HERSHEL W. GOBER 3/6/96

Mr. President – I agree totally with the letter that Jesse is sending you. In an election year it does not serve you well and to my way of thinking makes no sense to submit an "out-years" budget that your Republican opponent can point to and claim, rightfully so, that the budget proposed by the Republican led Congress is far better than the Presidents.

I can assure you that it will be hard for me to sell and each month from now to the election 8 million Veteran and Military Magazines/papers will beat on you and sway many undecided Voters.

You have the high ground and have earned praise from Veterans + Veterans' organization – why give it all away?

Keep your Budget at the 1997 level into the out years for now next year after you are reelected we can look at it again.

(1)

C –
I need copies for Leon, Alice, Laura George, Ickes, Fosnik.

Plus note to Potus that I have sent copies to those folks. Orig'l w/note to Potus Thursday. T.

THE WHITE HOUSE

WASHINGTON

March 5, 1996

S. Sam Kitadai
SSK Commerce International, Inc.
Two Embarcadero Center, Suite 420
San Francisco, California 94111

Dear Sam:

I want to extend congratulations and my very best wishes as you begin your new business venture. It is good to know that you have now attained your dream of owning your own business. May you experience personal fulfillment and much success.

Thank you for your ongoing support. You have been a special friend.

Sincerely,

Bill Clinton

cc Jon Jose
Scheduling
J Emerson
M Scott

THE WHITE HOUSE

2/29

Maureen,

I thought you would want to respond to this. Please CC. me a copy of your response.

Thanks!

Jen Jose

x6-5307 - Scheduling

SUMITOMO CORPORATION
OF AMERICA

February 22, 1996

The Honorable Bill Clinton
President of the United States
The White House
Washington, D.C. 20001/2000

FEB 2 9 1996

Dear Mr. President:

Having been a dear friend of whom I have such great respect for, I wanted you to be one of the first to know of my future plans. After 34 years with Sumitomo Corporation, I am privileged to announce that I have been given a "qualified early retirement" as of February 29, 1996. I say "privileged" because after more than three decades devoted to the mission of one company, I have been given a chance to work on pursuing my own mission and personal dream - starting my own company in the U.S.

On March 1, my wife and I will move back to San Francisco, California, where as you know we lived for seven years before Arkansas, and four years after Arkansas. I will immediately begin working through my newly formed company, "SSK Commerce International, Inc." and will also commit myself to working on grassroots efforts for the "Clinton-Gore Re-election Campaign." You can consider me the heart you left in San Francisco!

As an independent consultant I will continue my active involvement in promoting domestic and international trade and investment opportunities. I will assist companies in all facets which support business dreams such as building another steel mill in Arkansas, or any other capital/technology investment project anywhere in the U.S. With the success of Blytheville, Arkansas, I am encouraged that there are other opportunities to help local economies through new job creation.

My good friends in Arkansas, Washington, D.C., California and other states, as well as all my family members strongly support my decision to remain in America and pursue my personal dreams, which also include helping with your re-election.

I'm planning to soon visit the White House to take my family for a tour, and also to see Anne Walley and Stephanie Sereett to discuss your trip to Japan, April 16-18. I'll be in Tokyo during that time and if I'm allowed, now as a self-employed host, I would like to welcome you and First Lady Hillary, and assist in making your trip more enjoyable.

Respectfully Yours,

S. Sam Kitadai

S. "Sam" Kitadai

Contact after March 1, 1996 onward: *SSK Commerce International, Inc.*
Two Embarcadero Center, Suite 420
San Francisco, California 94111
Tel. (415) 399-2204 Fax (415) 398-3034

345 Park Avenue
New York, NY 10154-0042 Fax 212-207-0456
Tel. 212-207-0700 Telex RCA 232489

THE WHITE HOUSE

WASHINGTON

November 13, 1995

Seiki Kitadai
Sumitomo Corporation of America
345 Park Avenue
New York, New York 10154-0042

Dear Sam:

Thanks for your letter of November 8. It was great to hear from you, as always, and to get an update on your activities.

I appreciate your letting me know that you'll be in Japan later this week. Though I'm not yet sure what my schedule will hold, I'm grateful for your offer of assistance and have shared your letter with my schedulers, Anne Walley and Stephanie Streett.

Thanks, too, for the New York Marathon t-shirt. I'm looking forward to wearing it and hope to see you soon.

Sincerely,

Bill Clinton

THE WHITE HOUSE

WASHINGTON

March 5, 1996

Meredith Boswell
3008 Scotland Street
Los Angeles, California 90039

Dear Meredith:

Congratulations! Hillary and I heard the good news about your Academy Award nomination for "Apollo 13" and just wanted to wish you the best of luck for later this month. You certainly deserve this impressive honor.

We'll be pulling for you on the 25th.

Sincerely,

Bill Clinton

cc: Debi Schiff

THE WHITE HOUSE
WASHINGTON

3/22
MFL rec'd 2/28

Did you know Meredith Boswell was nominated for an Academy Award for her work on Apollo 13?

(Set Decoration)

ME
3008 Scotland St.
LA. CA 90039 (213) 668-1845

VHITE HOUSE

ASHINGTON

cc: Leon | Joe Stiglitz
Carville

March 5, 1996

John E. Barnes
Smith Barney
Two Financial Centre
10825 Financial Centre Parkway
Little Rock, Arkansas 72211

Dear John:

Thanks for your letter of February 29 and for sending the report on the bond market. I appreciate, as always, your wise counsel and advice -- you know we're keeping a close eye on these issues.

I'm sorry to have missed you when you were in town last month. Hillary sends her best, and we hope to see you before too long.

Sincerely,

Bill Clinton

JO IN E. BARNES
Vic President - Financial Consultant
Ph. 300-879-0089 or 501-221-6352
Fax 501-221-6160

SMITH BARNEY
10825 Financial Centre Pky
#2 Financial Centre
Little Rock, AR 72211

FAX COVER SHEET

DATE: 2/29/96

ATTN: Nancy Hernreich FAX # (202) 456-6703

TOTAL # OF PAGES INCLUDING THIS PAGE: 3

Message:

Nancy: Please pass this along to the President. Hope all is well with you.

JE

* If there is a problem with this fax, please call **Diana Melvin** at 501-221-6353 or 800-879-0089

This information has been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. This is not a solicitation to buy or sell. Past performance is no guarantee of future results. For informational purposes only.

John E. Barnes
Vice President/
Financial Consultant

501-221-6353 • 800-879-0089

Maureen
cc: Laura

SMITH BARNEY

A Member of TravelersGroup

February 29, 1996

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

Dear Bill:

I am enclosing a technical report on the bond market which I thought you might find of interest. In essence, what it is saying is that market conditions are such that interest rates are going higher possibly to between 6.75% and 7.00% on the 30-year Treasury Bond between now and into the summer. Your advisers can give you an in-depth briefing on the whys and wherefores, but bottom line, if this happens, it will not be good timing for your re-election. Greenspan has come under some criticism for being too tight with the interest rate strings, and some economists now believe we are flirting with a recession. See the February 26, 1996 issue of *Barron's* which has an article on Greenspan. This is setting the stage for the same problem that Bush had to face when you were challenging him. I don't want to see the tables reversed.

I was in Washington over the weekend attending the national legislative conference of the Association of Community College Trustees at the J.W. Marriott. I have been going to Capitol Hill off and on for the past 15 years lobbying first for the arts and now for public education. After getting a briefing from Price-Waterhouse on where the budget stands and the likelihood of it not going anywhere as far as Congress is concerned until after the November election, I came away very frustrated.

I am very proud of the position you have taken with regard to the budget. You have provided leadership and have stood for what is right about this country. I hope you will continue your efforts to push Congress into reaching a budget accord.

Give my regards to Hillary.

Your friend,

cc: Laura D'Andrea Tyson

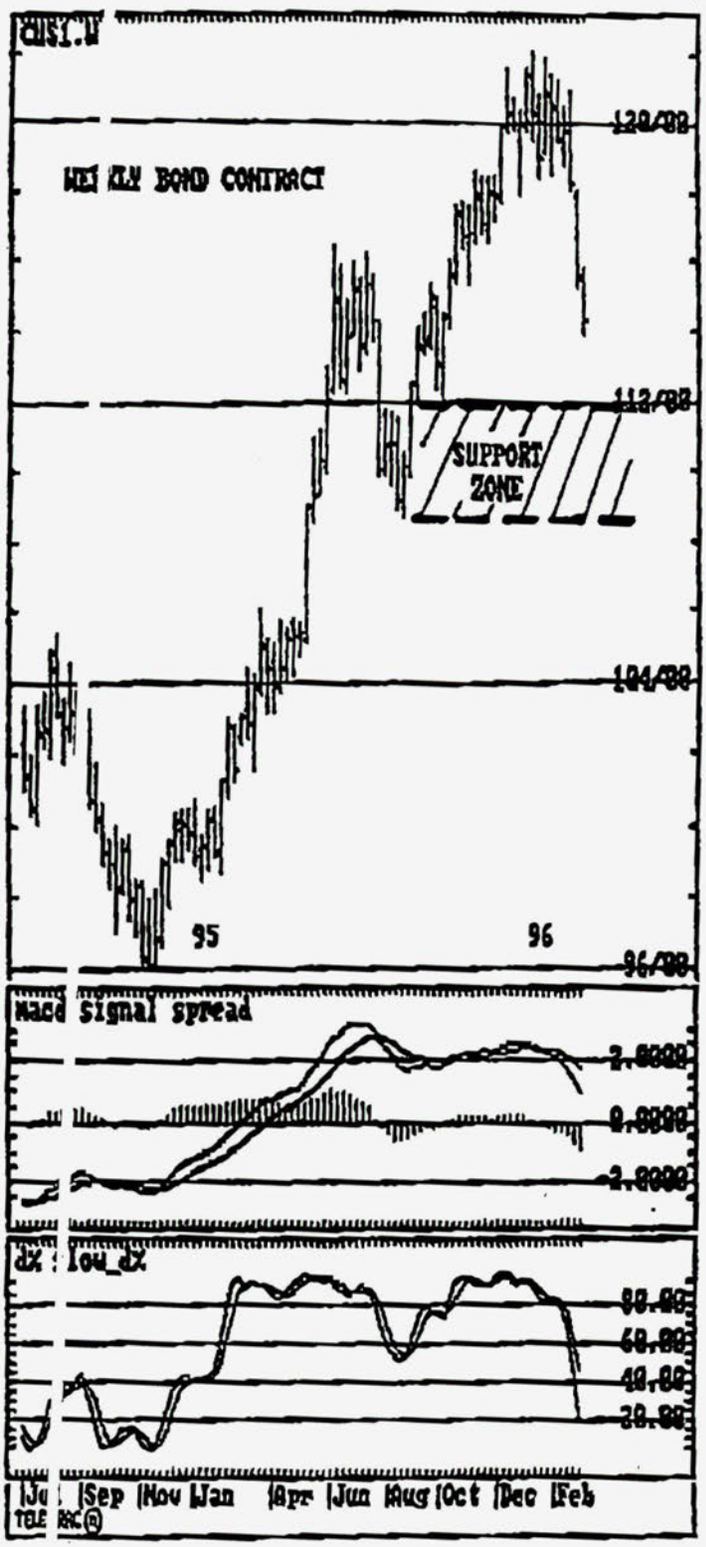
BONDS BREAK ANOTHER IMPORTANT SUPPORT LEVEL!

SMITH BARNEY
TECHFAX

TECHNICAL RESEARCH DEPARTMENT

Alan R. Shaw, CMT	(212) 816-1801
William E. Raftery, CMT	816-1802
Louise Yamada, CMT	816-1803
Ronald F. Daino, CMT	816-1804
Susan I. Stern	816-1806

February 29, 1996 96-5



FIXED INCOME: For background, on February 16, 1996, the March bond contract violated critical support near 118/00. Additional downside follow through developed on Tuesday, February 20, prompting us to downgrade not only the contract's short-term technical trend from "neutral" to "negative," but its intermediate-term trend from "positive" to "neutral." At that time, we suggested a downside risk target for the March contract to 115/00, or to 6.45% on a yield basis. We recommended that investors refrain from adding to holdings, and institutional clients initiate hedged positions against a possible further decline. On Wednesday, February 28, the June contract (USM-114/09), which we are now following, broke yet another important support level at 114/16, which was equivalent to 115/00 on the March contract. This latest violation has now prompted us to downgrade the bond market's *intermediate-term trend* from "neutral" to "negative," and allows us an additional downside target reading to 111/00-112/00, or to 6.65%-6.70% on a yield basis. At this point, to create a probability scheme, we believe that there is a 20% chance the contract will rally back to the 118/00 level near term; a 60% chance that it will pull back toward 111/00-112/00; and there is a more distant 20% chance (worst case scenario) that the contract could retrace the entire rally phase from last August, to a level near 109/00 or an approximate 6.95% yield. On an intermarket basis, although the CRB index has lost some upward momentum recently, other problems could be surfacing. In particular, the trend progressions for the Dow and NYSE utility averages, have come under pressure and bear watching. Critical levels for these interest rate sensitive averages are: Dow utilities, 220.00 and NYSE utilities, 250.00. Another concern has been the recent strength in the energy complex. While energy makes up only a relatively small part of the CRB index, it most certainly is one of its most visible groups. In sum, we believe that additional risk is possible for the bond market, therefore, we recommend that institutional clients increase their "hedged" positions, while investors remain on the sidelines.

R.F.D.

From the Desk of . . .

HERSHEL W. GOBER

I strongly advise that you not let those not running for re-election in your administration make this very serious decision for you.

We Know that the Republicans, particularly Dole, will use the Veteran's issue throughout the campaign.

Your 1997 Budget is terrific and for 3 years you have negated their attempts to seize the Veterans' issue. Let's don't give away everything we/you have gained.

I am available to meet with & discuss with anyone this very very important issue.

Trust me it is a big issue.

Respectfully

Hershel

THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

March 6, 1996

The President
The White House
Washington, DC 20500

Dear Mr. President:

We are about to release your 1997 budget for veterans which very clearly demonstrates your commitment. I am very pleased to be able to tell that great story for you.

But I have very recently become aware of a disaster story about the budget's outyears that will steal the good news on 1997. My staff prepared the enclosed chart based on the OMB formula for the outyears of your printed budget, showing funding for veterans' medical care falling from $17 Billion in 1997 to $12.8 Billion in 2000. To let those numbers stand in an Administration budget will be political suicide. We will be seen as promising great things for the election year, then turning our backs on veterans' health care once the election is over.

I implore you to have OMB change the outyear display to show a flat line from 1997. Without that change, Republicans will clearly have the upper hand in arguing that their 5-year budget for veterans is better than yours, and our own chart will support their argument.

Thank you for your consideration of this crucial issue.

Respectfully,

Jesse Brown

Enclosure

Putting Veterans First

Discretionary Programs 1996 - 2002
($ in millions)

	1996 Conference Action	President's Projections	Congressional Reconciliation	Current Services	Deflated Using Composite: President's Projections	Deflated Using Composite: Congressional Reconciliation	Deflated Using Composite: Current Services
Medical Care							
1996	16,560	16,560	16,564	16,564	16,560	16,560	16,560
1997		17,008	16,215	17,579	16,208	15,452	16,752
1998		15,647	16,215	18,313	14,265	14,782	16,694
1999		14,239	16,215	19,047	12,420	14,143	16,613
2000		12,816	16,215	19,850	10,695	13,532	16,565
2001		14,610	16,215	20,574	11,666	12,948	16,428
2002		16,655	16,215	21,397	12,725	12,388	16,348
Total 7 Yr		107,535	113,854	133,324	94,539	99,805	115,960
Construction Programs					Deflated Using CPI-U		
1996	326	326	326	326	326	326	326
1997		439	224	333	426	218	323
1998		404	224	340	381	211	321
1999		367	224	348	337	206	320
2000		330	224	366	295	200	327
2001		377	224	364	328	195	316
2002		430	224	372	363	189	314
Total 7 Yr		2,673	1,670	2,449	2,457	1,545	2,248
Other Discretionary					Deflated Using CPI-U		
1996	1,443	1,443	1,439	1,443	1,443	1,439	1,443
1997		1,455	1,307	1,479	1,413	1,269	1,436
1998		1,406	1,284	1,426	1,327	1,212	1,346
1999		1,356	1,246	1,542	1,245	1,144	1,416
2000		1,304	1,209	1,574	1,165	1,080	1,406
2001		1,392	1,209	1,607	1,210	1,051	1,397
2002		1,491	1,209	1,640	1,260	1,022	1,386
Total 7 Yr		9,847	8,903	10,711	9,064	8,217	9,831
Total Discretionary							
1996	18,329	18,329	18,329	18,333	18,329	18,325	18,329
1997		18,902	17,746	19,391	18,047	16,939	18,512
1998		17,457	17,723	20,079	15,974	16,206	18,361
1999		15,962	17,685	20,937	14,002	15,493	18,349
2000		14,450	17,648	21,790	12,155	14,812	18,298
2001		16,379	17,648	22,545	13,203	14,193	18,141
2002		18,576	17,648	23,409	14,349	13,599	18,049
Total 7 Yr		120,055	124,427	146,484	106,059	109,567	128,038

Pres. has not seen -

Nancy Ann Min is apparently doing a memo to counter this —

THE WHITE HOUSE

WASHINGTON 96 MAR 6 P9:03

March 6, 1996

HAS SEEN

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT & ANNE WALLEY

SUBJECT: SCHEDULING DECISIONS

CC: EVELYN LIEBERMAN

Accept:

Date of Event:	Description of Event:
3/7/96	Drop By Meeting of the President's Council on Sustainable Development
3/11/96	Roundtable Discussion With New Jersey Journalists, NJ
3/17/96	OPTION: Drop By Tea Dance & Dinner in Honor of Lancing Lee and His Fiancee, Bethesda, MD
3/18/96	Visit Special Forces Personnel Who Served in Haiti, Fort Polk, LA
4/23/96	Diplomatic Corps Reception @ WH
4/24/96 - 4/25/96	Announcement of the National Teacher of the Year Award
5/23/96	Meeting With German Chancellor Kohl (3 hours) **It is likely that this meeting will be held outside of Washington, perhaps in Pennsylvania. We are waiting for a final recommendation from the NSC and Political Affairs.**

Pending:

Date of Event:	Description of Event:
3/14/96 - 3/15/96	Meeting With Representatives of Major American Jewish Organizations
3/21/96	Drop-By Meeting With Members of the National Legislative Conference of Independent Insurance Agents
3/21/96 - 3/22/96	Brief Meeting With Northern Ireland Leader, Dr. Paisley
3/29/96	Briefing on the Current Political Situation in Russia by Secretary Christopher
4/1/96	Annual Meeting of the Council of Institutional Investors, Washington, DC

Regret:

Date of Event:	Description of Event:
3/8/96	Satellite Interviews in California
3/13/96	Roundtable With Parents and Children With Disabilities
	It is likely that Mrs. Gore will attend this event.
3/19/96	Address the Joint Center For Political and Economic Studies
	You are unable to attend this dinner because you have a Pennsylvania State Day Reception @ the White House followed by 2 DNC dinners in Washington. We are trying to have the Vice-President attend in your place.

3/6/96 - 4/30/96	Rose Garden Ceremony For the Commander in Chiefs Trophy Presentation to the US Air Force **Because of the numerous demands on your schedule, your senior staff did not think that this request was a priority this year.**

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 3-7

TO: Leon
Laura
George

FROM: **Staff Secretary**

Any comment before
this goes to POTUS?

cc: Martha
Gene

MEMORANDUM TO THE PRESIDENT

FROM: RBR

96 MAR 7 AM : 45

RE: Job-training "add-backs"

Date: March 6, 1996

The magnitude of 1996 "add-backs" that Republican leaders in the House are now offering will leave very little for job training. The House is offering to add back only $1.5 billion to the Labor/Ed/HHS appropriation, 87 percent of which will go to education. (The Senate "add-back" is better, but still inadequate -- $3.3 billion, 52 percent for education).

Here's why a much bigger add-back is necessary: Remember that the 1996 program year begins July 1st. The current House-passed budget funds 1996 job-training (dislocated workers, the working poor, and summer jobs for disadvantaged kids) 28 percent below the 1995 level, and 24 percent below Bush's 1993 level (in nominal dollars; adjusted for inflation, it would be even lower). You have proposed adding back $1.2 billion for job training. But even with this add-back, we'll still be 4 percent below 1995 and almost exactly at Bush's 1993 level (again, in nominal dollars; adjusted for inflation, even lower).

Obviously, if you were to accept the Republican "add-backs," overall funding for job training would drop significantly below the Bush 1993 level, and the putative "GI Bill for American Workers" would barely be funded at all. To be sure, there's still the possibility of a $10,000-per-family yearly tax deduction for lifetime learning, but you should be aware of the consequences for the rest of the package. At a time of heightened public sensitivity to the plight of working people who are losing their jobs and need to upgrade their skills, this administration's major response to worker insecurity would be rendered relatively meaningless.

I urge you to hold out for an "add-back" to the Labor/Ed/HHS appropriation of at least $4.5 billion, so that we'll have at least $1.2 billion for job training.

THE PRESIDENT HAS SEEN
3.5.96

THE WHITE HOUSE

WASHINGTON

96 MAR 1 P6:30

March 1, 1996

This is good

MEMORANDUM TO THE PRESIDENT

THROUGH: Laura Tyson

FROM: Gene Sperling

SUBJECT: False Claims and Responses on the Economy and Clinton Record

Over the last couple of weeks, there have been a significant number of false claims about the economy and the Clinton record made by several Republican members of Congress and the Joint Economic Committee. We have carefully researched these claims and provided the correct factual response.

As you will see, under Section I is one page of talking points; under Section II is a six page summary document, and under Section III are 29 false claims and responses. The table of contents under Section III provides a summary of these claims. They can be found under the respective tabs that follow.

I am fortunate to have a small, but exceptionally talented team of three twentysomethings -- Jason Goldberg, Pauline Abernathy and Jon Orszag -- who worked tireless hours this week to help me put this together. Under Laura's supervision, we are ready to stay on top of further false claims, working closely with CEA, Treasury, Labor and OMB.

THE WHITE HOUSE
WASHINGTON

96 MAR 5 P8:39

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Stros

Fax Number: 72469 **Phone Number:**

FROM:

SUBJECT: remarks Embassy

DATE: 3/5/96

NUMBER OF PAGES (including cover sheet): 3

MESSAGE:

If all pages are not received, please call 202/456-2702

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MAR-05-96 20:24

FAX NUMBER : 2024562215

NAME :

FAX NUMBER : 72469

PAGE : 03

ELAPSED TIME : 01'53"

MODE : G3 STD

RESULTS : O.K

THE WHITE HOUSE
WASHINGTON

March 5, 1996

Nancy --

I have now seen Stansbury's memo to Mark Penn. Is that all there is, or is there also a Kahler letter to the President?

In any event, I completely agree with you that Mark's draft is not appropriate for the President. It is way too detailed, and if he wants to make these points, he should do it in his own letter.

The President's letter should be more general -- indicate that he understands there were some misunderstandings and that Mark and Taibi are working them out and that he wants the project to continue or whatever. I can't fill in the blanks here because I don't know enough and, if there is a Kahler letter, I haven't seen it. But that's my general view.

Todd

NH

Rebecca -
Last mark
ann for
Kahler
letter Lauren
212
534
4020

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 2-4

TO: Nancy

FROM: Staff Secretary

I've never seen the Kahler letter, so it's hard for me to evaluate Penn's response.

I'd be happy to help if there's a copy of the incoming letter around.

Thx

(over)

P.S. In principle, I quite agree that the attached Potus draft is way too detailed. But I can't say more without knowing more.

T.

Rebecca -
Ask Mark
Penn for
Kahlil
Lester Lauren
212
534
4080

Staff Secy

What do you think -

Mark Penn's Draft reply to Taibi Kahler

OVC

NOT APPROP. REPLY - TOO DETAILED & IMPERSONAL -

LET MARK reply to him after Gen. reply -

To Mark Penn

As draft a reply to Taibi for me -

BC

NANCY: ATTACHED IS PENN'S REPLY TO THE PRESIDENT'S NOTE.

referenced document is attached

To: The President

From: Mark Penn

I have attached a detailed but very tactful response to the concerns of Taibi Kahler and his associate Pat Stansbury for you.

In fact, Stansbury's first objection compares national party registration figures to our current party identification figures, and this is such an elemental error that it shows he does not have a basic understanding of how election polling and voter demographics work compared to general population polling.

Stansbury had us put each their personality questions right in the middle of a series of detailed political questions and I explained that the jarring nature of putting questons about foxes in the middle of healthcare reform this may not have worked as they expected. To accommodate Taibi I repeated the whole experiment again for them with a complete poll of 800 and sent him new data.

I further explained for you, tactfully, and in detail that their demographic concerns were unwarranted because they either 1) they were comparing two different kinds of questions (i.e. party registration compared to party identification); 2) did not compare it to the right group i.e. registered/likely voters are not like the general population; 3) were not realizing that we already compensate for some areas where voters report socially desirable responses (like I voted in 1994).

I personally like Taibi and think he has just been steered wrong by his associate, who does the quantitative work.

DRAFT RESPONSE FOR THE PRESIDENT

Thank you, Taibi, for bringing this to my attention.

I spoke with Mark Penn about this and he explained to me that your questions were put on half a sample of 1200, and that a sample of 600 would have more variation in the demographics compared to the full 1200.

He was concerned that putting your personality questions (are you more like a fox, etc.) right in the middle of detailed political questions, as instructed, may have produced some atypical answers to the personality questions, and he offered to put the questions in another full sample of 800. In fact, he says he has already done that, sent you the data and is looking forward to working with you on the project.

However, Mark points out that the registered voter sample he uses would be very different from census figures that Pat Stansbury cited in his letter, and he would not expect his screened voter group to match U.S. Census figures, even in a complete poll. There are very significant differences between the likely voters who participate in surveys and the general population.

1) The census does not ask party registration, so Mark does not understand how Stansbury can cite "US Census" party registration. And the question that is used in political polling is "do you consider yourself..." (party identification), not registration, since many states do not have party registration. Registration stays fairly fixed while identification shifts frequently. 28% Republican and 32% Independent is in line with the current national political polls. Far more than 20% consider themselves Independents today when asked about party identification (without including leaners), and the NY Times even had 39% Independent in one of their recent polls.

2) The 1992 presidential election participation figures. Mark points out again that this is a registered/likely voter sample. The actual figures are that 68% of eligible voters are registered to vote (125 million out of 189 million eligible over 18) and that 105 million voted. Thus while turnout in 1992 was 55% of eligible population, it was nearly 80% of the registered voters. This makes the 88% reasonably close considering the screening done to arrive at the sample and that about 10% of those who did not vote will exaggerate this after several years.

3) On this question, Mark agrees that the 1994 election participation includes many Democrats who did not vote in 1994, but over-report their participation. Again, this is typical over a year later. Mark usually looks at this after it is screened only for very high participators in politics to get a clear read on actual 1994 participation.

4) Registered/likely voters are typically much older than the general population because young people have the lowest participation rate. Seniors have the highest rate of participation. The figures in mark's poll are typical for registered voter/likely voter samples.

5) Mark explained that he asks these two different questions about kids precisely to pick up this difference. The first question asks children living at home; the second question just asked the ages of people's children, regardless of whether they were at home. Increasingly, people have kids under 18 that are not at home, particularly in divorced households where they are with the other parent.

6) This is self-reported type of community, and many people in what were formerly classified as rural areas now consider themselves to live in more suburbanized communities with malls.

Mark and Doug recently called a very close in Kentucky exactly on the money and have had 20 years of looking at likely voter samples in tight elections. They regularly compare their samples to all of the available national polls.

I hope you and Mark will be able to work together to do some excellent work on integrating your personality model with their voting data, and I look forward to a joint presentation with you and Mark soon.

PENN + SCHOEN ASSOCIATES, INC.
245 E. 92ND STREET
NEW YORK, NY 10128
PHONE: 212 534 4000
FAX: 212 360 7423

FAX COVER PAGE

TO FAX NUMBER: 202 456 6703

THE FOLLOWING PAGE (S) ARE FOR:

NAME: Rebecca Cameron

LOCATION: _____

COMMENTS: The following is the memo you requested, please call me if you do not receive all of the pages

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DATE: _____

TIME: _____

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KPA
KAHLER POLL ANALYSIS
Operations Center
1525 Glenmore Ave., Baton Rouge, LA 70808
Voice & FAX: (504) 928-8500

10 Jan 1996

TO: Mark Penn

FROM: Pat Stansbury

SUBJECT: Penn & Schoen Poll

1) Letters such as this are always difficult to write since I am known for not "giving up" on a project until desired results are found ... or I am in my grave. I am also known for reporting, with absolute integrity, poll results (Carville can call Gus Weill and confirm this). Having said this, I must now tell you that the recent poll data, as sent to me, indicates results that are not reliable.

Following I will present some procedural questions (which may well be only the results of us working together for the first time) and then questions as to the validity of the sample.

2) Procedural questions:

2.a) Only three of four specified questions were used in the survey. This situation should not have occurred as the need for four questions has been referenced numerous times in past correspondence.

2.b) The three questions, used incorrectly, were not distributed through-out the questionnaire. A draft of the questionnaire had been requested a number of times prior to the conduction of data gathering. If a draft had been supplied at least two errors could have been avoided: i) three instead of four questions; and, ii) distribution of the Kahler questions within the questionnaire. This is particularly troubling as there are no questions in the survey which could be thought of as "secret" or proprietary.

2.c) I received no evidence or contact which indicated that the questionnaire was pre-tested. I have never, nor do I know of any other pollster, who would place a poll in play without pre-testing the

questions. This is done to test several factors: i) the response to the questionnaire (are people willing to participate); ii) to determine the time it takes to deliver the survey; iii) identify question wording problems; and, iv) check responses against known standards for gross deviation. In as much as standard distributions for both Kahler paper based tests and telephone survey tests were provided it is difficult to understand how the data could be so skewed without an alert to us or a consultation requested.

The phone board that I use, which is comparable to most professional phone boards, allows me and clients to observe surveyor training, questionnaire pre-testing, to view question to-date results as surveys are completed, and, if desired, to listen to surveyor phone techniques. All of these features are regularly used to assure that useful data is being gathered. Perhaps your office did such - but I have no way to know; and if problems were being encountered, Taibi or I should have been contacted. You are really paying for our consultation, but this paid for service was not utilized.

2.d) We were struck by the small number of questionnaires completed (599) - the norm has been 1,200 completes for a very long time. In fact, it is rare to see anyone go public with anything less than 1,000 completes.

3) What is the source of the comments, and those following? You know a great deal about Taibi, but little about me. I have been active in consumer/voter polling for more than 25 years, more than 2 million responses have been gathered and analyzed under my direction and supervision. I have been cited in printed reports of the Advertising Research Foundation for the design and execution of one of the largest polls ever conducted in the US; this poll included well over 38,000 completed responses, the field work was performed by Simmons Market Research, NY (Val Appel). At the time Mary M. and David Hanson were at RNC I regularly was engaged to perform surveys for them (including polls in D.C.); RNC adopted many of my minority surveying techniques. I have been engaged by an equal number of Democrats and Republicans. I have also been awarded a number of national advertising and marketing titles, including a CLIO for a campaign on which I was the Executive Director-Producer. This is offered as a resume', not to say that I know more than you, or your staff, rather, to demonstrate that I know what I am speaking of.

4) Attached are my questions regarding the randomness of the sample. We do not normally deal with demographic matters, but in this case the Kahler data was so greatly skewed that it was necessary

to determine if there was a single source of the deviation or if it was through-out the survey. We found the deviation to be active across all (100%) demographic questions. And this fact is the factor which causes us to question the validity of the poll.

5) As it is so very critical that campaign decisions not be based upon "bad" data, we have no choice but to say: i) we can not process this data; ii) you should question your results; and, iii) we need to develop an improved working relationship.

cc: Taibi Kahler

THE WHITE HOUSE
WASHINGTON

March 5, 1996

Joyce --

My problem is that this letter talks about only one issue -- stopping the piracy which allows China to flood world markets with copied CDs, movies, etc. -- until the second to last sentence, when a new issue -- opening up China's own closed market to U.S. goods -- is introduced. Moreover, that sentence starts as if it's a kind of punctuation on what has come before -- "we can't wait forever..." -- and you think that it's going to finish with something like 'for China to stamp out the piracy that is unfairly...', but instead a whole new idea is introduced: 'for China to open up its markets.'

That's what is jarring. If you want to talk about access to China's markets, after having discussed piracy, you need to introduce it with some kind of topic sentence -- "we are also concerned that China unfairly denies American goods and services fair access to its markets. We cannot wait forever for American exports and workers..."

Is this clear?

Todd

THE WHITE HOUSE
WASHINGTON

96 MAR 5 A12:32

March 4, 1996

To: Todd Stern

From: Andrew D. Sens

Please give your comments/concurrence on the attached package #1344 "Congressional Letter on China Trade Issue," as soon as possible.

If you have any questions, please call me at x6-9461

Thank you.

96 MAR 5 P4:49

Andy — Dell my comments.

Todd - See my pencilled-in edits. Any better? Joyce H.

THE WHITE HOUSE

WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
JOHN HILLEY

SUBJECT: Congressional Letter on China Trade Issue

Purpose

To reply to a letter from Representative Bono and 56 others regarding China's enforcement of intellectual property rights.

Background

Representative Bono and 56 others wrote you expressing concern that China has fallen short of its commitments under the 1994 intellectual property rights agreement. The letter cites as problems continued piracy of entertainment industry products and limits on market access.

Your proposed reply reports on the recent USTR fact-finding mission and affirms your intention to hold China to its trade agreement commitments.

RECOMMENDATION

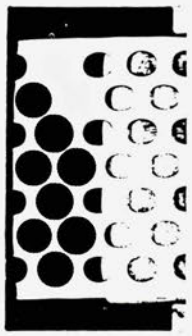
That you sign the letter at Tab A.

Attachments
Tab A Letter to Bono, et al.
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

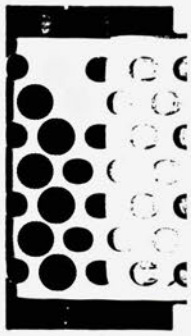


Dear Representative Bono:

Thank you for your letter regarding implementation of our agreement with China on intellectual property rights. The work of the House Entertainment Industry Task Force has been instrumental in increasing the public awareness of the problems American industry faces in China.

USTR staff, accompanied by representatives of the entertainment industry, recently returned from a fact-finding mission to China. They met with relevant Chinese policy and enforcement officials and received nearly 400 pages of documents on China's enforcement efforts. We are in the process of evaluating this information, and I expect Mickey Kantor will give me his assessment of China's actions ~~in the near future.~~ soon.

Our 1994 agreement with China clearly describes the steps we expect China to take to shut down infringers of American intellectual property rights. In some areas, such as closing down pirate retailers, China has made good progress. But there are several areas where China needs to increase its enforcement activities. Piracy of computer software, videos, sound recordings and games still exists, and exports of these products from China are driving legitimate U.S. products out of other Asian markets.



All we are asking is that China fulfill the commitments it made under the terms of our trade agreement. ~~As you have noted,~~ we cannot wait forever for American exports and workers to have

The transition here isn't too good.
~~Ellen~~ We're talking about Chinese pirates, & then say "As you noted we can't wait forever" to get market access -- with no real transition.
Shouldn't you say something like "We are also concerned about issues of market access, etc."

My Administration

the opportunity to compete fairly in China's growing market. I will insist China live up to its responsibilities to provide market access and intellectual property protection for entertainment industry products.

Sincerely,

The Honorable Sonny Bono
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

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We cannot wait forever for American exports and workers to have the opportunity to compete fairly in China's growing market. My Administration will insist China live up to its responsibilities to provide market access and intellectual property protection for entertainment industry products.

Sincerely,

The Honorable Sonny Bono
House of Representatives
Washington, D.C. 20515

COMMITTEES:
JUDICIARY
SUBCOMMITTEES:
COURTS AND INTELLECTUAL PROPERTY
IMMIGRATION AND CLAIMS
BANKING AND FINANCIAL SERVICES
SUBCOMMITTEES:
FINANCIAL INSTITUTIONS AND CONSUMER CREDIT
HOUSING AND COMMUNITY OPPORTUNITY

Sonny Bono
Congress of the United States
44th District, California

WASHINGTON OFFICE:
512 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5330
FAX: (202) 225-2961

DISTRICT OFFICES:
1555 SOUTH PALM CANYON
SUITE G101
PALM SPRINGS, CA 92264
(619) 320-1076
FAX: (619) 320-0596

23119-A COTTONWOOD AVENUE
SUITE 208
MORENO VALLEY, CA 92553
(909) 653-4466
FAX: (909) 653-2135

96 FEB 28 All : 33

February 26, 1996

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

Dear President Clinton:

Many of my Congressional colleagues share my deep concern about China's failure to honor its commitments under the intellectual property rights agreement signed last February. We believe China must put an immediate end to the illegal production at the CD/VCD/LD plants, as they promised to do a year ago. China must also make good on its promise to provide market access for American entertainment products.

There are several troubling barriers to American products in the Chinese market. Currently, a 10 film-per-year limit remains in place for distribution of films under revenue-sharing arrangements. Extremely high taxes and duties preclude the development of a legitimate market to supplant the pirated products. Investment guidelines block foreign investment in information and entertainment infrastructure construction and renovation.

Enforcement of this agreement is an important test for our nation's economic future. The content of U.S. intellectual property in the film, music, publishing and software industries is second to none worldwide. In the information age revolution, these industries are at an important juncture, creating new opportunities for our economy and workforce. It is vital for our nation to preserve its competitive advantage in all of these global markets. In the 21st century, economic strength will be a key component of our national security. Copyright piracy is a certain threat to our national economic security. These copyright-based industries are crucial for our economic growth, creating good jobs, and exporting high-tech information products.

As you know, February 26 is the one year anniversary of the agreement that ended the Special 301 negotiations. As Chairman of the Entertainment Industry Task Force, I find it unacceptable that this deadline should pass without action from the Chinese to comply fully with their solemn commitments to the United States. I am joined in this belief by a bipartisan coalition of my Congressional colleagues. Given the disappointing history of these past events, the time has certainly come to begin reviewing the year-old list of trade sanctions and to start revising it.

Failure to live by agreements must have certain and predictable consequences. If that one year deadline passes without action, other consequences are also likely. China's track record

NJC

under the intellectual property agreement will influence Congressional consideration on this and other issues that will soon come before Congress.

We appreciate all the work that the Office of the United States Trade Representative has done in negotiating and monitoring this critical agreement. They will have our full support in ensuring full compliance with the agreement without further delay.

Sincerely,

BONO R-CA

GOODLATTE R-VA

SCHIFF R/NM

GALLEGLY R/CA

FOLEY R/FL

BUYER R-IN

COX R/CA

SEASTRAND R/CA

TRAFICANT D/OH

GEKAS R/PA

ROHRABACHER R-CA

HUNTER R-CA

SMITH R-NJ

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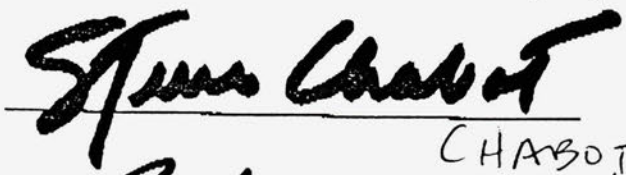
D/NY

NEY R/OH

KAPTUR
D/OH



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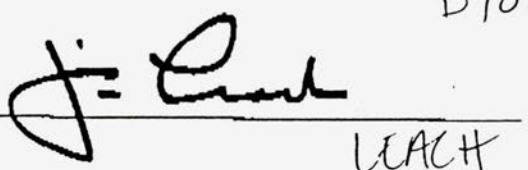

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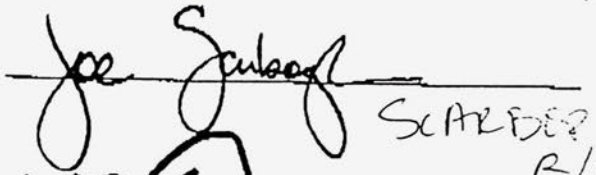
KENNEDY
D/RI

E. BRYANT
R/TN



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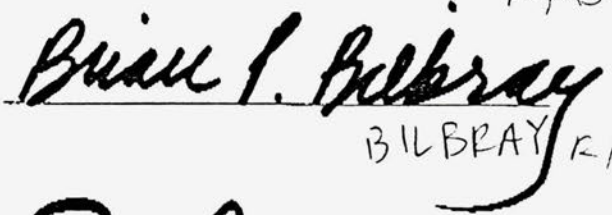
R/KS

DORNAN R/CA



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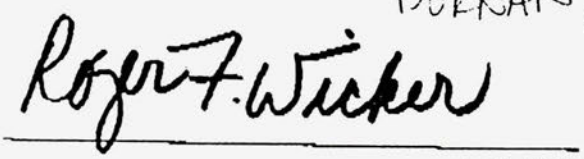

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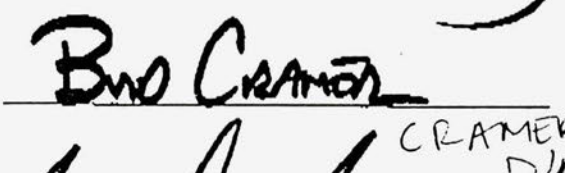

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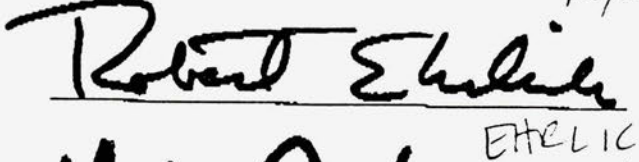

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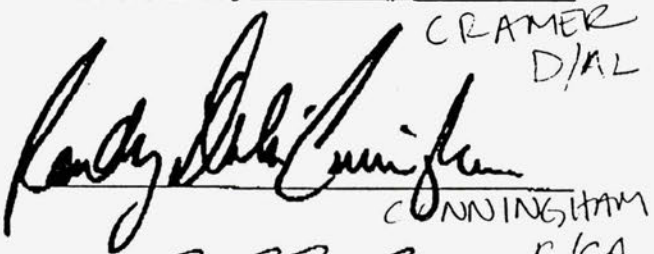

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DOYLE
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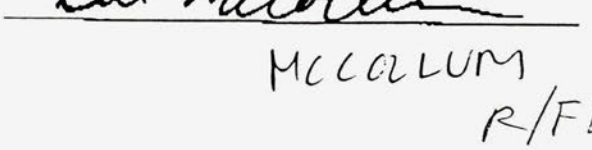

MCCOLLUM
R/FL

FILE NO. 529 02/26 96 17:40 ID:LHNIERF-HX65UU PAGE 4

HEINEMAN
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COBLE
R/NC

LARGENT
R/OK

CALVERT
R/CA

MOORHEAD
R/CA

HERGER
R/CA

BOUCHER
D/VA

FURSE
D/OR

DREIER
R-CA

McINTOSH
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TAYLOR
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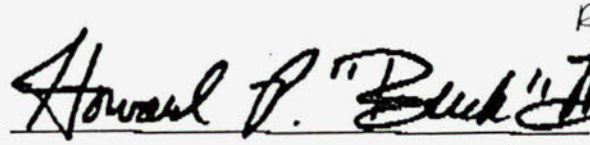

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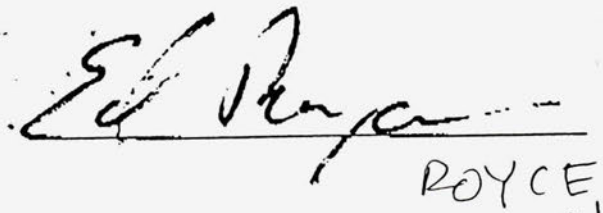

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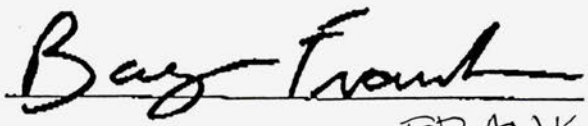

FRANK
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LIVINGSTON
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YOUNG
R/AK

HYDE
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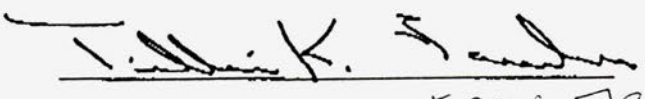

FOWLER
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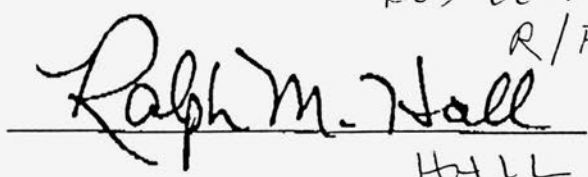

HALL
D/TX

CC: Senate Majority Leader Robert Dole
Speaker of the House Newt Gingrich

THE WHITE HOUSE
WASHINGTON

March 5, 1996

THE PRESIDENT HAS SEEN
3-5-96

Mr. President:

Senator Dodd's letter has been referred to the NSC for reply.

Todd Stern

3.5.96
Took original ltr from Dodd + Todd's Buck sl. ? to NSC

CHRISTOPHER J. DODD
United States Senator
Washington, D.C. 20510

Feb. 29-'96

96 MAR 4 P4:25

Dear Mr. President,

I am deeply concerned about how far we may be going on Cuba. I am horrified over the brutality of Cuba's weekly attack on unarmed aircraft by Cuba. But I urge you to be restrained in our actions. Please be careful with these groups in Florida. I believe they care for more

Not printed at government expense

about destroying Fidel than anything else, including doing what's right for America. In fact, I firmly believe they would place our nation at risk to achieve their goals.

I may be alone in opposing this Helms/Burton Bill - but it is a dreadful piece of legislation designed to financially help a small vested interest.

Please be careful, my dear friend. These people are not your friends. I fear they will hurt you. Best - Chris.

United States Senate

WASHINGTON, DC 20510-0702

OFFICIAL BUSINESS

Chris Dodd U.S.S.

96 MAR 1 P3:17

The President
The White House
Washington, D.C.

Attn. Betty

-BY RIDING PAGE

-PERSONAL-

WASHINGTON

file

March 5, 1996

Mr. President:

Senator Dodd's letter has been referred to the NSC for reply.

Todd Stern

3-5-96

3/14/96

From the Oval
Send to NSC?

Yes ✓

No _____

C

PRES has Not Seen

CHRISTOPHER J. DODD
United States Senator
Washington, D.C. 20510

Feb. 29-'96

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Dear Mr. President,

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THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 3/4/96

TO: John Hilley

FROM: **Staff Secretary**

THE PRESIDENT HAS SEEN
3/4/96

Copy sent to Sosnik

Should we send copy to Hillery?
yes ✓ no

96 MAR 1 P7:45

MARCH 2, 1996

RECOMMENDED TELEPHONE CALLS

TO: Rep. Sam Gibbons

DATE: Sunday, March 3, 1996

RECOMMENDED BY: Douglas B. Sosnik

PURPOSE: To discuss his plans for 1996.

BACKGROUND:

We'd have a tough fight Sonmore ... election ... wants to help us ... Yes ... !

Gibbons, ranking on Ways and Means, is considering retiring in 1996. It would be a blow to our efforts in Florida in 1996 and the DCCC's efforts to recapture the House if Gibbons were to retire now. Gibbons is the only Democratic House Member on the West Coast of Florida.

We need you to call Gibbons and urge him to seek one more term.

(FYI: Gibbons traveled to New Hampshire, pre-primary, for Clinton-Gore this year.)

TOPICS OF DISCUSSION: Let him know how important he has been to you and your legislative efforts in the House.

Let him know how important he is to the Democratic Party and the leadership in the House.

Urge him to seek just one more term.

CONTACT PERSON AND TELEPHONE NUMBER(S): Sam Gibbons - Sunday - (202) 554-3132 - or (202) 547-3990 (his son's house)

DATE OF SUBMISSION: March 1, 1996

ACTION: _____

Pres has
Not Seen

3/14/96

From the Oval
Send to WSC?

Yes ✓

No _____

C

United States Senate
WASHINGTON, DC 20510-0702
OFFICIAL BUSINESS

Chris Hanson U.S.S.

96 MAR 1 P3:17

The President
The White House
Washington, D.C.

Attn. Betty

-BY RIDING PAGE

-PERSONAL-

CHRISTOPHER J. DODD
United States Senator
Washington, D.C. 20510

Feb. 29-96

96 MAR 4 P4:25

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Please be careful, my dear friend. These people are not your friends. I fear they will hurt you. Best – Clint

THE WHITE HOUSE
WASHINGTON

March 4, 1996

Nancy -- (Hernreich)

The consensus on this is negative. I checked with Don, George and Jack. None of them thinks it's a good idea for the President to do, and I agree with them. Let me know if you need anything else from me on this.

Todd

THE
ECCO
PRESS

96 FEB 21 AM 9:32

February 18, 1996

Dear Nancy Hernreich,

I have a fax from Caroline Whitson asking me to send you a formal request for the President, inviting him to write a brief introduction to a book we will be publishing in the September, to be called *The Wit & Wisdom of the Founding Fathers.* The book has been edited by Professor Paul Zall, a Jefferson scholar who works in the research libraries of the Huntington Library in California.

The book will include selections from the collected writings of Thomas Jefferson, George Washington, John Adams, and Benjamin Franklin. This edition will run about 128 pages, with sources for the work indicated in the appendix.

As Caroline said, we published a series of journal entries by the President in the last issue of our literary magazine *Antaeus* (a magazine that received funding for 25 years from the NEA) -- in fact, he appeared in an earlier issue of *Antaeus* with that same piece, when he was still governor.

Ecco is a small literary publishing house, founded in 1971 (this marks our 25th Year!), which publishes writers who have won awards ranging from The Nobel Prize (Czeslaw Milosz, Joseph Brodsky, and Seamus Heaney) to the Pulitzer Prize (Louise Gluck and James Tate). We are also the publisher of Robert Hass, the current Poet Laureate of the United States; and Ecco published a volume of Shakespeare's work, edited by the Poet Laureate of England, Ted Hughes. Although Ecco publishes a variety of books, prose and poetry, we do run at a deficit, which is to say we are very much *not* a commercial trade publishing house.

If I can provide further information, please don't hesitate to call. I very much hope the President will be intrigued by this project and want to introduce our book, especially as it's an election year and we will need all the wisdom we can muster. I know Caroline would be willing to work with him, should he want an advisor. I think it is a wonderful book -- full of wisdom, yes, but one discovers very quickly the *charm* these amazing men possessed. Certainly these are qualities (intelligence and charm) that we the fans of Bill see and appreciate in our current president!

Regards,

Daniel Halpern

100 WEST BROAD STREET, HOPEWELL, N.J. 08525 (609) 466-4748, FAX (609) 466-4706

From the Oval.

3/4/96

Send to NSC?

Yes ✓

No _____

C.

GERALD R. FORD

96 MAR 4 P4:28

March 1, 1996

Dear President Clinton:

I am deeply concerned about the growing violence in Southeast Asia as the Vietnamese boat people, especially those with U.S. connections, resist being forced back to Vietnam. This threatens to be a growing potential humanitarian tragedy and a setback for our political relations in this critically important region.

Under these circumstances, I strongly urge you to move ahead quickly to offer exit interviews in the countries of first asylum as boat people are being returned to Vietnam. This would allow those with U.S. connections a final chance to present their cases.

In the 1970s, especially during my Administration, the United States government initiated the policy of admitting significant numbers of Vietnamese refugees. In the past twenty-five years, under bipartisan leadership, over 1.5 million Vietnamese refugees have been resettled, mainly in the U.S.

Approximately 40,000 Vietnamese remain in various Asian Camps. These asylum seekers deserve immediate assistance. If prompt relief is not granted there is the distinct possibility of an humanitarian tragedy.

I strongly urge that our government move immediately to grant exit interviews in the countries of first asylum. This action is the right policy for the United States and is in the best interest and tradition of America.

I earnestly hope you will give this critical issue your personal attention and affirmative action.

Sincerely,

Jerry Ford

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

Pres has not seen -

THE PRESIDENT HAS SEEN
3.4.96

THE WHITE HOUSE

WASHINGTON

96 FEB 27 P3:58

February 27, 1996

MEMORANDUM TO THE PRESIDENT

FROM : MIKE McCURRY MMC

SUBJECT : REQUEST FROM *SPORTS ILLUSTRATED FOR KIDS*

Sports Illustrated for Kids, a sports magazine geared towards boys and girls ages 8 - 14 and their parents, wants you to contribute to their new section which profiles non-professional athletes on the role of sports in his/her life. Your interview with the magazine would kick-off this section.

The magazine was launched in 1989 and has won numerous awards, including 19 educational press awards and the Parent's Choice Award. It has a circulation of 850,000. We will work the magazine to "promo" the release of your interview to generate additional media coverage.

Sports Illustrated for Kids has agreed to a written in lieu of an in-person interview. Attached are five questions related to your association with sports that the magazine would like you to answer. You only have to use these as guidelines -- feel free to write other memories you have related to sports and your life.

Questions for *Sports Illustrated for Kids*

1. As a kid, what teams or athletes did you root for?

St Louis Cardinals – Stan Musial
New York Giants – Willie Mays
Boston Celtics – Bob Cousy, Bill Russell

2. What sports do you play as a kid? Did you ever dream of becoming an athlete?

Softball
Basketball
Touch Football
Golf

↳ No. I wasn't good enough. I was interested in lots of activities. But I loved sports.

Now, sometimes I dream of being on the Swiss golf tour!

3. Is there any one positive or negative sports moment that you had that stands out? (i.e., the day you hit a grand slam home run to win a game, or the day you struck out five times)

Yes. Once when I was in grade school, we were choosing up sides for a softball game. I was the last one chosen, because I was heavier and slower than the other kids and no one thought I could play. I was very nervous, but I got a big hit and helped my team to win. After that, though I was never one of the best players, I always got to play. Never giving up!

4. Did you have any sports nicknames?

No,

5. In addition to jogging and playing golf, what sports do you enjoy doing now?

I like to bowl and ride horses.
Before I became President, I enjoyed an occasional pick up basketball game.

I love watching college + pro football + basketball, pro and senior golf ~~tournaments~~ tournaments.

to Bill Clinton
I couldn't agree more.

STANLEY P. GOLD
[illegible] LAKESIDE DRIVE
BURBANK, CALIFORNIA [illegible]

Jack Humphreville
456 [illegible] Ave
LA. CA 9002[illegible]

96 MAR 1 P1:57

February 26, 1996

President Bill Clinton
The White House
Fax #202/456-2215

Dear President Clinton:

I missed hearing your strongly-worded remarks when you spoke out against Minister Louis Farrakhan and his latest antics.

Would you please ask someone on your staff to send me a copy of what you said.

Thank you.

Sincerely yours,

Stanley P. Gold

SPG/sg
VIA FAX

You need to be counted in this matter. NOW!

From Opal original sent 3/1/96
Send to Dorskind?

Yes ✓
no ____

3/4/96
original sent

(Received in Mail)

Todd -
Send to ~~Legislative Affairs~~ ?

Yes ✓

no ———

C

JOHN W. OLVER
1ST DISTRICT, MASSACHUSETTS

COMMITTEES:
BUDGET
SCIENCE

SUBCOMMITTEES:
ENERGY AND ENVIRONMENT
BASIC RESEARCH
WHIP-AT-LARGE

96 MAR 4 A8:54

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

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WASHINGTON, DC 20515–2101
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February 26, 1996

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President,

I am writing in support of Charles Kades of Heath, MA, who has been nominated to be awarded the Presidential Medal of Freedom.

In discussions that I and others who support this nomination have held with various members of your staff, it has been suggested to us that you prefer awarding this prestigious award to prominent citizens whose accomplishments are more contemporary. I would strongly urge you on behalf of all the very influential and scholarly people who have worked on behalf of this nomination to make an exception with Mr. Charles Kades.

Mr. Kades was the pillar of the Government Section team whose efforts, perseverance and courage was largely responsible for the drafting of the post-war Japanese Constitution. Because he was able to incorporate into this document the strongest ideals of democracy and belief in the welfare of the common man, Mr. Kades was instrumental in setting the course for a peaceful and democratic post-war Japan. He was able to accomplish this against great odds and strong resistance - both from recalcitrant officials in Washington, D.C. and especially from the feudal patriarchy in which the political power of Japan had resided. Needless to say, the impact of this accomplishment is virtually impossible to truly measure in terms of world peace, cooperation between nations and Asian security and stability. Mr. Kades' vital role in this venture, in terms of leadership, expertise and commitment to democratic ideals is corroborated by an impressive list of influential and prominent historians, scholars and leaders from both sides of the Pacific Ocean. This list ranges from Louis S. Auchinloss, former law partner of Mr. Kades, to Shoichi Koseki, Japanese author and professor of law whose book on the framing of the Japanese Constitution won the prestigious Yoshino Sakuzo Prize. Mr. Kades' achievements will be highlighted within a documentary history on the writing of the Japanese Constitution to be published in the near future by Professor Donald L. Robinson of Smith College and Professor Raymond A. Moore of Amherst College. They state that the story they are unfolding is "one of the great triumphs of 20th Century statesmanship."

PRINTED ON RECYCLED PAPER

The argument that I would like to set forth to you is that Mr. Kades's accomplishments indisputably represent the criteria for which the Presidential Medal of Freedom was first created by President Truman, and were later officially sanctioned by President Kennedy: meritorious contributions to the security or national interests of the United States, or world peace. In regard to your preference to award the medal for more contemporary accomplishments, I would like to submit that it is impossible to realize the essential historical importance of a person like Charles Kades and his accomplishments until decades have passed.

For these reasons and more, I respectfully urge that you consider Charles Kades for the **Presidential Medal of Freedom**, so that the immense and significant benefits that his accomplishments have bestowed upon all of us in the United States and the Western World can be fully recognized and rewarded. Thank you kindly for your attention to this matter.

Sincerely,

John W. Olver

John W. Olver
Member of Congress

JWO:rtd

CHAIRMAN OF THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20318-9999

1 March 1996 96 MAR 1 P6 : 43

The President
The White House
Washington, D.C. 20500

Dear Mr. President,

Thank you for the kind letter regarding the successful completion of Operation SEA SIGNAL. Almost 11,000 Service members participated in the operation through its 18-month duration. I, too, am proud of the selflessness and dedication exhibited by the men and women serving our great Nation in uniform.

Your laudatory comments have been passed to General Sheehan along with my personal thanks for a difficult job well done. You will be pleased to learn that the Joint Meritorious Unit Award has been authorized for all participants.

Your thoughtfulness in recognizing the superior work of our people is sincerely appreciated. With best wishes,

Respectfully,

JOHN M. SHALIKASHVILI
Chairman
of the Joint Chiefs of Staff

96
00
Send to NSC, original sent ourreply.

Nancy Hernreich

Staff Secy

SIMMONS FIRST NATIONAL BANK

PINE BLUFF, ARKANSAS / MEMBER FDIC

96 MAR 11 P7:37

J. THOMAS MAY
President
and
Chief Executive Officer

February 22, 1996

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-2000

Dear Mr. President:

As you know, navigation on the McClellan-Kerr Arkansas River Navigation System is essential to needed economic development throughout our State, but especially in the Delta area. It is my understanding that the lowering of the water level of the Mississippi River, which controls access to the entrance channel to the navigation system causes substantial navigation problems affecting the system.

The Montgomery Lock and Dam is essential if we are to solve this potential crisis. If the project is presently scheduled to be completed by 2003, and if the $18.6 million in previous appropriation funds are not to be wasted, we must continue the work on this important project. The Corp of Engineers approved schedule for construction is $16 million for FY 97. After reviewing the facts, I hope that you can see fit to include this amount in the Administration's FY 97 budget. We truly believe that job retention and growth depends on the timely completion of this very important project.

As always, I appreciate your consideration.

Best wishes.

Sincerely,

3-1-96
TODD
original sent
TO Don-Skinner for reply
yes — no

J. Thomas May, President
The Economic Development Alliance

JTM/re

Sewagner

Nancy Hernreich

Pres has not seen

~~3/7~~ 3-1-96

TODD

original sent

TO NSC for Reply ?

yes — no

Sharon

GERALD R. FORD

96 MAR 1 P7:34

March 1, 1996

Dear President Clinton:

I am deeply concerned about the growing violence in Southeast Asia as the Vietnamese boat people, especially those with U.S. connections, resist being forced back to Vietnam. This threatens to be a growing potential humanitarian tragedy and a setback for our political relations in this critically important region.

Under these circumstances, I strongly urge you to move ahead quickly to offer exit interviews in the countries of first asylum as boat people are being returned to Vietnam. This would allow those with U.S. connections a final chance to present their cases.

In the 1970s, especially during my Administration, the United States government initiated the policy of admitting significant numbers of Vietnamese refugees. In the past twenty-five years, under bipartisan leadership, over 1.5 million Vietnamese refugees have been resettled, mainly in the U.S.

Approximately 40,000 Vietnamese remain in various Asian Camps. These asylum seekers deserve immediate assistance. If prompt relief is not granted there is the distinct possibility of an humanitarian tragedy.

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Sincerely,

Jerry Ford

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

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Co. FOR PRESIDENT	Co.
Dept. CLINTON	Phone # 619-324-1763
Fax # (202) 456-6703	Fax # 619-324-7289

THE PRESIDENT HAS SEEN
3.4.96

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

March 1, 1996

96 MAR 1 P10 : 42

MEMORANDUM TO THE PRESIDENT

FROM: KATHLEEN A. McGINTY

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

REGULATORY REFORM

There is considerable activity on regulatory reform legislation. In the House, the Republicans are planning on passing a new bill, H.R. 994, that is much less ambitious than what was in the Contract with America. It consists of a Congressional layover for major rules (which passed the Senate overwhelmingly), reg-flex for small business (which has already passed the House overwhelmingly), and a provision for "looking back" at existing regulations. The first two provisions would probably be acceptable to the Administration, but the onerous approach taken in the lookback provision is highly objectionable. An attempt by a bipartisan coalition in the House to strike the lookback provision is expected.

In the Senate, Senator Carl Levin (D-MI) is close to completing work on a proposal of his own. However, the coalition of labor and environmentalist groups and many of our agencies believe that the bill is still seriously flawed and that supporting this bill at this time will deny the Democrats one of the best issues they can use to show that the Republicans tried to rollback public health and safety through special deals for special interests. Today the Vice President and the Chief of Staff met with Senator Levin, Senator John Glenn (D-OH) and Senator Tom Daschle (D-SD) to exchange views. The results of that meeting are discussed in the briefing materials that you have for your trip to Michigan with Senator Levin on Monday.

PACIFIC NORTHWEST TIMBER

We have been working throughout the week to move to follow-up on your timber announcement from last week. Unfortunately, we are in a difficult litigation posture in regards to two old growth sales in the Umpqua watershed in Oregon. We are under an injunction to award the sales immediately but we have reached a preliminary agreement with the purchaser to delay the award for at least a few days.

At the same time, there are two relevant legislative developments. Senator Patty Murray (D-WA) is planning on introducing her bill this coming Monday to repeal the old growth

provisions and replace the current salvage provisions with a substitute that would authorize an expedited salvage program in compliance with environmental laws. We are interested in her approach, but have not yet decided whether to support her bill. Meanwhile, we are providing her staff with technical assistance over the weekend. At the same time, Senator Mark Hatfield (R-OR) and Senator Slade Gorton (R-WA) are attaching language to the Continuing Resolution that they are characterizing as a "fix" to the timber rider problems. Unfortunately, we believe their language is not only inadequate, but actually makes the situation worse for us.

Our inability to decide clearly whether we are with Senator Murray -- and if not, then exactly who we are with -- is hurting us in the press. We need a clear position as soon as possible; we will continue discussions within building and with Senator Murray early next week toward that end. I think it would be hard for us to be opposed to Senator Murray, so we should just get with her and work to make her bill as good as possible.

PRESIDENT'S COUNCIL ON SUSTAINABLE DEVELOPMENT

On March 7th we will host a series of events to bring to a close the first phase of the PCSD. During the course of the day, the Council will formally transmit its report to you; the Vice President will host a breakfast to acknowledge the winners of the Council's awards program; and we'll host a briefing for Council members to present their findings to key constituencies. After receiving the Council's report, we will demonstrate our commitment to following through on its recommendations by (1) asking the Council to continue its collaborative effort by implementing several of its recommendations; (2) creating an Interagency Working Group on Sustainable Development within the Executive Branch to review the report; and (3) working with the Conference of Mayors and the National Association of Counties to create a Joint Center for Sustainable Communities.

FOOD AND DRUG ADMINISTRATION

Following months of meetings and consultations with CEQ, the Food and Drug Administration is nearing completion in its draft proposed rule to streamline its environmental impact assessment regulations. The FDA estimates that the proposed regulations would result in an annual cost savings to industry of approximately $15.7 million. The FDA began its efforts to increase the efficiency of its EIA process in response to your Reinventing Government initiatives. The proposed regulations clearly illustrate the benefits of reinvention: they will substantially reduce both the number of unnecessary environmental assessments required to be submitted by industry, and the time and paperwork required of FDA staff in reviewing the assessments, without compromising environmental protections.

"TRAIN WRECK" AVOIDED ON DESERT TORTOISE PROTECTION

Another example of your Administration using the built-in flexibility of the Endangered Species Act was highlighted in last week's creation of a Habitat Conservation Plan (HCP)

Recycled Paper

wildlife reserve area in Washington County, Utah. This county is one of the fastest growing counties in the country, and is also home to the nation's highest density of the Mojave desert tortoise, an endangered species. The reserve includes 38,787 acres of habitat for the tortoise and other sensitive species and the plan was developed by a steering committee with representatives from livestock interests, environmental groups, recreation interests, land developers, landowners and government agencies. The plan will be funded by county-wide fees for building permits and land clearing and will be managed by the Bureau of Land Management.

The plan drew praise from many, including Senator Robert Bennett (R-UT) who described it as, "a very major step toward getting the endangered species issues resolved short of the train wreck of the spotted owl."

TIMBER

The Seattle Times, which previously supported the timber rider, published an editorial this week opposing the rider. We spoke to the editorial writer concerning this matter. Attached is the editorial for your review.

ENDANGERED SPECIES ACT

The Evangelical Environmental Network (EEN) is working to prepare a Christian response to conservatives in Congress. This group represents 1,000 Christian congregations nationwide. The evangelical environmental movement opposes proposals by Congress to weakening the Endangered Species Act. I have attached a group of articles on the efforts by EEN to protect endangered species.

MARCH 11 EVENT AND CABINET ROLLOUT.

We are working with the other White House offices to prepare your March 11 environmental event in Northern New Jersey. In conjunction with your event, we are working with Cabinet Affairs and the agencies to schedule a Cabinet rollout similar (but smaller) than the Rural Budget or Childrens' Budget rollout. We expect to have Secretaries and sub-Cabinet level officials from a half dozen agencies on the road amplifying your State of the Union and New Jersey message on the environment.

Recycled Paper

The Atlanta Journal
THE ATLANTA CONSTITUTION

SUNDAY, FEB. 18, 1996 P5

God promised Noah he would not send another flood. But now we are in danger of failing God — we are the human flood that is sweeping across the world.

All creatures great and small

y Tony Campolo
nd Ron Sider

The tragedy of vanishing species of plants and animals should sound a particular clarion call for very Christian, especially evangelical Christians, to listen to God's injunction to save all creatures.

The Bible relates how Noah built his ark out of gopher wood. There's no record of Noah having protested that another kind of lumber might be more cost-effective, or that he couldn't be bothered with animals that were seemingly "insignificant."

And yet that's exactly how some in Congress are mistreating God's creation today. The Endangered Species Act is up for renewal, and bills in Congress offered by Sen. Dirk Kempthorne (R-Idaho) and by Reps. Don Young (R-Alaska) and Richard Pombo (R-Calif.) claim to improve on current legislation. In fact, these bills would destroy the original act, signed into law in 1973 by President Richard Nixon.

Campolo

Sider

No plant or animal is insignificant — not in the ecosystems of which they are a part or in the eyes of God. Yet much of the debate today over saving endangered creatures centers on money and inconvenience. How unfortunate that the entire yearly budget for the endangered species program of the U.S. Fish and Wildlife Service costs as much as building approximately 2½ miles of highway.

In fact, the long-term monetary costs of *losing* endangered species and their habitats may be enormous, but even more important than that is the damage to our values.

It seems that during an election season we hear so much rhetoric about virtue and the need to return to values based on the Old and New Testaments. If, however, people center their lives on biblical teachings, they must not be blind to the misuse of nature. Such blindness can cause one to look at a thriving ecosystem — full of the creatures Noah worked so hard to save — and see only pulp for paper mills.

Calvin DeWitt, a founder of the Evangelical Environmental Network noted, "Nature is more than material to be harvested and managed; the cosmos, the entire cosmos, belongs to and is cared for by God."

Some draw justification for running rampant over nature from a passage in Genesis giving the human race dominion over the rest of creation. But dominion is not domination. Make no mistake about it: Wanton and careless extinguishing of species bears no relation to the careful stewardship and the wise dominion over the Earth that God requires of us.

After all, creation still belongs to God, and he cares about all of it. In the very beginning of the Bible, "God saw all that he had made, and it was very good." How poorly it reflects on us if the human race causes the destruction of so many intricate parts of the natural world.

God promised Noah he would not send another flood, and gave the rainbow as a sign of his covenant. But now we are in danger of failing God — we are the *human* flood that is sweeping across the world. A recent study by the Nature Conservancy found that almost one-third of the 20,000 native American species of plants and animals it studied are at risk.

How ironic that evangelicals have been typecast as anti-environmental because of belonging to a "conservative" Christian group. But what better do we have to conserve than our biblically centered values and our heritage of the natural world?

If Noah were around today, he'd take one look at attempts to gut the Endangered Species Act, and he'd start building another ark.

Tony Campolo is a sociology professor at Eastern College in St. Davids, Pa.; Ron Sider is a professor of theology and culture at Eastern Baptist Seminary in Wynnewood, Pa.

The Keene Sentinel

Monday, February 12, 1996

FEB. -20' 96 (TUE) 12:11 TEL:202 797 6501 P.006

Tony Campolo and Ron Sider

Congress mustn't second-guess Noah

The tragedy of vanishing species should sound a particular clarion call for evangelical Christians.

The tragedy of vanishing species of plants and animals should sound a particular clarion call for every Christian, especially evangelical Christians, to listen to God's injunction to save all creatures. It's a pity some members of our current congressional majority seem to be ignoring this message.

The Bible relates how Noah built his ark out of gopher wood. There's no record of Noah having protested that another kind of lumber might be more cost effective, or that he couldn't be bothered with animals that were seemingly "insignificant."

And yet that's exactly how some in Congress are mistreating God's creation today. The Endangered Species Act is up for renewal, and bills in Congress offered by Sen. Dirk Kempthorne (R-Ind.) and by Reps. Don Young (R-Ark.) and Richard Pombo (R-Calif.) claim to improve on the current legislation. In fact, these bills would destroy the original act, signed into law in 1973 by President Nixon.

The truth is that no plants or animals are insignificant — not in the ecosystems of which they form a part (and on which humans depend) or in the eyes of God. Yet much of the debate today over saving endangered creatures centers on money and inconvenience. How unfortunate that the entire yearly budget for the endangered species program of the U.S. Fish and Wildlife Service costs as much as building approximately 2½ miles of highway!

In fact, the long term monetary costs of losing endangered species and their habitats may be enormous, but even more important than that is the damage to our values.

It seems that during an election season we hear much political rhetoric about virtue and the need to return to values based on the Old and New Testaments. If, however, people center their lives on biblical teachings, they must not be blind to the misuse of nature. Such blindness can cause one to look at a thriving ecosystem — full of the creatures Noah worked so hard to save — and see only pulp for paper mills.

Calvin DeWitt, a founder of the Evangelical Environmental Network noted that, "Nature is more than material to be harvested and managed; the cosmos, the entire cosmos, belongs to and is cared for by God."

Some draw justification for running rampant over nature from a passage in Genesis giving the human race dominion over the rest of creation. But dominion is not domination. Make no mistake about it: Wanton and careless extinguishing of species bears no relation to the careful stewardship and the wise dominion over the Earth that God requires of us.

After all, creation still belongs to God, and he cares about all of it. In the very beginning of the Bible, "God saw all that he had made, and it was very good." He still notices even the sparrow's fall. How poorly it reflects on all of us, therefore, if the human race causes the destruction of so many intricate parts of the natural world.

God promised Noah he would not send another flood and gave the rainbow as a sign of his covenant. But now we are in danger of failing God — we are the human flood that is sweeping across the world. Our unthinking or uncaring efforts have greatly accelerated the extinction of species. A recent study by the Nature Conservancy found that almost one-third of the 20,000 native American species of plants and animals it studied are at risk.

Once a species of plant or animal is extinct, we can no longer obtain any medicine or food it might have provided. The destruction of its habitat may deprive us of recreational and ecological benefits. Most importantly, though, we cast a dark shadow where the Psalms tell us, "The Lord shall rejoice in his works."

How ironic that evangelicals have been typecast as anti-environmental because of belonging to a "conservative" Christian group. What better do we have to conserve than our biblically centered values and our heritage of the natural world?

If Noah were around today, he'd take one look at attempts to gut the Endangered Species Act, and he'd start building another ark. Christians should be the most ecological of all citizens. They can start by advocating a strong Endangered Species Act to help protect all of God's creation.

Tony Campolo is a sociology professor and author of "The Kingdom of God Is a Party." Ron Sider is a professor of theology and culture and author of "Rich Christians in an Age of Hunger."

Seattle Post-Intelligencer

FOCUS

'Green' evangelists

The rush of an evangelical Christian organization to the defense of the Endangered Species Act is perfectly appropriate.

The Evangelical Environmental Network is mounting a Christian response to conservatives in Congress – many of whom also espouse certain Christian convictions – but who nevertheless are busily engaged in the devil's own work, wrecking divine creation. They propose to pull the plug on Noah's Ark by weakening habitat protections for endangered species and reducing the number of species listed for protection.

Representing 1,000 Christian congregations nationwide, the 3-year-old evangelical environmental movement endorses no candidates or parties but is trumpeting a religious theme on radio and television in laudable efforts to preserve what God hath wrought.

Interior Secretary Bruce Babbitt blessed the group's recent lobbying effort on Capitol Hill, saying it was extending humanity's ethical obligations "to the land and water and forests and plants and animals that live from our Creator."

"The Bible teaches us that humans are the stewards for creation," said Rev. Vic Gordon, a Baptist minister from Wichita, Kan.

Amen.

Chicago Tribune

FOUNDED JUNE 10, 1847

JACK FULLER, *Publisher* HOWARD A. TYNER, *Editor*

N. DON WYCLIFF, *Editorial Page Editor* ANN MARIE LIPINSKI, *Managing Editor*

JAMES O'SHEA, *Deputy Managing Editor/News* GEROULD KERN, *Deputy Managing Editor/Features*

R. BRUCE DOLD, *Deputy Editorial Page Editor* F. RICHARD CICCONE, *Associate Editor*

Editorials

The shifting environmental wind

Conservative Republicans in Congress have two good reasons to retreat from their rigid anti-environmental agenda: to preserve themselves and to preserve some 25 years of laws—supported by both parties—that have given Americans cleaner water, cleaner air and a vast trust of public land.

If they choose to self-destruct out of devotion to their cause, they are free to do so. But before they inflict irreparable damage to sound law, they ought to measure a political wind that is gathering momentum:

■ The party's own polls show Republican leaders are out of the mainstream of public opinion on the environment. The latest, taken for congressional candidates, found that voters by more than a 2-1 ratio trusted Democrats over Republicans to protect the environment, 55 percent of Republicans didn't trust their own party and only 35 percent of all voters would vote for House members who supported bludgeoning the Environmental Protection Agency budget.

■ The recent election of Democrat Ron Wyden to replace Republican Bob Packwood in the Senate from Oregon was seen in part as a strong backlash against GOP environmental mischief.

■ The party's traditional allies in business and industry, distressed at being branded as polluters, are losing their stomach for excessive regulatory reform that would hinder enforcement of environmental law. Now, some say, they will settle for a 1993 order from President Clinton directing federal agencies to balance cost and benefit in writing environmental rules.

■ A broad coalition of evangelical Christians, represented by the Evangelical Environmental Network, rallied behind the Endangered Species Act as a modern-day "Noah's ark"—deploring efforts by members of Congress and special interests to sink it.

■ Congressional Republicans continue to distance themselves from what they see as a losing, misguided strategy. Thirty of them recently wrote to House Speaker Newt Gingrich, complaining that the party has "taken a beating" on environmental policy and urging him to get the party back on course; all eight Republicans in the New Jersey delegation also wrote to demand restoration of Superfund financing.

It is clear that while Americans may bristle at government regulation, they make an exception when it comes to protecting their natural heritage. The true believers, however, still don't get the message and continue to hope for an agenda that, among other things, would gut the EPA, Clean Water Act and Endangered Species Act; hamstring enforcement of environmental laws; dispose of millions of acres of public land; open such areas as Alaska's Tongass National Forest to heavy logging and create other favors for special interests to exploit federal property.

It is up to Gingrich, Sen. Bob Dole and other party leaders to set them, and the party, straight. If not, they may rue a new variation on an old campaign war cry: It's the environment, stupid.

Seattle Times
Feb. 28, 1996

EDITORIALS

Timber salvage bill was clear-cut bait 'n' switch

THE NORTHWEST timber wars have been joined again, with chain saws whining in the ancient forests of Washington and Oregon while environmentalists resort to civil disobedience and street demonstrations in an attempt to stop them.

All this due to a little congressional bill called the "Emergency Salvage Timber Sale Program," passed by Congress last year.

President Clinton, who eventually signed that bill, now says he believed that it would apply only to diseased or fire-prone forests — not to what's left of old-growth forests. Timber interests, including Republican Sen. Slade Gorton, say that's hogwash; he knew, or should have known, what he was signing.

The record favors the president. Nearly a year ago, last March 3, Gorton faxed to The Times a six-page press release laying out eight arguments for his timber bill. His document refers repeatedly to "salvage logging." There is no mention of old-growth timber.

"We're not talking about clear-cuts in the Olympics," Gorton argued in his release. "These operations will pull dead, dying, burnt, diseased, blown-down and bug-infested timber out of the forest, and reforest the salvaged areas. It's an important part of restoring these forests to health."

Gorton's arguments made sense. That's why he won support from the White House and others who were willing to relax environmental laws to allow salvage logging, generate much-needed jobs and reduce the fire danger in Northwest forests.

Only later was the bill expanded to include long-delayed sales of old-growth timber. A year later, Gorton's plan has generated little or no salvage logging. Instead, loggers are attempting to clear-cut an ancient stand of Douglas firs in the Olympics, where fire is not an issue. Gorton's backers, including this newspaper, feel lured into a bait-and-switch game.

The amount of timber at issue is modest — certainly not enough to undermine the biological health of Northwest forests. And Gorton makes a reasonable argument that the old-growth timber is being cut under 6-year-old contracts that should be honored.

The point is this: Gorton won initial, bipartisan support by peddling his salvage rider as one thing. And the Northwest is being asked to live with quite another. This puts President Clinton on solid ground to reconsider his agreement to a good deal gone bad.

Seattle Post-Intelligencer
Feb. 27, 1996

Timber rider 'mistake'

2/27/ A16

It's good news, as far as it goes, that President Clinton says the timber salvage rider legislation he signed was "just a mistake" and should be repealed.

The rider expires at the end of this year. The timber companies therefore are hurrying to make lumber of *healthy* old-growth trees in endangered habitat zones, not merely diseased or fire-prone ones the law supposedly was meant to address.

So by the time political outrage and the tortuous machinery of Congress can be brought to bear on this matter, the old-growth trees that are the center of the dispute may well have vanished.

In that case, all we're likely to be left with thanks to this monumental blunder is renewed warfare in the Northwest woods and more delightful vistas of sawed-off stumps.

THE PRESIDENT HAS SEEN
3·4·96

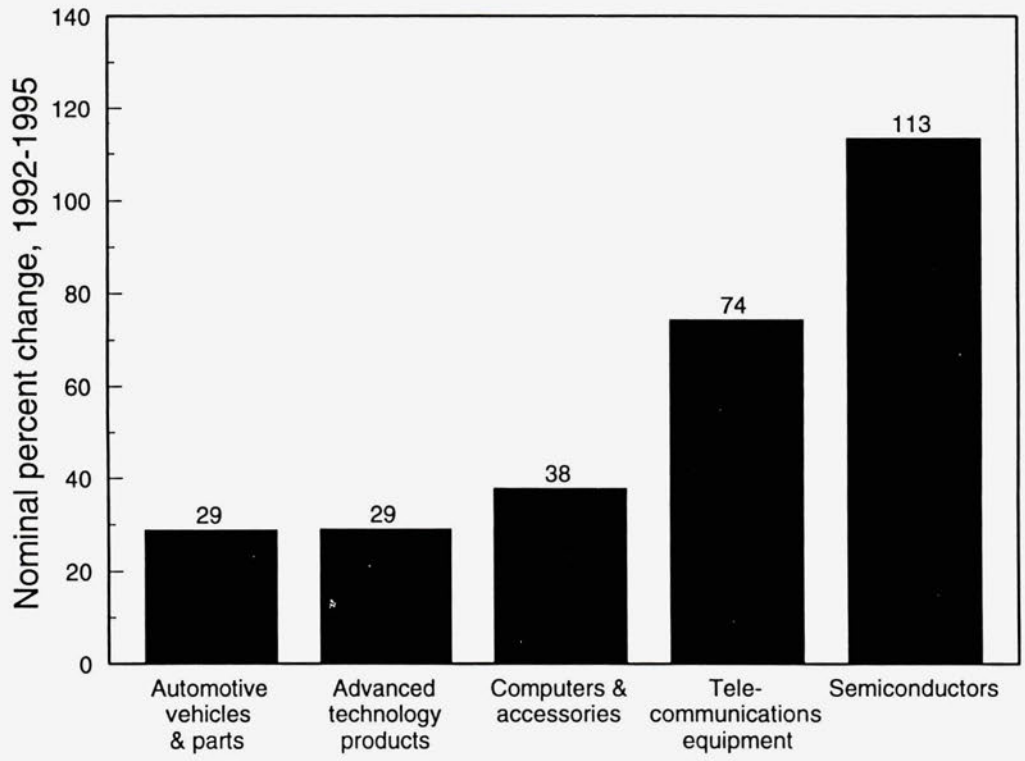
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

March 1, 1996

CHART OF THE WEEK

U.S. Export Growth in Selected Sectors



Merchandise exports have grown by over 30 percent since 1992, with particular strength in capital goods sectors, which represent 40 percent of such exports and include semiconductors and telecommunications equipment. As a consequence, the number of jobs supported by exports has risen sharply over the past 3 years. Because jobs supported by goods exports pay significantly more than the national average, export growth has led to wage gains for American workers.

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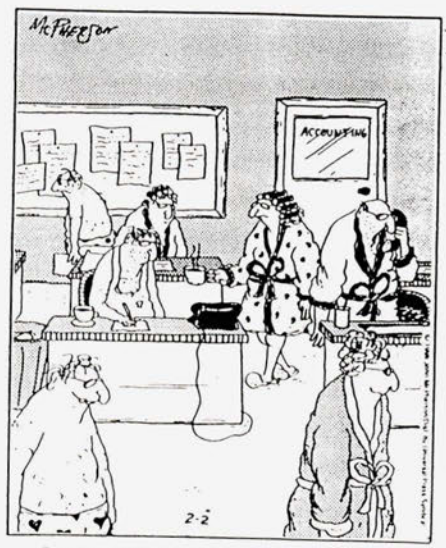


Gradually, employees at Milnard Industries began to abuse the company's Friday casual-dress policy.

CURRENT DEVELOPMENT

Additional Data Indicate Weaker Fourth Quarter but Stronger First Quarter

The advance estimate of real GDP growth in the fourth quarter, 0.9 percent at an annual rate, was based on incomplete data. Some missing pieces have been filled in during the past week. The news implies a downward revision of fourth-quarter growth to about 0.1 percent at an annual rate. This conclusion is tentative: more data will arrive before the official revision of fourth-quarter GDP at the end of March.

The big surprise was that retail inventories in December fell sharply, while sales were slightly stronger than originally thought. Although this is bad news for fourth quarter output, it is good news for 1996. Inventories are now closer to their desired levels and should no longer restrain production. Motor vehicles may be an exception, but current assembly schedules show only a slight decline in the projected first-quarter production.

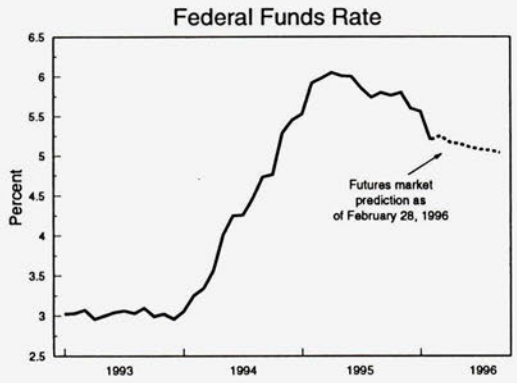
Another piece of evidence suggesting a stronger first quarter was the latest report on unemployment insurance claims. For the month of February, claims averaged 372,000—a level consistent with moderate growth and thus a hopeful sign that the economy is back on its moderate-growth track after the January disruptions.

CURRENT DEVELOPMENT

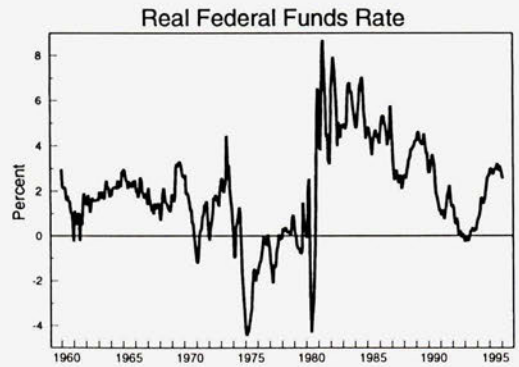
Room for Further Decline in the Fed Funds Rate

In December and again in January, the Federal Reserve lowered the target Federal funds rate—from 5.75 to 5.25 percent. These cuts were widely expected by investors and validated the general decline in interest rates during 1995. Many observers continue to argue that the funds rate remains high, and they foresee additional easing by the Fed at its next policy meeting on March 24. Because long-term rates depend on short-term rates like the funds rate, another cut would help contain the recent rise in long-term bond rates.

Market is predicting a decline. Investors in the market for Federal funds futures are anticipating a decline in the funds rate of a quarter percentage point by July (see chart). This market recently has been quite accurate, predicting correctly last summer that the Fed would lower rates about half a percentage point by late 1995 or early 1996. In addition, despite the recent rise in long-term bond rates, 3-month Treasury rates remain below 5 percent, suggesting that investors in Treasuries also expect a further decline in the funds rate.



Analysis. To assess whether the funds rate remains high relative to inflation, the inflation-adjusted funds rate can be compared to its level in the past when economic conditions were similar to today. Current conditions of low and stable inflation accompanied by economic expansion are more like those of the mid-1960s than the high and unexpected inflation of the 1970s or the exploding deficits of the 1980s. With the inflation-adjusted funds rate still a bit above the level of the mid-1960s (see chart), the current situation thus leaves room for a cut in the funds rate.



SPECIAL ANALYSIS

Medicaid: 51 Different Programs?

The National Governor's Association (NGA) recently released a proposal to reform the Medicaid program. The proposal would provide increased flexibility to states for determining Medicaid eligibility and total flexibility to determine the amount, duration, and scope of services provided under the program. This article explores how the current Medicaid program varies across the states, in order to provide some background against which to assess the NGA proposal.

Federal requirements. In general, states are required to offer Medicaid to those receiving cash assistance (AFDC or SSI), as well as to poor children and poor pregnant women. Federal law determines the set of services (including hospital and physicians' services) that states must offer to this population. Federal law also places some requirements on the types of services states must include if they elect to offer coverage to other groups. States may place limits on coverage of these services, but their Medicaid programs must provide reasonable health care.

Variation in state Medicaid programs. Medicaid programs vary along two key dimensions that determine differences in program spending across states.

Fraction of Poor Covered. The fraction of the poor eligible for Medicaid varies significantly across the states, largely reflecting differences in eligibility policies. In recent years, the ratio of people eligible for Medicaid to people with income at or below 150 percent of the poverty rate for the non-elderly population was roughly 65 percent nationally—but varied from around 40 percent to 90 percent across states. Lower income states tend to cover a smaller fraction of their poor, but because the poor comprise such a large share of their population, lower income states generally provide Medicaid to a larger fraction of their total population than higher income states.

Expenditure per Beneficiary. Medicaid expenditures per beneficiary also vary substantially (see map on next page). In 1993, the mean expenditure per beneficiary (not including disproportionate share payments to hospitals) was about $3400. Expenditure varied from a low of $2078 in Mississippi to a high of $6229 in New York. Part of this variation in expenditure can be explained by the following factors:

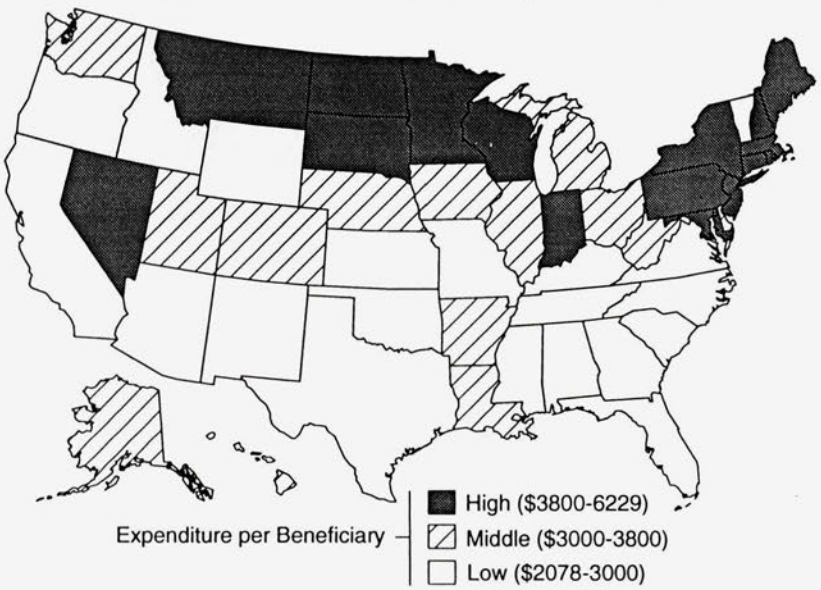
- **Service limitations.** Many states have length-of-stay limits for hospitals, with these limits ranging from 12 to 45 days per year, while other states have no explicit limits on hospital stays. Similarly, a number of states limit physician visits. For example, Louisiana allows only 12 physician visits per year.
- **Payment rates.** Medicaid expenditures vary because average health care costs vary across states, and because Medicaid payments relative to

average health care costs also vary across states. The ratio of maximum Medicaid physician fees to Medicare physician fees (which can be used as a gauge of average physician fees in the state) varies from 36 percent in New York to 164 percent in Alaska. The ratio of Medicaid to Medicare fees tends to be lower in higher income states, perhaps because Medicare fees reflect market prices more than Medicaid fees do.

- **Composition of Medicaid population.** Medicaid covers both acute care and long-term care. Because providing long-term care is more costly on average than providing acute care, the more the Medicaid population is comprised of those in need of long-term care, the higher the cost of the program. States can influence the composition of their Medicaid population. For example, state eligibility standards can affect how many institutionalized people qualify for Medicaid, and state nursing home reimbursement rates under Medicaid can affect the number of nursing home beds available.

Conclusion. Medicaid programs vary substantially across the states (though less than for AFDC, see box on next page). Part of this variation stems from differences in states' economies—like differences in average health care costs—and part stems from differences in Medicaid policies. Low-income states, despite having a higher Federal match rate on their Medicaid expenditures, tend to have relatively low Medicaid expenditures, and lower coverage of the poor.

Variation in Medicaid Expenditure



Note: Comparable data for Arizona are not available.

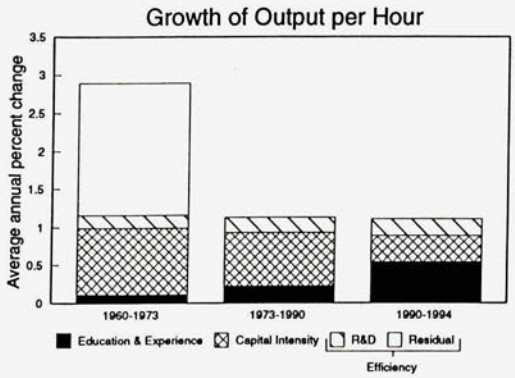
Variation in Medicaid Relative to AFDC

The variation across states in Medicaid expenditures is substantially lower than the variation in Aid to Families with Dependent Children (AFDC) expenditures. This finding might be explained by a number of factors, including greater similarity across states in the level of health care than in the level of cash benefits that states want to provide for the poor. Another possible explanation is the fact that the Federal Government regulates the Medicaid program more than it regulates the AFDC program. To the extent that this explanation is important, increasing the states' flexibility to determine benefits and eligibility would increase the variation in Medicaid benefits across the states.

ARTICLE

Accounting for Productivity Growth

At the center of the debate over how fast the U.S. economy can grow without boosting inflation is the issue of productivity. Most of the slowdown in average annual real GDP growth since 1973 is attributable to a drop in productivity growth, which averaged 2.9 percent from 1960 to 1973 but only 1.1 percent from 1973 to 1995 (see Weekly Briefing, February 23, 1996). With demographic trends ruling out a sharp increase in labor force participation, faster sustainable growth in the future depends on more rapid gains in productivity.



Determinants of productivity growth. Productivity can be raised by improving the quality of the work force (through education and training), augmenting the capital stock (through private and public investment), and increasing the efficiency with which labor and capital are used. Increases in efficiency can come from advances in technology (through research and development), and from other sources, such as innovations in production processes like just-in-time inventory management. The chart shows the relative contribution of these factors to productivity growth for various time periods.

- **Quality of the workforce.** Improvements in education and experience have boosted productivity growth since the 1970s. Although much of this improvement is due to the role of experience as the workforce ages, some also is due to the role of educational attainment, which increased by about 2 years between the 1960s and 1990s.

- **Capital intensity.** Capital accumulation has contributed less to productivity growth since the 1970s. The dropoff in capital accumulation reflects in part the decline during the 1980s in the share of output devoted to investment as a result of high real interest rates accompanying large budget deficits.

- **Efficiency.** Because gains in productivity growth due to improvements in education and experience roughly offset the decline due to slower capital accumulation, almost all of the slowing in productivity growth since 1973 can be attributed to a drop in efficiency gains (R&D plus residual in chart).

What accounts for the sharp slowing in efficiency gains? Research and development, as conventionally measured, does not appear to have contributed to the slowing of efficiency gains. Both before and after 1973, R&D contributed about the same amount to productivity growth. The slowing in efficiency gains

thus is largely unexplained and therefore is designated as a decline in the "residual." Part of the decline in the residual likely reflects misclassification of changes in the contribution from other factors. For example, productivity studies often do not include public infrastructure in measured capital intensity, so the effects on productivity of the decline in public infrastructure from 50 percent of GDP in 1970 to roughly 40 percent recently show up in the residual. Part of the decline, however, may reflect mismeasurement of productivity.

Measurement issues. Many in the business community do not believe that the rate of increase in business efficiency has slowed. International comparisons of productivity find that many important innovations—particularly in the service sector—have originated in the United States. Thus, part of the decline in measured productivity growth may not be real but instead may represent measurement error.

The increasing share of services in total output over the past two decades could have reduced measured productivity growth because gains in service-sector productivity often are not included at all in standard measures. For example, case studies show productivity in banking recently has grown by over 2 percent per year, reflecting innovations such as automated teller machines. But the growth of real output in the banking and financial services industry is assumed to equal the growth of hours worked in the industry, so that, by assumption, growth of productivity is zero. In stark contrast, productivity gains recently have been around 4 percent per year in manufacturing, where output is more tangible and easier to measure.

Summary. The understatement of measured productivity growth, particularly in the service sector, suggests that economic growth has recently been somewhat higher than statistical measures indicate. Furthermore, the payoffs from the rapid technological advances and significant business restructuring of the past decade clearly take time to be translated fully into measured increases in productivity. In this regard, it is worth noting that over 20 years passed between the common use of the electric motor at the turn of the century and its effective utilization in factory processes during the 1920s.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Older Is Bolder For Macroeconomic Forecasters. With the exception of recent Fed Board nominee Laurence Meyer (whose firm has won several recent forecasting awards), older and more established macroeconomic forecasters make more radical and less accurate projections, according to a recent National Bureau for Economic Research Working Paper. One possible explanation of this puzzling result is that private forecasters seek not only to be accurate, but also to make a profit. Thus, they may act conservatively early in their careers to try to build a reputation for accuracy. If reputations are durable once built, poor projections will have little cost to established forecasters, while forecasts differing greatly from average ones may attract media attention for one's firm. Whatever the explanation, this phenomenon seems to be significant: as a forecaster ages 10 years, the discrepancy between his GNP growth forecast and the consensus increases by 22 basis points, while for a forecaster who starts his own firm, this discrepancy surges by a whopping 52 basis points.

AT&T Plugs Into Consumer Internet Service. AT&T has announced that as of March 14 it will offer its WorldNet dial-up Internet service to its 80 million residential customers. The company also is promoting its Internet access business heavily to its 10 million commercial telephone subscribers. Residential customers who subscribe to AT&T's telephone service in 1996 will receive five free hours per month of Internet access for 1 year; additional hours will cost $2.50. The company also will offer an unlimited usage plan for $19.95 a month, which is competitive with other companies' prices. Non-AT&T long-distance customers can still hook up, but they will be charged an additional fee. AT&T says it will offer a host of directories and navigational aids, including a version of the widely used Netscape browser. Software allowing parents to block access to portions of the Internet also will be available. While businesses have had access to WorldNet since last September, its expansion is the kind of response to competition that should result from the Telecommunications Act of 1996.

High Speed Rail On Track For Florida. The Florida Transportation Department has given the nod to Orlando-based Florida Overland Express to build and operate a new high-speed rail system connecting Miami, Orlando and Tampa Bay. Five proposals were received for the system, which will use cars developed for the French TGV railway. Speeds of 200 miles per hour will be possible, so that passengers will traverse the 224-mile Miami-Orlando stretch in about an hour and a half when service begins in 2004. The project includes a relatively small but important commitment of state funds, and the state will own the entire system except for the rail cars. While the oneway Miami-Orlando fare might seem high at $54 for economy class ($108 for first class), it works out to 24 cents a mile, not terribly different from standard per-mile reimbursement rates for auto travel. Given the amenities planned (like at-seat meal services and fax stations) and the convenience of travelling at higher speeds, the new system may well be a commercial success.

INTERNATIONAL ROUNDUP

Strong Growth But Continuing Problems In Australia. The Australian economy has experienced 4 years of robust growth, expanding by 5 percent in 1994 and an estimated 3.3 percent last year. The OECD projects growth to continue at about this rate in 1996 and 1997. This rapid growth is reducing the overall unemployment rate, which reached a 5-year low of 8.1 percent in December 1995. But youth unemployment remains remarkably high—as high as 30 percent—and is a key issue in the general elections scheduled for March 2. There are also problems on the international front. As a result of strong import growth of 15 percent in 1994 and an estimated 10 percent in 1995, the current account deficit increased to 5 percent of GDP in 1995.

Spanish Unemployment Remains The Highest In The OECD. Despite a solid recovery in the economy since 1994, Spain continues to struggle with high unemployment: the unemployment rate of 23 percent remains the highest in the OECD. The Spanish labor market has been known for generous unemployment benefits and restrictions on hiring and firing workers. Labor market reforms were launched in late 1992, and included measures to increase part-time employment, relax restrictions on the length of the working day and overtime, and tighten eligibility requirements for unemployment benefits. But flexibility in the use of labor in the workplace is still tightly circumscribed, and severance costs remain high. Financial markets seem to be hoping for increased labor market reforms if the center-right opposition wins the general elections on March 3.

EU Efforts For FTAs Falter Due To Agricultural Interests. The European Union has launched several free trade area (FTA) initiatives with developing countries including Mexico and South Africa. Many of these have run into difficulties as EU member states have opposed exposing their tightly controlled agricultural markets to competition from these agricultural exporters. Another potential problem is whether the proposed FTAs would be compatible with WTO rules, and the possibility that they could prompt countries with existing agreements to demand that the EU match the terms agreed in new trade accords. A decision on commencing negotiations with Mexico and South Africa on FTAs was postponed again on February 26. Another recent EU initiative aims to increase European trade and investment with Asia. At a summit in Bangkok this weekend, European and Asian leaders will work to establish institutional ties. Sir Leon Brittan, EU trade commissioner, is reported to want to use the occasion to promote his proposal for a global accord on investments in developing nations.

RELEASES THIS WEEK

Retail Sales

Advance estimates show that retail sales decreased 0.3 percent in January following increases in the prior 2 months. Excluding sales in the automotive group, retail sales were unchanged.

Producer Price Index

The producer price index for finished goods increased 0.3 percent in January. Excluding food and energy, producer prices decreased 0.1 percent.

Consumer Confidence

Consumer confidence, as measured by the Conference Board, rose 8.6 index points in February, to 97.0 (1985=100).

Consumer Price Index

The consumer price index increased 0.4 percent in January. Excluding food and energy, consumer prices increased 0.3 percent.

U.S. International Trade in Goods and Services

In December 1995, the goods and services trade deficit was $6.8 billion, compared with a deficit of $6.7 billion in November.

MAJOR RELEASES NEXT WEEK

Personal Income (Monday)
Productivity (Wednesday)
Leading Indicators (Thursday)
Employment (Friday)

U.S. ECONOMIC STATISTICS

	1970–1993	1995	1995:2	1995:3	1995:4
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	1.4	0.5	3.6	0.9
GDP chain-type price index	5.3	2.6	2.5	2.2	2.2
Nonfarm business (NFB) sector:					
Productivity (chain-type)	1.5	N.A.	3.0	1.4	N.A.
Real compensation per hour:					
Using CPI	0.6	N.A.	2.0	1.8	N.A.
Using NFB deflator	1.3	N.A.	3.2	1.6	N.A.
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.2	10.2	10.2	10.3
Residential investment	4.5	4.0	3.9	4.0	4.0
Exports	8.2	11.1	11.1	11.1	11.3
Imports	9.2	12.5	12.8	12.5	12.3
Personal saving	5.1	3.3	2.9	3.2	3.6
Federal surplus	–2.7	N.A.	–2.2	–2.2	N.A.

	1970–1993	1995	Nov. 1995	Dec. 1995	Jan. 1996
Unemployment Rate	6.7**	5.6**	5.6	5.6	5.8
Payroll employment (thousands)					
increase per month			212	161	–201
increase since Jan. 1993					7695
Inflation (percent per period)					
CPI	5.8	2.5	**0.1**	0.2	**0.4**
PPI-Finished goods	5.0	2.2	**0.4**	**0.6**	**0.3**

**Figures beginning 1994 are not comparable with earlier data.

New or revised data in **boldface**.

FINANCIAL STATISTICS

	1994	1995	Dec. 1995	Jan. 1996	Feb. 29, 1996
Dow-Jones Industrial Average	3794	4494	5136	5179	5486
Interest Rates					
3-month T-bill	4.25	5.49	5.14	5.00	4.89
10-year T-bond	7.09	6.57	5.71	5.65	6.13
Mortgage rate, 30-year fixed	8.35	7.95	7.20	7.03	7.41
Prime rate	7.15	8.83	8.65	8.50	8.25

INTERNATIONAL STATISTICS

Exchange Rates	**Current level February 29, 1996**	**Percent Change from Week ago**	**Year ago**
Deutschemark-Dollar	1.470	+1.4	+0.4
Yen-Dollar	105.1	+0.2	+8.7
Multilateral $ (Mar. 1973=100)	86.30	+0.7	+0.3

International Comparisons	**Real GDP growth (last 4 quarters)**	**Unemployment rate**	**CPI inflation (last 12 months)**
United States	1.4 (Q4)	5.8 (Jan)	2.7 (Jan)
Canada	0.6 (Q4)	9.4 (Dec)	1.7 (Dec)
Japan	–0.2 (Q3)	3.4 (Nov)	–0.3 (Dec)
France	0.8 (Q4)	12.2 (Sept)	2.1 (Dec)
Germany	1.5 (Q3)	6.7 (Nov)	1.5 (Dec)
Italy	3.4 (Q3)	12.0 (Oct)	5.8 (Dec)
United Kingdom	1.9 (Q4)	8.6 (Dec)	3.3 (Dec)

THE PRESIDENT HAS SEEN
3-4-96

THE WHITE HOUSE

WASHINGTON

March 1, 1996 96 MAR 1 P8:22

MEMORANDUM FOR THE PRESIDENT

FROM: **KITTY HIGGINS**

SUBJECT: **Summary of Cabinet Weekly Reports**
February 23 - March 1

DEPARTMENT OF TREASURY

- **Securities Reform**: On March 7, Representative Fields has scheduled a markup of a revised version of his bill to modify securities laws. Treasury staff is working with the White House on the Administration's position.

- **Cuba Sanctions Enforcement Hearing**: The Western Hemisphere Subcommittee of the House International Affairs Committee has rescheduled hearings for March 5 on sanctions enforcement and the Cuban embargo.

- **Operation Joint Endeavor Tax Relief**: On February 28, the Committee on Ways and Means marked up tax relief legislation to benefit our troops in Bosnia and ordered it favorably reported. It likely will be on a fast track, and could be taken up by the House early next week under suspension. It was agreed to unanimously by the Committee.

- **Senator Feinstein, Customs and the Southwest Border**: On March 5, Deputy Secretary Summers and Commissioner Weise are scheduled to meet with Senator Feinstein to discuss a number of issues concerning Customs' interdiction efforts on the border, including the recently distributed Operation Hard Line Annual Report.

- **Social Security:** Treasury staff have prepared a catalogue of potential issues raised by the expected proposal of the Social Security Advisory Council to invest portions of the OASDI (Old Age and Survivors Disabilities Insurance) trust funds in private securities, including equities. The Council's report is not expected to be released before mid-March.

- **Wage Stagnation & Worker Displacement:** Treasury's Office of Economic Policy has begun discussions with Labor Department officials on possible initiatives in the area of wage stagnation and worker displacement.

- **Libya**: On February 22, Louis Farrakhan and a delegation of 29 followers returned to the U.S.. Based upon much publicized media reports that Farrakhan had met with leaders in Libya, Iraq and Iran and reportedly had received a pledge of $1 billion from Muammar Gaddafi. Customs agents and inspectors interviewed Farrakhan and other returnees, all of whom were described as very cooperative. Customs seized numerous documents in connection with Farrakhan's admission of having traveled to embargoed countries. That information will be forwarded to the Office of Foreign Assets Control for evaluation as to whether a violation of travel prohibitions occurred.

- **Currency Redesign:** Next week Treasury will announce that new currency, designed to stay ahead of technologies available to counterfeiters will be released on March 25.

DEPARTMENT OF COMMERCE

- **Travel to Los Angeles Area:** On March 8 at 4:00pm, the Secretary will be the honored guest at a rally hosted by Mayor Larry Guidi of Hawthorne, Danny Bakewell, developer of Hawthorne Plaza, and the California Aerospace Association. Presentation of Economic Development Administration loan checks will be made, through the Business Assistance Earthquake Fund. This event amplifies your State of the Union message of economic security through public/private partnerships. An audience of over 1,000 is expected.

- **Muenster Conference:** On March 4 and 5, Secretary Brown will be at the Muenster Conference in Baltimore, MD, discussing trade and investment between the G-7, Central and Eastern European countries, and the Newly Independent States.

DEPARTMENT OF LABOR

- **United Food and Commercial Workers:** On March 5, Secretary Reich will deliver remarks at the United Food and Commercial Workers International Union's 1996 Legislative Conference.

- **Pension Payback:** On March 6, Secretary Reich will announce the Pension Payback initiative. This initiative will allow employers to avoid possible federal, civil, and criminal sanctions by restoring employees' retirement contributions and any lost pension earnings. Attorney General Reno will participate in this event.

- **Travel to Pennsylvania:** On March 7, Secretary Reich will travel to Philadelphia to be the featured speaker at the Pennsylvania AFL-CIO's 32nd Constitutional Convention.

- **Employment Numbers:** On March 8, Secretary Reich will release the Employment Situation report for February, and will be interviewed by The Associated Press, Dow Jones News Service, NBC Desktop and Reuters News Service.

- **Electric Boat:** As a result of a recent self-audit, the Electric Boat Division in Groton, CT, has paid additional back wages of over $74,700 to 226 employees. The firm has now paid back wages totaling $6.6 million to 1,731 employees as a result of investigations during the past two years.

- **G.I. Bill for American Workers:** Conference negotiations on workforce development legislation have broken off. House and Senate staff were unable to reach agreement on the federal structure of the system, the funding of the blocks, and the maintenance of the Job Corps.

- **Automakers:** The Michigan Jobs Center and the University of Michigan predict that the Big Three automakers will hire as many as 129,000 new workers in Michigan between now and 2003. Replacing some of the 140,000 General Motors, Ford, and Chrysler workers expected to retire during this period in Michigan alone. A total of 240,000 blue collar, salaried, and skilled trades workers employed by the Big Three are expected to retire during the next seven years. Other states where job openings will occur include Ohio, Missouri, Kentucky, Tennessee, Illinois, Delaware, Georgia, Indiana and California.

- **Detroit Newspapers:** On February 27, the NLRB regional office in Detroit issued a complaint charging five Detroit area newspaper unions with numerous acts of strike related violence. A hearing on the allegations is set for May 6 before an NLRB administrative law judge. The unions have been striking the *Detroit News* and the *Detroit Free Press* since July 13, 1995.

DEPARTMENT OF TRANSPORTATION

- **Cuba Sanctions:** On February 26, actions against the Cuban government were envoked by the Treasury Department in conjunction with the Department of Transportation. These actions included the immediate suspension of charter air travel from the United States to Cuba. There are approximately 4,000 passengers now stranded in Cuba, having been brought there by U.S. operators. Transportation is working with U.S. tour operators to resolve this issue.

- **U.S. - Germany:** On February 29, Secretary Pena announced that U.S. and German negotiators have reached an agreement on a new "open skies" aviation relationship between our two countries. The open skies agreement with Germany will more than double the level of passenger traffic between the United States and open skies markets in Europe, increasing from just under 20 percent currently to nearly 40 percent of the total European market. There may be an opportunity for you and Chancellor Kohl to formally sign the agreement in July.

- **Emergency Relief Fund Status:** The Federal Highway Administration (FHWA) has depleted its FY 96 Emergency Relief (ER) fund, which is statutorily set at $100 million. A request for supplemental funding in the amount of $275 million is pending at OMB.

- **Congressional Hearing on Railroad Safety:** On March 5, the Federal Railroad Administrator will testify before the House Subcommittee on Railroads. It is expected to be an oversight hearing on the issue of rail safety and efforts that the Department and industry are taking to improve safety in light of recent rail accidents.

DEPARTMENT OF JUSTICE

- **Government To File Brief In 8th Circuit Challenge To "Don't Ask, Don't Tell":** Richenberg v. Perry. This case is one of four challenges currently pending on the constitutionality of the new policy governing military service by homosexuals. Former Air Force Captain Richard F. Richenberg, Jr., was ordered discharged on December 26, 1995 based upon his statement that he is homosexual. The district court granted summary judgment for the government, rejecting Richenberg's arguments that the military's policy violates the First Amendment and equal protection. The district court then denied Captain Richenberg's motion for an injunction pending appeal that would have stayed his discharge until the 8th Circuit decided his appeal. The 8th Circuit, over a dissent, also denied Captain Richenberg's motion for an injunction pending appeal. The United States will file its brief by March 4.

- **Office for Victims of Crime Helps Oklahoma City Victims:** On February 26, the Office for Victims of Crime (OVC) forwarded a memorandum to the Attorney General outlining activities and options to assist victims of the Oklahoma City bombing to attend the judicial proceedings which have been moved to Denver. OVC participated in a press conference with Govenor Keating on February 28, and announced $200,000 to assist with travel to Denver.

- **Press Inquiries:** ABC Weekend News is starting work on a story to air the weekend before the California primary (March 23-24) on the increase in naturalization applications and the political climate that has created the upsurge. They will focus on one city (probably San Diego).

- **Notice Of Appeal Filed In Louisiana Voting Case:** On February 22, the U.S. filed a notice of appeal and a motion for a stay pending appeal in Hays v. Louisiana, the constitutional challenge to Louisiana's 1994 congressional redistricting plan.

- **Cocaine Traffickers Arrested in New York:** On February 16, DEA New York arrested six members of a cocaine trafficking organization that distributed 300 kilograms monthly in Manhattan's Washington Heights section. Agents seized 221 kilograms of cocaine, approximately $300,000 in cash, five vehicles, and two handguns.

- **South Africa Begins Extradition Proceedings Against Suspect in Illegal Shipment of Military Hardware to Iraq:** Extradition proceedings commenced in South Africa on February 16 against John Paul Grecian, a British citizen who is wanted in the District of New Jersey for arms export violations, bank fraud, and conspiracy, in connection with the illegal shipment of artillery fuses to Iraq. He was tried on similar arms export control violations in

the United Kingdom, but was acquitted after it came to light that high ranking British government officials knew about the true nature of the shipments.

- **Federal District Court Denies Department's Attempt To Deport Mexico's Former Deputy Attorney General:** On February 28, U.S. District Court for the District of New Jersey denied DOJ's attempt to deport Mexican Deputy Attorney General, Mario Ruiz Massieu. INS initiated deportation action against Massieu based on the Secretary of State's belief that his "presence in the United States... would have potentially serious adverse" affects on U.S. interests. The District Court declared this particular deportation statute unconstitutional and directed his release from custody. The Solicitor General has authorized appeal and the government has filed an emergency stay of the release order.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **HHS Approves Amendment to California Welfare Waiver:** In the next two days, HHS will approve an amendment to the "Assistance Payments Demonstration Project," a statewide welfare demonstration for California. The amendment includes reductions in cash assistance benefits for California welfare recipients, combined with new work incentives. The waiver, originally approved by HHS in October 1992, was challenged in court in the case of Beno v. Shalala. The 9th Circuit voided the original waiver and returned it to HHS for consideration. Under the original demonstration, California sought to subject all recipients to the benefit reductions. However, consistent with a demonstration that encourages work, HHS will approve the amendment with exemptions to the benefit cuts for certain people who would not reasonably be expected to work, such as persons with disabilities and teen parents attending school.

- **HHS Approves Ohio Waiver:** In the next week or two, HHS will announce approval of **Ohio First**, a statewide demonstration project for Ohio. This is the third waiver demonstration for Ohio approved by the Clinton Administration. **Ohio First** will limit AFDC eligibility to 36 months in any 60-month period, with good cause exceptions. As a condition of eligibility for the family, applicants must look for employment while their application is being processed.

- **FDA Approves Second Protease Inhibitor to Treat HIV in Record Time:** As of March 1, the FDA will approve the second in a new class of AIDS drugs called "protease inhibitors." Ritonavir, the new drug, will receive full approval for use alone or in combination with nucleoside analogue medications, such as AZT. FDA will have approved the drug about 2 months after receiving the application. The review of ritonavir in 72 days is the fastest FDA approval of any AIDS drug yet.

- **Two L.A. and Chicago Youth Gang Drug Prevention Programs Lose Grants due to Congressional Budget Cuts:** The Administration for Children and Families' Family and Youth Services Bureau sent notification this week to two grantees in the Youth Gang Drug

Prevention Program, that due to budget cuts by Congress, there are no resources to provide continuation funding for their programs. The grantees are the Los Angeles County Office of Education's "Mujeres and Hombres Nobles" program and the Chicago Commons Association's "Better Days for Youth" program. Together, these programs are serving over 700 youth, and employ 44 staff. Both programs will have exhausted their current funds by the middle of March. If the funding status of the Youth Gang Drug Prevention and other youth programs does not change, over 190 additional youth programs will receive similar notice between now and the end of the fiscal year.

- **Folic Acid Fortification to Prevent Birth Defects:** HHS issued a regulation on March 1, which will require U.S. food manufacturers to add the nutrient folic acid to most enriched breads, flours, corn meals, pastas, rice and other grain products to reduce the risk of neural tube birth defects (e.g. spina bifida) in newborns.

- **Oregon Health Plan Demonstration Premium Issues Resolved:** On February 23, HCFA approved Oregon's proposal to waive past due premiums for certain persons covered under Oregon's demonstration who are unable to pay their premiums due to hardship. This proposal will waive past due premiums for individuals who are at the zero income level, or have higher incomes, but meet certain objective criteria such as being homeless, or a victim of a natural disaster, domestic violence, or other crimes.

- **TennCare HMO May Close Due to Insolvency Problems:** The second largest health plan in Tennessee's TennCare Medicaid Program, Access MedPlus, may be shut down as of March 1 because of a lack of financial resources. The health plan, a minority-owned HMO that enrolls over 275,000 TennCare eligibles (approximately 24% of the total TennCare enrollment), has had continuing financial problems since the inception of TennCare. HCFA has been working closely with the State to ensure that, if termination of the plan is necessary, an orderly transition for the plan's enrollees will occur with minimum disruption of care.

- **Tobacco Initiative Event in Atlanta:** On March 14, Secretary Shalala will travel to Atlanta to promote the Administration's tobacco initiative. The U.S. Olympic Women's Soccer Team will participate in a press conference to announce the release of a tobacco prevention campaign targeted to adolescent girls.

- **ReGo Third-Party Review Pilot Program:** A voluntary pilot program to test the use of third-party review for selected medical device applications will be announced in the *Federal Register* shortly. The initiative was included in your April 1995 report on reinventing drugs and devices.

- **Largest Medicare Fraud Case in New England Settled:** This week, Bioran Medical Laboratories in Cambridge, MA, agreed to pay $6.67 million to settle Federal claims that Bioran double-billed Medicare and other insurers for blood tests between 1989 and 1992. The U.S. Attorney expressed that this case was the largest fraud case involving a medical

laboratory in New England. Thousands of serum iron tests were performed by Bioran, which were not knowingly ordered by a physician and were not medically necessary. This case was investigated by the HHS Office of the Inspector General, the Defense Criminal Investigative Service, and the Medicaid programs in Vermont, Maine, and New Hampshire. The FBI has set up a hotline for citizens to report instances of health care fraud. According to the Regional Inspector General, Massachusetts ranks tenth nationally in spending on Medicare and Medicaid.

- **HHS Poverty Guidelines to be Issued:** HHS poverty guidelines, used in determining eligibility for such programs as the Community Services Block Grant, Head Start, Low-Income Home Energy Assistance, and the Food Stamp Program is usually updated, are expected to be published in the *Federal Register* either on March 1 or March 4.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Detroit Housing Authority Update:** On December 15, 1995, HUD entered into a partnership with the City of Detroit to turn around the city's long-troubled housing authority. As part of the partnership, Mayor Archer agreed to a range of specific action items, most of which are to be executed by March 1. The City has completed or is carrying out all of the agreed upon action items except for one significant matter -- the legal separation of the housing agency from the city government. The City Council voted (5-3) on March 1 to convert the Housing Authority into an independent entity. The votes are currently tied. If the resolution is vetoed or no action is taken by March 1 to take up the resolution, HUD will be forced to heighten thier intervention effort in Detroit. HUD will keep you posted on this matter. A more formal briefing and update on this will be transmitted for your trip.

- **Secretary Cisneros and Mayor Willie Brown Announce Next Steps on San Francisco Housing Authority:** On March 2, Secretary Cisneros will meet privately with Mayor Brown to discuss strategies for improving the San Francisco Housing Authority. Several options are being considered, including HUD intervention and the possible dissolution of the current Executive Board. The agreement reached between HUD and the City will be announced in a press conference immediately following the private meeting.

- **Pending Takeover of the Springfield Housing Authority:** HUD has long been working with the City of Springfield, IL, to develop solutions to turn around its troubled housing authority, one of the lowest-performing housing agencies in the nation. The Mayor of Springfield, the housing agency's board, and the public housing residents have all agreed that an alternative management of the city's public housing system is required, which includes a full dismantlement of the current board. HUD will act soon to bring these issues to a close.

- **America's Worst Case Housing Needs Continues to Grow:** On March 14, HUD will release a report which indicates that not only are more Americans facing severe housing needs but for some, those needs are getting worse.

- **HUD Delivers Ultimatum to Slumlord in Cleveland:** On February 23, HUD gave a Cleveland non-profit group, NOAH, Inc. (Neighbors Organized for Action in Housing, Inc.) 72 hours to correct health and safety violations at six Cleveland-area housing developments, and no more than 30 days to correct all violations of federal housing quality standards.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Key Department News:** General McCaffrey was confirmed by the Senate on February 29 as the Director of the Office of National Drug Control Policy. He will be sworn in privately on March 1, with a public ceremony on March 6, with the President and Justice Ginsburg.

- **White House Conference:** The White House Conference on Youth, Drug Use, and Violence will take place on March 7, at Eleanor Roosevelt High School in Greenbelt, MD. A welcoming reception will take place at the White House on the evening of March 6.

SMALL BUSINESS ADMINISTRATION

- **Deputy Administrator Nominee:** You approved Ginger Lew as his nominee for Deputy Administrator for the SBA. She will begin acting in her new position in mid-March and begin the confirmation process.

VETERANS AFFAIRS

- **Budget-Driven Reduction in Force Impacts VHA Headquarters:** February 24 marked the effective date of the Veterans Health Administration (VHA) headquarters Reduction in Force (RIF) personnel actions. VHA issued letters of *Proposed Separation* to 133 employees and *Notices of Reassignment* or *Change-to Lower Grade* to 118 employees on December 14, 1995. VA set up a Career Transition Center to help displaced employees identify suitable placement opportunities, and were successful in finding jobs for many.

- **VA Establishes Internet Home Page:** On February 23, VA came "on-line" with its customer service section of the VA Home Page on the Internet. The purpose for establishing an agency home page was to: 1) provide citizens access to the agency's customer service standards; 2) publicize an agency Presidential Vanguard Commitment; and 3) offer customers an outline feedback mechanism.

SOCIAL SECURITY ADMINISTRATION

- **Hart Case in Federal Court:** On February 28, the Federal district court in New Orleans heard oral argument in a case involving a child and a mother who were denied Social Security benefits because the child was conceived three months after the worker's death. The worker had his sperm frozen, and over three months after his death, Ms. Hart underwent a "gamete intrafallopian transfer" procedure under which her ova were fertilized using the

worker's sperm and then implanted in her. This resulted in a pregnancy and the birth of Judith Hart on June 4, 1991. The plaintiff and her mother contend that the denial of survivor's benefits to a child conceived after the worker's death is unconstitutional.

- **Investigation of Death Row Inmate Receiving Social Security Benefits:** SSA is investigating the recent discovery of a prisoner on death row in California who has received Social Security disability benefits in violation of the law for up to 14 years. William Bonin was executed on 2/23/96. Upon receiving the death certificate, SSA discovered that Bonin had been receiving checks at a bank in Los Angeles (possibly totaling $70,000 - $75,000). Commissioner Chater has asked for an investigation, including the seizure of any assets. Preliminary review of his records indicate that information received in 1990 should have been investigated.

DEPARTMENT OF INTERIOR

- **Grazing:** Sen. Domenici has led a Republican effort to overturn the Administration's grazing program and legislate it to an elevated status among all public land uses. Sen. Baucus is the only Democrat thus far to join him. Hunters, fishermen, and other outdoors and environmental groups are opposed to the Domenici effort. Interior believes the Administration program is working, that Domenici will not move without measurable Democratic support, that the next few weeks are critical, and that the President's best interest is served by no Senate action.

- **Chesapeake and Ohio Canal:** The Department is planning several events revolving around the C&O Canal restoration. Private fundraising for restoration totals $500,000. On March 18, MD Governor Glendening, Secretary Peña and Secretary Babbitt will create a state/federal canal interagency task force coordinating Maryland's restoration work. The First Lady may dedicate and celebrate the reopening of a portion of the C&O Canal.

- **Travel Update:** Secretary Babbitt will be travelling to Orlando, FL on March 2, to particpate in the St. John's River celebration with Lt. Governor MacKay. In conjunction with the President's environmental speech in NJ, Secretary Babbitt will be travelling to Baton Rouge, LA and possibly Texas for the next leg of the "National Heritage Tours."

UNITED STATES DEPARTMENT OF AGRICULTURE

- **House Passes Farm Bill:** On Thursday, the House passed Chairman Roberts' Freedom to Farm legislation (H.R. 2854) by a vote of 270 to 155. During floor consideration of the bill, the House adopted the following amendments: an amendment that included many of the conservation provisions already incorporated into the Senate-passed version; an amendment to reform export and food assistance programs; and an amendment to provide $200 million for the Everglades. During consideration of the bill, the House rejected Democratic motion which would have included a modified version of the Freedom to Farm program; additional

conservation provisions; reauthorization for the Department's nutrition programs; and the Fund for Rural America, which would allow for additional investment in research and rural development. The Farm Bill conference could be convened as early as next week. Conferees have not yet been named in either the House or the Senate.

- **USDA Disaster Response Continues/Trip Planned For Oregon:** March 1, Secretary Glickman traveled to Portland to address the City Club on timber and participate in several flood and timber related events. A *Portland Oregonian* editorial board meeting has also been arranged. In response to the high number of pending applications to restore damaged croplands, estimated at over $17 million, USDA has sent a revised supplemental funding request to OMB.

- **Trade Report:** On March 4, the Economic Research Service will release *U.S. Agricultural Trade Update Situation and Outlook Report*, which will include detailed export and import data by commodity for calendar year 1995.

- **Federal Lands Case Delayed:** A decision in United States v. Nye County, the government's leading case challenging local ordinances dealing with the ownership and administration of federal lands, will be delayed pending the completion of an additional round of briefing and oral argument. A decision in this case will not be issued by the court until March 7 at the earliest.

DEPARTMENT OF ENERGY

- **Major Environmental Facility Opens in SC:** The Defense Waste Processing Facility at the Department's Savannah River Site in SC, will begin operations as early as this week. The facility will solidify (in glass) 35 million gallons of nuclear waste from weapons production. Comprehensive safety testing of this facility is nearing completion.

- **Travel Hearings:** Representative Barton, Chairman of the House Oversight Subcommittee of the Commerce Committee, announced that he would hold a series of hearings to review Department travel practices the week of March 8.

- **Landmark Cleanup Agreement Reached with State of Colorado:** The Department has reached two significant agreements that will guide the cleanup of the Rocky Flats Environmental Technology Site--a former nuclear weapons facility. The site contains a large amount of plutonium. The first agreement is a revised, cleanup agreement that contains a limited number of legally enforceable milestones for major cleanup activities extending over a three-year period. The revised agreement provides a framework for focusing resources on the environmental challenges thereby increasing productivity while reducing costs and environmental risks. The second agreement is a plan for completing work and closing Rocky Flats, with a target for removing plutonium from the site by 2015.

- **Environmental Agreement Signing with Governor Romer:** In order to amplify your environmental address of March 11, Secretary O'Leary will travel to Denver to sign the Rocky Flats Environmental Cleanup Agreement with Governor Romer in a public ceremony. The theme for the event will be that DOE and Colorado are meeting your challenge to preserve the environment.

- **Meeting with CEO's:** On March 6, Secretary O'Leary will participate in a breakfast meeting with CEOs from 20 multinational corporations based in the Midwest. DOE expects that companies, such as, Commonwealth Edison and AMOCO, will be in attendance. The purpose of this breakfast is to discuss the Administration's efforts to open foreign markets for these firms and to discuss the business community's interest in the Administration's international economic initiatives.

- **DOE Funding Announcement:** DOE will fund ($200,000) a joint project sponsored by Illinois and Chicago to expand an existing facility in an enterprise zone to recycle used cooking oil into biodiesel fuel.

ENVIRONMENTAL PROTECTION AGENCY

- **Safe Drinking Water:** Bipartisan negotiations began this week to re-authorize the Safe Drinking Water Act. EPA has been invited to provide technical assistance. On March 5, the House Transportation and Infrastructure Subcommittee on Water will mark up a bill to authorize the drinking water State Revolving Fund. Following negotiations, the subcommittee is expected to hold further hearings on reauthorization of the Act. The Senate completed action on reauthorization of the Safe Drinking Water Act at the end of November, with unanimous passage of S. 1316, a bipartisan bill.

- **Regulatory Reform:** The regulatory reform debate is quickly heating up. A Clinger (R-PA) - Hyde (R-IL) regulatory reform bill was expected to go to the House Rules Committee on February 29, and potentially to the House floor on March 5. The bill contains problematic provisions on regulatory flexibility, congressional review, and administrative review. The administrative review portion is particularly troubling. On the Senate side, Levin (D-MI) has drafted a somewhat improved regulatory reform proposal. Levin's proposal, although problematic, is supported by the Business Roundtable. Additionally, Senator Bond is hoping to move quickly on S. 942, his small business regulatory flexibility bill.

What does this do?

- **Clean Air Standards for Solid Waste Landfills:** On March 1, Administrator Browner held a press briefing to issue a final regulation that will significantly reduce harmful air emissions from landfills. This rule requires large landfills to reduce these gases with either pollution controls or waste-to-energy recovery technologies. Because landfills are a significant source of green house gas emissions, the reductions anticipated from this rule are a major component of the President's Climate Change Action Plan. EPA in partnership with industry and state

and local governments worked to develop a cost-effective rule that targets only the largest landfills, which contribute the majority of emissions.

- **Lead Rule Announcement:** Next week, Secretary Cisneros and Administrator Browner will announce a joint rule ensuring that purchasers and renters of housing built prior to 1978 receive the information necessary to protect themselves and their families from lead-based paint hazards. Under this rule, homeowners will be required to disclose the presence of lead-based paint of which they are aware to homebuyers, who will be allowed the option of conducting a lead hazard assessment. This rule promotes a number of Administration priorities including reducing the threats to children and adults from lead poisoning and empowering the public with information on the presence of public health hazards.

- **Ohio Trip:** Administrator Browner will travel to Dayton and Cincinnati next week to amplify the joint EPA and HUD announcement of the lead in homes disclosure rule. On March 9, the Administrator will travel to Cincinnati where she will address the National Farmer's Union National Conference.

DEPARTMENT OF EDUCATION

- **Manual on School Uniforms:** The Department has prepared a manual on school uniforms that provides advice for schools that are considering adopting a uniform, and describes several existing school uniform programs. The Department expects to distribute the manual to all school districts by the end of March.

- **Student Loan Default Rates:** The Department is planning a press conference in early March at which Deputy Secretary Kunin will announce the school-by-school FY 1993 cohort default rates.

- **Schedule:** Secretary Riley plans to participate in the March 9 NETDAY event with you and the Vice President, in CA. On March 11, Secretary Riley is scheduled to address a PTA rally on vouchers at the Capitol.

GENERAL SERVICES ADMINISTRATION

- **Barram will become Acting Administrator:** On February 27, you announced that David J. Barram will succeed Roger Johnson as Administrator of the General Services Administration. Johnson's resignation is effective March 1. Barram will begin serving as Acting Administrator on March 4.

- **Supplies for Mission in Bosnia:** FSS (Federal Supply Service) continues to provide equipment and supplies for the Department of Defense mission in Bosnia. The bulk of the items are to meet basic human needs, such as food service items and cleaning. As of February 28, FSS has issued over $4 million in equipment and supplies for this effort.

OFFICE OF PERSONNEL AND MANAGEMENT

- **Home Addresses For Unions:** On Tuesday, February 28, OPM transmitted an Altered Systems of Record Report to the Senate Governmental Affairs Committee and the House Government Reform and Oversight Committee, as required by the Privacy Act. The Report proposes a new routine use for OPM payroll records that will allow the release of OPM bargaining unit employees' home addresses to recognize labor organizations. The proposed new usage was necessitated by the confusion resulting from the recent government shutdown which made it difficult for labor organizations to communicate with their memberships. The report is due to be published in the Federal Register ten days after its transmittal to Congress. We expect that this new policy may be attacked by anti-union Republicans.

DEPARTMENT OF STATE

- **Cuba Plane Shoot-Down:** The US rapid presentation of the facts publicly and in the UN Security Council has positioned us well with world opinion. After meeting with Secretary Christopher, the Central American Presidents also issued a strong condemnation. The UE made a similar statement.

- **Human Rights Reports:** The State Department will deliver its annual human rights reports to the Congress March 4. Every year certain reports generate controversy in our bilateral relations or with Congress. State Department officials expect such reactions to the reports on China, Russia, Haiti, and Turkey, and perhaps those on Bosnia, Croatia, Serbia, Egypt and Nigeria. Other less controversial reports may provoke policy debates, or are of perennial interest to certain members on the Hill and certain domestic constituencies. These includes the reports on Israel and the Occupied Territories Saudi Arabia, Cyprus, Rwanda/Burundi, Colombia, Mexico, Guatemala, Cuba, Vietnam, Indonesia, India and Pakistan.

UNITED NATIONS

- **Haiti:** The UN mandate in Haiti has been renewed for four months with 1,500 troops.

- **Speech for Jesse Helms:** The Ambassador will be introduced by Senator Jesse Helms at a speech before the Women's Fund of the NC Community Foundation in Raleigh on March 4. Ambassador Albright plans to outline Administration plans for achieving UN reform, and the repayment of our arrears to the UN.

CENTRAL INTELLIGENCE AGENCY

- **Brown Commission Report:** Today the final reports of the Commission on the Roles and Capabilities of the United States Intelligence Community, chaired by former Secretary of Defense Harold Brown, were released to the public. The unclassified report endorses the importance of intelligence in the post-Cold War world and argues that while reform is

needed, the current functions of the CIA remain valid. You asked Director Deutch to develop an Administration response and he has tasked a panel, composed of members from the Intelligence Community, to study the recommendations. He expects their work to be completed within the next few weeks. Following this review, Director Deutch will propose an implementation plan.

UNITED STATES INFORMATION AGENCY

- **Essay Contest Winners:** The First Lady will host a White House reception March 13 honoring the winners of the VA-National Endowment for the Humanities essay contest.

- **Interviews From Space:** On February 29, "Conversemos en Esta Noche," the weekly, Spanish-language VA/WORLDNET call-in program to Latin America, featured a live interview form space with Astronauts Franklin Chang-Diaz and Andrew Allen, crew members of the current mission of the Space Shuttle Columbia.

- **Mexico/Corruption Methods:** USIS Mexico will sponsor an anti-corruption seminar for the Mexico City police department March 7-8 with former Watergate prosecutor Terry Lenzer and New York City police chief Raymond Kelly.

- **Broadcast in Cuba:** All of USIA's media elements, especially Radio and TV Marti, have given special attention to the Cuban downing of two civilian US planes flown by the exile group Brothers to the Rescue. Radio Marti broadcast your statement to the nation every 30 minutes. This was reinforced with a news item based on statements by White House spokesperson Mike McCurry. In addition to full translation of remarks condemning the Cuban attack, reports included two-way exchanges with VOA Miami-based News Division, Spanish Branch correspondents, and a report on the Clinton Administration policy towards Cuba.

cc: The Vice President
Leon Panetta
Evelyn Lieberman
Harold Ickes
George Stephanopoulos
Alexis Herman
Carol Rasco
Maggie Williams
Michael McCurry
Doug Sosnik
Marcia Hale
Donald Baer
Ron Klain
Rahm Emanuel

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 3-4

TO: Don
Vicki

FROM: **Staff Secretary**

On a very quick glance, this handout for the drug event -- which seems Burke brought by -- doesn't seem very user friendly. You guys may want to get into this. Thx

*** DRAFT ***

96 MAR 2 P2:11

White House Leadership Conference on Youth, Drug Use, and Violence

THE CLINTON ADMINISTRATION: MEETING THE CHALLENGE TO MAKE COMMUNITIES AND SCHOOLS SAFE AND DRUG-FREE FOR OUR FAMILIES

At last we have begun to find a way to reduce crime, forming community partnerships with local police forces to catch criminals and prevent crime. This strategy, called community policing, is clearly working. Violent crime is coming down all across America...We have got to keep more of our young people out of trouble, with prevention strategies not dictated by Washington, but developed in communities... To reduce crime and violence we have to reduce the drug problem. The challenge begins in our homes, with parents talking to their children openly and firmly. It embraces our churches and synagogues, our youth groups and our schools.

--President Clinton, January 23, 1996 State of the Union

Over the past three years, we have made tremendous progress in bringing crime and drug abuse under control. The violent crime and murder rates across the country are falling, thousands of criminals have been prevented from buying guns, and more police are on the street. The number of Americans who use illicit drugs has remained nearly unchanged since 1992, and Americans' expenditures for illicit drugs have declined from an estimated $64 billion five years ago to about $49 billion last year.

President Clinton is standing up for America's children and families. That's why the President is leading the fight to:

- Break the vicious cycle of drugs and violence by getting hard-core drug users off the street and give local communities the resources they need to fight drugs;
- Stop drugs at their source, before they get to our borders;
- Prevent drug use by teaching our children about the dangers drugs pose and de-glamorizing drug use in the minds of every child;
- Put more police on our streets, and keep guns out of the hands of kids;

- Ban deadly assault weapons, take career criminals off the streets, and end violence against women.

Record of Accomplishments

Providing a Comprehensive Drug Strategy for our Nation

- First President to make the **National Drug Policy Director** a full Cabinet level position;
- First President to **decertify** Colombia, which resulted in the arrest of six of the Cali Cartel's top leaders;
- First President to dedicate a **United Nations address** to solving the international drug crisis; announced institution of freeze on assets of companies cooperating with Cali drug cartel, and called for worldwide cooperation in stopping money laundering and narcotics flow;
- Provided states and localities resources to make treatment and prevention available with expanded **drug courts, boot camps**, and **treatment in our criminal justice system;**
- Expanded **Drug Treatment** for users;
- Issued a Presidential Directive to develop a **Comprehensive Drug Testing** program for the Federal criminal justice system and urged states and localities to adopt a similar program;
- Initiated a **National Drug Media Literacy Campaign** for parents, youth and communities;
- Developed a **Comprehensive Marijuana Strategy** targeting youth;
- Strengthened U.S. Borders by increasing the amount of **Border Patrol Agents** and through the Customs Service's **Operation Hard Line** initiative.

Making our Streets Safer through Effective Anti-Crime Measures

- Broke six years of Congressional gridlock by signing the **toughest and smartest Crime Bill** ever with bipartisan support and endorsements from every major law enforcement organization. Specifically, this historic legislation:
  - Creates the COPS program, which will put **100,000 new community police officers** in cities, towns, and rural areas. In just over one year, funding for over 31,000 new police officers was provided;
  - Bans **19 of the deadliest assault weapons** and their copies, but specifically protects more than 650 legitimate sporting weapons;
  - Provides the **death penalty for drug kingpins and the murder of law enforcement officers;**
  - Increases penalties for **sex offenders** and imposes a registration requirement for violent sexual offenders;
  - Includes the **Violence Against Women Act**; the first national effort to

reduce violence against women ever. The Act triples funding for **battered women's shelters**, and has already provided **$26 million in state grants** to bolster their law enforcement, prosecution and victims services;

- Creates a nationwide **24-hour Domestic Violence Hotline** that provides immediate crisis intervention, counseling and referrals;
- Targets career violent offenders with a **"Three Strikes and You're Out"** policy that keeps them behind bars for life;
- Provides $7.9 billion in funding for **more prison cells** to help states make sure that violent offenders serve their full sentences;
- Creates the **Community Schools Program**, which promotes constructive alternatives for young people after school, in the evening, on weekends and during the summer to prevent involvement in and the victimization by crime.

- Launched the **Anti-Violent Crime Initiative** that lead to the arrest and conviction of many of our most violent criminals;
- Fought for and signed the **Brady Bill**, which has prevented over 44,000 convicted felons from buying a handgun;
- Provided grants to fight gang activity and youth violence through the HHS **Youth Gang Initiative Program**;
- Provided up to $1 million to each of 10 urban police departments, through the **COPS Youth Handgun Initiative**, to expand or enhance community policing and enforcement efforts to comprehensively address the rise of youth firearms violence;
- Granted awards under the Nation Criminal History Investigation Program totally **$88 million to assist 47 states in automating and updating their criminal history record systems** to prevent the sale of firearms to ineligible purchasers. States will also be able to identify disqualified individuals who are seeking positions of responsibility involving children, the elderly, and the disabled;
- Implemented **Tribal Strategies Against Violence**, a federal/tribal partnership initiative designed to empower Native American communities to develop strategies to reduce the incidence of family violence, child abuse, and juvenile delinquency.

Making our Schools Safe, Disciplined, and Drug-Free

- Initiated and signed into law the **Safe and Drug-Free Schools and Communities Act** that was the first legislation to provide support for violence prevention efforts in schools. The program supports drug and alcohol prevention and education in 97 percent of the school districts in the country.
- Issued a Presidential Directive requesting the Secretary of Education to vigorously enforce the **"zero tolerance"** measures outlined in the Gun-Free Schools Act;

- Supported **School Athlete Drug Testing** before the Supreme Court, sending the message to parents and students that drug use will not be tolerated in our schools;
- Supported passage of the **Safe Schools Act** -- the first federal legislation to assist schools in their efforts to create safe schools;
- Developed a manual for schools to assist them in establishing **School Uniform Policies** that will be distributed to 16,000 school districts;
- Launched the **Safe Neighborhood Action Plan** in 14 cities to work with local law enforcement property owners, residents and local governments to develop a unified strategy to reduce crime and enhance safety and social services in urban neighborhoods;
- **Restructured the Elementary and Secondary Education** Act of 1965 to allow a greater array of opportunities for schools to help disadvantaged children.

Making our Communities Safer and Providing Opportunity and Hope

- Enlisted all federal agencies in supporting American values and fighting drugs by creating 9 **Empowerment Zones and** 95 **Enterprise Communities** that will revitalize and strengthen distressed neighborhoods and fight drugs;
- Implementing a **"One Strike and You're Out" program for public housing** so that drug dealers and violent offenders can no longer terrorize residents in their homes.
- Initiated **Operation Safe Home** in which federal law enforcement agencies are working with public housing residents and managers to increase the arrest and conviction of violent and drug-related suspects so that public housing can be a safer place to live;
- Awarded $75 million in 1994 to create 75 **Family Investment Centers** that provide supportive services such as child care, employment training and counseling at public housing sites;
- Launched a **Youth Step-Up** apprenticeship initiative to provide public housing youth a ladder from hopelessness to self-sufficiency as they work and learn on construction and other jobs generated by federal contracting.
- Introduced **Operation Safe Home** to reduce drugs and guns in public housing and **Pulling America's Communities Together (PACT)**;
- Developed an automated system (**PAVNET -- Partnership Against Violence Network**) to provide local communities and schools with information on effective violence prevention strategies and programs;
- Launched the **Campus of Learners** initiative transforming public housing developments into living/learning centers through education, technology and job training;
- Signed the **National Service Act**, creating the Americorps program and permitting nearly 50,000 young people already to serve their community and finance their education;

- Signed the National Highway Safety System Designation Act of 1995, which requires states to adopt a **Zero Tolerance** standard for drivers under the age of 21;
- Gave **parents greater control** over what their children watch on television by requiring V–chips to be installed in every new television;
- Proposed targeted measures to **cut off children's access to tobacco** and to reduce the appeal of tobacco products.

Strengthening Families and Helping Children to Develop into Productive Citizens

- Proposed and signed into law the **Family Preservation Act,** which enables families to work with communities to strengthen parenting skills and prevent removal of children to foster care;
- **Improved and expanded Head Start** to enhance quality, allow more full day, full year programming, improve training, and begin activities for zero to three years old; in addition, brought Head Start to public housing communities;
- Enacted **School to Work** legislation, which creates apprenticelike experiences to connect schools and employers and help young people succeed more consistently in making the transition to work;
- Signed historic **Immunization legislation** to ensure that all American children receive necessary immunization while infants and toddlers;
- Increased **paternity establishment** and **collection of child support payments**;
- Granted **AFDC waivers in 37 states** to help families become economically self–sufficient and free from welfare dependency;
- Signed the **Family and Medical Leave Act** allowing parents to spend critical time with their children without the risk of losing employment.

March 2, 1996

THE PRESIDENT HAS SEEN
3/4/96

THE WHITE HOUSE

WASHINGTON

96 MAR 1 P7:20

RECOMMENDED TELEPHONE CALL

Great talk
Wants ① copy of statement on parental rights (or any letter to Congress) -
② Wants to join 2a. day conversation on 1300 Radio Stas. - If we want to get our message out -
BC

TO: Dr. Don Argue
President
National Association of Evangelicals (NAE)

Minneapolis Hyatt Regency
(612) 370-1234, Room 2427

DATE: March 1, 2 or 3 (before 5:00 pm EST)

RECOMMENDED BY: Alexis Herman
Flo McAfee

PURPOSE: On the eve of the NAE convention, to acknowledge the efforts of the organization particularly on issues focusing on family values.

BACKGROUND: The NAE opens its 54th Annual Convention in Minneapolis this Sunday, March 3. Although the organization extended an informal invitation for you to address the convention, due to the Tuesday, March 5th Minnesota caucus official travel to the state is prohibited.

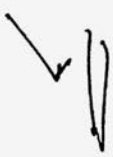
In a conversation with our office today, Don Argue expressed how pleased he was on the strong stand on family values you took by signing the Telecommunications Bill. Regarding late term abortion, he strongly commended your saying what a difficult decision you had to make. He particularly appreciated your expressing how hard you thought and prayed about it before making the decision. Finally, he applauded your meeting with the media industry executives as a positive step toward tackling the concerns held by many parents. Overall, Don feels you are gaining tremendous support on issues encouraging family values.

The convention will focus on three topics: racial reconciliation; family values and violations of conscience (Christian persecution). Through the Office of the Assistant Secretary of State for Human Rights, the Administration is carefully reviewing the NAE Statement of Conscience on Christian Persecution and is actively considering other measures that can be undertaken to ensure the religious liberty of people of faith abroad including Evangelicals.

This is Don's first convention as president of the organization. We are providing him with a message from you that he will read during the opening session of the convention on Sunday evening. The telephone call should be placed before then.

TOPICS OF DISCUSSION:

1. To wish Don Argue and the NAE a successful 54th annual convention.



2. To acknowledge the organization's ongoing input and assistance to the Administration on many issues: religious freedom, character education and promotion of family values.

DATE OF SUBMISSION: March 1, 1996

ACTION: _____

Tony → See MM w/ this BC

THE PRESIDENT HAS SEEN
3/4/96

IBN LIMITED

Status Report - February 28, 1996

IBN's exclusive relationship with The Federal Agency of Government Communications and Information under the President of the Russian Federation ("FAGCI") is now codified in a formal agreement and is working well in all respects, except as to the Central Bank. (See discussion in Problem section below.) The strategic partnership between IBN and IBM has been broadened so that IBM will not only be exclusively related to IBN in the FSU as the technology supplier for IBN's Network, but IBM and IBN will co-market and co-sell IBM's products and services to all banks in the Network and IBM will share revenues of all such product and service sales with IBN. The Network project hardware and software development and testing is on schedule. Therefore, the pilot will be ready for implementation in March and the project rollout will proceed a few weeks thereafter.

Problem: The Russian Central Bank is moving very slowly and will retard project implementation unless the Central Bank's pace is accelerated. In order to diminish political risk, we believe it is essential to preserve the rollout schedule so that the Network is in place before the June Presidential elections. Rick Braddock (former Citicorp President, now an IBN Director and Special Consultant) and Sy Flug (IBN Co-President) met with the Central Bank Chairman last week, after prior lower level meetings indicated chronic bureaucratic paralysis at the Central Bank. The Chairman set a new meeting for March 7 at which he promised greater focus and decisiveness. Although FAGCI is responsible under its agreements with IBN to procure and coordinate all Russian governmental approvals and cooperation for the IBN Project, we believe top level intervention is required at this time to obtain prompt cooperation from the Central Bank. IBN wants the Central Bank to participate in the clearing system for the Russian banks which participate in the Network. IBN also wants guidance from the Central Bank as to which Russian banks should be invited to join the Network and which should be invited to purchase equity in IBN on favorable terms. We are concerned that unless Central Bank participates in the selection process, disreputable or unstable banks might inadvertently be included.

Objective: We believe the Central Bank will respond only to a Russian Presidential instruction to facilitate the IBN Project implementation on schedule. FAGCI advises that an expression of interest by the U.S. government to the office of the Russian President would accelerate the process and help to overcome the bureaucratic habits of the Central Bank staff. FAGCI recognizes that the interest of the U.S. government to see the IBN Project implemented prior to the June elections would be based upon:

- The desire to see the Russian depository structure reinforced. Since the IBN Network will allow Russian cardholders to have immediate access to monies deposited in their bank accounts, they will be encouraged to maintain bank accounts instead of keeping their savings in cash at home.

- The desire to see the U.S. dollar remain as a currency relied upon by the Russian population, since dollar use represents interest-free U.S. borrowing. Since the IBN Network will operate in U.S. dollars and rubles, it will perpetuate dollar reliance, but at the same time greatly reduce the counterfeiting problems affecting current dollar use because the dollars will be deposited in banks instead of being exchanged outside the banking system where counterfeiting cannot easily be detected and controlled.

- The desire to see an interbank clearance and communications system such as the one that is part of IBN's Network improve Russian interbank liquidity.

- The desire to see a successful Russian/American co-investment scheme, led by a major U.S. investment bank, such as Lehman Brothers, with cooperation from the Russian Central Bank, to encourage other Western investors to make similar infrastructure investments in Russia.

- The desire to see a state-of-the-art payment system installed across the FSU to facilitate stability and development through the region.

IBN, LTD.

IBN, LTD., A DELAWARE CORPORATION, HAS DEVELOPED AND ORGANIZED AN INTERNATIONAL BANKING TRANSACTION NETWORK (THE "NETWORK") THAT WILL BE INSTALLED AND WILL COMMENCE OPERATIONS IN THE FORMER SOVIET UNION ("FSU") IN THE FIRST QUARTER OF 1996. THE NETWORK COMPRISES AUTOMATED TELLER MACHINES ("ATMs") AND POINT OF SALE DEVICES ("POSs"), WHICH ARE COMPATIBLE BOTH WITH CARDS THAT CONTAIN EMBEDDED MICROCHIPS ("SMART CARDS") AND CARDS SUCH AS THOSE PRESENTLY USED BY MAJOR WESTERN BANKCARD AND PAYMENT SYSTEMS (E.G. VISA, AMERICAN EXPRESS, DINERS, ETC.) WHICH CONTAIN ONLY A MAGNETIC STRIPE ("MAG-STRIPE" CARDS). IBN WILL ISSUE IBN SMART CARDS TO RESIDENTS OF THE FSU WHO ARE CUSTOMERS OF THE FSU BANKS WHICH JOIN THE NETWORK.

THE OPERATION OF THE NETWORK WILL PERMIT THE CARDHOLDERS TO ACCESS ATMS THROUGHOUT THE FSU TO OBTAIN WITHDRAWALS FROM THEIR BANK ACCOUNTS OF LOCAL AND INTERNATIONAL CURRENCIES AND TO MAKE TRANSFERS OF FUNDS WITHIN THE FSU. A CARDHOLDER WILL ALSO BE ABLE TO USE AN IBN SMART CARD AS AN ELECTRONIC PURSE BY INSERTING THE CARD IN A NETWORK ATM, DOWNLOADING FUNDS FROM THE CARDHOLDER'S BANK ACCOUNT INTO HIS OR HER SMART CARD AND THEN USING THE SMART CARD AT A POINT OF SALE IN A POS TO CHARGE GOODS OR SERVICES.

BY THE END OF 1997, THE NETWORK WILL COMPRISE 4000 INTERCONNECTED ATMS, 240,000 POSS AND 8.25 MILLION SMART CARDS USABLE IN 87 CITIES OF 14 REPUBLICS OF THE FSU. BY THE END OF 2000, THE NETWORK IS EXPECTED TO EXPAND TO 12,600 ATMS, 744,000 POSS AND 26 MILLION SMART CARDS.

THE NETWORK WILL OPERATE ITS OWN COMMUNICATION SYSTEM USING VERY SMALL APERTURE TERMINALS ("VSATS") TO LINK THE ATMS BY SATELLITE TO A CENTRAL AUTHORIZATION AND CONTROL CENTER IN THE UNITED STATES. THE OPERATION OF THE NETWORK WILL SUBSTITUTE FOR A PAPER CURRENCY EXCHANGE SYSTEM, THE INADEQUACIES OF WHICH ARE SEVERELY HAMPERING DEVELOPMENT IN THE FSU. THE NETWORK WILL ALSO PROVIDE ELECTRONIC LINKAGE OF BANKS THROUGHOUT THE FSU, THEREBY FACILITATING INTERBANK CREDIT AND LIQUIDITY.

THE NETWORK WILL USE A ROBUST, STATE-OF-THE-ART TECHNOLOGY, EVERY ASPECT OF WHICH HAS BEEN USED SUCCESSFULLY IN ACTUAL APPLICATIONS. IBN'S TECHNOLOGY PARTNERS FOR THE NETWORK OPERATION ARE IBM, AS SUPPLIER OF ATMS AND PC WORKSTATIONS; HUGHES, AS SUPPLIER OF VSATS; VERIFONE, AS SUPPLIER OF POSS; DATACARD, AS SUPPLIER OF SMART CARDS; AND OASIS AND CARTE MEDICAL, AS SUPPLIER OF SOFTWARE.

IBN'S INVESTMENT BANK IN THE U.S. IS LEHMAN BROTHERS. EACH OF THE GOVERNMENTS OF RUSSIA, UKRAINE, AZERBAIJAN, GEORGIA AND ARMENIA HAS INDICATED ITS INTENT TO SPONSOR INVESTMENT IN THE IBN NETWORK BY ITS RESPECTIVE BANKS OF CAPITAL AGGREGATING U.S.$160 MILLION IN ORDER TO ENCOURAGE IBN TO CONNECT SUCH BANKS TO THE NETWORK. THESE GOVERNMENTS ARE CONVINCED THAT THE NETWORK WILL SUBSTANTIALLY IMPROVE THE RELIABILITY AND STABILITY OF THEIR BANKING SYSTEMS AND THEREFORE ARE WILLING TO GRANT PERMISSION FOR AND EVEN ENCOURAGE EXTERNAL INVESTMENT IN A U.S. ENTITY BY THEIR CITIZENS TO OBTAIN THE BENEFITS OF THE NETWORK. LEHMAN BROTHERS CONTEMPLATES UNDERWRITING A U.S. INITIAL PUBLIC OFFERING OF IBN'S SHARES OF APPROXIMATELY U.S.$50 MILLION IN THE FIRST QUARTER OF 1997 TO ESTABLISH A LIQUID TRADING MARKET FOR IBN SHARES IN THE U.S.

IBN'S BOARD OF DIRECTORS INCLUDES:

- RICHARD S. BRADDOCK, FORMER PRESIDENT OF CITICORP/CITIBANK
- GEORGE BUGLIARELLO, CHANCELLOR OF POLYTECHNIC UNIVERSITY; U.S. MEMBER OF THE SCIENCE FOR STABILITY STEERING GROUP OF THE SCIENTIFIC AFFAIRS DIVISION OF NATO
- SEYMOUR FLUG, FORMER MANAGING DIRECTOR OF CITICORP/CITIBANK; CO-PRESIDENT OF IBN
- ROBERT B. KAY, PARTNER KAY COLLYER & BOOSE LLP; CO-FOUNDER OF IBN
- JULES KROLL, CHAIRMAN, KROLL ASSOCIATES, INTERNATIONAL SECURITY AND INVESTIGATION SPECIALISTS
- VASSILI V. PATARKALISHVILI, CO-PRESIDENT AND CO-FOUNDER OF IBN
- JEROME J. POMERANCE, PRESIDENT, J.J. POMERANCE & CO., INC.

IBN'S PROFESSIONAL ADVISORS ARE:

LEGAL COUNSEL: KAY COLLYER & BOOSE LLP AND AKIN GUMP STRAUSS HAUER & FELD LLP
AUDITOR: ARTHUR ANDERSEN & CO. SC (NEW YORK)

THE PRESIDENT HAS SEEN
3/4/96

THE WHITE HOUSE
WASHINGTON

96 MAR 1 A10:59

March 1, 1996

RECOMMENDED TELEPHONE CALL

TO: Representative John Lewis (D-GA)

DATE: As soon as possible

RECOMMENDED BY: John Hilley, Assistant to the President for Legislative Affairs

PURPOSE: Return his call to you requesting that you participate in a fundraiser sponsored by the DCCC (Democratic Congressional Campaign Committee) and himself in Atlanta during the month of March.

BACKGROUND: Representative Lewis would like you to participate in a fundraising event for the benefit of the DCCC and himself in Atlanta and he would like to make this request to you personally. Political Affairs has emphatically urged that you **not** agree to this request. They are coordinating fundraising requests directly with the DCCC. The Legislative Affairs office has conveyed to him and his staff that you would not be able to attend. Representative Lewis would like for you to return his call.

TOPICS OF DISCUSSION:

1. Begin by saying that you regret that you will not be able to attend the fundraising event.

2. You regret this very much as you know that he has been a good friend over the years and you remain grateful for his continued support.

3. Wish he and his family well and encourage him to stay in touch.

CONTACT PERSON AND TELEPHONE NUMBER(S): James Waller, Chief of Staff, 225-3801
Rob Bassin, Leadership Staff, 225-3801

DATE OF SUBMISSION: March 1, 1996

ACTION:

THE PRESIDENT HAS SEEN
3/4/96

MARCH 2, 1996

RECOMMENDED TELEPHONE CALLS

96 MAR 1 P7:45

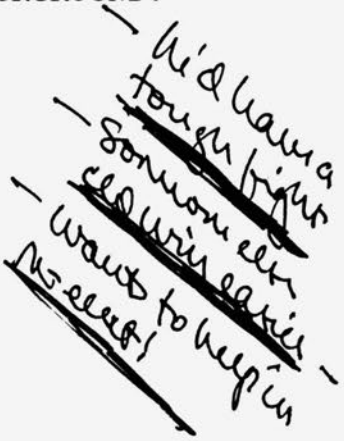
TO: Rep. Sam Gibbons

DATE: Sunday, March 3, 1996

RECOMMENDED BY: Douglas B. Sosnik

PURPOSE: To discuss his plans for 1996.

BACKGROUND:



Gibbons, ranking on Ways and Means, is considering retiring in 1996. It would be a blow to our efforts in Florida in 1996 and the DCCC's efforts to recapture the House if Gibbons were to retire now. Gibbons is the only Democratic House Member on the West Coast of Florida.

We need you to call Gibbons and urge him to seek one more term.

(FYI: Gibbons traveled to New Hampshire, pre-primary, for Clinton-Gore this year.)

TOPICS OF DISCUSSION: Let him know how important he has been to you and your legislative efforts in the House.

Let him know how important he is to the Democratic Party and the leadership in the House.

Urge him to seek just one more term.

CONTACT PERSON AND TELEPHONE NUMBER(S): Sam Gibbons - Sunday - (202) 554-3132 - or (202) 547-3990 (his son's house)

DATE OF SUBMISSION: March 1, 1996

ACTION: _____

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 3.4

TO: Fred (Dohse) NSC

FROM: **Staff Secretary**

As I mentioned, question is whether to note restriction on Adams' visa.

To Fred Dohse

1274
154032

THE WHITE HOUSE

WASHINGTON

March 2, 1996

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
JOHN HILLEY JH

SUBJECT: Letter to Representative Peter King

Purpose

To respond to a letter from Representative King.

Background

Representative King wrote to you supporting the Administration's efforts in the Northern Ireland peace process.

RECOMMENDATION

That you sign the letter at Tab A.

Attachments
Tab A Letter to Representative King
Tab B Incoming correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Representative King:

Thank you for your letter and kind words for my Administration's support of the Northern Ireland peace process. Since your letter, the terrible IRA bombings in London have dealt a blow to all of us who cherish the prospect of a just and lasting settlement to the conflict. But I believe firmly that we must not allow terrorists to derail the peace process and frustrate the legitimate hopes of the people of Northern Ireland for a normal life for themselves and their children.

I welcomed the announcement by Prime Ministers Major and Bruton of a clear path to all-party talks beginning June 10. Sinn Fein can participate in the process leading to the talks and, once the cease-fire is restored, in the talks themselves.

Gerry Adams has a crucial role to play in getting the cease-fire restored and the peace process back on track. I have therefore decided to renew his visa for three months so that he can maintain contact as necessary with members of the Irish-American community.

The Anglo-Irish announcement of a firm date for all-party talks marks a milestone in the peace process. We will stay in touch with all the parties and urge them to take full advantage of this opportunity to advance the peace process. I will continue to value your advice as we proceed.

Sincerely,

The Honorable Peter T. King
House of Representatives
Washington, D.C. 20515

TAB B

1274

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

PETER T KING
THIRD DISTRICT
NEW YORK

February 2, 1996

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I just spoke with Gerry Adams this morning and he was honored and delighted that you met with him yesterday. As Gerry told you, there would be no peace process without your efforts.

Be assured that Gerry Adams will continue to support all your efforts for peace in Ireland -- and of course I will too.

All the best.

Sincerely,

Pete

PETER T. KING
Member of Congress

PTK/cr

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

PETER T. KING
THIRD DISTRICT
NEW YORK

February 2, 1996

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

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Be assured that Gerry Adams will continue to support all your efforts for peace in Ireland -- and of course I will too.

All the best.

Sincerely,

PETER T. KING
Member of Congress

PTK/cr

THE PRESIDENT HAS SEEN
2/20/96

(I) NYT Book Review on Mississippi: An American Journey by Anthony Walton. Via Baer. A young African American man struggling with the racism he continually encountered in the North, travels to Mississippi to discover more about himself and his heritage. The memoir "becomes a compassionate meditation on this country and the South, their past, present and future."

(J) **Raskin letter commenting on your discussion with academics on Jan. 20.** Via Harold. Rejects the ongoing "states' rights" arguments of those who would wage "cold war" against the federal government. Rejects "sophomoric" idea that baby boomers destroyed authority and community. Says important issue for Vietnam War opponents was that war was illegal and unconstitutional. Notes it was the federal government, not the states, that attempted to save and reconstitute communities in Appalachia, New York, the South, etc.

We have also received the following items:

- **Rahm note on school uniforms.** Reports that several columnists, including George Will and Maureen Dowd, have written supporting your school uniform policy. During your California trip, you will be visiting a Long Beach public school whose uniform policy has reduced juvenile violence. And Rahm is working on events to be held in cities around the country on the day you announce the school uniform guidelines to highlight the positive impact your action can have on youth violence.

Rivlin note on funding for Everglades. Our plan provides strong support for Everglades restoration: (i) 25% increase in funding from $104 million in FY 96 to $131 million in FY 97 for agency programs, for science, land management, water projects and other programs; appropriations request of $100 million/year for 4 years to create "Everglades Restoration Trust Fund;" support for 1 cent/pound assessment on Florida sugar production, to raise $35 million/year for 7 years for the Trust Fund.

- **Follow-up from Leon on Nobel Peace Prize nomination.** Per your request, Leon phoned Chris Dodd about your nomination by Rep. Rangel and former Rep. Frank Guarini.

Rep. Peter King letter on your meeting with Gerry Adams. Adams told him that he was honored and delighted that you met with him. "As Gerry told you, there would be no peace process without your efforts. Be assured that Gerry Adams will continue to support all your efforts for peace in Ireland -- and of course I will too."

Hand-written note from Rep. Steve Largent re: National Prayer Breakfast. "I felt your comments were right on target and were from your heart of hearts. I appreciated your sincerity and genuineness. I pray for you and your family."