awards.

Approve_____Disapprove_____Date_____

Attachments:
Award Nominations and Supporting Material

UNCLASSIFIED - ADMINISTRATIVELY SENSITIVE

FY-95 RECOMMENDATIONS FOR PRESIDENTIAL AWARDS

DEPARTMENT OF COMMERCE

PRESIDENTIAL DISTINGUISHED SERVICE AWARD NOMINATION

MU, George

FY-95 RECOMMENDATIONS FOR PRESIDENTIAL AWARDS

UNITED STATES INFORMATION AGENCY

PRESIDENTIAL MERITORIOUS SERVICE AWARD NOMINATIONS

DACHI, Stephen F.
STEPHENS, Richard T.

UNCLASSIFIED - ADMINISTRATIVELY SENSITIVE

Presidential Award: Distinguished Service Award

Nominee: George Mu
Career Minister (FE-CM-6)
Tokyo, Japan

Introductory Statement: Mr. Mu is being nominated for his sustained extraordinary contributions to the national interest in the field of international trade and commercial development, for the period October 1992 - September 1994.

Justification: Throughout his 25-year Foreign Service career, and since he joined the U.S. and Foreign Commercial Service (US&FCS) at its inception 13 years ago, Mr. George Mu has consistently demonstrated exceptional leadership, uncommon dedication, keen intellect, and remarkable negotiating skills in compiling a distinguished record of outstanding accomplishments. Since 1991, Mr. Mu has held the position in Tokyo of Career Minister, the only individual who has attained this rank in the US&FCS. During this time, he has superbly managed our largest overseas commercial operation, located in our largest overseas trading partner representing our most important bilateral relationship.

His extraordinary accomplishments in Japan build on a career history of unequalled program and policy achievements in markets as diverse as Korea and Canada, as well as in the International Trade Administration (ITA). His service throughout has been characterized by excellence, program innovation and completeness, uniformly high quality, concrete results and the genuine concern he has demonstrated for his staff's career and personal development.

In Mr. Mu's present position he has established the standard for all other senior commercial officers to strive to achieve. Although FCS Japan is by any measure the busiest, most demanding Post in the world -- US&FCS headquarters considers it to be a "model" operation in terms of reporting, management systems and promotion events. Overseeing 62 authorized slots in six locations, a budget of $6 million, the world's heaviest counseling caseload and trade events schedule, the largest commercial information system, and a brutal trade policy agenda, is an enormous job which George Mu leads with distinction and aplomb. He has fashioned a strong and talented team for helping U.S. manufacturers close the trade gap, for supporting a myriad of product specific trade negotiations, for advising the Ambassador on all aspects of doing business in Japan, and for working closely with other elements of the mission to promote U.S. exports.

Mr. Mu has brought new energy to export promotion and maximized FCS's impact by integrating it into the wider mission community. In 1994, following the mandate of the President's Trade Promotion Coordination Committee (TPCC) National Export Strategy, Mr. Mu organized a three-day countrywide strategy meeting which involved mission representatives from eight other TPCC agencies. This served as an effective mechanism to prepare the first edition of the annual Country Commercial Guide (CCG). This pathbreaking 200 page strategic plan, targeted at the U.S. business community, combines -- as intended -- many of the various economic and commercial documents previously prepared by the TPCC agencies at the U.S. Embassy. Through this pioneering effort, Mr. Mu has enabled the U.S. commercial strategy in Japan to reach new levels of sophistication and effectiveness reflected in the steady steam of success stories for U.S. business involving millions of dollars of sales.

George Mu has also devoted considerable time encouraging companies to make the significant investment of time and resources necessary to achieve entry into the dynamic, but challenging Japanese market. He and his staff engaged in aggressive advocacy on behalf of countless U.S. firms, including minority businesses, which called upon him for assistance. George Mu is known in the business community as the person in Tokyo to go to if you need help in accessing Japan's difficult market.

In the area of U.S. trade policy, George Mu's work has been legendary throughout his career, but his achievements in Japan during this last year are worthy of special mention. Mr. Mu was extraordinarily effective in helping to bring the highly publicized construction negotiations and the medical technology negotiations, which were part of the contentious U.S-Japan Framework, to a successful resolution. These landmark agreements provide greatly increased market access for U.S. companies to Japan's $236 billion public works and $17 billion medical equipment markets. Mr. Mu provided timely input on conditions in the Japanese market, highlighting the market access barriers U.S. firms faced, as well as information on the dynamics of the Japanese government agencies participating in the negotiations. His keenly perceptive insights helped U.S. negotiators gain a more thorough understanding of the political and economic conditions surrounding the trade issues, which they then used to their advantage. In addition, Mr. Mu was instrumental in garnering U.S. industry support in Japan by providing a forum for industry to make recommendations on our negotiating objectives.

George Mu is truly an exceptional manager, leading his team to excel in every aspect of commercial business, and has the remarkable ability for making it look easy in every Post he is assigned. Part of his success has to do with Mr. Mu's management style which emphasizes delegation and empowerment to subordinates. He successfully seeks recognition for staff accomplishments, including the Department's bronze, silver and gold medals. This year, for example, a key staff member was the recipient of the Department's gold medal for contributions to the construction negotiations. Mr. Mu is also a strong supporter of the Secretary's diversity program, ensuring its full implementation in all program and hiring decisions. Through George Mu's extraordinary leadership, he is making profound and lasting contributions not only to the professional development of the service, but to U.S. international trade policy and commerce.

Federal Employment History

Nominee:	George Mu
Current Position:	Career Minister, Tokyo, Japan
Current Grade:	FE-CM 6 (since 4/1992)

Dates	Positions
1981-83	Commercial Officer First Secretary Tokyo, Japan Department of Commerce
1983-86	Deputy Director Office of Japan Department of Commerce
1986-89	Senior Commercial Officer Seoul, Korea Department of Commerce
1989-91	Senior Commercial Officer Ottawa, Canada Department of Commerce
1991-Present	Senior Commercial Officer Tokyo, Japan Department of Commerce

Previous Presidential Service Awards

Dates	Type
July 27, 1993	Presidential Meritorious Service

Justification for Presidential Award
Stephen F. Dachi

Stephen F. Dachi is recommended for a meritorious Presidential Award for sustained superior performance as Country Public Affairs Officer for India.

Mr. Dachi has distinguished himself not only by his superb and creative management of the very large and complex USIS program in India but even more by his policy leadership and untiring efforts to project and explain U.S. society and policies.

Leading by example, Mr. Dachi personally became the Mission's most widely traveled and active spokesman, going to all corners of the country to meet with key officials and opinion makers and to make public presentations -- including speeches, interviews and appearances on television -- on American subjects and policies. As one observer put it, "Steve Dachi is an inspired communicator -- one of the most articulate and persuasive people in a business that puts a high value on such talents." Or, as another put it, he is his own best program resource.

In the U.S. Mission in Delhi, Mr. Dachi was one of the key members of the Country Team and has served repeatedly as Acting Deputy Chief of Mission and as Charge. His strategic thinking and his skill at policy presentation have made him invaluable to the Mission. In one period of heightened bilateral tension, fed on the Indian side by alarmist reporting in the Indian media, Mr. Dachi played the key role in crafting the Mission's response. This included an op-ed article which he helped draft and which had a wide impact and a series of meetings by Mr. Dachi with senior editorial staff and writers. The Charge later reported that the results of these efforts were easy to track by the fact that virtually all of those with whom Mr. Dachi met subsequently produced balanced comment on the issues in play.

Mr. Dachi also has made an important contribution to another objective of US policy in the region -- that of lessening conflict and tension between India and Pakistan. In terms of advancing real dialogue between these two adversary states, there has been no more successful USG effort than the series of conflict resolution programs designed and executed by Mr. Dachi. This has involved bringing together important thinkers and opinion molders in the two countries in semi-official discussions of issues between them. After its initial success it was extended to include Sri Lanka and has continued to expand both in terms of issues taken up and of participation. A Washington review of South Asian issues singled out the program as "Exhibit A" in how the US can involve itself constructively in the resolution of tensions in the subcontinent.

In yet another initiative, Mr. Dachi succeeded in breaking the long-standing ban of the Government of India on participation in the post's International Visitors Program of civil servants -- a crippling restriction since almost everyone of importance in India is one. This he achieved through long and skillful negotiations with Indian ministers, cultivation of other high-level contacts and work with key officials of the Foreign Ministry -- a tour de force which indicates the quality of his contacts. His Charge noted that Mr. Dachi through his representation and outreach has developed a range of contacts linked to US policy priorities more extensive and useful than that of most ambassadors in Delhi.

Through his leadership, Mr. Dachi has made of USIS India -- one of USIA's largest posts, with some 300 staff and four posts -- one of the most effective and motivated in the world. The Charge described it to the incoming ambassador as "one of the most creative and responsive" operations he had ever seen. Despite its status as a hardship/greater hardship post it has one of the highest extension rates among Foreign Service personnel to be found anywhere, according to the area office. This is no doubt due in part to the personal attention Mr. Dachi has given to the training of his junior officers, by spending time with them, providing feedback on their work and giving them opportunities to take on substantial tasks in a supportive framework. Mr. Dachi also went to bat for his Foreign Service National staff, succeeding during this past year in resolving a battle over job classifications which had dragged on for eight years.

Mr. Dachi's communications skills are not limited to his public speaking, his policy advocacy and management. In the past year he has had two exhibitions of his photography in several cities in India. The exhibitions, which have enjoyed rave reviews from Indian media, have shown the similarities that link cultures and have held up a positive mirror on India that has been deeply appreciated by Indian viewers.

Mr. Dachi's exemplary performance in the past three years in India continues a record of outstanding public service which can be traced back in a career which has included positions over the past 25 years as Deputy Permanent Representative of the US Mission to the Organization of American States, Consul-General in Sao Paulo, Brazil, Director of USIA's Office of American Republics Affairs, Public Affairs Officer in Panama and Budapest and Peace Corps Country Director in Brazil and Venezuela.

Mr. Dachi is an officer of rare and distinguished quality whose outstanding performance richly deserves a Presidential Award.

FEDERAL EMPLOYMENT HISTORY

Nominee: STEPHEN F. DACHI

Current Grade: FE-MC

Date of Federal Service: 6/4/67; EOD FS 10/01/72

Position	Dates
DIPLOMAT IN RESIDENCE (GEORGETOWN UNIVERSITY)	10/94-9/95
OVERCOMPLEMENT, NEA, USIA HEADQUARTERS	8/94-10/94
PUBLIC AFFAIRS OFFICER, NEW DELHI, INDIA	9/91-8/94
SENIOR FOREIGN AFFAIRS FELLOW/CSIS	10/89-8/91
DEPUTY, US REPRES., ORGANIZATION OF AMERICAN STATES	6/89-9/89
OVERCOMPLEMENT, USIA HEADQUARTERS	8/88-5/89
CONSUL GENERAL (STATE), SAO PAULO, BRAZIL	2/85-7/88
DIRECTOR, AMER. REPUBLICS AFFAIRS, USIA HEADQUARTERS	10/84-1/85
DEPUTY DIRECTOR, AMERICAN REPUBLICS AFFAIRS, USIA	11/78-9/84
PUBLIC AFFAIRS OFFICER, PANAMA, PANAMA	6/77-10/78
PUBLIC AFFAIRS OFFICER, BUDAPEST, HUNGARY	6/73-5/77
PROGRAM SUPPORT OFFICER, USIA HEADQUARTERS	10/72-5/73

Previous Presidential Awards: None

Justification for Presidential Award
Richard T. Stephens

Richard T. Stephens is recommended for a meritorious Presidential Award for sustained superior performance characterized by his exceedingly imaginative managerial responses to significantly changing circumstances. When the history of USIA is written Richard Stephens will be credited with having been the architect of a leaner yet more efficient and mission-oriented Agency. As the first career officer in recent history to serve as Acting Director of the Bureau of Management for an extended period, Mr. Stephens was confronted with the imperative of taking the lead in restructuring, downsizing and "reinventing" the Agency.

Mr. Stephens drew on 37 years of experience in managing USIA resources to accomplish a Presidentially-mandated reduction in the personnel and budget of the Agency, while at the same time assuring that its fundamental mission and the morale of its workforce were protected to the extent possible. Richard Stephens saw the need for a massive overhaul of his Agency not only as a painful exercise, but as an opportunity to perpetuate the best and eliminate those functions, that while traditionally important, were not vital to the highest future priorities of USIA. His innovative responses to those challenges were a model not only for the foreign affairs community but for the entire government. Remarkably, Mr. Stephens was able to streamline the organization by cutting hundreds of positions without RIFs through attrition, retraining and by means of selective use of buyouts.

When Congress urged the consolidation of domestic administrative functions, Mr. Stephens consulted with State and USAID counterparts, then negotiated a consolidated travel contract at no loss in service saving the taxpayer $500,000 annually. Working closely with the USIA Director, Mr. Stephens was charged with implementing the upgrading of Agency technology and initiating a study of long-term technological evolution.

Particularly noteworthy were Mr. Stephen's extensive negotiations with the Undersecretary for Management on assuring cost-savings and the implementation of National Performance Review (NPR) recommendations in harmony with the State Department.

Turning his prodigious negotiating skills inward, in the swirl of major transformation, Mr. Stephens led the effort at forging a Partnership Council with unions which in turn resulted in an agreement that minimized hardship to the USIA workforce. His pioneering efforts in this area involved scrupulous, detailed consultation with all those affected by change. As a consequence, USIA employees have a great sense of ownership in

the renewed organizational structure of their Agency. Had Dick Stephens been Commissioner of Baseball, it is likely the season would never have been interrupted.

The remarkable achievements of Mr. Stephens during this past historic year are consistent with his previous performance as Executive Officer in Rome where he rightly won acclaim as USIA's best overseas administrative officer. Besides his superb management of one of USIA's most important overseas operations, that accolade was earned by virtue of his role as trainer of Eastern European personnel and his creation of a press center for a Presidential visit which the White House spokesman cited as the most efficient and best he had ever seen in all his overseas travel.

At the culmination of a career that took him from junior clerk to the Agency's top manager, Dick Stephens has earned the reputation as a tenacious defender of the taxpayers' dollar while simultaneously assuring that resources were put to the best possible use. The result has saved millions of dollars this year alone. His most recent performance as Acting Associate Director for Management of USIA marks the culmination of a career characterized by absolute integrity and devoted to major reform in the way in which resources are allocated for foreign affairs.

Mr. Stephen's excellent performance fully merits a Presidential Award.

FEDERAL EMPLOYMENT HISTORY

Nominee: RICHARD T. STEPHENS

Current Grade: FE-OC

Date of Federal Service: 6/17/57; EOD FS 6/06/76

Position	Dates
OVERCOMPLEMENT, CAREER TRANSITION COURSE	9/94-12/94
DEPUTY ASSOCIATE DIRECTOR, BUREAU OF MANAGEMENT	6/93-9/94
EXECUTIVE OFFICER, ROME, ITALY	8/89-5/93
EXECUTIVE OFFICER, NEW DELHI, INDIA	7/85-7/89
EXECUTIVE OFFICER, EAST ASIA, USIA HEADQUARTERS	7/82-6/85
EXECUTIVE OFFICER, BANGKOK, THAILAND	8/80-6/82
EXECUTIVE OFFICER, TOKYO, JAPAN	9/76-7/80

Previous Presidential Awards: None

THE PRESIDENT HAS SEEN

Scowcroft
Today's memo
coffee 7/25 —

BC

GS

Dan Baer

D. Morris

Ann Lewis

Are you a 'Murphy Brown' voter? Or maybe a 'Dan'?

Stay tuned: America's fate could be in the hands of 'Frasiers,' the upwardly mobile baby boomers leaving idealism behind.

By Bob Dart
WASHINGTON BUREAU

Washington — The Dan Conners could decide the 1996 presidential election.

Those voters — named for the hard-working, beer-drinking husband of TV's Roseanne — are populist traditionalists who make up about 15 percent of the electorate.

Of course, Democrats can forget about getting the Alex P. Keatons, and the Murphy Browns will rarely vote Republican. But the Frasiers may be up for grabs.

This is politics for a nation of channel surfers. Celinda Lake and Ed Goeas, a bipartisan team of political strategists, have devised a new way to classify voters — as TV characters.

Dan Conners, a.k.a. John Goodman: He represents blue-collar traditionalists.

Murphy Brown, a.k.a. Candice Bergen: She stands for liberals, mostly women.

Their report, sponsored by U.S. News & World Report magazine, is to be published in next week's issue.

Lake, a Democrat, and Goeas, a Republican, identified seven groups of voters according to cultural and economic attitudes.

"There is no longer any center in American politics, and culture is now more important in shaping voters' attitudes than race, geography, gender or political ideology," they found.

In their analysis, "Dans" swear by local TV news, support unions, are suspicious of big business, put America first, believe in traditional values and voted for Ross Perot in 1992.

The other groups;

▸ **Murphy Browns:** Named for the title character of the sitcom, these are liberal activists, mostly working women. Murphy Browns make up about 20 percent of voters and are a core of the Democratic base.

▸ **Alex P. Keatons:** Named for the Michael J. Fox character on "Family Ties," they are mostly male conservative activists. They listen to Rush Limbaugh and suspect the traditional news media have a liberal bias. They earn high incomes, worry about the federal deficit and taxes, and want welfare reform. Alex P. Keatons make up 15 percent of the electorate and mostly vote Republican.

▸ **Thurston Howells:** Named for the rich character on "Gilligan's Island," they make up 15 percent of the electorate and are traditional "country club" Republicans.

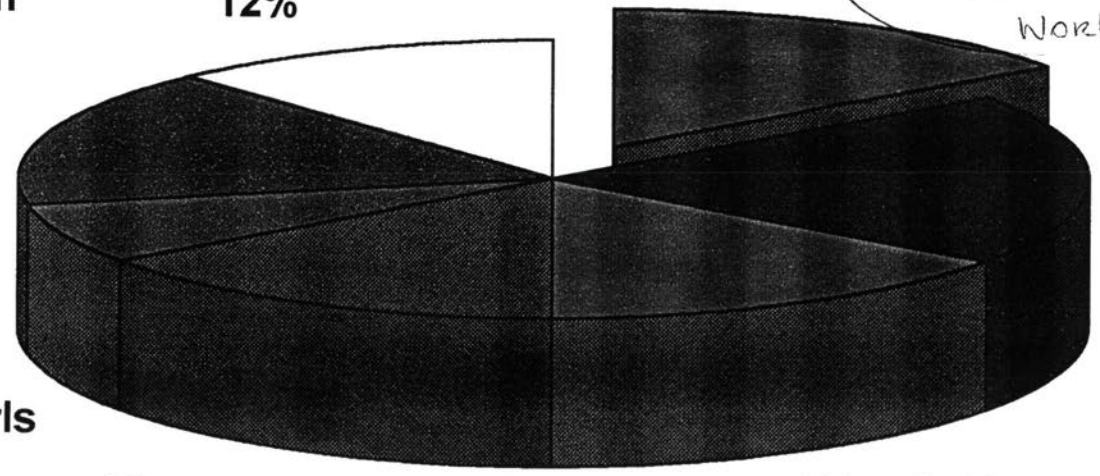
▸ **"Golden Girls":** These voters are older women and pillars of small-town communities. They are the least tolerant of other races, and they make up 7 percent of voters.

▸ **Louise Jeffersons and Edith Bunkers:** These ethnic conservatives are named for the lead female characters on "The Jeffersons" and "All in the Family." Economically liberal but socially conservative, they are the most ethnically diverse group and the most religious. They make up 16 percent of voters.

▸ **Frasiers:** Personified by Dr. Frasier Crane of the sitcom "Frasier," these voters are older baby boomers. They are torn between the idealism of their youth in the 1960s and the materialistic demands of their upwardly mobile 1990s lifestyles. They make up 12 percent of voters.

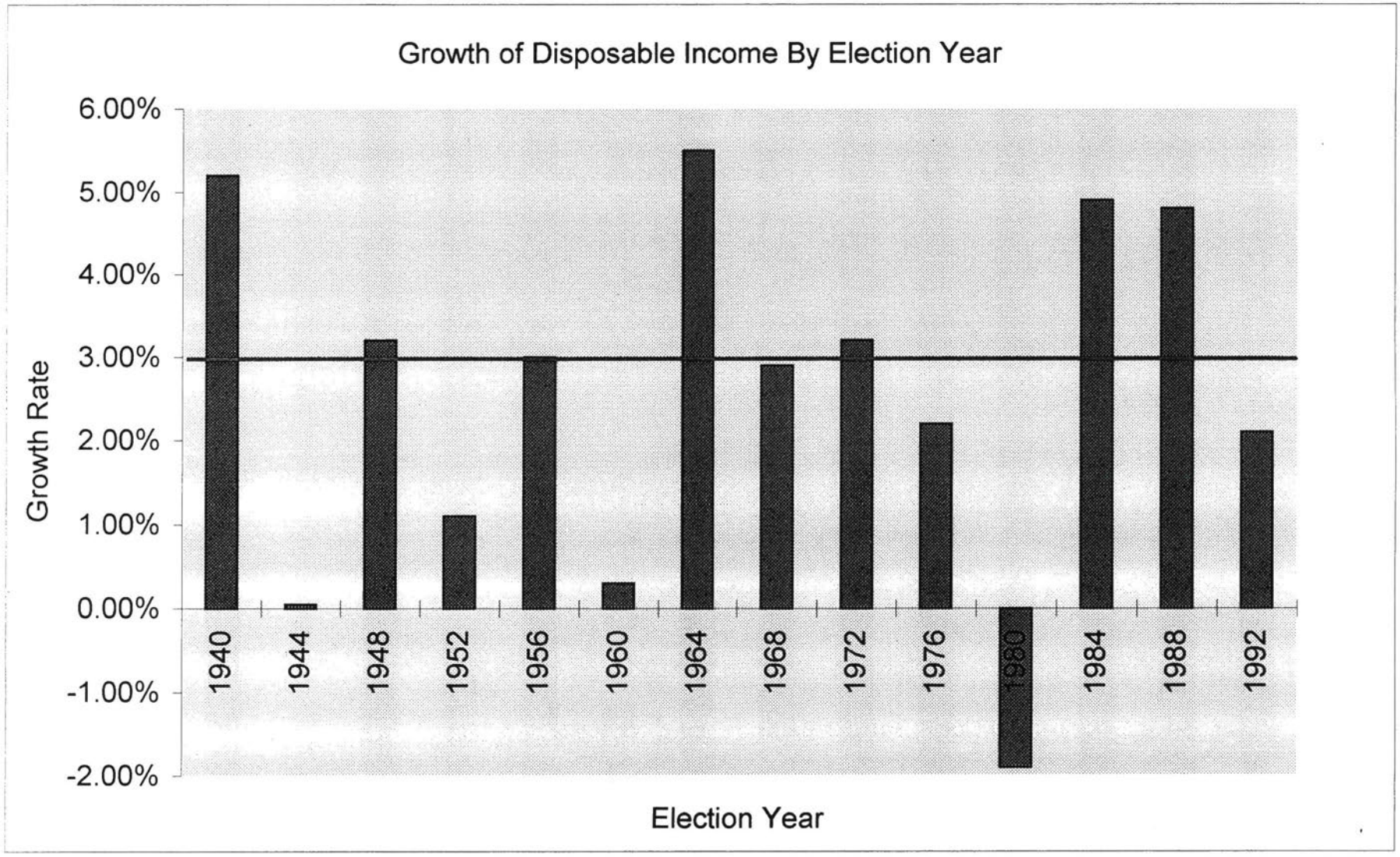
The analysts said dividing voters into these categories helps explain the volatility of elections in the 1990s and why the Democratic and Republican parties are both having trouble pulling together a stable majority.

VOTERS



Real Disposable income growth for this group must be 3% or more

Working Class


Growth of Disposable Income By Election Year
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
-1.00%
-2.00%
Growth Rate
1940
1944
1948
1952
1956
1960
1964
1968
1972
1976
1980
1984
1988
1992
Election Year

E.R. Madell
404/799-1111

MEETING NOTES

I GROWTH IN DISPOSABLE INCOME

a Must be 3% or more.

b Geographic analysis on disposable income growth.

c Group analysis on disposable income growth. → Working Class is key
- See charts
- Tax cut for working class
- Expand or create new empowerment zones

II LEADERSHIP ISSUES

a Stay in the middle of the road.

b Balanced budget leadership.

c Image
- Attend Black Conference of Mayors in Atlanta April 24 - 28, 1996.
- Working middle class whites.

I can set up & sponsor a small private Reception for Key Supporters & Mayors from all over the country

III GEORGIA

a Do not write off

b Even money now & improving
- Gain 10 points over past year

c Governor Zell Miller supports President & will actively support.

d Democrats will toe the line.

e Newt can be beaten
- Strong candidate
- Well financed

c Group analysis on disposable income growth.
- Working class incomes squeezed
- Working class incomes $7,000 less in 1995 than in 1979.
- Fifteen years ago, college grads earned 50% more than high school grads, now 96% more.
- Manufacturing jobs - down
- Service jobs - up
- Technology jobs - up
- Foreign labor cheap

THE PRESIDENT HAS SE

GS
Dan Baer
D. Morris
Ann Lewis

Gabriel Ku
G. Today's message
Peter 4/28 -
BC

THE PRESIDENT HAS SEEN
2/28/96

96 FEB 27 P7:44

FEBRUARY 27, 1996

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: DOUG SOSNIK AND KAREN HANCOX

SUBJECT; DAILY REPORT

DELEGATE COUNT: as of February 27:

DEMOCRATS

President Clinton: 690
Needed to win: 2146

(Your increase is due to superdelegates who have signed pledge forms.)

REPUBLICANS

Pat Buchanan	27
Bob Dole	17
Steve Forbes	17
Lamar Alexander	9
Phil Gramm	5
Other	3
Needed to win:	**996**

PRIMARIES: Tuesday, February 27
Arizona

The winner of today's primary will gain **39 delegates** in this "winner take all" race.

Early exit polls in today's primary show GOP Presidential candidate Pat Buchanan leading the race. NBC has reported that Buchanan is leading with 36%, Forbes 31%, and Dole 25%.

According to a New York Post/FOX News tracking poll, GOP Presidential candidates Pat Buchanan, Bob Dole, and Steve Forbes are virtually tied for first place in Arizona. The poll was conducted by John Zogby and surveyed approximately 400 likely GOP primary voters. The poll was conducted between February 25 - 26. The poll found:

GOP Primary

Forbes	25%
Dole	22%
Buchanan	22%
Alexander	9%
Lugar	2%
Keyes	1%
Undecided	17%

Yesterday's Zogby tracking poll showed Dole ahead with 26%, Buchanan second with 25%, and Steve Forbes third with 18%.

Also, yesterday, State GOP chair Dodie Londen has predicted that "Buchanan will win Arizona."

While the Secretary of State's office is predicting about a 15% turnout in today's primary, turnout may be lower than anticipated, as Arizona is experiencing a cold front. The polls opened at 6:00 a.m. (Mountain Time) and will close this evening at 7:00 p.m.

The Dakotas

A total of 36 delegates **(18 from each state)** are at stake. North Dakota's delegates will be allocated on a proportional basis. South Dakota rules require candidates to meet a 20% threshold to earn delegates.

Blizzard conditions in most of the Dakotas is keeping turnout down today. The impact of the weather will not be as great in North Dakota where voters have been mailing in ballots for several weeks. Though Dole has been considered the prohibitive frontrunner in these two Midwestern states, Buchanan has waged a strong campaign and has a shot at upsetting Dole. Buchanan's supporters are enthusiastically turning out to vote today. Forbes, the only other candidate to put time and money into these states is expected to come in third.

Poll

NEW YORK TIMES/CBS POLL

Their poll, conducted 2/22-2/24 among 1,223 adults, found you leading a generic GOP candidate by 9 percent and announced GOP candidates by at least 18 percent. The poll also found your job approval at 52% approve/38% disapprove, a significant gain from last month (47% approve/40% disapprove). You may note that a majority of those polled (54%) and a plurality of Republicans (46%) believe Buchanan is too extreme. Congress's job approval rating is only 22% approve/70% disapprove.

HEAD-TO-HEADS			
Clinton	52%	Clinton	54%
GOP candidate	43	Dole	36
Clinton	59%	Clinton	55%
Buchanan	31	Alexander	29

CNN/USA TODAY/GALLUP POLL

Their poll, conducted 2/23-2/25 among 849 registered voters (388 registered Republicans), found your job approval rating at 53% approve/40% disapprove. Like the NY Times poll, CNN found a majority of respondents (54%) believe Buchanan is too extreme to be President.

HEAD-TO-HEAD			
Clinton	56%	Clinton	59%
Dole	40	Buchanan	35
Clinton	56%		
Alexander	37		

GOP CHALLENGERS	
Dole	41%
Buchanan	27
Alexander	14
Forbes	8

FIELD POLL (CA)

Their poll, conducted 2/21-2/25 among 435 registered Republicans, found Dole leading the Republican field but his support is relatively shallow. Almost two out of three Buchanan supporters said they were "very certain" to vote for their choice; in contrast, less than half of those choosing Dole, Alexander or Forbes were as committed to their candidate. Furthermore, Dole has slid 16 percent since December, while Buchanan has climbed 14 percent.

GOP CHALLENGERS	Now	12/95
Dole	27%	43%
Buchanan	18	4
Alexander	16	2
Forbes	12	11
Keyes	3	2
Lugar	2	2
Dornan	2	4
Undecided	20	32

CINCINNATI ENQUIRER

Their poll, conducted 2/17-2/23 among 765 likely GOP primary voters, found Dole with a solid lead over the GOP field.

GOP CHALLENGERS	
Dole	46%
Buchanan	16
Alexander	13
Forbes	5
Others/DK	16

PRIMARIES: Tuesday, March 5

Yankee Primary

While in Vermont yesterday, Dick Lugar toured the Vermont Teddy Bear Factory highlighting his support for small business. Lugar campaign officials are betting on Vermont's independent spirit to bring him a much needed victory in the state and his schedule reflects this notion -- of the next seven days, six days include significant time in Vermont. Lugar is in Rhode Island and Maine February 27. Buchanan is expected in Bangor this weekend. Bob Dole will be in Connecticut, Rhode Island and Massachusetts March 1 and in Maine, New York and Vermont March 2. Lamar Alexander will be in Boston and Rhode Island February 28 and he is planning a swing hitting CT, ME, MA, RI and VT March 4.

Alexander begins airing TV ads across New England this week. Two 30 second ads featuring Alexander began airing in Boston, Portland, and Burlington February 26 and a third ad featuring Bill Bennett will be aired in Providence starting February 27 and in Hartford February 28. He is the first Republican candidate to start a media blitz in preparation for the March 5 primaries.

The Rhode Island primary will be particularly interesting considering Buchanan failed to submit the necessary signatures to appear on the ballot. Pundits are speculating about a head to head battle between Dole and Alexander for Rhode Island's 16 delegates. In total, the Yankee states primaries comprise 107 of the 997 delegates needed to secure the Republican nomination.

Vermont

A Mason-Dixon/MRP surveyed 631 (February 24-25)RVs for the Rutland Herald and found the following:

General Election

Clinton	54%	Clinton	52%	Clinton	56%
Dole	33%	Alexander	31%	Buchanan	28%
Undecided	13%	Undecided	17%	Undecided	16%

Republican Primary

Dole	25%
Buchanan	23%
Alexander	19%
Forbes	10%
Lugar	4%

The Mason-Dixon poll differs from the Burlington Free Press poll we reported on yesterday in that the Mason-Dixon poll forced undecideds to choose a candidate. Comparing today's poll to yesterday's shows that undecideds went overwhelmingly for Buchanan and Alexander with little or no impact on Dole and Forbes.

The Mason-Dixon poll further found your job approval rating at 45% favorable and 27% unfavorable. Among men your approval rating is 35% and 47% among women.

PRIMARY: Thursday, March 7

New York

Senator Dole is expected to begin airing television spots on cable in Nassau, Suffolk, and Westchester Counties this week.

Senator D'Amato has arranged for Senator Dole to address the Association for a Better New York (ABNY) at their monthly breakfast meeting March 5 -- two days before the primary. ABNY breakfasts are attended by a mix of people including good government advocates, education advocates, business leaders, New York City Council members, Commissioners, union leaders, non-profits, and state and federal elected officials.

CANDIDATES

Lamar Alexander

Alexander campaigned in Georgia yesterday searching for a win in the southern primaries. He has also launched a negative spot aimed directly at Bob Dole; the ad claims Dole voted for billions in tax increases and opposes term limits. Alexander purchased a $250,000 TV buy in Georgia, and is outspending Dole 2-1 in some markets.

Alexander is the first GOP candidate to launch ads in preparation for the Yankee primary next Tuesday. He began running three 30-second spots in Boston, Portland, ME, and Burlington, VT, last night; he will also begin running ads today in Providence, RI, and in Hartford, CT, tomorrow.

Pat Buchanan

Mayor Giuliani called Buchanan "a dangerous problem" for both Democrats and Republicans. Referring to NY's ethnic mix and it's reliance on international trade, the mayor said Buchanan was "the perfect antithesis of what New York City is about." Buchanan, referring to Dole/D'Amato's efforts to keep candidates off the NY ballot, compared the system to "What was going on in Eastern Europe in the 1950s, where some big fat Communist gets on the ballot and then he says, 'We are going to have a free election'".

Today, Buchanan seemed amazed that he was being attacked from the Republican establishment, and said he was "one large blob of scarred tissue." "These are people I've had dinner with for 30 years... I've decided an extremist is anyone who beats Bob Dole in New Hampshire," Buchanan said.

Bob Dole

Five Cobb County legislators who previously endorsed Dole have withdrawn their support because they felt snubbed by his failure to include them in an event today.

Governor Wilson released a Dole letter yesterday urging you to decertify Mexico for their insufficient actions to halt drug smuggling, and agreed with Dole that "it's very clear the Republic of Mexico has failed that test."

Dole decided this morning he will attend a Presidential debate in South Carolina on Thursday. Buchanan, Alexander and Forbes have already confirmed they will be at the Business & Industry Political Education Committee's meeting.

Steve Forbes

Forbes picked up the endorsement of freshman Rep. John (R-AZ) Shaddeg yesterday while campaigning in Arizona. Forbes hosted a second 30-minute paid call-in talk show (he also hosted one on Sunday) in which he pushed his tax plan and said he would not change the military's don't ask/don't tell policy unless recommended by military officials. The stakes in Arizona are extremely high for Forbes considering he has spent an estimated $4 million in the state. Today, Forbes predicted he would win the state and "surprise a lot of people." Forbes said Buchanan "wants to turn inward and I want to turn outward... [Buchanan] sees [the nation] as a fortress."

STATE-BY-STATE REPORT / PRESIDENTIAL

Michigan

A Detroit Free Press poll conducted February 20-21 among 600 likely GOP primary voters shows Dole at 43%, Buchanan at 19%, Alexander at 11, Forbes at 7%, "don't know" and "other" at 20%. The poll showed 45% of union households plan to vote in the primary. These blue-collar workers and the pro-life and militia organizations will no doubt be prime targets for Buchanan.

New Mexico

Ross Perot followers are starting a petition drive to establish a new political party for this year's general election in New Mexico. Citizens to Establish a New Mexico Reform Party has until April 2 to submit the signature of 2,338 registered voters to the Secretary of State. If the group is successful, they could potentially field candidates in the November's general election. Minor parties that already qualified to be on the ballot this year in New Mexico include the Green Party and the Libertarian Party.

Pennsylvania

Forbes will be in Pittsburgh Friday night for a $1,000 per plate fundraiser. Comedian Joan Rivers will warm up the crowd.

Miscellaneous

Rupert Murdoch offered to give the Presidential candidates free airtime this fall and encouraged other networks to do the same. Murdoch offered one hour on the eve of November's election night for the leading candidates to make their case, and committed to giving each candidate 20 minutes before November. Murdoch also proposed giving candidates thirty minutes of prime-time if other networks would match his offer.

STATE-BY-STATE REPORT / NON-PRESIDENTIAL

New York

Your school uniform idea has received strong support from Mayor Giuliani, New York City Chancellor Rudy Crew, Board of Education President Carol Gresser and United Federation of Teachers President Sandra Feldman. Chancellor Crew has not yet made plans to request that uniforms be instituted system wide.

Assemblyman Jeffrion Aubry (D-Queens) has been elected as the new chairman of the state Black and Puerto Rican Legislative Caucus. We are preparing a letter for your signature.

New York Labor

The United Federation of Teachers (UFT) launched a $250,000 radio ad campaign February 26 targeting lawmakers, including Giuliani, who want to further cut school funding. The campaign is designed to pressure the Giuliani Administration to resume contract talks with the UFT. The campaign will feature teachers talking about their frustrations including a shortage of books, working in deteriorated and overcrowded buildings, and teaching without a contract. The ads began airing February 26 and will run for three weeks.

Mayor Giuliani is cutting an additional $120 million from the Board of Education for FY 1997 which begins July 1. This additional cut is on top of the $181 million reduction he proposed in the preliminary budget released in early February.

The New York Times reported February 26 about the rift that has developed between Mayor Giuliani the UFT and the Police Benevolent Association -- two politically powerful organizations -- and how this rift poses threats to his re-election efforts in 1997. These two organizations were expected to be friendly to Giuliani. In 1993, the UFT had been working without a contract for two years, when they launched a similar $1 million ad attack against then-Mayor David Dinkins.

Texas

Senate candidate Jim Chapman (D) received the primary endorsements of the Dallas Morning News, Fort Worth Star Telegram, Amarillo Daily News, and Abilene Reporter-News. Congressman John Bryant (D) has been endorsed by the San Antonio Express News. Texas Land Commissioner Garry Mauro (D) has also endorsed Bryant in the Senate primary. Bryant and Chapman will face attorney John Odam and educator Victor Morales in the Democratic primary. The primary will be held March 12.

Washington

As reported yesterday, King County Executive Gary Locke announced that he is joining the race for the Democratic nomination for governor. In his announcement speech, Locke described himself as "...tough on crime, a fiscal moderate prepared to trim the size of government, and a social liberal who will champion abortion and gay rights." Seattle Mayor Norm Rice ended up not having a press conference yesterday, so he is still giving serious consideration to joining the race for the gubernatorial nomination. After Locke's announcement, Rice was quoted as saying: "I have alot of respect for Gary Locke, but Gary Locke's decision will not affect my decision one way or the other." Rice is in his second term as Mayor. The primary will be held September 17.

Inside Politics / February 27, 1996

Most of the show will be moot by the time you read this given today's primaries.

Dole. Dole split the day between South Carolina and Washington D.C. In South Carolina, he refused to make predictions about Arizona. On the Senate floor, Dole said that your strong words on Cuba were not followed up with strong actions.

Analysts say that Dole, who has the best campaign, the strongest and most endorsements, etc., has seen his campaign "meander." The meandering is mostly caused by Dole not being able to articulate his rationale for running or prove his ability to comprehend the issues. They also speculated the use of negative ads have hurt Dole, as well as infighting among a campaign staff that may have taken their longstanding frontrunner status for granted. The new Dole staff promises a new and sharper message and "different" ads in the next few days.

Locke running for governor

Three Democrats now in contest; Rice may be close to jumping in

By MICHAEL PAULSON and NEIL MODIE
PI REPORTERS

GOVERNOR '96

King County Executive Gary Locke yesterday entered the race for governor, and Seattle Mayor Norm Rice was sending strong signals that he would do the same.

Locke, a former legislator who was elected county executive in 1993, said at a news conference in Seattle that his experience in state and local government make him uniquely qualified to hold the governor's job.

Rice told reporters that he has not yet decided, but he told at least one Democratic official that he plans to run, and others said they were certain Rice would jump in.

Locke and Rice, who each boast election victories and high name recognition in the state's most populous area, are making swift decisions prompted by Gov. Mike Lowry's announcement Thursday that he would not seek a second term.

There are already two Democrats in the race: state Sen. Nita Rinehart of Seattle and former U.S. Rep. Jay Inslee, formerly of Selah and now of Bainbridge Island. There are also six major Republican candidates.

Two other possible Democratic candidates, Public Lands Commissioner Jennifer Belcher and Auditor Brian Sonntag, each promised a decision by early next week. Belcher said she thought a bid for governor was "not likely"; Sonntag seemed more intrigued by the possibility.

But yesterday belonged to Locke, who was accompanied by his parents, relatives and members of his staff as he spoke in the conference room of a

See LOCKE, Page A14

GILBERT W. ARIAS/P-I

Gary Locke is hugged by his father, James, and niece Michelle Yoshihara after announcing for governor.

downtown high-rise that is home to the office of his political consultant. He was not joined by his wife, Mona Lee, because of potential conflicts with her job as a KING-TV reporter.

Locke's remarks were general, as he pledged to work on "reducing the size and cost of state government while making our citizens competitive in a global economy."

"To a great extent, the decision to run is driven by the concern that we are becoming divided into two societies, that we're pitting the haves against the have nots and that the middle class is being squeezed," he said.

Locke addressed a few issues. He made an oblique reference to his support for abortion rights, said he supports gay rights and said he would have supported the business tax cut this year that was passed by the Legislature through an override of a Lowry veto.

Apparently trying to show off his moderate credentials, Locke said he had successfully pushed to override Democratic Gov. Booth Gardner's veto of a measure that stiffened penalties for burglars. And he said he had occasionally supported Republicans, although when pressed for examples he paused for a moment of awkward silence before offering that he had voted for Secretary of State Ralph Munro and a nonpartisan Supreme Court justice, James Dolliver.

Asked how he might appeal to voters who are not from King County, Locke said he had supported assistance for displaced timber workers and increased funding for community colleges throughout the state.

Locke's announcement upstaged a possible entry into the race by Rice, whose political base as a business-friendly Seattle Democrat overlaps that of Locke.

King County Labor Council Executive Secretary Ron Judd, a supporter of Locke and Rice, said Locke's swift announcement may have been a calculated move to derail potential candidates such as Rice.

Rice spokesman Mark Murray said the mayor has not yet decided, but that Rice "is not looking at this decision on the basis of who else is running."

Rice told at least one political activist that he plans to enter the race. But the mayor has a history of last-minute political changes of heart: He entered the 1989 mayor's race on the last day possible and made a fairly late decision not to enter a 1994 race for U.S. Senate.

But King County Councilman Ron Sims, a political confidant of Rice, said that after talking with the mayor over the weekend, "I'm 99 percent sure that Norm Rice will enter the race. I'm not 100 percent sure only because Norm is keeping his own counsel."

Seattle Post-Intelligencer • Tuesday, February 27, 1996

02/27/96 TUE 11:08 FAX 206 931 7195 GSA NW ARCTIC 012

02/27/96 TUE 11:09 FAX 206 931 7183 GSA NW ARCTC

Seattle Post Intelligencer February 27, 1996 p. 2 of 2

Locke: County executive touts his moderate approach

From Page 1

County Councilman Greg Nickels, a political protege of the mayor, said he assumed after discussing Rice's possible candidacy with him Friday "that he'll probably do it . . . He sounded pretty excited about it."

The two Democrats who entered the race last fall, Rinehart and Inslee, tried to put the best face on the news of Locke's entry.

"I welcome him and anyone else into the race," Rinehart said.

Inslee said the more candidates from Seattle, the better for him.

"What people want is somebody who can represent the whole state of Washington, urban and rural, and that's what I can do," he said.

But Democratic Party Chairman Paul Berendt said, "Gary Locke and Norm Rice have represented the biggest constituencies, in a voting sense, and Jay and Nita are going to be challenged to overcome those raw numbers of voters."

Berendt said Locke would be difficult to beat in November because he "didn't particularly buy into everything that liberals stood for."

State GOP Chairman Ken Eikenberry appeared to agree, saying, "I would have to say that if the other party nominates a candidate from Seattle, Gary is the toughest one."

Locke and Rice would each have strengths in a Democratic primary.

Rice, first elected in 1989, is three years into his second term as mayor and is the current chairman of the U.S. Conference of Mayors. Locke was elected county executive in 1993 and hasn't yet stood for re-election.

Rice has had no experience in state government. Locke served in the House for 11 years, including several as chairman of the budget-writing Appropriations Committee.

Locke presides over a more politically diverse constituency and has had to adopt more moderate stances than Rice. However, Nickels said, "In terms of Seattle politics, both would be considered fairly moderate."

If Locke were to win, the Republican-dominated Metropolitan King County Council would choose his replacement from a list of Democrats supplied by the Democratic Party.

■ P-I reporters Ellis E. Conklin, Joel Connelly, Mark Higgins and Rachel Zimmerman contributed to this report.

Locke: Executive highlights his moderate approach

By ED PENHALE
and NEIL MODIE
P-I REPORTERS

King County Executive Gary Locke demonstrated his political dexterity and his fierce ambition – qualities recognized by those who know him – when he announced his candidacy for governor yesterday.

A quick study of changing political terrain, Locke, 46, is hoping voters will look on his experience – first as a powerful state legislator and then as executive of the nation's 13th-largest county – as a combination that qualifies him for the state's top job.

He is running after barely more than two years as county executive. And just four days after Gov. Mike Lowry announced he wouldn't run for a second term, Locke became the first Democrat to plunge into the race as a result of Lowry's decision.

The opening created by Lowry came as Locke reached the peak of his statewide name recognition: as a chief protagonist in the battle with Ken Behring, the Seahawks owner, to keep the football team in Seattle.

Locke will be less known statewide for the way he has handled the routine facets of county government and a 13-member Metropolitan King County Council where Republicans hold a 7-6 majority over Democrats.

"Gary's strength as county executive has been his flexibility, which leads right into his weakness, which has been his lack of conviction. He tries to be all things to all people," said Councilman Chris Vance, a pro-development Republican. He said that has been particularly true on growth management issues.

But in late 1994, Locke was instrumental in bringing the County Council, developers and environmentalists together on a long-term growth management plan for the county that was required by the new state Growth Management Act.

Councilman Ron Sims, a Democrat, said Locke is extremely intelligent, "and when Gary is knowledgeable on a subject, he is the most knowledgeable person there is."

Sims also praised Locke's legislative skills, saying: "He knows how to cajole, how to schmooze. So he can be very effective at a legislative level."

Councilman Greg Nickels, another Democrat, said Locke's immersion in the details of county government has been a "very dramatic change" from the detached style of Locke's predecessor, Republican Tim Hill.

Democratic Councilwoman Cynthia Sullivan, a Locke backer, said he "has had more on his plate than any executive in the history of this county."

"He has handled it with finesse and grace, unlike anyone else that I have seen in elective office, and that comes as true admiration from someone who ran against him," said Sullivan, who lost to Locke in the Democratic primary for county executive in 1993.

Locke said his campaign for governor won't disrupt the administration of county government.

Vance said he hopes Locke doesn't neglect county issues such as growth management and regional governance, the latter a key part of completing the merger of Metro and county government that began in 1994.

"We need Gary to be engaged in that big time, and I hope his running for governor doesn't mean he's going to let King County government drift," said Vance, who is running for state superintendent of public instruction.

In 11 years in the Legislature, Locke – a former deputy prosecutor – rose from being an obscure lawmaker to one of the most influential in Olympia. As House Appropriations chairman, he dominated state budget writing, producing and passing what were essentially Democratic budgets even during the years Republicans controlled the state Senate.

Locke came to the county courthouse crusading against bureaucracy and vowing to heal relations between cities and King County government.

From the start he played to concerns of the growing suburbs, where voter attitudes toward him likely will be just as pivotal in his race for the Democratic gubernatorial nomination as they would in a bid for re-election as county executive.

Still on his plate in county government, as Locke embarks on the race for governor, is his regulatory reform proposal intended to ease development restrictions while maintaining environmental protections.

While running for governor, Locke also will be pushing for implementation of a six-year public transit plan focused on improving suburban bus service. It requires a 10 percent increase in bus fares.

The Kingdome became Locke's albatross in 1994 when ceiling tiles fell into the stands before a Mariners baseball game. The emergency repair work, which cost $70 million, might have become a much bigger financial problem for Locke and the county had it not been for the strike that cut short the baseball season that year.

The Kingdome, which Behring wants to abandon in favor of a more profitable venue in Los Angeles, will remain a volatile issue for Locke as he and other community leaders seek a local buyer for the Seahawks. A costly commitment by the county to renovate the stadium is sure to be required by any prospective buyer.

THE SEATTLE TIMES NEWS MONDAY, FEBRUARY 26, 1996

Locke to run for governor

BY DAVID SCHAEFER
AND LINDA KEENE
Seattle Times staff reporters

King County Executive Gary Locke was expected to announce this afternoon that he's running for governor.

Locke's county staff refused to confirm the announcement. His political consultant, who was arranging a news conference, was unavailable for comment.

After Gov. Mike Lowry said last Thursday that he would not seek re-election, Locke said he would review a possible candidacy with his family.

A former power in the state Legislature, where he represented the 37th District in Southeast Seattle, Locke reportedly had considered running for governor in 1992, when Lowry was elected.

Instead, Locke ran for and was elected King County executive the next year. But he reportedly has not enjoyed county issues as much as he did managing the state's budget process.

Gary Locke

He would join two other announced Democratic candidates: state Sen. Nita Rinehart, of Seattle, and former U.S. Rep. Jay Inslee of Bainbridge Island. There are six announced Republican candidates.

Another potential candidate, Seattle Mayor Norm Rice, said today he still is considering the race.

Mark Murray, Rice's spokesman, said Rice still hasn't made up his mind.

"He's not going to make his decision based on what anybody else does," Murray said.

Locke says he's not Lowry clone

Janice Podsada
ley Daily News

King County Executive Gary cke's announcement was still ring- g in the air as epublicans gan taking aim.

Locke

The Demo- at's candidacy r governor, cy said, may rn out to be a oon for the OP.

"I don't think e public would see any dramatic hange in state governance with Gary an if they had voted for (Gov.) owry," said Republican ouncilman Chris Vance of Kent, dding that Locke is "just another eattle liberal" and longtime Lowry upporter.

Locke joins an increasingly crowd- d field of Democrats who want the ffice Lowry shunned last week. State en. Nita Rinehart of Seattle, chair of he powerful Senate Ways and Means Committee, and former Congressman ay Inslee, now an attorney with offices in Seattle and Tacoma, announced their candidacies before Lowry bailed out.

Vance noted that Locke favored cutting the numbers of police and prosecutors employed by the county – a decision the council overrode – and said voting for Locke would be the equivalent of voting for Lowry."

Locke, 46, described himself as tough on crime, a fiscal moderate pre- pared to trim the size of government, and a social liberal who will champi- on abortion rights and gay rights.

"My leadership experience in Olympia (as chairman of the House Appropriations Committee) and my role as King County executive have prepared me well to lead our state," Locke said Monday.

Washington state is at a cross- ds," he said. "The challenges of backs in federally funded pro- ms, reducing the size and cost of e government, while making our zens competitive in a global econo- y, all call for the kind of leader- , management and broad vision I

See LOCKE, A5

have developed in my years of service both at the state level and more recently at the local level."

Locke said he would stress education, transportation, work training and abortion rights in his campaign, along with responding to federal budget cuts in a way that preserves vital services.

"I don't think I'll be branded a clone of Mike Lowry" despite efforts of the Republicans to do so, he said. "People will see I'm a person of my own mind."

Locke is a second-generation Chinese-American, and is married to television newswoman Mona Lee. They have no children.

He grew up in the Yesler Terrace housing project and later won scholarships to Yale. He has a law degree from Boston University and has been a deputy county prosecutor and a community development manager for U S West Communications.

Locke served 11 years in the Legislature before winning the top government post in the state's largest county in 1993. He has been a central player in trying to force the Seattle Seahawks to honor their contract in the Kingdome.

His continued involvement in flaps involving the Kingdome probably have helped established name recognition at least west of the Cascades. Some say that, along with his government experience, could make him a strong candidate.

"He has served at the state capitol as well as at the local government level," said Councilman Pete von Reichbauer, R-Federal Way. "Unlike most candidates who have a myopic view, he has an understanding of the impact of legislation on local governments.

"Gary's got support that crosses the Seattle city limits, so he will be a formidable candidate."

But it's a candidacy that could help the GOP.

"It's certainly better for the Republicans not to be running against an incumbent and good for the public because there will be strong debate among the Democratic candidates," said Republican Councilman Rob McKenna of Bellevue.

McKenna said a growing number of council members also are worried about the state of King County now that Locke will be devoting himself to the Olympian contest.

Councilman Brian Derdowski of Issaquah, another Republican, echoed McKenna's concerns.

"We've got a lot of work to do in King County," Derdowski said. "How are we going to keep the county running when we all know how demanding a gubernatorial race can be?"

Kent / Auburn
Valley Daily News

■ Tuesday, February 27, 1996

Dole: I'm like guy next door

2-26-96 p in

By KAREN VIGIL
The Pueblo Chieftain

COLORADO SPRINGS — Kansas Sen. Bob Dole called himself "very much the guy next door" Thursday as he courted Colorado Springs supporters on a tri-city campaign whirl through Colorado.

Dole and his Colorado counterpart — U.S. Sen. Hank Brown — emphasized the Kansas-Colorado connection several times during Dole's late-morning tour of Qualtek Manufacturing, a company that specializes in making metal components for other manufacturers.

Brown even called Dole "Colorado's third senator."

Campaign volunteers said Dole chose the company because it's small, with 40 employees, has an entrepreneurial bent and is spending at least 15 times more than it did four years ago to comply with federal environmental regulations.

A tanned, energetic Dole briefly toured the factory, gave a 15-minute speech and then spent a half-hour talking with the 100-plus crowd of politicos and volunteers before driving directly to the Phantom Canyon Brewery pub, surprising lunchtime diners with a handshake and autograph session.

At Qualtek, Dole told supporters he had noted that Qualtek profits by exporting products to Mexico and other countries. That practice is in line with the open-trade policies he helped create and that New Hampshire primary winner Pat Buchanan opposes.

Dole staffers and supporters downplayed his battle with Buchanan for the Republican Party's nomination, saying Tuesday's win sampled only a small populace.

Dole didn't mention the first primary's surprise win either. But his speech clearly outlined his differences with the Republican frontrunner.

Dole, flanked by Brown, Rep. Scott McInnis, R-Colo., and Colorado Attorney General Gale Norton, hinted he would bargain hard at equalizing the nation's trade imbalance with a "mutually fair trade" strategy somewhere beyond Clinton's showing and Buchanan's protectionist beliefs.

"We need to make sure more aggressive on trade. We need to be more aggressive to make sure it happens ... It's a mirror lesson ... It's the golden rule, too," he said.

Dole said that stance and others — that of supporting a $500 tax credit per child, a balanced budget that would result in a 2 percent decrease in home and other loans, and a more decentralized govern-

help Americans help themselves.

"We want to give the money back to people, give power back to the states. It's not a game. It's not politics. It's not Bob Dole, not Bill Clinton. It is you. It is that man I just met in the third row who just became a new citizen," Dole said to the crowd, which responded with applause.

He also reminded the group he's a known-quantity candidate.

"I want to be your nominee for president on the Republican side. I have good experience, can make good judgments. I've been elected six times in a row to be the leader of the U.S. Senate.

"I am the longest-serving Republican leader in the history of the U.S. Senate ... I have been there," he said, adding that he understands the issues of Medicare, Medicaid, health care, food stamps and taxes.

He also talked a softer doctrine of inclusiveness, rather than divisiveness which critics accuse Buchanan of extolling.

"We're one America. We're not young, not old, not black, white, or disabled. We're one America. If we divide ourselves into ethnic groups, we will get behind.

"I am a mainstream Republican ... I want to unify, bring our party together ... We have a big tent. We have a lot of room in it. I have the right ideas. I have reached out to people. I believe in freedom. I abhor intolerance," he said.

Then he marked another contrast between him and Buchanan, who has promised to reverse the North American Free Trade Agreement, if elected.

"One of the things we must never do is play on people's fears. They're worried about losing their jobs, worried about jobs going overseas. I will address the hopes and aspirations of people. We're all in this together," he said.

But Dole made it clear he is not counting on his track record to sell himself to voters, but instead

He reminded the crowd that their "one vote" can make or break him.

"If I could have had 2,300 people in New Hampshire, it would have made a big difference," he said.

Plus, he emphasized his fight for a lifestyle he thinks most Americans want will not be easily won.

"We've got a battle going on for the heart and soul of the Republican party. So, that's why I came to the heartland to express my views," Dole said.

After Dole spoke, Brown, who earlier had stressed Dole's military record and sacrifices, said he thinks Buchanan isn't a threat to Dole.

Brown said Dole's contest is with former Tennessee Gov. Lamar Alexander.

Republican contender will emerge on March 5, after Coloradans and voters in 10 other states cast their primary ballots as part of the nation's first major voting bloc.

He noted Coloradans' entry in the early primaries in 11 days means the state's citizenry will greatly impact the GOP's presidential choice. He said the state's diverse community might be a good predictor of the nation's primary results.

"This is the first time since '76 that we will have played a key role in determining the Republican nominee," he said.

Brown and McInnis said they will continue to campaign for Dole throughout the state, with McInnis saying he scoffs at anyone who counts out Pueblo ans' Republican potential.

er. And we have senators, representatives — Salaz, Schwartz, Dennis and Lawrence," he said.

Besides, McInnis said, Pueblo ans will take a second look at Dole, especially when they realize his hometown of Russell, Kan., is a lot like their city.

"Russell is hardworking, conservative. It's a salt-of-the-earth community like Pueblo," he said.

Once Dole wrapped up his factory and restaurant appearances, his motorcade took him to the now-closed Colorado Springs municipal airport for yet another rally.

He didn't speak to the group of 500 there, instead taking time to meet personally with flag-waving, placard-carrying, wind-blown supporters.

Pueblo Chieftain, February 26, 1996

Pat Buchanan is bogeyman to state Republican leaders

By John Sanko L.D. 2/25/96
Rocky Mountain News Capitol Bureau

Many state Republican leaders don't think Pat Buchanan will be their party's standard-bearer in November but admit his growing popularity is cause for concern.

Some fear Buchanan's brand of conservatism could polarize voters against the GOP.

"I'll be very concerned if Buchanan is our nominee, because I think it would lose votes in Congress and would go clear down to the state level and hurt us in the legislature," assistant Senate majority leader Ray Powers, R-Colorado Springs, said.

Powers, a supporter of Lamar Alexander, said there is no doubt Buchanan has "a certain following, but the name of the game is to win — not to establish a viewpoint."

"We've got to take Clinton out. Buchanan can't do that," he said.

"My prognostication is that he'll fade," said House Majority Leader Tim Foster. "If he doesn't, then we won't win the election."

Legislative leadership turned out when Bob Dole arrived in Colorado last week. His greeters included Senate President Tom Norton, R-Greeley; House speaker Chuck Berry, R-Colorado Springs; and Foster.

"Obviously, he (Buchanan) plays on a lot of issues that bother people," Foster said. "What's your economic future, isolationism, etc., etc. At some point, though, the question is, 'What's your solution?' "

Norton said Buchanan's nomination could pose some problems in terms of healing GOP divisions caused by the campaign.

"I understand the rallying cry (of Buchanan), but I tend to believe strongly in Dole's comments that when push comes to shove, we're going to have to bring the party together," Norton said.

Rob Fairbank, political director of the state Republican Party, said the battle will get more people to vote in Colorado's March 5 presidential primary.

Rocky Mountain News February 25, 19

FEB-27-96 TUE 11:29 GOVERNOR ROMER'S OFFICE FAX NO. 3038604824 P.02

FEB-27-96 TUE 11:30 GOVERNOR ROMER'S OFFICE FAX NO. 3038664824 P. 03

Heated primaries burning up cash

By Fred Brown
Denver Post Political Editor 2-27-96 P. 1A

With the Republican presidential primary season reaching its most frantic couple of weeks, money has become an especially critical factor.

Of the four leading candidates, Pat Buchanan and Lamar Alexander are scrambling for daily infusions of cash to keep going. Bob Dole is in danger of bumping up against federal spending limits. And Steve Forbes is immune because he's spending his own millions.

Colorado's primary is a week from today -- on the same day that seven other states are having primary elections — and Minnesota is having caucuses to select national convention delegates.

From Arizona's primary today through "Super Tuesday" on March 12, a total of 19 states will choose delegates for the nominating convention in San Diego.

By the time California votes on March 26, the contest for delegates could very well be over.

With a much closer race than had been expected, spending — mostly for exposure on television — becomes a crucial area of competition.

Three of the four major contenders — Alexander, Buchanan and Dole — visited Colorado last week, both to reinforce their messages and to loosen a few purse strings.

Apparently it worked.

"I've had like half a dozen people press checks into my hand. I just send them right to Nashville," said Alexander's state chairman, Denver lawyer Chris Paulson.

Local campaign officials leave most of the fund-raising to national treasurers, so they don't have a good idea about how much money is coming out of Colorado.

But they have a sense that the personal visits result in a spurt of donations.

Alexander, who visited Colorado Springs and Denver on Saturday, said he's raising about $100,000 a day and expects "to fully fund every primary through March 12."

Alexander, a former governor of Tennessee and secretary of education, has spent at least $130,000 to buy television advertising in Colorado — a major chunk of the $1 million he plowed into TV spots nationally last week.

Alexander has spent about $15 million so far and expects to spend about $2.6 million more before March 12, Mark Merritt, his communications director, said yesterday.

"Our money is low-overhead money. They tend to be large contributions," Merritt said.

Buchanan, though, has relied mostly on direct mail, tapping at times into the expertise of Christian activists who know how the fund-raising business works. Buchanan has a low-budget operation, relying mostly on volunteers, and experts say money is no real problem for him.

Dole, though, has a reverse money problem. He is close to reaching the $37 million spending limit for candidates who accept federal funds. "He is in dire straits," says Merritt, the Alexander spokesman. "There is a 90 percent chance he won't be able to spend anything after April. We and Buchanan can raise and spend another $20 million or so."

The Washington Post has reported that based on federal spending reports and the heavy round of upcoming primaries, Dole could reach that limit as early as March 12.

According to his Jan. 31 report to the Federal Election Commission, Dole spent nearly $25 million on the campaign as of that date, including $18 million previously invested, mostly for advertising. Forbes has yet to advertise in Colorado.

That left him with about $12 million to spend through the nominating convention in San Diego in August.

Even if Dole were somehow to wrap up the nomination before March 12, he'd still have to put his campaign virtually on hold for many weeks while President Clinton was constantly on television.

Forbes' reports show that he has spent just about as much as Dole, but because he's not accepting federal campaign money, he's not subject to the spending limits.

The publishing heir spent $7.22 million in January alone, more than $1 million a day.

He has spent an estimated $3 million to $4 million, though, on TV ads in Arizona. He also has an active organization there, and none in Colorado. Dole is the only other candidate who has been on the air in Colorado.

He has contracted for more than $85,000 on Denver-area television stations, or roughly two-thirds as much as Alexander. Paulson says the Alexander campaign has spent little on organization in Colorado, relying mostly on volunteers.

The Dole campaign has a permanent office and staff, but it still lagged behind the local organization for Texas Sen. Phil Gramm, who dropped out of the race after poor showings in the early primary states.

"Gramm spent $21 million (nationally) and got nothing for it. We've spent practically nothing in this state, and still we've got hundreds of volunteers who want to get the message out," Paulson said.

Denver Post, February 27, 1996

Strong economy could carry Clinton

Rmt p 30A 2/27/96

If the American economy remains strong into next fall — unemployment low, interest rates low, inflation low, growth even moderate, the market strong — odds are excellent that the Republican presidential nomination will be as John Nance Garner once said about the vice presidency, "not worth a pitcher of warm spit."

Dan Thomasson

The one abiding axiom of this nation's politics is that people vote their pocketbooks. If America is economically healthy, the benefit always accrues to the incumbent president. And that has held true through history with little exception.

While the current occupant of the White House has had very little, if anything, to do with the present economic well-being, he, nevertheless, will receive the credit because it happened on his watch.

Conversely, of course, periods of downturn damage an incumbent's re-election chances and, if it's a major depression as in 1932, the chances of his party for years to come.

The mild economic downturn that preceded George Bush's defeat in 1992 is a perfect example. Bush's insensitivity to this basic issue and political consultant James Carville's simple slogan, "It's the economy, stupid," were enough to do Bush in. Even a record of womanizing and draft-dodging — which would have made an utterly unacceptable candidate 50 years ago — wasn't enough to turn voters away from Bill Clinton.

It is ironic that Bush had perceived the 1992 dip as short-lived and had done the right thing by doing little or nothing. What he forgot, however, was that he needed to appear to be doing something, to acknowledge that there were Americans who were suffering economically.

Herbert Hoover, through inaction, appeared to be uncaring when in reality he was a kind and generous humanitarian. The beneficiary was Franklin Roosevelt, whose questionable legislative maneuvers still hadn't ended the depression by 1939, but whose sometimes unconstitutional gyrations made him appear to have done something.

Democrats successfully ran against Hoover for the next 25 years.

There are longtime observers of the American political scene who are convinced that Richard Nixon could have survived Watergate had the economy been good. But discombobulation of the oil embargo and administration-imposed wage-and-price controls to dampen inflation helped force him out.

An improving economy and Gerald Ford's successful effort to hold down inflation almost saw him through a terrible election year for Republicans forced to carry on their shoulders the burden of the nation's worst constitutional scandal.

Then there's the case of the hapless James Earl Carter who inherited a decent 4.5% inflation rate from Ford and, through overstimulation, turned it into double digits in less than three years. Voters didn't give him a second chance.

Although the economy appears to be flattening out, most experts believe that it will begin showing decent growth again by fall and that all the key rates will remain down.

Under these circumstances, it would be difficult for even Colin Powell to beat Clinton. Whatever he isn't, Clinton is a superb campaigner. Combine that with the likelihood that the Republicans will nominate an uninspiring candidate like Bob Dole who isn't good on the stump and this could be one of those years that is over before it starts.

Scripps Howard News Service

Rocky Mountain News, February 27, 1996

FROM: HEATHER
ADP

GOP expects light voter turnout

All eyes on Arizona for pivotal primary

By Paul Brinkley-Rogers and Kris Mayes
Staff writers

State, county and Republican Party officials are forecasting a light voter turnout today for Arizona's first Republican presidential primary.

Rain and snow could drop those numbers even farther, the officials said. The polling places will be open from 6 a.m. to 7 p.m.

Whatever the turnout, the voting will capture headlines across the nation and sharpen the speculation about who among the four GOP front-runners will be the party's nominee.

ELECTION '96

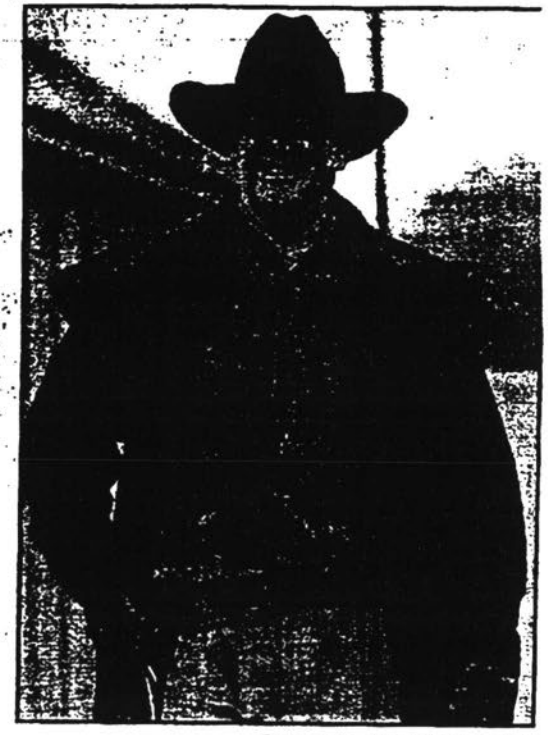
Turnout predictions ranged from a low of 10 percent from state Elections Director Lisa Daniel to a high of almost 20 percent from state GOP headquarters.

"Between 10 and the high teens is my guesstimate," said Karen Osborne, Maricopa County elections director.

"It will depend on how excited they are," Osborne said of the 619,267 registered Republicans

— See LIGHT, *page A2*

Michael Ging/Staff photographer
Staying on the flat-tax message and emphasizing his school-choice stand, Steve Forbes visits with Shamrock Food Co. workers in Phoenix on Monday.



Paul F. Gero/Staff photographer
Candidate Pat Buchanan continues his celebration of guns, hats and other things Western during a visit to the O.K. Corral in Tombstone on Monday.

ARIZONA REPUBLIC
A1
2-27-96

P. 1 of 2

— LIGHT, *from page A1*

in Maricopa County, "to what the weather is like."

There are 964,418 GOP voters registered statewide.

Bob Berkovitz, a National Weather Service meteorologist, said that although weather conditions are expected to improve on Primary Day, some communities in northern Arizona will still have snow on the ground from Monday's storm.

"Things should be better tomorrow," Berkovitz said Monday. "We will have temperatures in the 60s in the lower deserts. But it will be in the 20s and 30s in the mountains even at noon."

He said snowfalls of 8 inches in Flagstaff, 5 inches at Pinetop-Lakeside, and 4 inches at McNary and the Grand Canyon were recorded Monday.

The Arizona voting involves only the GOP. The state Democratic and Libertarian parties sued successfully to be kept off the ballot. Democrats will hold a primary March 9. Libertarians determined their nominees at a convention in January.

The winner-take-all primary will give the victor in the field of 20 major, minor and obscure Republican candidates a total of 39 delegates. A state GOP worker said Monday that many of the men and women among the field were unknown to her. One name on the ballot is Sen. Phil Gramm of Texas, who dropped out two weeks ago.

The Arizona primary has drawn the intense attention of the front-runners. All of them — Pat Buchanan, Bob Dole, Steve Forbes and Lamar Alexander — were campaigning in the state over the weekend. But only Forbes and Buchanan campaigned in Arizona on Monday.

Forbes took his pitch to residents of all ages, with stops at a Valley charter school, a Scottsdale retirement home and the Shamrock Food Co.

The magazine publisher, for the most part, stayed on message, highlighting his support for parental choice of schools and stumping for his proposed 17 percent flat tax.

"The federal income-tax code is 7 million words and rising," Forbes said. "That says it all."

During a busy day that featured stops in Tombstone, Globe, Sierra Vista and Safford, Buchanan criticized commentators who are calling his supporters names.

"They're calling names to people who come out and support us, these terrible names (like) 'skinheads,' " he said.

"Those folks who went to the gun show (Sunday in Phoenix), those are good Americans. They deserve better than to be called names by a bunch of liberal elitists in Washington, D.C."

At a supporter's home in Casa Grande, Buchanan was asked about former Sen. Barry Goldwater's quip that Buchanan might be called "a good Democrat."

Buchanan, who wrote the introduction to Goldwater's book *Conscience of a Conservative*, said Goldwater remains one of his political heroes.

"There're three people in American politics against whom I will never say a word," Buchanan said. "One is Richard Nixon. One is Barry Goldwater. The other is Ronald Reagan."

The primary has involved an intense effort by state and county officials to hold down costs.

In addition, Pinal County, with its 17,226 registered Republicans, is testing a new "optical scanning system" that will immediately print out results when the polls close, enabling the county to be the first in reporting all its precincts.

Daniel, the state elections chief, said Maricopa County also will use optical scanning in the September primary for statewide and legislative offices.

Daniel said that despite the statewide consolidation of polling places to 532, the GOP election still will cost $2.5 million. There were 1,836 places to vote in the 1994 general election.

Arizonans on the Internet can get county results of the voting Tuesday night by connecting with the Secretary of State's Office at http:///www.state.az.us/st/ on the World Wide Web.

Osborne said the primary will cost Maricopa County $900,000, half the cost of a regular election, and will involve only 111 polling places instead of the usual 933.

Voters in Maricopa County may cast their ballots at any precinct in the county in this election only. Daniel said voters should remember to bring identification, ideally the voter-registration card received recently in the mail or, failing that, utility bills or a driver's license.

In the state's other counties, adjoining precincts have been consolidated, and there will be one polling place for several precincts. In rural areas, some people may have to drive considerable distances to vote. But anyone can vote by mail if they requested an early ballot.

Daniel said there are indications that some Democrats may have recently registered as Republicans in the hopes of influencing the outcome of the election.

"In voter registration between January 1 and the cutoff date of January 29, there were 3,000-plus more Republicans and 3,000-plus less Democrats," Daniel said. "The only way we can confirm that there was a switch to make an impact on the election is if those 3,000 change back to Democrat after they vote."

Osborne said, "I wish we had a crystal ball when it comes to predicting this one.

"We've never had an election like this before."

Arizona Republic

February 27, 1996

FAX

6

Campaign '96

Dole leads Mass. poll; Buchanan shows strength

By Anthony Flint
GLOBE STAFF

Sen. Bob Dole has a significant but fragile lead in the upcoming Massachusetts Republican presidential primary, according to a new Globe poll, his position made vulnerable by the large number of independent voters here and the potential appeal of Patrick J. Buchanan's insurgent campaign.

In a survey of 413 likely Republican and independent voters, Dole led with 33 percent, with Buchanan second at 19 percent, followed by Lamar Alexander at 12 percent.

The poll, conducted for the Globe and WBZ-TV by KRC Communications Research, said Steve Forbes has the support of 8 percent of the respondents and Sen. Richard Lugar 4 percent.

Undecided voters made up 17 percent, and 2 percent declined to answer. The margin of error was plus or minus 5 percentage points.

The Massachusetts primary, with 37 delegates at stake, will be held March 5, the date of the Yankee Day primaries. Maine, Vermont, Rhode Island and Connecticut will also hold contests that day, with 70 delegates at stake. Most of the primaries are "winner-take-all."

"The ultimate question is the makeup of the turnout," said Gerry Chervinsky of KRC Communications. "We just don't know how many independents will show up, and that's the great imponderable."

In Massachusetts, registered Republicans make up about 13 percent of the voting population. Independents, who also can vote in the primary, are a considerable factor at about 40 percent.

The poll's sample comprised 197 Republicans and 216 independents.

Dole does well among Republicans, with the support of 43 percent. But Buchanan runs strong among independents, 26 percent of whom said they would support the conservative commentator.

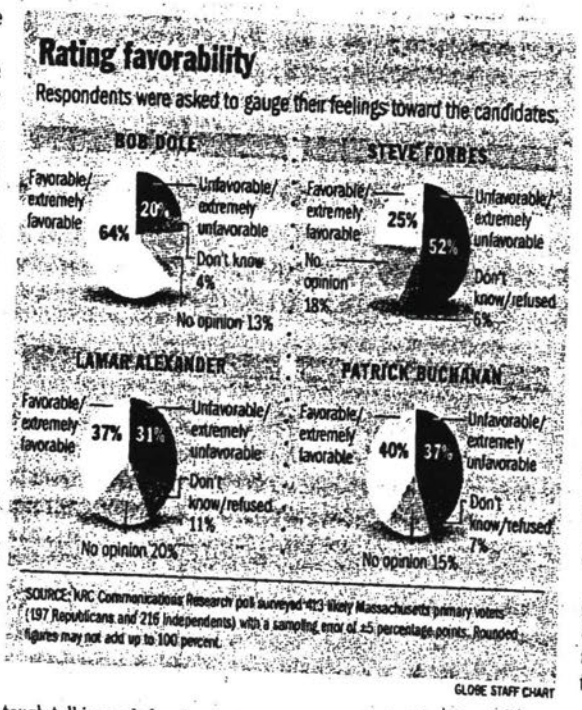
"If no independents show up, Dole wins Massachusetts easily. If a lot of independents show up, it's a lot closer," Chervinsky said.

The race for Massachusetts' delegates is expected to be volatile because of the support Buchanan may draw from blue-collar Republicans and independents.

Large numbers of Massachusetts voters have shown appreciation for tough-talking rebels who portray themselves as outsiders, a factor observed in the support for Boston University president John Silber in the 1990 gubernatorial race.

"The Silber vote is the Buchanan vote," Chervinsky said.

Of those in the poll who said they voted for independent Ross Perot for president in 1992, 29 percent said they would vote for Buchanan, far more than for any other candidate.



Other results hint at potential strength for Buchanan in Massachusetts.

In a state where most residents favor abortion rights, Buchanan does equally well among those on each side of the abortion divide, suggesting that abortion-rights supporters may look beyond his staunch anti-abortion stand to focus on his economic message.

Robert Semonian, chairman of Buchanan's state campaign committee, said Buchanan could score another big surprise here.

"He's going to win. We're getting support from a wide variety of people," said Semonian. "The key issue is jobs. People are sick and tired of jobs leaving Massachusetts."

Semonian predicted that Buchanan would also strike a chord with Massachusetts voters on such issues as illegal immigration and sending troops to Bosnia.

Suggesting that Buchanan's strength here should not be underestimated, Semonian took a swipe at Gov. William F. Weld, who suggested this week that Buchanan preyed on voters' fears. After actively supporting the failed candidacy of California Gov. Pete Wilson, Weld endorsed Dole.

"He should not speak ill of a fellow Republican, that's all I'm saying," Semonian said.

Despite the possibility that Massachusetts could become a battleground, Buchanan at this point does not plan to visit the state or any New England states, opting instead to focus on the south and Super Tuesday, March 12. Campaign aides said Dole's schedule is not confirmed beyond a day in advance.

Alexander could appeal to moderate Republicans in Massachusetts, and Forbes' tax message is likely to draw support.

Lugar has said he plans to stay in the race and will be running hard in all the New England states, where he detects support.

The Massachusetts, Connecticut and Vermont primaries, with a total of 76 delegates, are winner-take-all, giving all the delegates to the first-place finisher.

The Maine format is winner-take-all if a candidate receives more than 50 percent of the vote. Rhode Island metes out delegates according to the proportion of votes that candidates received.

02/27/1996 13:17 8028607031 CG96 VT PAGE 02

ESTABLISHED 1794

RUTLAND DAILY HERALD

Vol. 136-No. 49
Rutland, Vermont • Copyright ®

Tuesday Morning, February 27, 1996

Dole Edges Buchanan in Vermo

By JACK HOFFMAN
Vermont Press Bureau

MONTPELIER — Sen. Bob Dole of Kansas has a narrow lead among Vermonters likely to vote in next week's Republican primary, but Patrick Buchanan could pull the same upset here that he achieved last week in New Hampshire, according to a new poll by the Rutland Herald, The Times Argus and WPTZ Channel 5 News.

Meanwhile, Vermonters are giving President Bill Clinton some of his best job performance ratings since his election in 1992.

But the poll also had both bad news and good news for the Arkansas Democrat. The good news was that Clinton could easily defeat any of the GOP contenders — at least if the election were held now.

The bad news was that only 41 percent of Vermont voters would like to see the president re-elected. The remainder, 59 percent, either said they would vote to replace Clinton or consider another candidate.

The poll was conducted last weekend, just a few days after Buchanan won a narrow but stunning victory over Dole in New Hampshire's first-in-the-nation primary.

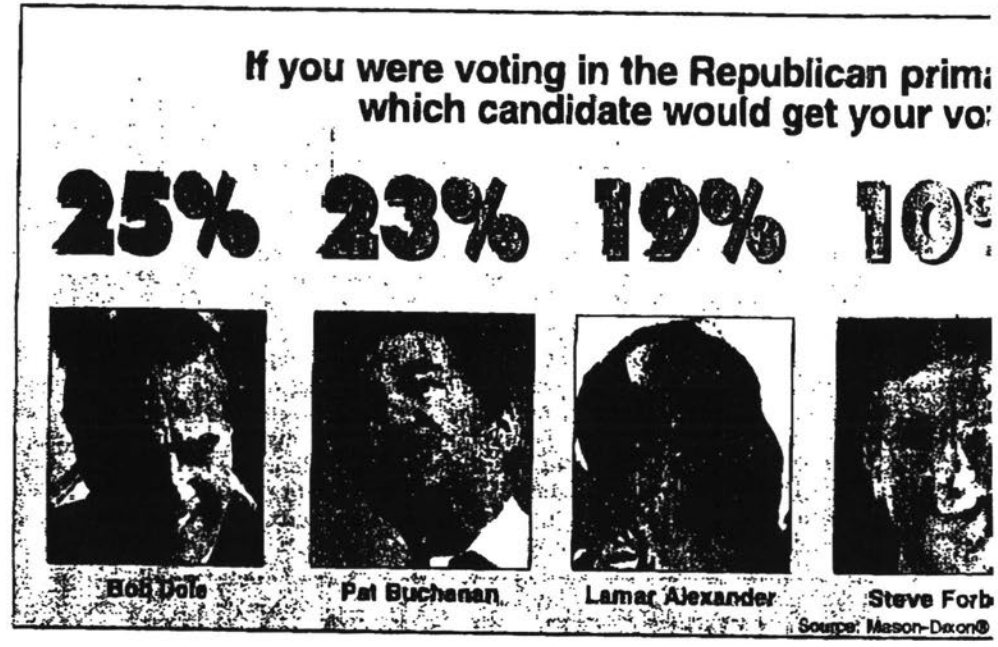
Among people who said they were likely to vote in the Vermont Republican primary next week, 25 percent said they would vote for Dole, 23 percent said they would pick Buchanan and 19 percent said they'd go with Lamar Alexander, the former governor of Tennessee. Those three also were the top three finishers in New Hampshire last week.

Steve Forbes, the multi-millionaire publisher of Forbes Magazine, came in fourth,

(See Page 6: Poll)

Election '96 Inside

A New York Times poll shows Patrick Buchanan's social agenda is attracting more voters. *(See story, Page 3)* **Bob Dole's daughter, Robin, campaigned for her father in Rutland on Monday.** *(See story, Page 11)*



Poll

Continued from Page One

with 10 percent, in the Rutland Herald poll. He was trailed by Sen. Richard Lugar of Indiana, who got 4 percent. Two other Republicans will be on the Vermont ballot. However, Sen. Phil Graham of Texas has dropped out, and he was not included in the survey. And fewer than 1 percent of the likely primary voters said they would support Illinois businessman Morry Taylor.

While the poll surveyed 631 registered Vermont voters, the results of the Republican primary questions were based on responses of 318 Vermonters who said they were likely to vote in the race. The margin of error with a sampling that size is plus or minus 6 percent.

The survey also asked likely GOP primary voters how they rated the field of Republican contenders. Only Dole and Alexander had favorable ratings higher than their unfavorable ratings.

For Dole, 38 percent said they had a favorable opinion of him and 28 percent said they viewed him unfavorably. Another 34 percent said they had no opinion one way or the other.

Alexander's ratings were 29 percent favorable and 23 percent unfavorable; 42 percent said they recognized Alexander's name but were neutral toward him.

Buchanan, who has been labeled an "extremist" by Dole and others, had the highest unfavorable rating at 41 percent. Another 30 percent said they had a favorable opinion of Buchanan and about the same number, 29 percent, said they were neutral about Buchanan.

Forbes also generated more bad feelings than good. Thirty-six percent said they had an unfavorable opinion of Forbes, while only 19 percent said their view was favorable.

The divisiveness in Republican ranks is working to Clinton's advantage, at least for the moment.

A cross-section of Vermonters, not just those likely to vote in the GOP primary, was asked whether Clinton should be re-elected and fewer than half (41 percent) said he should.

Del Ali, president of Mason-Dixon Political/Media Research of Washington, D.C., said the generic question about re-electing the president showed a potential weakness for Clinton.

"At 41 percent, (it is) not strong by any traditional standard and not what an incumbent would typically want at this stage," said Ali.

Nevertheless, the survey of the cross-section of Vermont voters showed that Clinton would get more than half the vote and beat any of the top three contenders by more than 20 points.

The poll found if the vote were held now Clinton would beat Dole 54 percent to 33 percent, with 13 percent undecided. He would beat Alexander 52 percent to 31 percent, with 17 percent undecided. And in a race with Buchanan, it would be Clinton 56 percent, Buchanan 28 percent, undecided 16 percent.

Clinton does better with women than with men in Vermont. On the generic question about re-election, only 35 percent of men said Clinton should get another term. However, almost half of the women, 47 percent, said they thought Clinton should be re-elected.

Among the cross-section of Vermonters, 45 percent said they had a favorable opinion of Clinton, and 27 percent said they viewed him unfavorably. In the summer and fall of 1994, Clinton had similar ratings. But just before the 1992 election and just after the 1994 election, Clinton's favorability ratings were below 40 percent.

(Tomorrow: Vermont Results)

How the Poll Was Done

The poll for the Rutland Herald, The Times Argus and WPTZ Channel 5 News was done by Mason Dixon Political/Media Research Inc. of Washington, D.C. Except for two questions related to the Republican primary, the results were based on a random telephone survey of 631 people who said they were registered Vermont voters. The telephone interview were conducted Feb. 24-25.

The sample included 316 men and 315 women. About 40 percent of the people surveyed were from the four southern counties in Vermont, and 60 percent were from the remaining 10 counties. The number of people interviewed in each county was in proportion to the number of registered voters in that county.

The results based on this larger group have a margin of error of plus or minus 4 percentage points.

The results of the questions relating to the GOP primary were based on responses from those in the initial survey who said they planned to vote in the Republican primary. Then additional calls were made to locate other likely GOP primary voters. The results of the primary questions were based on responses from 318 people who said they were registered voters and likely to vote in the Republican primary.

The margin of error on the primary questions is plus or minus 6 percentage points.

02/27/1996 10:00 8028609/031 C496 VT PAGE 02/06

PAGE:14
TO:12026280804
7572649
FROM:CLINTONGORENY
FEB-26 96 23:55

Pataki picks Dole to sweep N.Y.

by FREDRIC U. DICKER
in Albany
and PETER NOVOBACZKY
in New York

Gov. Pataki said yesterday "there's a very real chance" Bob Dole will sweep New York's primary next week and pick up the second largest block of convention delegates in the nation.

"I would hope he'll win all 31 congressional districts and I think there's a very real chance of it," Pataki said.

Pataki, along with all of the state's top Republicans except Mayor Giuliani, is backing Dole in the March 7 contest.

Pataki's forecast comes as state GOP forces prepare to ask a federal appeals court tomorrow to throw out last week's lower-court ruling nullifying a portion of the state Election Law. The law had blocked millionaire publisher Steve Forbes from getting on some primary ballots.

That ruling is also being used by hard-driving presidential hopeful Patrick Buchanan to insist that his name — now on just 13 of New York's congressional district ballots — should be on all ballots as well.

Forbes' campaign said yesterday it would not reopen offices in New York, which it previously claimed were shut only temporarily.

Thomas Slater, Forbes' national political director, said the New York campaign would, instead, be operated out of Forbes' New Jersey-based national headquarters.

In New York City yesterday, Jewish community and religious leaders, academics and intellectuals came out swinging against Buchanan.

"If Pat Buchanan becomes president of the United States of America, we will see us getting closer to a police state," said Rabbi Yaakov Spivak, radio talk-show host and editor and publisher of The Jewish Messenger.

"He is playing with history. Look at his desire to forget everything that happened in the Holocaust."

NY Post 2/27/96

TUESDAY, FEBRUARY 27, 1996

12 THE TIMES

Alexander to begin airing ads In region

HARTFORD, Conn. (AP) — Former Tennessee Gov. Lamar Alexander planned to begin airing TV ads across New England this week in hopes of scoring a much-needed win in the Republican presidential contest.

The ads will lay the groundwork for next Tuesday's "Yankee Primary," when voters in five New England states go the polls.

The 30-second spots were to begin Monday night in Boston, Portland, Maine, and Burlington, Vt. The ads, two featuring Alexander and a third starring former Education Secretary William Bennett, are to be aired in Providence, R.I., beginning on Tuesday, and in Hartford on Wednesday.

Alexander is the first of the Republican presidential candidates to announce plans for a media blitz in New England, aside from the ads that were aired earlier this month in preparation for the New Hampshire primary.

With the candidates concentrating on other, more delegate-rich states around the country, the television spots may be the most that voters see of them.

"We do seem to have shifted to retail politics," said Darrell West, a professor of political science at Brown University and an expert on New England politics. "The candidates no longer have the luxury of meeting voters one-on-one."

Alexander, who has yet to win a presidential primary, plans to make stops on Tuesday in Boston and Rhode Island, and may travel through the five "Yankee Primary" states on Monday.

Connecticut, Maine, Massachusetts, Rhode Island and Vermont each are holding presidential primaries March 5.

The states combined offer delegate-hungry candidates 107 votes to bring to this summer's GOP National Convention in San Diego — about a tenth of the 997 delegates needed to secure the nomination.

Rhode Island, which carries 16 delegates, offers the best chance to go head-to-head with Dole because Buchanan is not on the ballot, having failed to gain the necessary signatures, the Alexander campaign said.

Historically, Rhode Island has backed Republicans who are financially conservative and "who do not get caught up in divisive social issues," and that description fits Alexander, Rath said.

"I will concede that we need to break through and beat him somewhere soon and I think somewhere soon could be here next week," he said. "We think Rhode Island Republicans will respond to a mainstream conservative candidate like Lamar Alexander. This is a good test case for us."

02/27/1996 10:00 8028607031 CG96 VT PAGE 05/06

The Burlington Free Press
Front B (A1) on the Cease, Left Side
Feb. 27, 1996

Lugar gives Vermont a bear hug

Indiana senator sees New England as 'new beginning'

By Aaron Nathans
The Associated Press

SHELBURNE — GOP presidential hopeful Dick Lugar, who is running at the back of the Republican pack, is betting that some quality time in Vermont will help turn things around.

The Indiana senator, who will be in Vermont almost every day this week, returned to the Green Mountain State on Monday to tour the Vermont Teddy Bear Co. And while he watched factory workers stitch together pieces of acrylic, he also got close and personal with some of the company's famous products.

"Beating him with the bear was the best part," said factory tour guide Hannah Schwartz, who fluffed a gray model against the senator's back.

It was a fuzzy moment in a Republican presidential campaign that has banked its future on a friendly demeanor.

The intent of the factory trip, said one of Lugar's aides, was to highlight his support for small business. But Lugar acknowledges Vermonters are well known for thinking independently, and that he has a shot for some much-needed momentum.

CRAIG LINE, *The Associated Press*

Republican presidential contender Richard Lugar (right), an Indiana senator, is surrounded by bears and "bear ambassador" Hannah Schwartz at the Vermont Teddy Bear factory in Shelburne on Monday.

★ 1996 ELECTION

"Vermont offers a new beginning, and a change in the outlook of the Republican Party that is becoming increasingly dismal," Lugar said.

Pam Hudson, the co-chair of Lugar's Vermont campaign, said Vermonters have an unusual fondness for candidates who visit the state and get to know the people.

See **LUGAR**, *4A*

02/27/1996 10:00 8028607031 CG96 VT PAGE 06/06

The Burlington Free Press 2/27 Cont from pg A1

LUGAR: Quality time in Vt.

Continued from Page 1A

Lugar's campaign is hoping that theory holds true. Six days of Lugar's schedule this week will include substantial time in Vermont, a surprising amount of time in a state that holds just 12 delegates. Lugar first came to Vermont on Wednesday, the day after the leadoff New Hampshire primary.

Lugar said he thinks Sen. Bob Dole is vulnerable, and that he can make a strong showing in the March 5 New England primaries.

While some say Lugar is merely siphoning votes from Dole, the Indiana senator said voters don't want to vote for the Senate majority leader. Lugar seized on Dole's loss in Saturday's Delaware primary to magazine publisher Steve Forbes.

"I wasn't in Dole's way in Delaware. He lost that all by himself," Lugar said. "I'm not a problem for Dole. ... Dole is subtracting votes from me."

Touring a state with farmers who are losing money, Lugar said he is interested in reviving the Northeast Dairy Compact, a portion of the farm bill that was cut from the bill passed by the Senate. Lugar said he does not support a bill to legalize growing hemp in Vermont for such products as fabric. Hemp, which is the source of marijuana, is popular among Vermont legislators as a potential cash crop.

International issues were bearing down on the political agenda as well. On a day that the White House announced tough sanctions on Cuba, the former chairman of the Senate Foreign Relations Committee said he would take swift action.

He also said he would send strong support to Israeli Prime Minister Shimon Peres to continue the Arab-Israeli peace process after Sunday's bombings.

Maloney tries again for Dem nod for Congress in 5th

WATERBURY (AP) — Former state Sen. James Maloney announced Thursday that he will seek the Democratic nomination to run a second time in one of the most conservative congressional districts in New England.

Vying with him for the right to face incumbent Republican Gary Franks in the November election is John A. O'Toole, 33, a two-term first selectman from Seymour.

If Maloney wins, this would be his second run in the 5th District against Franks. Maloney, 47, a real estate attorney and moderate four-term state legislator from Danbury, made an unsuccessful run for the seat in 1994.

Franks, 41, a real estate developer and former Waterbury city alderman, made history in 1990 when he became the first black Republican elected to the House of Representatives in 50 years.

Maloney characterized Franks' voting record as "extremist."

"Franks has been in the vanguard of this assault on basic American values for the past two years. I'm convinced the issues are on our side," Maloney said.

Franks' spokesman, Jeffry Muthersbaugh, quoted the congressman as saying, "I find it interesting that this may be the first time in the state's history and possibly the nation's history that a challenger is running for the U.S. Congress while still having approximately a $100,000 debt from his last congressional race."

O'Toole said it's time for Maloney to step aside.

"I believe he had his shot, and I don't believe his candidacy was embraced by the people of the 5th District," O'Toole said.

O'Toole also said that Franks has not done a good job serving his constituents.

CT Post
2/23/96
A16, Above fold

Albany Minorities Chief

Members of the state Black and Puerto Rican Legislative Caucus have elected Assemb. Jeffrion L. Aubry(D-Queens) as its new chairman. He officially took office yesterday.

Aubry, 47, has been a member of the Puerto Rican-Hispanic Task Force and the Assembly Majority Worker's Reform Task Force. He taught at Eastern New Mexico University and was a director of the North Shore Fair Housing Center before being elected to the Assembly in 1990.

He succeeds state Sen. Larry Seabrook of the Bronx.

The 29-member caucus advocates for minorities and the poor.

— The Associated Press

2.27.96

Thousands rally against ban on affirmative action

SUNDAY, FEBRUARY 25, 1996 THE TIMES-PICAYUNE

Duke campaigns, praises Foster

By ED ANDERSON
Capital bureau

BATON ROUGE — Between 7,000 and 10,000 African-Americans, angry at Gov. Foster's order abolishing some state minority hiring and contract programs, marched Saturday on the Governor's Mansion and rallied on the steps of the State Capitol.

Meanwhile, 10 blocks away at the Old State Capitol, about 200 white demonstrators, spurred on by Republican Senate candidate David Duke of Mandeville — a former state representative and ex-leader of the Ku Klux Klan — rallied in support of Foster's action.

The two rallies, one led by the National Association for the Advancement of Colored People, the other by the Duke-founded National Association for the Advancement of White People, did not cross paths. More than 200 State Police and about 100 National Guard troops — plus an undetermined number of East Baton Rouge Parish sheriff's deputies and Baton Rouge police — made sure of that.

State Police and Baton Rouge police said only one arrest was made by city officers when a man at Memorial Stadium — the staging area for the NAACP march — was picked up on an outstanding arrest warrant.

Foster was in Monroe delivering a speech. He said earlier that he opposed both marches and he has offered to meet with various groups involved, but they have turned him down.

Foster recently reiterated his executive order on affirmative action but this time pledged state assistance to help disadvantaged businesses, a step that was not enough to halt the NAACP statewide caravan of more than 70 buses to the Capitol for the march.

The tensest moment of the day came when about 40 marchers, led by state Rep. Avery Alexander, D-New Orleans, and state NAACP President Ernest Johnson went to the door of the mansion to present their list of demands, including reinstating affirmative action, giving minorities "a fair share of the wealth" of the state to offset past discrimination, and continuation of the state charity hospital system.

After a few minutes of singing on the steps of the governor's residence, the demonstrators opened the door and a surge of the crowd pushed Alexander, an 85-year-old veteran of civil rights demonstrations, and an unidentified woman inside, causing momentary pandemonium.

They were repelled by two dozen helmeted, baton-and-shield-carrying members of the State Police Tactical Unit. Order was restored by members of the marching group shouting to others who tried to push inside the official residence.

"We will be back," Alexander told the crowd on a bullhorn. "It is our house, too. We want to go."

Alexander, who led the caravan from New Orleans to Baton Rouge Wednesday through Friday, urged the rally to keep up the pressure on Foster.

"Foster's ancestors developed wealth on the backs of slaves," he said of the sugar planation the Foster family has operated for years in Franklin. "We are going to follow him to Franklin . . . and harass him till he either gets out of office or changes that order (on affirmative action)."

Alexander said besides possibly taking the protests to Franklin, his group may also stage more "civil disobedience" at the Capitol "and maybe disrupt his message to the Legislature" in March.

"It will all be peaceful," he said.

Told about the incident, Foster said the group knew he was not going to be at the mansion and has rejected his invitation to meet with him.

"So what do they do?" he said. "They wait until they know I am not home and then they go and try to force their way into the mansion. Now, how much sense does that make?"

Johnson said the NAACP and other groups will "have a strategy to deal with Mike Foster if he doesn't give us what we want." He refused to say publicly what the next step will be until a steering committee meets to approve the plans.

New Orleans Mayor Marc Morial said affirmative action has helped minority business get started and prosper in New Orleans, and that Foster should look at those programs.

"We are here as taxpayers, we are here as law-abiding citizens, we are here as people who want to participate in the economy," Morial said.

While Foster was being bashed at the Capitol, the NAAWP rally praised him.

"We should tell America: 'No more affirmative action,'" said state NAAWP State Coordinator Kenny Knight. "If discrimination against black people is wrong, discrimination against white people is wrong."

The crowd cheered wildly, waving American flags and hoisting "Duke for Senate" and "End Affirmative Action" signs.

Duke said it is time for white people to stand up and make their voices heard in protecting their culture.

"We are not here because we hate," Duke said. "We are here because we love — our traditions, our rights and our country."

Duke used the rally to drum up support and money for his Senate race, selling T-shirts and election gear.

Fields urges Democrat shutout of Landrieu

By The Associated Press

MONROE — U.S. Rep. Cleo Fields urged black Democrats to help him make former Treasurer Mary Landrieu the "first casualty of the Democratic Party" if she runs for the U.S. Senate.

Landrieu has said she is 90 percent sure she will join the race for the Senate seat.

In a speech to the Louisiana Police Jury Association's Black Caucus, Fields said he is not bitter about losing the race for governor, but that once the primary was over, he could not find Landrieu.

"Now, Mary Landrieu wants to be a U.S. senator. Well, my mama told me 'What comes around, goes around,' " Fields said.

The Senate seat is being vacated by the retirement of U.S. Sen. J. Bennett Johnston. Fields said Landrieu, "turned her back on African-Americans in this country" when she refused to support him in the runoff for governor.

The lack of support for a fellow Democrat, and others' lack of support for fellow Democrats, is a sign of problems in the Democratic Party, he said.

"Every Democrat is supposed to support the one who gets the nomination," Fields said. And, he said, those who do not should be weeded out of the party.

"I'm not blaming Mary Landrieu for the race. ... All we want is to be treated as equals in our party," Fields said. "We're not going to have this unwritten rule that if you are a Democrat who is black or a woman we're not going to put the full strength of the Democratic Party behind them."

Fields said the last thing he wants to do is destroy the Democratic Party. Instead, he said he wants to make it more sensible.

THE WHITE HOUSE

WASHINGTON

DATE: February 26, 1996

NOTE FOR: James Carville

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

Information [X]

Action [ ]

Thank you.

Staff Secretary
(x6-2702)

cc:

THE PRESIDENT HAS SEEN

2.24.90

CC: Leon, Hilley, Sosnik
GS, Maggies
Dungan Ann Lewis, C. Gold
VP
Kamarck Bach, McClary, Sperling
Bleeck, Carville

THE PRESIDENT HAS SEEN
2.26.96

The good news is that campaign finance reform may finally be moving, with bipartisan support. The bad news? It could easily be the kind of "reform" that we are sadly familiar with, one that will only make the problems worse, leading to more obsession by candidates with raising money, even more suspicion of corruption, more barriers for good candidates to run, and even more cynicism and discouragement on the part of voters.

The reform plan that now seems poised to advance is the so-called "McCain/Feingold" bill, a bipartisan effort of conservative Republican Senator John McCain of Arizona and liberal Democratic Senator Russell Feingold of Wisconsin. It was given a ringing endorsement by President Clinton in his State of the Union message, and is building impressive support across a range of lawmakers and outside groups.

After years of partisan spitting matches over campaign finance ideas, a bipartisan approach is refreshing, and it all sounds good on the surface. But despite some positive features, the McCain/Feingold bill is built around the same hoary and misguided principle that has driven campaign finance laws and reformers for decades-- that we need to drain as much money as possible out of the campaign system.

If campaign reform can really move, it is time to rethink that principle and instead evaluate rigorously what kind of change we want and need. It turns out that there are fresh ideas out there to deal with the campaign finance problem-- ideas that are not just theoretical, but are being talked about by political actors from Reed Hundt, Chairman of the Federal Communications Commission to Senate Majority Leader Bob Dole, and

including a diverse range of members of Congress in both parties, ranging from Ed Markey(D-MA) to Tom Bliley (R-VA.)

The "new thinking" to replace the hoary principles of both parties starts with the following key premise: *the problem in campaigns is not too much money.*

For decades, through the several incarnations of campaign finance reform that have created the current horrific system, the mantra has been precisely the opposite. Generations of reformers, revulsed by the wheeling and dealing of politics and special interests, believing that politics is evil, that money drives politics-- and is the root of all evil-- have labored to squeeze as much money as possible out of the campaign system by cutting off or limiting as many sources of funds as possible.

In large measure, they have succeeded. We have tough limits on what individuals can give to campaigns, unadjusted for inflation for two decades; bans on corporate giving; and strict limits on organizationally-related contributions through political action committees (one of the key "reforms" of the past.) Obviously, these reforms have not worked as intended, rooting out corruption, ending incumbent advantages and reducing candidates' obsession with raising money. The people who designed them are among those screaming the loudest for new reforms to replace them.

Why haven't they worked? The answer is simple. Reducing the *supply* of money without reducing the *demand* for money is a recipe for disaster. In a large, diverse and cacophonous society where the costs of effective communication are rising rapidly, campaigns will require a lot of money. Why do candidates turn to PACs, raise funds out of state, run countless fund-raisers, spend hundreds of hours on the phone dunning

contributors? Because the demand for resources is high and growing, while the supply is limited and shrinking.

If the thrust of the latest campaign reform is to ban PACs, cap spending and require that 50%, or more of the money spent be raised in-state-- the foundations of McCain/Feingold-- it will end up making matters worse, not better. Temptations to corruption will be much greater-- hitting up business and labor officials and their families one by one to replace PAC contributions (in a fashion much less amenable to disclosure,) laundering out-of-state funds into the state, finding "in-kind" ways to spread the message without directly spending money. And, of course, sharp new limits on funds will give even more leverage to independently wealthy individuals and marquee figures like news anchors as candidates.

Instead, a truly new approach is needed, based on a different mindset. Most campaign finance reform focuses on the ills of the system, devising formulas to erase them-- which end up backfiring via unintended consequences. *Effective campaign finance reform should start with positive goals.* Here are five:

**Effective campaign reform means finding new sources of funds, untainted by their ties to "special interests," that will be available to challengers and incumbents alike to get effective messages across to voters.

** the campaign finance system should broaden the pool of possible candidates, by removing money as the key "barrier to entry," and enabling challengers an opportunity to raise the resources necessary to make their case to voters.

**the campaign finance structure should preserve as much of the market system as possible; candidates should compete for funds and compete for breadth of support, using their backgrounds, personal characteristics and ideas as "products" to attract voters; there should be some rough parallel to antitrust rules, creating a competitive marketplace; and there should be no direct public subsidies.

**the campaign finance system should encourage the largest possible base of voters to be involved in election campaigns, through small contributions to candidates of their choice.

**the campaign finance system should encourage more dialogue, debate and deliberation as the hallmarks of healthy campaigns.

Ask yourself: will spending limits, elimination of PACs, and forcing candidates to raise 60% of their funds in-state, even if accompanied by direct grants of television time, accomplish any of these goals? The answer is no. Then what kind of reforms would work in a positive way? Here are some ideas:

1. **Tax credits for small individual contributions.** Before the 1986 tax reform act, the tax code allowed a 50% credit for a federal campaign contribution of up to 100 dollars. For the past nine years, there has been none-- and small individual contributions, the kind no one can argue are "interested money"-- have steadily declined. Put in a 100% tax credit for a hundred dollar contribution, and we will see small individual contributions go up, and candidates spend more of their time seeking them, and less of their time trolling for PAC money.

Voters will still have to write the check and have their accounts debited, getting their money back only indirectly the next April, and candidates will still have to compete in the marketplace for contributions, but the incentive system will change enough to provide a major boost to the kind of money we want more of in campaigns.

2. **Don't ax PACs-- tax PACs.** Banning political action committees is certainly unconstitutional and probably unwise. Providing major new incentives for candidates to raise other kinds of money is a better way of dealing with the problem. Another way to alter the playing field is to tax PACs, say requiring them to pay 50 cents for every dollar they contribute to a candidate. That money could in turn be used to defray the costs of the tax credits for small contributions, to undercut the argument that a tax credit is still a public subsidy

3. **Broadcast incentives tied to small individual contributions.** The impending "digital revolution" in broadcasting provides an unmatched opportunity to free up resources to candidates without resorting to direct grants of airtime. Within the next few years, there will be six digital channels available for every existing analog television channel. As these new channels, a dramatic expansion of the public airwaves, are distributed to broadcasters, providing a huge financial boon, it will be possible to secure public interest commitments in return-- namely, commitments to provide broadcast time, radio and television, to candidates for Congress.

But to make a better campaign finance system, the commitments of time should be distributed in the following way. *Once a congressional candidate has raised $25,000*

in in-state contributions of $100 or less, any such contribution will receive a matching voucher that can be used for radio or television time.

Here is a golden way to accomplish several goals at once. This reform undercuts the enormous edge of the independently wealthy candidates-- the Michael Huffingtons-- who would not be able to raise large sums from small individual contributors, and would not qualify for the additional broadcast time. It also dilutes the inherent advantages of incumbents, who have no intrinsic edge in raising small individual contributions, as they do with other funding sources like PAC contributions. Make this change, and candidates of all stripes would have huge new incentives to raise money from average voters in their states, without being coerced to do so, and in the process would sharply expand the pool of voters with a stake in the campaign. And the dialogue of the campaign would be enhanced by providing more outlets for communications from the candidates.

4. **A frank for challengers-- with a special twist.** Want to equalize the playing field between challengers and incumbents while also enhancing the dialogue of the campaign? Instead of eliminating the frank, the free, district-wide mailing allowed members of Congress, *expand* it to challengers, but with this twist. During election season, each incumbent and challenger would be given an opportunity to send out two district-wide mailings, *but with the proviso that the messages would be bundled together* (the two mailings would alternate which message came first.) Voters would thus get a communication from *both* candidates, allowing them to compare and contrast, in a kind of package that more voters would be likely to read, and done in a way that would enhance dialogue and deliberation.

5. **A "seed money" mechanism to get potential challengers started.** Right now, the limit on individual contributions to campaigns is $1,000. What if campaigns were allowed at early stages to raise up to $100,000 in individual contributions of up to $10,000? Such contributions would have to be promptly disclosed, to both election officials and the media, allowing voters to judge whether the candidates were being "bought" by a handful of wealthy contributors. At the same time, candidates who want to test the waters, get an organization moving, or simply get over the hump to run a respectable campaign, could do so if they could find ten well-to-do individuals willing to give them a chance.

This is a list of the kinds of ideas that should command bipartisan support, and could build a better, more effective, cleaner and fairer campaign finance system without continuing the pathologies that have made past reforms destructive rather than constructive in their impact. There *is* a better way, based on enhancing, not curtailing, the resources available to candidates to communicate with voters--and the time is right to make it happen.

THE WHITE HOUSE
WASHINGTON

Mr. James Carville
329 Maryland Avenue, NE
Washington, DC 20002

THE WHITE HOUSE

WASHINGTON

DATE: February 26, 1996

NOTE FOR: Senator Dodd

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

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

THE PRESIDENT HAS SEEN

2.24.90

cc: Leon, Hilley, Sosnik
GS, Maggie,
DMGen Ann Lewis, C. Ashe
VP
Kamarck Bach, McCurry, Sperling
Bleed, Carville

THE PRESIDENT HAS SEEN
2.26.96

Ornstein

The good news is that campaign finance reform may finally be moving, with bipartisan support. The bad news? It could easily be the kind of "reform" that we are sadly familiar with, one that will only make the problems worse, leading to more obsession by candidates with raising money, even more suspicion of corruption, more barriers for good candidates to run, and even more cynicism and discouragement on the part of voters.

The reform plan that now seems poised to advance is the so-called "McCain/Feingold" bill, a bipartisan effort of conservative Republican Senator John McCain of Arizona and liberal Democratic Senator Russell Feingold of Wisconsin. It was given a ringing endorsement by President Clinton in his State of the Union message, and is building impressive support across a range of lawmakers and outside groups.

After years of partisan spitting matches over campaign finance ideas, a bipartisan approach is refreshing, and it all sounds good on the surface. But despite some positive features, the McCain/Feingold bill is built around the same hoary and misguided principle that has driven campaign finance laws and reformers for decades-- that we need to drain as much money as possible out of the campaign system.

If campaign reform can really move, it is time to rethink that principle and instead evaluate rigorously what kind of change we want and need. It turns out that there are fresh ideas out there to deal with the campaign finance problem-- ideas that are not just theoretical, but are being talked about by political actors from Reed Hundt, Chairman of the Federal Communications Commission to Senate Majority Leader Bob Dole, and

including a diverse range of members of Congress in both parties, ranging from Ed Markey(D-MA) to Tom Bliley (R-VA.)

The "new thinking" to replace the hoary principles of both parties starts with the following key premise: *the problem in campaigns is not too much money.*

For decades, through the several incarnations of campaign finance reform that have created the current horrific system, the mantra has been precisely the opposite. Generations of reformers, revulsed by the wheeling and dealing of politics and special interests, believing that politics is evil, that money drives politics-- and is the root of all evil-- have labored to squeeze as much money as possible out of the campaign system by cutting off or limiting as many sources of funds as possible.

In large measure, they have succeeded. We have tough limits on what individuals can give to campaigns, unadjusted for inflation for two decades; bans on corporate giving; and strict limits on organizationally-related contributions through political action committees (one of the key "reforms" of the past.) Obviously, these reforms have not worked as intended, rooting out corruption, ending incumbent advantages and reducing candidates' obsession with raising money. The people who designed them are among those screaming the loudest for new reforms to replace them.

Why haven't they worked? The answer is simple. Reducing the *supply* of money without reducing the *demand* for money is a recipe for disaster. In a large, diverse and cacophonous society where the costs of effective communication are rising rapidly, campaigns will require a lot of money. Why do candidates turn to PACs, raise funds out of state, run countless fund-raisers, spend hundreds of hours on the phone dunning

contributors? Because the demand for resources is high and growing, while the supply is limited and shrinking.

If the thrust of the latest campaign reform is to ban PACs, cap spending and require that 50%, or more of the money spent be raised in-state-- the foundations of McCain/Feingold-- it will end up making matters worse, not better. Temptations to corruption will be much greater-- hitting up business and labor officials and their families one by one to replace PAC contributions (in a fashion much less amenable to disclosure,) laundering out-of-state funds into the state, finding "in-kind" ways to spread the message without directly spending money. And, of course, sharp new limits on funds will give even more leverage to independently wealthy individuals and marquee figures like news anchors as candidates.

Instead, a truly new approach is needed, based on a different mindset. Most campaign finance reform focuses on the ills of the system, devising formulas to erase them-- which end up backfiring via unintended consequences. *Effective campaign finance reform should start with positive goals.* Here are five:

**Effective campaign reform means finding new sources of funds, untainted by their ties to "special interests," that will be available to challengers and incumbents alike to get effective messages across to voters.

** the campaign finance system should broaden the pool of possible candidates, by removing money as the key "barrier to entry," and enabling challengers an opportunity to raise the resources necessary to make their case to voters.

**the campaign finance structure should preserve as much of the market system as possible; candidates should compete for funds and compete for breadth of support, using their backgrounds, personal characteristics and ideas as "products" to attract voters; there should be some rough parallel to antitrust rules, creating a competitive marketplace; and there should be no direct public subsidies.

**the campaign finance system should encourage the largest possible base of voters to be involved in election campaigns, through small contributions to candidates of their choice.

**the campaign finance system should encourage more dialogue, debate and deliberation as the hallmarks of healthy campaigns.

Ask yourself: will spending limits, elimination of PACs, and forcing candidates to raise 60% of their funds in-state, even if accompanied by direct grants of television time, accomplish any of these goals? The answer is no. Then what kind of reforms would work in a positive way? Here are some ideas:

1. **Tax credits for small individual contributions.** Before the 1986 tax reform act, the tax code allowed a 50% credit for a federal campaign contribution of up to 100 dollars. For the past nine years, there has been none-- and small individual contributions, the kind no one can argue are "interested money"-- have steadily declined. Put in a 100% tax credit for a hundred dollar contribution, and we will see small individual contributions go up, and candidates spend more of their time seeking them, and less of their time trolling for PAC money.

Voters will still have to write the check and have their accounts debited, getting their money back only indirectly the next April, and candidates will still have to compete in the marketplace for contributions, but the incentive system will change enough to provide a major boost to the kind of money we want more of in campaigns.

2. **Don't ax PACs-- tax PACs.** Banning political action committees is certainly unconstitutional and probably unwise. Providing major new incentives for candidates to raise other kinds of money is a better way of dealing with the problem. Another way to alter the playing field is to tax PACs, say requiring them to pay 50 cents for every dollar they contribute to a candidate. That money could in turn be used to defray the costs of the tax credits for small contributions, to undercut the argument that a tax credit is still a public subsidy

3. **Broadcast incentives tied to small individual contributions.** The impending "digital revolution" in broadcasting provides an unmatched opportunity to free up resources to candidates without resorting to direct grants of airtime. Within the next few years, there will be six digital channels available for every existing analog television channel. As these new channels, a dramatic expansion of the public airwaves, are distributed to broadcasters, providing a huge financial boon, it will be possible to secure public interest commitments in return-- namely, commitments to provide broadcast time, radio and television, to candidates for Congress.

But to make a better campaign finance system, the commitments of time should be distributed in the following way. *Once a congressional candidate has raised $25,000*

in in-state contributions of $100 or less, any such contribution will receive a matching voucher that can be used for radio or television time.

Here is a golden way to accomplish several goals at once. This reform undercuts the enormous edge of the independently wealthy candidates-- the Michael Huffingtons-- who would not be able to raise large sums from small individual contributors, and would not qualify for the additional broadcast time. It also dilutes the inherent advantages of incumbents, who have no intrinsic edge in raising small individual contributions, as they do with other funding sources like PAC contributions. Make this change, and candidates of all stripes would have huge new incentives to raise money from average voters in their states, without being coerced to do so, and in the process would sharply expand the pool of voters with a stake in the campaign. And the dialogue of the campaign would be enhanced by providing more outlets for communications from the candidates.

4. **A frank for challengers-- with a special twist.** Want to equalize the playing field between challengers and incumbents while also enhancing the dialogue of the campaign? Instead of eliminating the frank, the free, district-wide mailing allowed members of Congress, *expand* it to challengers, but with this twist. During election season, each incumbent and challenger would be given an opportunity to send out two district-wide mailings, *but with the proviso that the messages would be bundled together* (the two mailings would alternate which message came first.) Voters would thus get a communication from *both* candidates, allowing them to compare and contrast, in a kind of package that more voters would be likely to read, and done in a way that would enhance dialogue and deliberation.

5. **A "seed money" mechanism to get potential challengers started.** Right now, the limit on individual contributions to campaigns is $1,000. What if campaigns were allowed at early stages to raise up to $100,000 in individual contributions of up to $10,000? Such contributions would have to be promptly disclosed, to both election officials and the media, allowing voters to judge whether the candidates were being "bought" by a handful of wealthy contributors. At the same time, candidates who want to test the waters, get an organization moving, or simply get over the hump to run a respectable campaign, could do so if they could find ten well-to-do individuals willing to give them a chance.

This is a list of the kinds of ideas that should command bipartisan support, and could build a better, more effective, cleaner and fairer campaign finance system without continuing the pathologies that have made past reforms destructive rather than constructive in their impact. There *is* a better way, based on enhancing, not curtailing, the resources available to candidates to communicate with voters--and the time is right to make it happen.

THE WHITE HOUSE
WASHINGTON

Senator Christopher Dodd
United States Senate
Washington, DC 20510