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THE PRESIDENT HAS SEEN

3/7/96

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DANNY C. WILLIAMS

Ed + cartoon

2/29

to: HRC
J Quinn
DL

to try to Turpen -

original sent to
Doriskind
for Reply

Wancy -
A good editorial & cartoon
in the Pulsa World. Endure,
maintain & prevail. We are
NBC in Oklahoma - "Nobody
Beats Clinton".
W. R. Turpen

Costliest Fishing Trip

THE Senate Whitewater investigation has gone on for more than seven months, cost taxpayers \$950,000 and has produced no evidence of wrongdoing by Bill Clinton, either as president or as governor of Arkansas. The investigation, according to the terms of the resolution that created it, was supposed to end by Thursday.

But Senate Republicans want to extend the investigation indefinitely and appropriate another \$650,000 for it. Sen. Alfonse D'Amato, R-New York, committee chairman, says the probe may last through July.

To what purpose? Despite the best efforts of D'Amato, the majority lawyers and other majority committee members to massage the testimony, nothing of moment has been gleaned from the endless hours of committee hearings that wasn't previously known. Whitewater, after all, has been investigated by grand juries, federal prosecutors, state and federal banking authorities and federal trial juries over the past 12 years or so.

Still, D'Amato and his minions go on, calling witnesses back for repeated appearances and in many cases browbeating them in a manner that would never be permitted in a court of law. Despite their protestations to the contrary, the D'Amato gang appears to be interested in damaging Clinton politically and if not him, at least his associates and the First Lady. It is no coincidence that D'Amato is regional co-chairman for the presidential campaign of Bob Dole who, despite staggering in recent primaries, is still the man most likely to oppose Clinton in November.

Speaking of November, here's a prediction: Come July, D'Amato will be asking for more money to keep the investigation going through the presidential campaign.

How far must taxpayers go, how much must they pay, to keep this charade going? The vote in the Senate to extend the investigation probably will be along party lines, which means it will pass. If it does, the extra \$650,000 should come from the coffers of the Republican Party, not from the taxpayers. It is the Republicans, not the taxpayers, who stand to benefit.

The Whitewater probe is shaping up to be the longest, most costly fishing trip in American history.



THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: Dan Benjamin

Fax Number: 69210

Phone Number:

FROM: Todd Starz

SUBJECT:

DATE:

NUMBER OF PAGES (including cover sheet):

MESSAGE: Dan - I don't think you guys
need to do anything on this. I think draft
plus my edits are OK. ~~Just~~ feel free if you
wish to comment (the time is short) -- but no
necessity. TDS

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

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THE WHITE HOUSE

WASHINGTON

February 21, 1996

MEMORANDUM

TO: Carmen Fowler
Director, Presidential Messages

FROM: John Emerson
Deputy Assistant to the President
Deputy Director of Intergovernmental Affairs

RE: Personalized Presidential letter

The John Findley Green Foundation sponsors a lecture series at Westminster College, which has hosted such speakers as Mikhail Gorbachev, Ronald Reagan, George Bush, and Steve Forbes. They would like the President to send a brief letter to be read aloud for their upcoming event on March 9, 1996, which honors the 50th anniversary of Winston Churchill's Iron Curtain Speech. Margaret Thatcher will be the keynote speaker.

President Clinton is the only president never to have spoken at this event since the Winston Churchill Memorial was erected. The coordinator of the event, Senior Consultant Joan Quicksilver, desires a "reenactment" of the alliance between Winston Churchill and President Harry Truman. In order to accomplish this reenactment, the letter by the President would be read during an address by Lady Margaret Thatcher. In addition, Ms. Quicksilver would like to include President Clinton on the President's Wall located in the Memorial, which honors each President who has spoken at the event.

The event on March 9 culminates a weekend full of activities memorializing the landmark decisions leading to the Cold War. Along with the former British Prime Minister, Governor Mel Carnahan, mayors from Kansas City and St. Louis, and Winston Churchill's family will be in attendance. The event will be broadcast live by CNN and many international press affiliates. The President's interaction (by letter) with Lady Thatcher would certainly be the highlight of the anniversary weekend.

March 8, 1996

He recognized that to prevent
the twin dangers of war
and tyranny, concerted
action was imperative.
But he also understood that
if we did join together,
conviction and strength

unfulfilling
Warmest greetings to everyone gathered in Fulton, Missouri,
to celebrate the fiftieth anniversary of Winston Churchill's
"Sinews of Peace" address. I am pleased and proud that Lady
Margaret Thatcher has traveled to Westminster College to
participate in this historic event.

implement shown in
Five decades ago, in this very place, Winston Churchill
challenged us to devise a strategy for peace with the same determination
fervor and commitment that we had devoted to waging war. With
clear vision and an eloquent voice, he called on the people of special
the United States and Great Britain to use the strength of our
unique relationship to secure the principles of freedom and the
rights of humanity throughout the world. Ever a realist, he
foresaw that the path to peace would be treacherous, and often
obscured by the shadow of the Iron Curtain. But he recognized
as well that, with our victory over tyranny in World War II, we
had a shining opportunity to advance the cause of freedom and
democracy. defend human

Today we are blessed with fresh opportunities for peace.
The Iron Curtain has been torn down, the Cold War has been won,
and we enter a new era of international cooperation. But the
world is still not free of shadows; our resolve is still tested
by tyrants and terrorists. As we face the challenges and
possibilities of a new century, let us invoke the wisdom of
that indomitable man who stood always for freedom, who showed
us the glorious strength of the human spirit. Let us reaffirm
our commitment to stay the course Winston Churchill set for us
in another time -- to build a safer, more peaceful world for
the generations to come.

Best wishes to all for a memorable celebration.

BC/KB/LIJ/KM/MAH/jfc
(3.sinews.msg)

(Corres. #2717700)

(Event: 3/9/96)

cc: Presidential Messages, 91 OEOB

SENT TO:

Dr. James F. Traer
President

Westminster College

501 Westminster Avenue

Fulton, Missouri 65251-1299

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

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MAR-08-96 18:40

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NAME :

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In Celebration Of Our Successful
School-To-Work Alliances,
Washington High School
Invites You
Along with The Presidents and
Executives Of Our
Business Partners.

"Breakfast With The Presidents"
Wednesday, April 3, 1996, 7:45 AM
Washington High School
Milwaukee, WI 53210

From the Oval. 3/8/96

Send to Scheduling?

Yes

No

RSVP

Margaret Todd
414-449-2765

Indicate

-Standard Breakfast

-Heart Healthy B.

By March 26, 1996



Washington High School
Student Government
Jessica Kern
Inter-High Council Representative
2525 North Sherman Boulevard
Milwaukee, Wisconsin 53210
Phone (414) 444-9760 Fax (414) 444-9250
Home (414) 873-1867

TO PRESIDENT CLINTON
MAR 5 96 DM REGISTER
Iowa View/TOM MILLER
FM BILL MCCARTHY, ASSIST CHIEF
DM POLICE



New programs
help ensure that
consequences
come sooner
for youth in all
stages of
delinquency.

New Iowa programs fight juvenile crime

Iowans' concern about increasing violence by juveniles is supported by predictions that violent juvenile crime in the United States may double by the year 2010. Iowa is in a better position than most states with our relatively low adult and juvenile crime rates, but we need to act now to ensure that we are protected from this anticipated national increase.

It used to be that judges had few options for juveniles offenders. Most juveniles were placed on probation, sending the message that there was no real consequence for breaking the law. In the absence of strong, immediate consequences, many youth continued their offenses until drastic action finally was needed. That cycle has been described as, "Probation . . . probation . . . probation . . . adult court."

We need to keep using the adult court and the State Training School at Eldora for serious youthful offenders. In particular, there is a small group of extremely violent youth that must continue to be waived to adult court and confined in adult institutions —

some for the rest of their lives.

A new generation of local programs is beginning to ensure that consequences come sooner for youth in all stages of delinquency. These programs defy the tired, narrow restraints of the old liberal-conservative crime debate by finding a third way: focusing on what works. This pragmatic approach borrows elements from liberals and conservatives. Prevention is an important part of these programs, but so are punishment and the imposition of consequences.

These programs provide a continuum of responses depending upon the severity of the offense: intensive day-treatment programs, tracking and monitoring, after-school programs, school-based programs, victim-offender mediation and restitution.

I've seen impressive examples of these programs at work:

Woodrow Wilson Jr. High in Sioux City is in a tough neighborhood, but it has adopted programs to create a safe environment for learning. Trackers meet students after school and escort

them past gang recruiters who congregate around the building. As a result of impressive and comprehensive in-school programs, delinquency adjudications from the school dropped from 37 to 11 last school year. And learning has improved. Test scores for sixth and seventh grades increased more than two grade levels last year.

In Sioux City, Cedar Rapids, Davenport, Des Moines and Waterloo, I visited day-treatment programs where youth sleep at home but are controlled by the program the rest of the day. The programs are closely supervised, intensively structured and highly disciplined. Youth learn there are consequences for their decisions. At the Waterloo program, one parent proudly introduced his son as "the son I always wanted."

At the school-based program in Knoxville, officials identified the 14 most at-risk youth and assigned a full-time school liaison worker to intensively monitor and counsel them. Delinquency referrals from the school dropped 43 percent. Truancy among

the youth in the program dropped 97 percent.

The programs can be cost-effective. They provide alternatives to more expensive residential treatment, which costs about \$105 per day or more than \$38,000 a year. The use of alternative programs in Sioux City has resulted in a 60 percent reduction in out-of-home placements.

I have submitted a series of proposals to the Legislature to support and strengthen this new generation of programs. They include expanding the State Training School and increasing state funding for local programs.

I am convinced that Iowa needs a full continuum of programs to deal with youthful offenders; that these programs must teach young people there are consequences for their actions and that Iowa needs increased capacity in its juvenile-justice system to protect the public.

TOM MILLER is Iowa's attorney general.

3-8-96

Send to Don ~~Steward~~
for reply ASAP

Yes ☒

No ☐

coordinate w/ Tyson &
Sperling
C

LUKIN T. GILLILAND, JR.
901 N.E. LOOP 410, SUITE 909
SAN ANTONIO, TEXAS 78209
210/824-0522
FAX 210/824-3154

96 MAR 8 AM 11:19
Reply
POTUS to
H. R.
H. R.
H. R.

March 4, 1996

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

Re: Corporate Capital Gains Tax Reduction

Dear President Clinton:

As I know you believe in small business and its importance to the United States economy, I encourage you to support the proposal to reduce the maximum tax paid by corporations on long-term capital gains. As you know, corporate capital gains are taxed as ordinary income subject to a maximum tax of 35%. Two proposals are pending, one to reduce the corporate long-term capital gains tax to a maximum of 25% and the other to a maximum of 28%.

I believe it is fair to reduce the corporate long-term capital gains tax in view of the changes made in the taxation of a corporation's sale of assets in the Internal Revenue Code of 1986 ("IRC"). Prior to 1986, if a buyer wanted to purchase the assets of a corporation, the corporation could adopt a plan of liquidation, sell its assets within the succeeding twelve months, and the shareholders paid one tax on the long-term gain realized on the sale of those assets. However, that provision was repealed in the IRC of 1986 and now, if a corporation sells appreciated assets, or if a corporation liquidates, the corporation pays tax on the appreciation at its normal corporate rates and the shareholders pay a second level of tax on proceeds distributed to the shareholders. Therefore, if a small businessperson builds his corporate business and then sells the assets rather than stock of that business (which is often the case when a business matures), the total tax on the appreciation in value of the business is over 53%. Other than the top federal estate tax rate of 55%, this is the highest federal income tax rate.

Generally, in United States business today, buyers of a business want to purchase assets from the corporation and not purchase the corporation's stock. The reasons for this are primarily two-fold: (1) buyers do not want to assume contingent liabilities; and (2) buyers want to amortize the appreciation they pay under IRC 197. In view of a buyer's insistence on purchasing assets, and in view of the excessive 53% tax, the small businessperson seller is at a significant disadvantage. Often, the small businessperson is forced to sell assets at the corporate level, pay generally a 35% tax on the gain, and retain

Page -2-

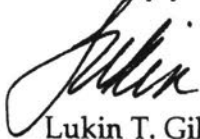
the proceeds in corporate solution which severely limits the small businessperson from enjoying the proceeds of years of business development.

Although reducing the corporate long-term capital gains rate would not eliminate this disadvantage, it would place the small businessperson on more even footing. For example, if the corporate long-term capital gains rate was reduced to 25%, the net overall tax on a sale of assets followed by liquidation of the corporation would result in overall tax of 46% rather than the 53% discussed above.

Finally, on a political note, signing a bill which includes such a tax reduction could be used to help attract small businessmen and women and entrepreneurs back into the Democratic Party. We in Texas, through the Party, the DLC and the 21st Century Democrats, have crafted a message and policies to give this group, which currently feels uncomfortable in either party, a place to go. Corporate tax reduction of the sort described here should help us reach this goal.

For these reasons, I urge you to support a reduction in the corporate long-term capital gains rate.

Sincerely yours,



Lukin T. Gilliland, Jr.

Keep up the good work!

THE PRESIDENT HAS SEEN

3/8/96

To John

Re

Melany

Fyl

Re

Ed Yoder writes that someone wrote years ago that literature was in danger of being smothered by "criticism of criticism of criticism," and he thinks HRC is suffering from its political equivalent. He describes her as an advocate for social causes - the legal rights of children and the improvement of health care for all. There's a tough, unsentimental side, and she's an excellent lawyer. For William Safire, her chief scold, public relations and serving Nixon and Agnew were excellent tutelage in the art of shading truth.

From 1/22/96¹⁵

244
The address
4100 N. 1st St
Albany

Sorry -
attached

**The
Washington Post
Writers Group**

YODE11♦tn

r k

●

^bc-yoder-column advIMMEDIATE<

^EDWIN YODER COLUMN<

^(For IMMEDIATE RELEASE--Normally Advance for Monday, January 15, 1996)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--I forget just now who pointed out some years ago that literature was in danger of being smothered by ''criticism of criticism of criticism,'' but at the moment Hillary Rodham Clinton is suffering from its political equivalent.

Whatever things she is alleged to have done, months or even years ago, have been eclipsed by derivative allegations concerning her candor or lack thereof in explaining them. In the current Washington fashion, the derivative charges have taken on a rich life of their own, reaching a churlish low with columnist William Safire's charge that Mrs. Clinton is ''a congenital liar.''

There is another way to look at all this. Mrs. Clinton's heart is in the social causes she has advocated for years--the legal rights of children and, more recently, the improvement of health care for all, including children. But there is a tough, unsentimental side to Hillary Clinton, too. She is an excellent lawyer whose job, back in Little Rock days, was supplementing her husband's meager constitutionally capped salary (\$35,000 a year) as governor of Arkansas. Like all of us, she likes to put her better foot forward. She'd rather be celebrated as a children's advocate than as a corporate lawyer or commodity speculator--not that there's anything wrong with either of the latter.

When you add to this that she is the first president's wife in American history who was an accomplished professional before her husband's election--and the resentment of womanly professional achievement that still burns among the keep-'em-barefoot-and-pregnant males--you have an unpleasantly combustible formula.

(more)

Milli-list
asap

1150 15th STREET, N.W., WASHINGTON, D.C. 20071-9200
TEL: (202) 334-6375 (800) 879-9794

Do I suggest, then, that Hillary Rodham Clinton is flawless? Not at all. Who is? I suggest that she is human, and that in the take-no-prisoners political climate of Washington much too much is being made, in the name of political inquiry, of artless attempts to conceal her tougher side.

Mrs. Clinton's legal work for Madison Guaranty, the faltering S&L owned by the Clintons' business partner, probably looks more dubious in retrospect than it looked in the cozy, forbearing ethos of Arkansas public life. If the 60 hours of lawyering she put in over more than a year's time had helped drive the firm into bankruptcy, Alfonse D'Amato's sanctimonious pursuit would be easier to explain. In fact, Hillary Clinton was trying to help save it; that is the fundamental fact. To that cause she devoted 60 billable hours, much less than other lawyers for the firm. How much legal work is a lot? How high is up?

As for the White House travel office affair, it may be impolitic and unfair to wield the patronage ax as clumsily as the White House lieutenants did, causing pain to harmless drones; certainly the firings were inept. It would have been better to be more candid about what happened, but no one I know of has been candid about political spoilsmanship since the 19th century.

Did Mrs. Clinton inspire the firings? The memo and notes of David Watkins imply it. Her whim, he says, was his command. But I wonder if the first lady's critics recall King Henry II, the English monarch who discovered, to his horror, that his muttering about Thomas Becket had been taken as an invitation to murder the archbishop of Canterbury. Subordinates tend to be more royalist than the king--or queen.

As for William Safire, The New York Times columnist who has emerged as Hillary Clinton's chief scold, there is this to be said: Safire has two signal qualifications for expertness on candor or its lack. Before he was a pundit, he was a public relations man and a speechwriter for Richard M. Nixon and Spiro T. Agnew.

PR and serving Nixon and Agnew were excellent tutelage in the art of shading truth. Moreover, since Nixon's fall Safire has been tirelessly on the prowl for a scandal in whose light Nixon's disgrace and his own misplaced loyalty would seem less catastrophic. He hasn't found one yet and he won't find one in Hillary Clinton's terminological inexactitudes. Safire's soured hero-worship, like the first lady's desire to be better known for good works than for good lawyering, is a pardonable human frailty. It should be seen as such.

(c) 1996, Washington Post Writers Group

March 7, 1996

THE PRESIDENT HAS SEEN

MR. PRESIDENT:

3/8/96

I have sent copies to Leon,
Alice, Laura, George, Harold,
and Doug.

TJS
Todd Stern

1 copy
White House
BA

From the Desk of . . .

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 President's.

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 Vetere.

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 re-elected we can look at it again. ①

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 Republican, particularly Dale, will use the Veterans' 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.

Just 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

Nancy Hernreich

Enclosure



Pres. has not seen.
Nancy Ann Kern is
apparently doing
a memo to counter
this -

Discretionary Programs 1996 - 2002
(\$ in millions)

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

3/8/96

THE WHITE HOUSE

WASHINGTON

March 7, 1996

96 MAR 7 15:48

MEMORANDUM FOR THE PRESIDENT

FROM: John Hilley *HLH*

SUBJECT: Current Status of BreauX/Chafee Medicaid Alternative

cc: Carol Rasco, Alice Rivlin and Laura Tyson

Alice Rivlin

During the last two days, the Members of the BreauX/Chafee balanced budget group have been meeting on the Medicaid provisions of their balanced budget proposal. If the tentative decisions they have made hold, the cuts and structural reforms in their package will virtually mirror your current proposal or, at minimum, be consistent with some of the compromises you have indicated would be acceptable. This memo, which Chris Jennings helped me draft, provides a quick summary of their current proposal and a sense of the politics and timing surrounding it.

Background on Current BreauX/Chafee Medicaid Policy

We have always evaluated any Medicaid proposal on the degree to which it provides for needed, new flexibility to the Governors and how well it ensures the financing, eligibility, benefits, and enforcement provisions that we believe are essential elements of the Medicaid "guarantee." The current BreauX/Chafee Medicaid proposal has either adequately addressed our previously stated concerns about the NGA resolution or, as is the case with the enforcement issue, has yet to make a final call on a problematic provision. Specifically:

- **Flexibility:** They incorporate all of your major new state flexibility provisions, including the repeal of Boren, the repeal of the cost-based reimbursement requirement for community health centers, and the elimination of the waiver process for states implementing managed care or attempting to expand coverage. They also change the status of community health center services to an optional, rather than a mandatory service.
- ✓ **Financing:** They build off the NGA financing formula, but eliminate the reduced state matching and the new provider tax provisions that the Governors advocated.
- ✓ Like your per capita cap, the structure seems to assure that federal dollars increase with enrollment. Also as in your financing proposal, they assume DSH cuts, with a portion of the savings being dedicated to set-asides for undocumented aliens (as was the case in the Republican bill as well) and community and rural health centers.

✓ **Eligibility:** They reinstate the children 13-18 phase-in provision and they keep a federal definition of disability, but amend it as in the welfare agreement. (As you may recall, this makes coverage optional for alcoholics, chemical and substance abusers, and some functionally-impaired SSI children.)

902 ✓ **Benefits:** They appear to keep current law and standards for both mandatory and optional benefits, with the exception of giving the HHS Secretary the authority to narrow the definition of treatment services under EPSDT. (Their benefits recommendations are, therefore, more "liberal" than the fall-back position that we have discussed with you.)

• **Enforcement:** Although they reportedly are sympathetic to maintaining a federal right of action of individuals, they have not made a final decision on this issue. It is clear, however, that they are looking at options that you have supported previously, including the requirement that recipients go through the entire administrative appeals process prior to being able to file a case against the state.

• **Miscellaneous:** They are retaining current federal nursing home standards and enforcement provisions. They are very sympathetic to keeping Medicaid in Title XIX, but they have not made a final decision on this issue.

Process

While developments surrounding the Breaux/Chafee Medicaid package are extremely encouraging, they cannot be viewed as "real" until and unless they are publicly released. The most important, and as yet unanswered, question is how Senator Dole will react to the package. Since the Republican Governors will not find this compromise to their liking, Senator Dole may come to a similar conclusion and pressure the moderate Republicans to backtrack. Even if they don't backtrack, it would be conceivable to see Republicans take the position that they support this package ONLY in the context of a balanced budget. They might say that they took a more moderate Medicaid approach only because they were "winning" on some of the other Republican entitlement priorities. For example, they might (internally) cite their 31 percent Medicare Part B premium provision that is assumed in the Breaux/Chafee package. If they take this "only in the context of a balanced budget" position, we may find any Republican-supported Medicaid/Welfare amendment on a debt limit to be a much more harsh and unacceptable Medicaid proposal than the one outlined above.

Timing

It is uncertain when the Breaux/Chafee group will go public with their new Medicaid and balanced budget proposal. They want to get it scored by CBO before they do, but they also understand that each passing day makes it more unlikely any package will have sufficient momentum to pass the Congress. It seems likely, however, that it will take at least another week before they will be able to release their package.

We will continue to keep a close watch on the Breaux/Chafee group. However, our best strategy seems to stay a step away from their work. If we are associated with it, the Republicans (and even some Democrats) may feel obliged to move to a more conservative position. We will keep you posted on developments.

THE PRESIDENT HAS SEEN

3/8/96

To Leon/Carmen/Alisa
for Jerry Jackson's
letter BCL

WHEREAS, the cities of this nation are suffering under enormous burdens and stresses;

WHEREAS, in most of our major cities, there is a new jail and a new stadium, the hallmarks of America's urban downtowns--two mountains, with a dark canyon in between;

WHEREAS, we now find ourselves more than 30 years after Watts, and almost 4 years since Los Angeles erupted in the wake of the Rodney King police brutality trial;

WHEREAS, the United States of America has no national urban policy;

WHEREAS, we cannot have a great nation with abandoned cities;

WHEREAS, we cannot have a great nation with one out of every four of our children living in poverty;

WHEREAS, we cannot have a great nation with one out of every two of our African American children living in poverty;

WHEREAS, the United States of America has no plan to reinvest in its critical infrastructure, no plan to rebuild our cities, no plan to reclaim our urban youth from the criminal justice system;

WHEREAS, at the end of World War II, this nation reinvested in the economies of its former enemies, with the Marshall Plan and the MacArthur Plan, in order to promote peace, establish democracy, and create healthy markets for our goods;

WHEREAS, our children need a similar investment in our cities, to help them create a better future;

WHEREAS, we need to gather together to devise a plan to rebuild our cities for the next century;

NOW BE IT THEREFORE RESOLVED, THAT WE CALL ON PRESIDENT CLINTON TO HOST A WHITE HOUSE CONFERENCE ON NATIONAL URBAN POLICY, TO DISCUSS THE PROBLEMS OF OUR CITIES, AND THE SOLUTIONS THAT WE NEED TO REBUILD URBAN AMERICA;

AND BE IT FURTHER RESOLVED, THAT WE HEREBY PETITION THE PRESIDENT TO APPOINT A NATIONAL URBAN POLICY COMMISSION, CHARGED WITH THE DUTY OF FORMULATING AN ACTION PLAN TO SAVE OUR CITIES.

We, the undersigned, do respectfully request that the President hear our plea.

THE WALL STREET JOURNAL.

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★ ★ ★

EASTERN EDITION

WEDNESDAY, JUNE 21, 1995

CHICOPEE, MASSACHUSETTS

VOL. CCXXV NO. 120

Federal System

You Can Get Away From Washington— But Not Government

In Roads, Taxis or Lasagna,
Uncle Sam Is Involved,
As a Normal Day Shows

Sugar Supports in the Tea

By GERALD F. SEIB

Staff Reporter of THE WALL STREET JOURNAL

I live in Washington, but today I'm going to go with the national flow: I'm going to try to get the federal government out of my life.

So, it's 6:30 in the morning, and I'm at National Airport, headed to Atlanta.

But wait: It won't be as easy as I thought. I've just seen a TV weather forecast, generated by the National Weather Service. And I took a cab to the airport on a road paved largely with federal funds, stopping on the way to get some money from my federally insured bank account. The government isn't just giving to me, though; it also is taking away. I've already paid a federal tax of \$68 on my airline ticket. And a sign just ahead tells me there is a regulation against even joking about hijacking my plane.

All this federal entanglement, and it isn't even breakfast time yet.

As the dawning of this day suggests, the federal government, for better or worse, plays a far bigger role in the daily lives of Americans than most realize. Uncle Sam is there in thousands of ways so small and routine that they usually go either unnoticed or taken for granted.

Rethinking Washington's Role

But now, the momentous budget debate in Washington is going to compel Americans to decide what they do and don't like about the government's myriad roles. The Republicans who have taken control of Congress don't merely propose to cut about a trillion dollars out of previously projected federal spending over the next seven years to balance the budget. They want America to reconsider a generation's worth of assumptions about what the government should and shouldn't do.

To get a better sense of what the government does for — and to — me, I'm using a routine business trip to dissect the many ways the federal government touches me on a typical day.

It starts with something as simple as the weather. Behind the routine temperatures and cloud swirls on the predawn newscast is a beehive of federal activity. The raw data that goes into the forecast is generated by the National Weather Service, part of the Commerce Department. It has an operations network that spans the nation, scooping up the information that gets turned into the local forecasts and travel advisories I take for granted. The weather service has about 200 offices, a network of about 11,000 volunteer observers scattered around the nation, automated observation sites at airports and even data buoys along the coasts. On top of that, it gets information gathered by four satellites owned and operated by another Commerce Department agency, the National Oceanic and Atmospheric Administration, or NOAA.

Lost Satellites?

Stephanie Kenitzer, a spokeswoman for the National Weather Service, says that this information is disseminated in various ways, including on an NOAA radio network. It also goes to private vendors who package it and send it on to local radio and television stations.

Republicans in both the House and Senate want to eliminate the Commerce Department entirely. Presumably the National Weather Service would simply be shifted somewhere else in the government. But it wouldn't go unscathed by budget cutting; weather stations might be closed, and officials at NOAA have warned that cuts in that agency's budget could ground two of the four satellites the weather service uses to gather information.

Then there is the taxi ride. Because of federal regulations, the cab has an emissions-control system. That added perhaps \$1,000 to the sticker price of the cab when it was new. In return, though, the air I'm breathing is a little safer, and engine experts say the car's fuel economy and performance are better than they would be otherwise. Still, some congressional Republicans believe certain clean-air rules are excessive and want to curb them.

Safer Deposits

Thanks to the Banking Act of 1933, the Financial Institutions Reform Recovery and Enforcement Act of 1989 and the Federal Deposit Insurance Corporation Improvement Act of 1991, the money needed for my trip is secure. Of course, the cost of this safety net filters down to me through various service charges from the bank, which has to pay into the insurance system.

Leon / Baer / GS / Macey
DMM / M. M. M.
Fry - Be

At the airport, federal fingerprints start showing up all over my day. At the airline counter, I pay a 10% federal tax on my ticket. The Air Transport Association says this tax pulls in \$5 billion annually. The airlines figure the tax hurts them by making the trip more expensive and thus discouraging air travel. The industry estimates that every 1% increase in the cost of travel results in a traffic decline of 1%.

On the other hand, the ticket tax helps get me to my destination in one piece. It pays for the Federal Aviation Administration radar and radio equipment that will guide my flight, as well as much of the salary of those federally employed air-traffic controllers.

Please Turn to Page A10, Column 1

THE PRESIDENT HAS SEEN

3/8/96

Federal System: One May Flee Washington, Not Government

Continued From First Page

fic controllers in the tower.

The ticket tax, as well as a local tax, is also going into the airport-expansion work that is under way nearby.

The government sets the training standards for the security guards who run the screening equipment I pass through, and the Delta Air Lines flight attendants and crew greeting me are steeped in FAA rules. The FAA's regulations have determined how long the crew members had to be off duty before taking this flight, and the training manual the attendants studied to get their wings had to be approved by the FAA.

When the flight attendants order seat backs and tray tables put in the "full and upright position" before takeoff, they are doing so because the FAA requires.

Back in 1986, Congress passed something called the Air Carrier Access Act, designed to ease the way for disabled travelers. As a result, there is a wheelchair tucked away in a closet on board; it now is required equipment for all aircraft with more than 60 seats. And to ease access to seats, the law requires that at least half the aisle seats have movable armrests.

The federal role even reaches to the cargo hold. If any passengers have pets there, the size and type of animal cages they are resting in has been regulated by the Agriculture Department.

Pricier Power

Now in the air, our plane is burning jet fuel that may soon get more expensive, thanks to Washington. To help cut the deficit, Congress in 1993 established a 4.3 cent-per-gallon tax on aviation fuel to take effect next Oct. 1. The airlines are fighting to get it rolled back. If it isn't, they figure that, because their business is so competitive, they will have to absorb the tax's annual \$527 million cost.

After landing, I make some phone calls to Washington — calls in which the government is playing a silent but important role. The Federal Communications Commission determines the fee that the local phone company can charge my long-distance carrier to complete the call back to my office.

From here, there are two ways to get to my meeting — both of them heavily financed by you know who. I can take Marta, the Atlanta subway system. The federal government has pumped \$1.43 billion into its construction over the years, a spokeswoman says. But this year may be the end of the line for transit subsidies around the nation.

Instead of mass transit, I opt for a taxi, and find myself zipping toward town on a pair of wide, smooth interstate highways, I-75 and I-85. For interstate highways like these, the federal government picks up 90% of the construction tab, while the states pay 10%. All told, the federal government will lay out about \$19 billion on federal aid for highway construction this year.

I pass the stadium under construction for the Olympics that Atlanta will host next year. The government will help out there, too. Among other things, it will kick in some \$10 million to help the city meet Olympic transportation needs.

The highways help whisk me to Emory University, site of my morning meeting. Though it is a private university, a federal role is apparent here, too: I pass the university's Office of Equal Opportunity Programs, which, among other things, advises university offices on how to abide by the federal government's affirmative action and disabled-access laws.

The Burger Meisters

From my meeting, it is on to lunch at a nearby restaurant called Everybody's. And there is hardly an item on my plate that hasn't been affected by federal agricultural programs.

I can eat my lasagna with confidence: "All the beef you eat in this country is inspected at some time" by the Agriculture Department, says Chandler Keys, senior director of congressional relations for the National Cattleman's Association. And the cow probably was fattened by eating corn

subsidized by federal crop-support programs. Or maybe it grazed on federal lands owned by the Interior Department, which leases pasture lands to ranchers at favorable rates.

Agriculture subsidies are on the chopping block, too, though farm-state lawmakers are rushing to their defense.

It is a safe bet that the federal agricultural programs have driven up the cost of my lunch, although it is hard to say by how much. Through a Depression-spawned dairy program that recently took the General Accounting Office 37 pages to explain and illustrate, the government operates a federal price-support program for milk that probably nudged up the cost of the cheese in my lasagna. The federal price program for sugar undoubtedly boosted the cost of making my tea sweet. The GAO estimated a few weeks ago that the sugar program costs sweetener users some \$1.4 billion annually.

On the other hand, federal programs are largely responsible for the quality and variety of food that is available, and have pushed down its cost in other ways. Agriculture programs have eradicated diseases that would have tainted beef, and border-control programs have kept out infectious diseases from abroad, notes Mr. Keys of the Cattleman's Association. And, he adds, the federal interstate-highway system "has made the transportation of beef and all foods much cheaper," and ensured that fresh food can be zipped from the West to my table here in Georgia.

Andy Karlansky, one of the owners of Everybody's restaurant, says his business costs are affected by the government paperwork required on the 100 employees in the two restaurants he and his partners own. And while Mr. Karlansky isn't paying any workers at the minimum wage now, some are close enough that their salaries might be bumped up if the minimum wage is raised. "It all ends up in the cost of a pizza," he says.

Steered to the U.S.

After lunch, it is back to the airport. Along the way, I discover an unexpected byproduct of federal action: my cab driver, Malik Ahmed. He is in America only because he was a lucky recipient of one of 50,000 visas distributed by the U.S. on a random basis in his home country of Pakistan 10 years ago.

Upon returning to Washington, I hop into the Metrorail subway system for a ride back home. This subway, too, is heavily subsidized by federal grants; Uncle Sam has spent or authorized \$3 billion to build the subway system since 1979. Sharing the ride are weary tourists, dressed in shorts and flowered shirts. They have just been to the Smithsonian Institution, where admission is free, thanks to tax dollars.

Finally, I stagger home, exhausted from not only the trip but all my interaction with the federal government. To relax, I flip on my favorite news program — the "MacNeil/Lehrer Newshour," carried by my local (federally supported) public-broadcasting station.



THE PRESIDENT HAS SEEN

3/8/96

Dear J

Thanks for sharing the article from Toolbox. I enjoyed it. I am glad things are going well and I look forward to another wonderful meal at Filomena's.

sincerely,

PLEASE COORDINATE THE REPLY.

Too

Strategies • Sales Leads • Ideas • People

Washington
BUSINESS JOURNAL

Atmosphere spices Filomena's menu

'Pasta mommas' make homely aura

By JAY IWANOWSKI
Staff Reporter

In a fine restaurant, atmosphere can be as important to the bottom line as the way the food tastes. Joanna Filomena says both ingredients have played a key role in her success.

Filomena is owner of Filomena Ristorante, an Italian restaurant in Georgetown that has served such celebrities as Goldie Hawn, Dustin Hoffman, Terri Garr, Anthony Quinn and three U.S. presidents.

The 199-seat restaurant is meant to evoke memories of a classic New York Italian eating establishment. Filomena's is decorated with Joanna Filomena's mother's antiques, photographs and other household items to help create the mood. There is even a corner of the establishment where Filomena's childhood dining room table is on display.

But what makes the restaurant stand out in the atmosphere department are the two women who make pasta in the front window five nights a week.

Filomena calls the two women her "pasta mommas" because they create the feeling that mom's in the kitchen preparing the meal.

BACK TO THE FUTURE: "I don't try to keep up with the times. I try to keep up with yesteryear, what's been missed and admired," says Filomena.

That strategy has paid off. Filomena's seats 160 a day and had 1995 revenue of \$3.3 million. It employs 74 people and serves lunch and dinner daily except on Christmas and New Year's days. Filomena runs the restaurant with the help of her nephew Michael Chiacchieri.

She started the restaurant 14 years ago when she moved from New York because she felt Washington lacked a great Italian restaurant.

"Back then, the pizza here was terrible," she recalls. "I chose the Georgetown



Joanna Filomena: 'I try to keep up with yesteryear, what's been missed and admired.'

location because it had the hustle-and-bustle feel of New York."

Filomena renovated her Wisconsin Avenue space with a \$550,000 loan from the Small Business Administration. At the time, it was the largest loan the agency had ever made to a woman.

FOOD 101: In the '90s, the dining customer has become more educated about food and more price-conscious. That's changing the way a restaurant has to run, says Filomena.

She explains: In the '70s, anybody could open a restaurant and whatever they served was considered good. In the '80s, "people were more concerned with 'Where did you go?' and 'What did you have?' and price wasn't important."

"Today, everybody has to buy the finest and freshest produce," Filomena says. "And if a drought occurs, you can't pass the price increases on to the customers."

RECOVERING FROM BANKRUPTCY: Even when you have a great location and great food, you can make mistakes, she warns. For example, she had a financial advisor who advised her to give 8 percent of her restaurant's gross to the landlord when she signed a new lease.

That created a financial crisis for Filomena, and in 1991 she had to put the restaurant into Chapter 11 bankruptcy for 21 months.

"I never thought I would ever declare bankruptcy," she says. "I thought deadbeats did that. But without the bankruptcy laws, I would have been out of business and 74 people would have lost their jobs. It really is a wonderful law because it helped save the restaurant."

Since then, Filomena has renegotiated her lease and now pays a fixed rate.

FUTURE GROWTH: Filomena is now in the process of paying off all the restaurant's debt. Once that is done, she says there will be some type of expansion, but she won't give any details yet.

STARTUP COSTS: \$550,000.

BEST MOMENT: When [German] Chancellor [Helmut] Kohl and President Clinton had their working lunch at the restaurant.

MOST DIFFICULT MOMENT: "Accepting the fact that I would have to go into Chapter 11 bankruptcy."



Strategies appears weekly. Jay Iwanowski can be reached at (703) 818-0337; send faxes to (703) 875-2231.

NETWORKING

Upcoming meetings of interest to small business

MARCH 12

5:30-7:30 p.m. The Montgomery County Chamber of Commerce will hold an after-hours networking event at the Aspen Hill Club, 14501 Homestead Road. The cost is \$5 for members and \$7.50 for non-members. For more information, call (301) 424-8000.

MARCH 14

5-8 p.m. The Bethesda-Chevy Chase Chamber of Commerce will hold a reception at the Manor Inn Bethesda, 7740 Wisconsin Ave., Bethesda. There is no charge. For information and reservations, call Margery Shrinley at (301) 652-4900.

MARCH 14

7:30-9:00 a.m. The Loudoun County Chamber of Commerce will hold a breakfast meeting at the Ramada Corridor Hall, Route 7, east of Leesburg. The cost is \$12.50 for members who pay in advance, \$15 for members at the door and for non-members. For more information, call (703) 777-2174.

MARCH 19

7:30 a.m.-9:15 a.m. The Baltimore-Washington Corridor Chamber of Commerce will hold a networking breakfast at the Columbia Inn Hotel & Conference Center, 10221 Whinnip Circle. The cost is \$15 for members and \$25 for non-members. For reservations and more information, call (301) 725-4000.

More Calendar listings on page 42

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QUICK READS

“Sales meetings should be a forum for reporting, goal achievement assistance, encouragement, problem solving, training, sharing and communication. The purpose of a sales meeting is to get the sales staff primed and pumped to sale.”

Jeffrey Blumer
Sales Moves
Page 48

“Voice-mail can be a strategic tool used to improve communication and to enhance the personal touch with business contracts you must maintain.”

CyberSense
Page 41

Randi Payton is driven to succeed as publisher

By JAY IWANOWSKI
Staff Reporter

Randi Payton saw a need and created a niche.

Payton is publisher and editor-in-chief of Washington-based African Americans on Wheels, a 500,000-circulation magazine that covers all aspects of the automobile industry for the African-American community.

"African-Americans, after housing, spend more on cars than any other prod-

MINORITY BUSINESS

uct," Payton says. "And there's a need for information before walking into a dealership."

African-Americans on Wheels was launched in June 1995. It comes out quarterly and is inserted into 27 black newspapers across the country.

The first two issues didn't create much revenue, but this year's first edition had

See PAYTON, page 43



Randi Payton: Created a niche.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
3/8/96

March 6, 1996

96 MAR 7 4:56

MEMORANDUM TO THE PRESIDENT

FROM: Gene Sperling

SUBJECT: *TIME For Kids* article on Education Technology

Attached is the latest issue of *TIME For Kids*. This mini magazine for kids is circulated to thousands of children in schools across the country. Note the cover feature story gives you credit for challenging the nation to connect all schools to the internet by the year 2000. Inside, the magazine depicts 2 pages of color photos, including one photo from your trip to Union City, NJ.

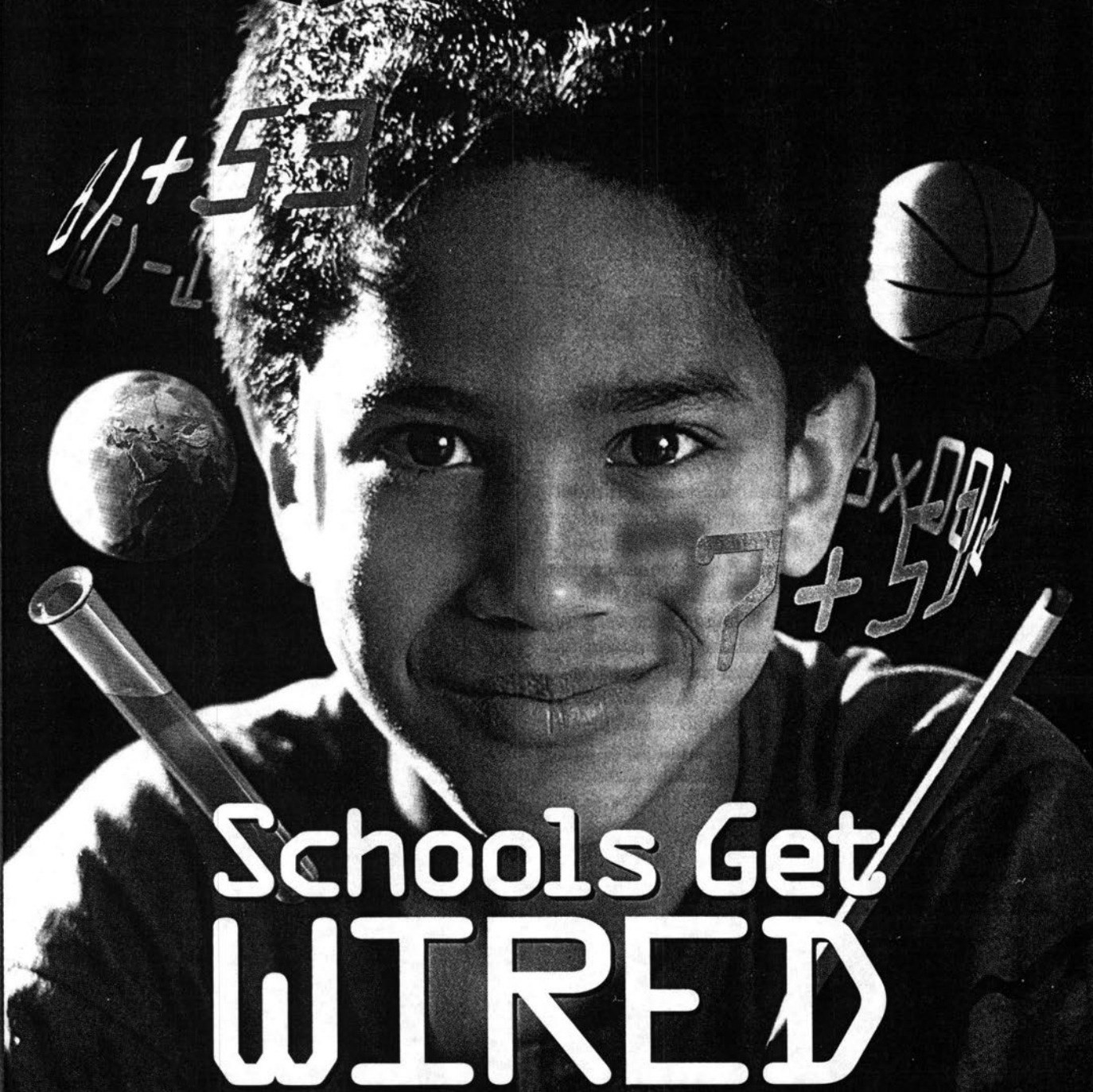
Attachment

TIME FOR KIDS

● U.S.
This year's
hottest toys

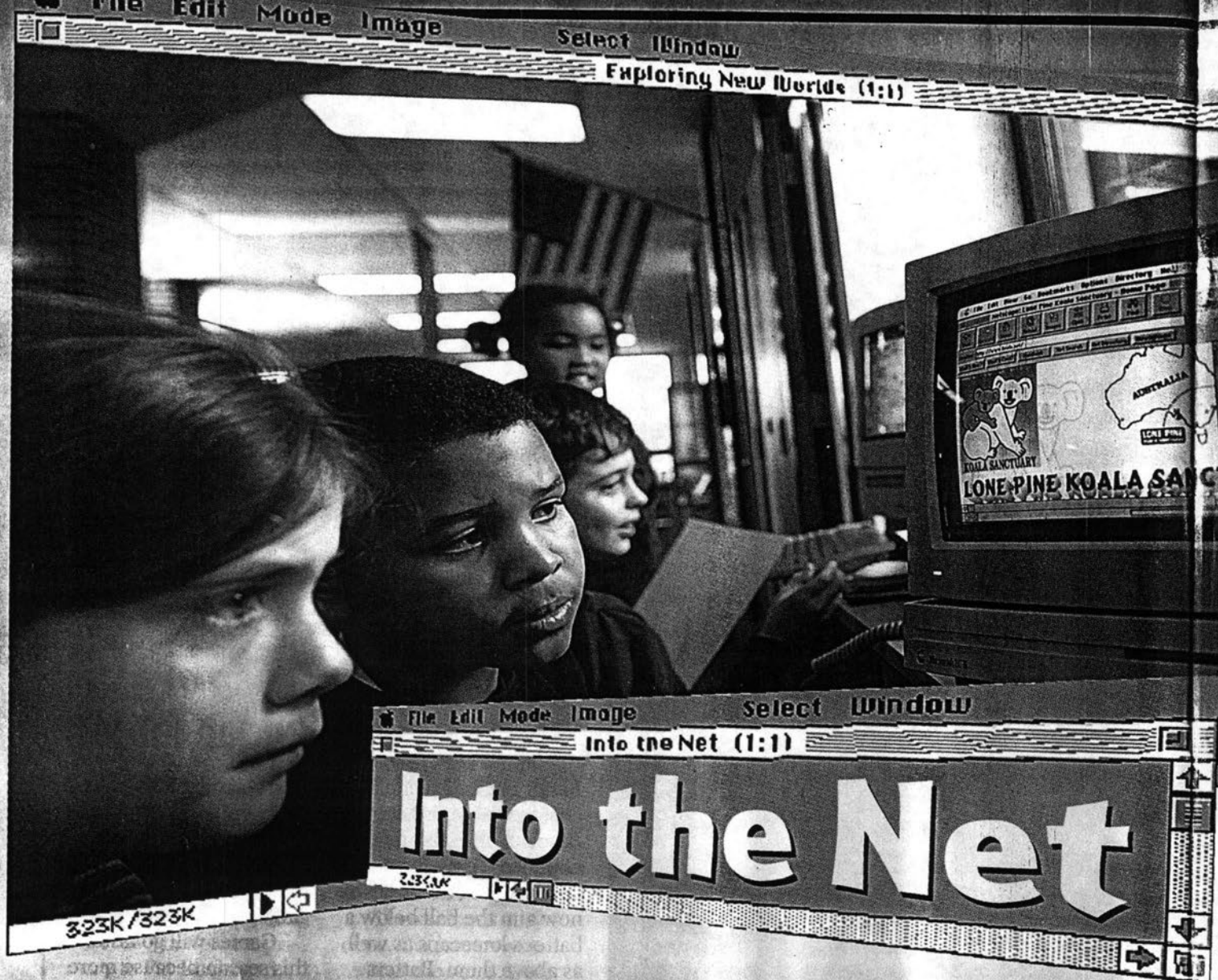
● U.S.
Chess champ
takes on a computer

● SPACE
A spacecraft explores
a mysterious asteroid



Schools Get WIRED

President Clinton says that by the year 2000 every
school in America should be linked to the Internet.



Millions are traveling on the information superhighway. Is your class joining the rush?

YOU'RE EXPLORING A PYRAMID in ancient Egypt for a school project. You travel down a narrow corridor, shining your flashlight on the dusty symbols on the walls. Is that a mummy just ahead? *Brrring!* The recess bell. Time to log off your computer and head outside for dodge ball.

For schools riding the latest wave in education, this virtual field trip is no daydream. It's made possible by a

huge system of computers and information called the Internet. President Bill Clinton wants all American kids to join in. He's announced a plan to link every U.S. classroom to the Internet by the year 2000.

WHAT IS THE INTERNET?

The information superhighway, or Internet, is a system of thousands of groups of computers linking millions of people worldwide. The words and images that appear on your screen travel through telephone lines. Devices called modems link computers to the phone lines.

An early form of the Internet appeared in 1969, when the government joined just four computers

through a phone line to "talk" to one another. Today businesses, schools and families "surf the Net" to chat, work, play games or explore hobbies.

THE NET COMES TO SCHOOL

The most popular part of the Net is the World Wide Web. The Web is made up of "sites" with pictures, words and sounds. Users can jump from site to site. Many schools have made their own Web "pages," which are like bulletin boards.

Students can travel almost anywhere on the Net. "You can dissect a frog, talk to an expert on seaweed, go to the White House or the Smithsonian Institution," says Rosemary Jacot, a teacher in Oak Park, Illinois.



Students in Oak Park, Illinois, travel to Australia on the Internet, left. Clinton and Gore at a wired New Jersey school.

But computers, phone lines and software can be expensive. Only about half of U.S. public schools have Internet access. Poorer schools fear they will be left in the dust.

A GOAL FOR THE YEAR 2000

The President wants to bring the Net to every school. Two weeks ago, he and Vice President Al Gore visited Christopher Columbus Junior High in Union City, New Jersey. Teachers, students and parents spoke about how the Internet works for them.

After a demonstration of the school's technology, Clinton admired how "homework is being done in a new way. Test scores have gone up, and dropout rates have gone down."

BIG-BUSINESS CONNECTION

The President wants the Federal Government to give states \$2 billion for high-tech classrooms. He also wants big companies to help pay. On February 8, he signed a bill that re-

quires companies to help schools get computer services at low prices.

Some have already pitched in. Christopher Columbus school can explore new worlds thanks to the Bell Atlantic phone company. In Chula Vista, California, the Juarez-Lincoln School has help from Pacific Bell. Kids at Juarez-Lincoln who used to skip class now knock on the door before school starts. "The Internet is great. All you have to do is click," says Elena Romero, 12.

WILL YOUR SCHOOL GO GLOBAL?

Not everyone is sure that all schools will be wired by the year 2000. Congress may not approve the President's \$2 billion proposal. School systems may not have the money to get started, even with help from Big Business and government.

But chances are you will be seeing some cool changes at school. For a future field trip, you may not need a bag lunch or a bus. You might just

slide your chair up to the nearest computer, log on to the information superhighway and zoom right out of your classroom.

Hot Web Sites

Exploring the Internet? Get caught in the World Wide Web!

- Visit frigid Antarctica in a T shirt or take an archaeological bike tour through Maya ruins at <http://www.mecc.com>
- See the *Mona Lisa* and other masterpieces at <http://www.paris.org/Musees/Louvre>
No tired feet from this tour.
- Write a note to President Clinton at <http://www.whitehouse.gov>
Click your mouse at the White House cat, Socks.
- Hungry after your adventures? Take a tour of the M&M's factory at <http://www.baking.m-ms.com>
Sorry, no free samples!

THE WHITE HOUSE
WASHINGTON

March 2, 1996

MEMORANDUM TO LEON PANETTA
FROM: RAHM EMANUEL *RE.*
SUBJECT WEEKLY REPORT

THE PRESIDENT HAS SEEN
3/8/96
96 MAR 2 P1:34
Rahm/Leon

IMMIGRATION: I held a meeting on Saturday with top INS staff members to review the next two months. Attached is an agenda outlining the agreed upon terms and timeline. In order to be most effective, we must take the immigration battle to the workplace.

The workplace offers us the opportunity to demonstrate our commitment to confronting immigration where it matters most. To demonstrate our efforts we can (1) communicate our opposition to the Guestworker Amendment, (2) announce the new INS-Labor strike force in seven cities, (3) argue for a series of amendments in the Senate targeting legal worker protection, and (4) make an example out of an up-coming enforcement in Pennsylvania's food processing industry.

In regards to immigration legislation, Republicans remain divided and the fight has become more public. To date, we have stayed out of this battle and should maintain this strategy, barring a change in circumstances.

CRIME/DRUGS: I held a meeting on Wednesday to review the announcement for the Anti-Gang initiative. The goal is to hold the conference in the city of New Haven, Connecticut with law enforcement leadership and community anti-gang groups from all over New England. The President will announce the funding for the New England Gang Tracking Network; a computer center capable of monitoring gang activity for all law enforcement can use. The announcement would include the plan to expand the network to a national level by the end of the year.

The 'One Strike Your Out' guidelines that the Justice Department and Housing and Urban Development have been working on for the past three weeks are now complete. Unlike the school uniforms manual, these guidelines provide a legal road map for local Housing authorities to follow. We need to select a date and location that would serve to announce these guidelines. (I have suggested Cleveland or Flint Michigan.)

I have been working with the Justice Department on the \$12 million dollar drug court announcement. The department will determine the most appropriate city in which the Attorney General will make this presentation. The other option is for the President to announce this grant at the White House Drug Conference.

I have also been working with the Attorney General's staff on her address to the Maryland State House on Juvenile Violence on March 12th. The Attorney General will use this speech to

*Gain
New Family
Newly created
immigration with
immigrant
with cap
Rahm*

*Shawn
1/20/96*

announce the five key components that any juvenile legislation should contain. If effective, the speech should receive positive national coverage. This is a opportune time for the Attorney General to expand on issues raised at the White House Conference on Juvenile Violence and Drugs that will have taken place five days prior.

agm I can not stress enough the importance of developing a "Meth" strategy. It is a key counter point to the Mexican certification decision. The problem is that the strategy has been developing within the DEA for over a year. For this reason, it is imperative that the Justice Department is given a strict timeline for conclusions.

I have been working with Dick Clarke at NSC on the reallocation of \$500 million dollars from DOD to the Administration's counter narcotics effort. At General McCaffrey's Swearing In Ceremony, the President would announce this reallocation and his directive for General McCaffrey to personally oversee its development and implementation.

The announcement would ideally counter any negative reaction resulting from the decision on Mexico's certification and preempt any attempt by the GOP nominee to embrace Alexander's vision of a new military branch for the border.

The school uniform initiative continues to receive positive national exposure. All three networks aired a piece over the weekend and either a follow-up piece or morning show spot during the week. Next week, for example, CBS is running a three part series on the school uniform initiative and its possible impact. The Montel Williams Show has already taped a piece on school uniforms to air this week.

the advantage of being seen consistently when President Bush is in the White House
VALUES: I was thinking about Governor Branstad initiative to make divorce more difficult. Although the Governor's purpose is to improve the status of families, his initiative seems too invasive of private life and too negative of big government. The President needs to touch upon his own sincere concern for the status of two parent families in this country but with a positive and encouraging message.

As a follow-up to the school uniform and V-Chip Conference announcements, I was thinking about a statement or speech on the value and importance of the two parent family. One way to break through on this debate is to simply state that no matter how effective and well funded, government programs can be, they can not replace the value of the two parent family.

There are several strong advantages to a statement; (1) it unites the President's work with the work the First Lady has done and advocated, (2) it would strike a New Democratic message, and (3) it would highlight the parental credentials of the President and First Lady.

agm **POLITICS:** Peter Hart is going into the field this week with a 2000 person poll for the Wall Street Journal. They will publish on Friday an eight page separate section with the results. When the poll is complete, Peter has agreed to share the data and particular subsets of information and we should follow-up with him.

WELFARE: In her Senate testimony, Secretary Shalala was very strong and convincing, especially on the issue of the cut-off with the good Senator from New York.

Pending our decision, the Department of Health and Human Services has produced a list of executive actions for the President to announce. The most promising of the actions is one that requires teens to stay in High School in order to receive welfare. The announcement of these executive actions is a way to emphasize our commitment to work and responsibility. In a speech dedicated on his welfare principles, the President could focus on his commitments to welfare without talking about pending legislation or his bottom line.

I have also asked the Department of Health and Human services to prepare a report on teen pregnancy rates for a Presidential radio address. Hopefully this report can allow us to effectively address this issue in the near future.

✓ ~~good~~ when can
we do it - surely
in some states
than later

Implementation of Immigration Agenda

February 26, 1996

I. Worksite

- **President's Trip -- March 8**
 - Send options for announcement to White House by Wed. 2/28
 - Plan for Presidential visit to VIS site
- **Complete Op-Ed**
- **Enforcement**
 - Check status of upcoming actions for Commissioner participation

II. Border

- **Anti-smuggling report -- to be finalized week of March 11th**

III. Florida Plan -- March 21

IV. Removals

- **Monthly Report March 17**
- **Build into monthly report major operations and special initiatives**

V. Legislation

- **3-page Administration's Views Letter**
- **Press Club Speech -- March 12**

VI. Naturalization

- **Monthly internal report on status**
- **March 18 Naturalizations Ceremony with Cisneros in Chicago**
- **Newsletter on Naturalization for constituency groups, NGOs**
- **Community outreach**



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96 MAR 7 11:38

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March 5, 1996

Dear Mr. President:

I write to let you know that in my capacity as president of the Middle East Policy Council I will be visiting several Arabian Gulf states in April. The trip will include a stop in Qatar where a meeting with H.H. The Amir Sheikh Hamad Bin Khalifa Al-Thani is planned.

As you may recall from earlier correspondence I have met with Sheikh Hamad a number of times and been a guest in his home. I think highly of him and, despite the rather rocky period he is in at the moment, I believe U.S.-Qatari relations will be enhanced by his leadership.

Should you wish to convey a message or note to His Highness, I would be pleased to carry it or assist with its delivery in any way.

All the best.

Sincerely,

George McGovern
President

he region April 4 and will arrive in Qatar April 9.

Staff Sec.

-President
has not seen.

Send to NSC for reply?

Yes

No

3/7/96