

THE PRESIDENT HAS SEEN
5-6-96


Leon

We need to discuss

Met Sigma

Bz

BALANCED BUDGET COMPARISONS

	Chafee/ Breaux	GOP (1/6)	Admin. (3/19)
Discretionary	-268	-349	-297
Medicare	-154 (456 pm)	-168	-124
Medicaid	-62	-85	-59
Welfare/EITC	-50	-75	-46
Other Mandatory	-54	-69	-49
Tax Cuts	130	203	100
Tax Loopholes	-25	-26 (62)	-62
Debt Service	-62	-63	-56
CPI	-110	-18	-19
7-Year Savings	-655	-650	-612

(Review CBO)
(Cap G → Fed → Pay)

* 1st Budget
Interim. Acctg

1, 2, 3, 4, 5, 6, (COP)
Peterson Att. also
(muu)

146 ↔

1 See Seniors See at Dem at Seniors

Page Be

From
Arnold Bennett

**MAXIMIZING THE IMPACT
OF MEDICARE ON THE ELECTION**

THE PRESIDENT HAS SEEN

5-6-96

It was Medicare that ended the Republicans' days of glory in mid-1995, setting the stage for the 1996 campaign. And, while the issue has impact on voters of all ages, its impact on older voters is dramatic.

The preference of older voters for the GOP in 1994 (everywhere except in Florida) was a major source of the Republican victory. But Republican Medicare proposals cost the GOP its lead and gave the Democrats an important resource for victory. From November 1994 to November 1995, seniors shifted from a 51-48 Republican preference to an astonishing 56-33 Democratic preference!

That lead, unfortunately, is not set in concrete. The Republicans will try to shift older voters' attention off Medicare and onto character, Whitewater, military service, welfare, etc. Republican success in changing the subject *will be retarded by heightened attention to Medicare, new discussions of Medicare, whatever the source.*

Nonpartisan radio ads, op ed columns, flyers, etc., that highlight Medicare can help keep the issue hot during the dog days of June, July and August. If they stress the notion that Medicare is under siege, that *some politicians* want to weaken Medicare, that Medicare is *the* issue in the election, that can set the stage for Democratic campaign ads in the fall and Democratic victory.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 5/6

TO: *Jennie Baker*

FROM: Staff Secretary

This is the letter you discussed
with Kathie Wicken. Could you
let me know if the language
is ok. Thanks

Phil Caplan
62702

*cc of incoming letter
and enclosed to
NSC*

THE WHITE HOUSE
WASHINGTON

May 6, 1996

Ann B. Grigsby
Route 2, Box 99S
Denison, Texas 75020

Dear Ann:

I can appreciate your interest in assisting Karla Geraldo to expedite the process for obtaining a visa to come to the United States. A copy of your letter and the information you enclosed about Karla have been forwarded to the National Security Council and the State Department for review and any appropriate action.

Please give my greetings to the family. I hope you're all well. Take care and God bless.

Sincerely,

Ann Grisgley is
POTUS 1st Cousin

NE → state

April 15, 1996

Dear Bill,

I have a favor to ask and hope
you can help.

96 APR 23 AM 9:11

Maybe you will recall a Mexican
girl, Karla Gerald, stayed with us
in 1993-94 and studied English at the
local Community College. She is now
back in La Paz, Mexico, and has
applied for a visa to the U.S. I've assumed
it's a work visa and understand there
is a wait of four to five years in Mexico
to enter the U.S. Even though they are
well-connected in Mexico, they need help
to speed up the paperwork in Mexico.

She is a sweet and lovely girl and
the opportunities are almost nil as I'm
sure you know.

Enclosed is a copy of her drivers
license and a photo. This is all I have
that might identify her application.

If you can help, we will all be
very grateful.

Let me know if you need additional
information.

Love,

Ann

MRS. ANN B. GRIGSBY
R.R. 2 BOX 99S
DENISON, TX 75020



63-7352



Sedat Soto
en notario



H. VIII AYUNTAMIENTO DE LA PAZ,
BAJA CALIFORNIA SUR
Dirección General de Seguridad y Tránsito



LICENCIA DE AUTOMOVILISTA

KARLA JANETH GERALDO QUINTERO
MIRAFLORES No. 130/FR. BELLAVISTA
-T.A.-

EXP. 12/Jul/93. VENCE 12/Jul/96.

AYUNTAMIENTO DE LA PAZ
DIRECCIÓN GENERAL DE SEGURIDAD Y TRÁNSITO

1179

E. X.

COSELLER RECIBO OFICIAL 1179.

PARA EL REGISTRO A SU LICENCIA EN 1995.

EN EL AÑO DE 21 de Abr. de 1995.

DIRECCIÓN DE SEGURIDAD Y TRÁNSITO

Soto LA PAZ: 6

Oscar Eleazar Amador Soto Notario Público Número Nueve de La Paz, Capital del Estado de Baja California Sur CERTIFICA y HACE CONSTAR: Que la presente Copia Fotostática consta(n) de 1 foja(s) útil(es), concuerda(n) (coincide) con el original que tuve a la vista y previo cotejo devolví a la parte interesada, dejando constancia de la misma en esta Notaría a mi cargo con fecha de hoy
...La Paz, Baja California Sur, a 6... JUNIO... de mil Novecientos Noventa y Ocho. DOY FE.....



THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 5-6-96

TO: Melanne Verveer
Jennifer Klein

FROM: Staff Secretary

For your information.

THE WHITE HOUSE

WASHINGTON

May 6, 1996

Dear Mr. Speaker:

I am writing to express my strong support for The Adoption Promotion and Stability Act of 1996. Today, families seeking to adopt children face significant barriers, including high adoption costs, complex regulations, and outdated assumptions. I am committed to breaking down these barriers and making adoption easier. Promoting adoption is one of the most important things we can do to strengthen American families and give more children what every child in America deserves -- loving parents and a healthy home. This legislation will help children in need of adoptive homes to be united with devoted parents.

My Administration has worked hard to promote adoption in general, and adoption of children with special needs in particular. We championed the Family and Medical Leave Act which enables parents to take time off to adopt a child without losing their jobs or their health insurance. We strongly supported the Multi-Ethnic Placement Act to help increase the number of adoptions by prohibiting discrimination based on race or ethnicity, and we remain committed to enforcing that law vigorously. As part of our 1993 deficit reduction package, I signed into law a provision that requires ERISA plans to provide the same health coverage for adopted children as for biological children of plan participants. We have worked to preserve Federal support for adoption of children with special needs, and increased by 60 percent the number of children with special needs who have been adopted with Federal adoption assistance.

But together we can and must do more. I strongly support the adoption tax credit in this bill. It will alleviate a significant barrier to adoption and allow middle class families, for whom adoption may be prohibitively expensive, to adopt children to love and nurture. It will encourage adoption of children with special needs. It will put parents seeking to build a family through adoption on a more equal footing with other families.

I believe that the bill is consistent with the Administration's policy and my longstanding goal to end the historical bias against interracial adoptions, which too often has meant interminable waits for children to be matched with parents of the same race. The Administration also has some concerns regarding some of the provisions used to offset the cost.

The Honorable Newt Gingrich
Page Two

of the bill and would like to work with the Congress on these provisions. In addition, we need to ensure that unnecessary provisions are not included in the legislation.

The Adoption Promotion and Stability Act is an important first step toward meeting the challenge of removing barriers to adoption. I look forward to working with you so that the dreams of the waiting children in this country to have permanent homes and loving families can become a reality.

Sincerely,

A handwritten signature in black ink, reading "Ron Clinton" with a long, sweeping horizontal line extending from the end of the name.

The Honorable Newt Gingrich
Speaker of the
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 6, 1996

Dear Mr. Leader:

I am writing to express my strong support for The Adoption Promotion and Stability Act of 1996. Today, families seeking to adopt children face significant barriers, including high adoption costs, complex regulations, and outdated assumptions. I am committed to breaking down these barriers and making adoption easier. Promoting adoption is one of the most important things we can do to strengthen American families and give more children what every child in America deserves -- loving parents and a healthy home. This legislation will help children in need of adoptive homes to be united with devoted parents.

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The Honorable Richard K. Armey
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Sincerely,

A handwritten signature in black ink that reads "Tim Clinton". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right from the end of the name.

The Honorable Richard K. Armey
Majority Leader
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 6, 1996

Dear Mr. Chairman:

I am writing to express my strong support for The Adoption Promotion and Stability Act of 1996. Today, families seeking to adopt children face significant barriers, including high adoption costs, complex regulations, and outdated assumptions. I am committed to breaking down these barriers and making adoption easier. Promoting adoption is one of the most important things we can do to strengthen American families and give more children what every child in America deserves -- loving parents and a healthy home. This legislation will help children in need of adoptive homes to be united with devoted parents.

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The Honorable Bill Archer
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Sincerely,

A handwritten signature in black ink that reads "Tim Clunker" followed by a long, sweeping horizontal stroke.

The Honorable Bill Archer
Chairman
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 6, 1996

Dear Sam:

I am writing to express my strong support for The Adoption Promotion and Stability Act of 1996. Today, families seeking to adopt children face significant barriers, including high adoption costs, complex regulations, and outdated assumptions. I am committed to breaking down these barriers and making adoption easier. Promoting adoption is one of the most important things we can do to strengthen American families and give more children what every child in America deserves -- loving parents and a healthy home. This legislation will help children in need of adoptive homes to be united with devoted parents.

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The Honorable Sam Gibbons
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Sincerely,

A handwritten signature in black ink, appearing to read "Sam", with a stylized flourish at the end.

The Honorable Sam Gibbons
Ranking Member
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 6, 1996

Dear Mr. Leader:

I am writing to express my strong support for The Adoption Promotion and Stability Act of 1996. Today, families seeking to adopt children face significant barriers, including high adoption costs, complex regulations, and outdated assumptions. I am committed to breaking down these barriers and making adoption easier. Promoting adoption is one of the most important things we can do to strengthen American families and give more children what every child in America deserves -- loving parents and a healthy home. This legislation will help children in need of adoptive homes to be united with devoted parents.

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The Honorable Richard A. Gephardt
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Sincerely,

A handwritten signature in dark ink, appearing to read "R. Gephardt", with a stylized flourish at the end.

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

5-6-96

CLOSING REMARKS

PRESIDENT CLINTON: Thank you Aaron Neville and Linda Ronstadt. And thank you to all the superb musicians who are here with you.

Aaron, I've heard that you once said, "I want to sing things that people can feel, and to let them know that I felt it, too." ~~Tonight, you have given us that experience.~~ Thank you, ~~for sharing your musical gifts with us.~~ *That's just what you did tonight for us.*

~~Linda, hearing you sing such a wide variety of musical styles reminds us that this is a~~ *you have the power to take us back in time & we can make us feel*
~~land of many heritages. As T.S. Eliot wrote, "you are the music while the music lasts."~~ *As to the*
you are the music while the music lasts." *you are the music while the music lasts."* *you are the music while the music lasts."*

Linda, Aaron -- thank you. And to everyone, thank you for joining us, and good night.

WHL (Betsy)

— I would like
to alter Remarks

— can we change and
get this in teleprompter

5-6-96

cc:

Don Baer (per Betsy Currie)

Hennrich

Currie

original to Gabrielle

Bushman
returned Stf Sec 5-6-96

THE PRESIDENT HAS SEEN

5-6-46

THE UNITED STATES
TRADE REPRESENTATIVE
WASHINGTON

TO THE PRESIDENT
FROM: MICKEY KANTOR

I would highly commend
this article regarding
China to you.

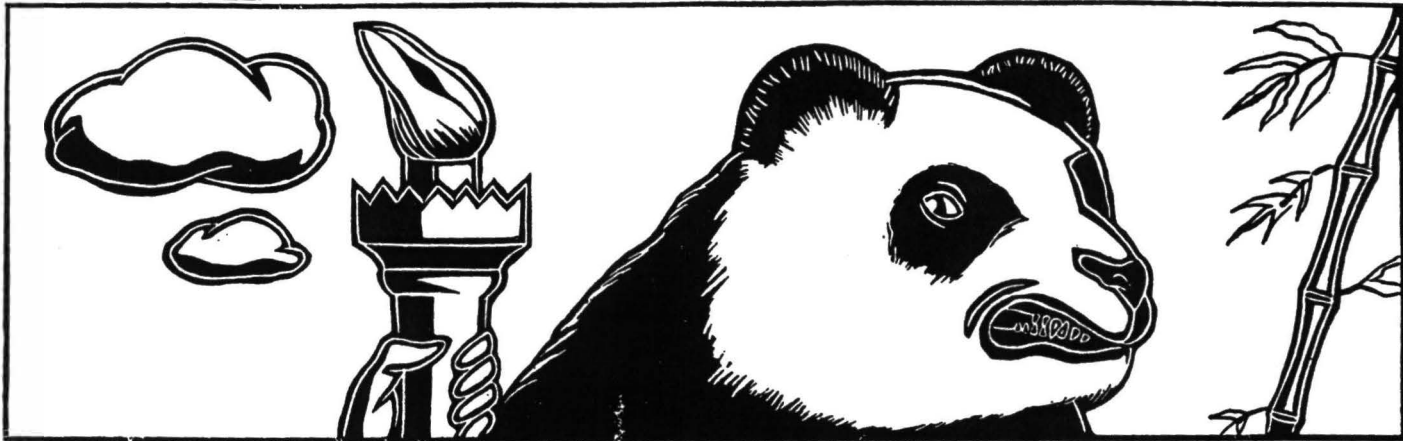
S/S Tony / Secretary

Fig - I find this
highly persuasive

Be

Save - in box
Sands) PVL - KAP W.
DD

CAN THIS RELATIONSHIP BE SAVED? YES, BUT THE U.S. MUST UNDERSTAND ANCIENT CHINESE REALPOLITIK, WHICH TEACHES WINNING BY DECEPTION BUT ALSO COUNSELS BETREAT WHEN YOUR OPPONENT IS STRONGER AND REFUSES TO BACK DOWN.



How to Talk to China

ORVILLE SCHELL

Now that the Clinton Administration has at last landed its own ambassador in Beijing—former Tennessee Senator James Sasser—it appears to be cautiously reconsidering U.S.-China policy. One of the things that has long bedeviled Sino-U.S. relations is Washington's chronic indecisiveness about whether pressure on Beijing helps or hinders the promotion of greater openness and respect for rights.

Chinese Communist Party leaders have suffered no such feelings of ambivalence. They have adopted an unremittingly hard-line attitude toward free political expression at home and have scorned efforts from abroad to prod them toward greater compliance with international human rights standards. Rather than seek compromise and conciliation in its relations with the United States, China has blustered and threatened each time an issue of contention has arisen. Such threats have had the effect of raising the stakes to such a high level that U.S. policy-makers see themselves as confronted with the unenviable choice of either derailing what has come to be known, in marriage-counseling parlance, as "the relationship," or yielding. With typically naïve earnestness, U.S. diplomats seem to hope that more concessions and more rhetoric will finally melt the cold hearts of Beijing's leaders and make them want a fair and equitable solution to mutual problems. Despite the fact that reciprocations have been few, the United States has lumbered on like a shamelessly cuckolded husband always willing to go one more round with his deceiving wife. The truth is that China is not playing to solve problems but to win. And it has learned through practice that if it is sufficiently militant and willing to threaten "the relationship," it can usually count on the United States to backpedal.

Such brinkmanship has deep roots in China's classical tradition. Two ancient canons of strategy, both handed down from the

Warring States Period (453–221 B.C.) and deeply ingrained in the Chinese political psyche, give revealing suggestions about the logic behind China's recent negotiating postures. What the *Sunzi Bingfa* (*The Art of War*) and *Sanshiliu Ji* (*The Thirty-Six Strategies*) emphasize is not how to exercise humanistic principles such as justice, fairness or altruism but how best to manipulate a situation to one's advantage. In China, they are to the craft of waging warfare, commerce and diplomacy what Machiavelli's *Prince* is to Western notions of naked political realism. These texts are still taught in many Chinese business and diplomatic academies as handbooks of effective negotiating strategy. One of their central tenets is that deceit and trickery often provide the most effective path for turning defeat into victory. "A military operation involves deception," declares Sunzi. "Even though you are competent, appear incompetent. Though effective, appear ineffective." The opposite, which may more correctly describe the mindset of China's current leaders, is also useful. *The Thirty-Six Strategies*, the consummate expression of Chinese *Realpolitik* consists of epigrammatic options divided into two sections: dressing times of victory and defeat.

One thing that is often forgotten about the strategic thinking in these works is that practitioners are also warned against self-deception, especially when it comes to judging the strength of themselves and their opponents. If a leader is unable to win through artifice, he should confront the enemy head-on only when that enemy is manifestly weaker. "Good warriors take their stand on ground where they cannot be harmed," advised Sunzi. "Avoid strength, and strike at weakness," admonished Mao. Only now, as the anti-traditionalism of Mao's revolution implodes, do we begin to see how much this naked pragmatic thinking in these classic compendiums still animates Chinese negotiating tactics.

Being unable to defend itself against foreign incursions left China deeply sensitive to even the appearance of weakness and more inclined to rely on bluff—what both Sunzi and Mao called “counterfeiting an experience.” Much of Mao’s revolution can be viewed as a giant exercise in Potemkin-like deception calculated to restore China’s faith in itself by creating the appearance of a great nation in the throes of socialist resurrection. Even now, when China is booming and has cause to feel proud and confident, we Americans will forget at our peril its historical sensitivity to overweening Western power and its deeply rooted traditional strategic thinking. Moreover, the fact that after forty-five years of Communist Party rule China still does not have a viable political system helps create a new sense of political precariousness from which much of the uncompromising rhetoric now emanates. Once again, party hard-liners are speaking of being besieged by “hostile foreign forces” that “will not accept a powerful and prosperous China,” as Premier Li Peng recently put it. At a time when most Chinese find themselves alienated from their government and bereft of shared values, the party is more tempted than ever to seek social cohesion by beating the nationalist tub and making it appear that China is menaced by foreign hegemonists.

Representing a government that finds it strategically advantageous to depict the United States as a threat makes it difficult for President Jiang Zemin to approach Clinton as a problem-solving partner in a common search for practical solutions. What was so distinctive about Deng Xiaoping was that he steadfastly refused to play the nationalist card. But then came the Tiananmen Square uprising of June 4, 1989, more humiliation and the return of hard-liners to power. For now the question of yielding, especially on the prickly question of Chinese sovereignty over Taiwan, Hong Kong, Tibet or the Spratly Islands, has been rendered almost unthinkable, even though it may actually be in China’s national interest to do so. It is this attitude that has allowed the Beijing military to get away with not only test-firing missiles in the direction of Taiwan but reportedly even drawing up plans for further attacks aimed at intimidating Taiwanese into voting in the March election against candidates calling for a more independent Taiwan. If Mao’s revolution accomplished nothing else, it did reunite China, and any leader who suggests more autonomy (much less independence) for these errant pieces of real estate will be pilloried for countenancing the dismemberment of the “sacred motherland.”

Jiang has pandered less to the temptations of ultranationalism than many other leaders. Indeed, he has actually expressed an interest to California Senator Dianne Feinstein in sitting down with Clinton to plan the future of the Pacific Rim. But, alas, Jiang is hardly his own man, and thus is far from strong enough to ignore the coteries of ardent nationalists, dominant in the military, who view any kind of compromise with the United States as ignominy. What makes Jiang feel so insubstantial is his ever-present awareness of his political vulnerability. Lacking an electoral constituency, an identifiable power base or any source of real institutional legitimacy, he knows that his survival is almost completely dependent on his ability to keep support among feuding party factions and the military.

**WHILE FIRMNESS FROM WASHINGTON MAY IN THE SHORT RUN
THREATEN THE RELATIONSHIP WITH CHINA, IT MIGHT END UP AS
ITS SALVATION. CLINTON SHOULD ADOPT A POLICY OF ‘TOUGH LOVE.’**

Since Jiang is not in a position to make major concessions as Mao did with Nixon and Deng did with Carter, what can be expected of him as the United States tries to “re-engage” China? Probably not much. Nothing came out of Jiang’s October meeting with Clinton in New York, in itself a substantial U.S. concession. If Clinton is hoping for a breakthrough, his only option

may be to make more concessions, as he did when he delinked China’s most-favored-nation trading status from human rights in 1994. But while more concessions

might temporarily “get the relationship back on track,” they involve dangers. Not only would they antagonize Republicans on Capitol Hill, they would help confirm a dangerous and persistent pattern in which Beijing has become accustomed to the United States yielding to obdurate bluster about infringements on Chinese sovereignty. The truth is that the upwelling of nationalism now seizing the party and the hard-line strategy of no compromise that now prevails have created a rift that is probably beyond the means of the United States to defuse without capitulating to Chinese demands. What has helped widen this rift and encouraged Beijing to hope it can continue to control the situation is the murkiness of U.S. policy and the almost pleading quality of Washington’s appeals to Beijing to meet American diplomats halfway.

To expect that the spirit of compromise will soon be embraced by Beijing—especially when Beijing can win by being obstinate—is to misinterpret the spirit of the times in China. For leaders of a country as fixated on “face” as China, no few concessions can ever quite suffice. Each U.S. concession is seen not as a good-faith gesture but as a sign of weak resolve, which if exploited can confer further advantage.

There is, of course, a paradox here: Even as the Chinese rail against the arrogance of U.S. power, they have nothing but contempt for weakness, a reaction that derives from a loathing of their own weakness. Thus, while firmness from Washington may in the short run seem to threaten “the relationship,” it might actually end up being its salvation. When Chinese leaders find themselves confronting a non-negotiable situation with a strong opponent, reality usually sets in. Indeed, when the United States has been resolute on certain trade issues, for instance—and thereby implacably raised the stakes of engagement on an issue vital to Beijing, party leaders have tended to respond with realism. As Mao wrote in 1936, “Fight when you can win, move away when you can’t win.” When the United States has vacillated because it felt that the relationship was too important to put at risk, it has only encouraged China to stay on the offensive and become more rigid in its posture.

What should Clinton do? Adopt a policy of “tough love.” He should assure Chinese leaders that the United States seeks neither to contain China nor to thwart their country’s legitimate aspirations. While he reminds them that we wish to remain engaged in a constructive way, they must also be made to realize that America has legitimate interests of its own, and that these include not only trade but controlling nuclear proliferation, limiting arms and missile sales and promoting human rights. To view these in-

terests as irremediably hostile to China is to distort them in a way that serves no one's best interests.

The real challenge facing China's leaders is not how to outwit the United States but how to govern their own people justly and how to involve themselves in the world community in a constructive way that confers on them and their country the kind of respect they crave. As much as the United States may want to help by "constructively engaging" China and even giving some

ground, this is an undertaking that is doomed to failure until China's leaders become more willing to be part of the solution. In the meantime, the Clinton Administration ought to stiffen its own back and remind itself that it is involved in a strategic in which China also needs to "save the relationship." As Mao admonished the People's Liberation Army while fighting the civil war against Chiang Kai-shek, "Fight no battle unprepared fight no battle you are not sure of winning."

