Chron

Agriculture Dept. Rebuffed on School Lunches

By ERIC SCHMITT

WASHINGTON, May 14 — In school cafeterias throughout the United States, the vexing issue of the day has been fat.

Specifically, how should the 93,000 schools in the National School Lunch Program meet new Federal guidelines requiring that children consume no more than 30 percent of their weekly calories from fat.

School chefs wheeled into action, tossing out their deep-fat fryers and rinsing fatty clots from ground beef before cooking it. Kitchens stopped buying butter and started making pizza with low-fat cheese. Many schools met the goal in advance of the July 1 deadline.

But that was not enough for the Agriculture Department, which oversees the $4.4 billion-a-year program that serves 25 million children a day. The department wanted to force schools to feed children nearly twice as much bread, pasta, fruits and vegetables as they do now to shrink the share of fat in school lunches. Even schools that met the new standard would have been affected.

"They were using an elephant gun to kill a fly," said Paul McElwain, director of school and community nutrition for the Kentucky Department of Education.

In response to protests from cafeteria workers and school administrators who said the proposal would cost schools millions of dollars for extra food that would most likely go uneaten, the House today approved a bill by voice vote that would allow school cooks to serve whatever they want so long as the meals met the new Federal dietary guidelines.

The bill now advances to the Senate, where passage is widely expected.

"The bottom line is that schools know best what children will eat," said Representative Bill Goodling, a Pennsylvania Republican who heads the House Economic and Educational Opportunities Committee.

Democrats and Republicans say the episode illustrates how a well-meaning Federal agency carrying out a long-overdue change in nutritional standards barged into an area where local school districts know best.

A Federal agency hits a storm over telling schools what to feed children.

"The bureaucracy wandered off the reservation and tried to grab control of this program," said Representative George Miller, a California Democrat on the House Economic and Educational Opportunities Committee.

Critics of the Agriculture Department proposal pointed to several examples as evidence that the agency was out of touch with what children eat and what school kitchens can reasonably prepare.

For instance, the department commissioned a group of famous chefs, including Anne Rosenzweig of Arcadia in Manhattan and Alice Waters of Chez Panisse in Berkeley, Calif., to donate recipes for dishes ranging from tabouleh to marinated black bean salad.

"I'm sure there are places in the country where tabouleh will go over well with kids, but not here," Mr. McElwain said.

A recipe for brownies called for separating the yolks and whites of 200 eggs (to use only the less fatty whites). "Not many schools have the staff to do that," Mr. McElwain said.

Ellen Haas, the Under Secretary for Food, Nutrition and Consumer Services, who had opposed the bill, said today that the legislation provided both "flexibility" to school kitchens and "insures accountability" to the new Federal standard.

The dispute came after the Agriculture Department issued proposed regulations in June 1994 to require schools to use computers to analyze the nutrients in each of the foods they served. Many rural schools complained that this would be too costly.

So Congress added another option that would allow schools to serve food groups with known nutrient levels, and have state regulators insure compliance with the Federal standards.

But the Agriculture Department wrote regulations that resulted in the more costly menus. "Big Brother was at work once again in micromanaging how schools went about this task," Mr. Goodling, a former school principal and superintendent, said earlier this month.

SUMMER FUN FOR CHILDREN: GIVE TO THE FRESH AIR FUND

THE PRESIDENT HAS SEEN

Leon / UP

This is bad — looks like severe overreaching —

B.C.

THE PRESIDENT HAS SEEN
5-15-96

Medicaid, including over 90% of children with AIDS). The Council expressed concern about lack of senior NIH support for consolidated budget authority of NIH Office of AIDS Research, inadequate funding for substance abuse treatment, federal policy regarding needle exchange programs, inadequate funding for AIDS housing, and the mandatory HIV testing policies of the State Department and the Peace Corps.

(D) **Rasco response on Virginia challenge to DoEd rules on expulsion of students with disabilities.** The Individuals with Disabilities Education Act does create a double standard by barring the expulsion of disabled children, even for conduct unrelated to their disabilities, while other children get no such federal protection. Whether this is good policy is being actively debated. Disability advocates say "equal treatment" is no answer since disabilities can be manifested as behavioral problems. School boards, principals and teachers unions think the double standard encourages bad conduct by disabled kids and endangers others. DoEd opposes expulsion, t schools to temporarily remove students who bring weapons to s permit hearing officers to remove kids who exhibit "dangerous" Labor Committee has passed a bill allowing schools to cease ser bring drugs or weapons to school, and allowing hearing officers for "disruptive" behavior, a lesser standard. Some change seem much as Virginia's regs, which go beyond the limited exception

Smart cons, Nassau Co.

JIM DORSKIND
Please coordinate the reply.

(E) **Rasco memo on NEA charter schools announcement.** The NEA will provide $1.5 million to finance 5 charter schools around the country to examine the efficacy of the charter school model. The NEA and AFT have cautiously supported charter schools but have expressed 3 concerns: 1) that charter school employees must be covered by existing collective bargaining contracts; 2) that state laws shouldn't allow charter schools to operate independently of any school district; and 3) that charter schools shouldn't be managed by for-profit firms, which could threaten the integrity of public schools. While the Administration has not taken an explicit position on these issues, Sec. Riley strongly believes that consistently defining charter schools as public schools is an essential component of our support. The NEA announcement is an important sign that they are thinking about ways to make this concept work.

good suggestion also to Congress to NEA leaders

(F) **Higgins follow-up on Oklahoma City.** James Lee Witt, working with the U.S. Attorney's Office and the Unmet Needs Committee in Oklahoma City, will take the lead in preparing a report for you on problems still facing the victims of the bombing and their families (e.g., retraining, legal reimbursement, survivor benefits, and counseling), and actions the agencies can take. The report will be ready in 90 days.

good

(G) **Thank you from Mike Armstrong, CEO of Hughes Electronics.** Hughes is starting a new satellite business in Mexico, and, late in the day, realized that a new telecommunications agreement between the U.S. and Mexico was needed. It was negotiated in record time (10 days) and Armstrong strongly praises your team: Reed Hundt at FCC; Jim Jones, Ambassador to Mexico and Dan Dolen, his Economic Minister; Amb. Vonya McCann at State (Office of International Communications and Information Policy); and Mack, whose contributions were "decisive."

Do reply to a letter of TYs to the team for me to sign

JIM DORSKIND:

Please coordinate the reply.

THE PRESIDENT HAS SEEN
5-15-96

C. Michael Armstrong Chairman and Chief Executive Officer

HUGHES
ELECTRONICS

3 May 1996 96 MAY 9 A10 : 59

VIA FAX (202) 456-2215

The Honorable William S. Clinton
President of the United States of America
The White House
Washington, DC

Dear Mr. President:

In order to start up a new, international satellite business in Mexico, the Hughes Electronics Corporation recently had reason to be closely engaged with a number of elements of the US Government. Our experience with senior members of your Administration was outstanding. They performed in such an outstanding manner that I am writing to you to express my appreciation and gratitude for the very capable assistance that was rendered.

In essence, only at the last moment did it become clear that a brand new telecommunications agreement between Mexico and the US was a necessary prior condition. Normally, such an agreement is negotiated over many months, if not years. In this case, however, the officials of your Administration set a new record that will likely never be equaled. In close cooperation over the course of ten days, the Federal Communications Commission, the Department of State and our Embassy in Mexico City accomplished the task. A new agreement is now in place and our business is now on the verge of success.

I would like to specifically commend to you Reed Hundt, Chairman of the FCC and his very capable senior staff. At our Embassy, I would especially praise your Ambassador to Mexico, Jim Jones, and his able Economic Minister, Dan Dolen. At the Department of State, Ambassador Vonya McCann and her staff in the Office of International Communications and Information Policy, the Legal and Language Services Divisions, the Office of Business Assistance and the Office of the Summit of the Americas all played important roles.

Finally, but very importantly, I would like to recognize the special contribution of your Counselor, Thomas F. McLarty. Mack's contribution was decisive. He is obviously well and favorably known at the highest levels in Mexico and he used without reservation his expertise and knowledge to excellent effect on our behalf. Moreover, he played an important part in orchestrating the US Government elements.

Mr. President, I strongly and warmly commend all of these officials to you and hope that you will find a way to recognize the excellence of their performance. I believe they are evidence of the seriousness your Administration takes in promoting and assisting American enterprise to do business abroad.

Sincerely,

Mike Armstrong

C. Michael Armstrong

Corporate Offices
7200 Hughes Terrace, Los Angeles, CA 90045-0066
P.O. Box 80028, Los Angeles, CA 90080-0028
(310) 568-6117
FAX (310) 417-2840

5/15/96

Todd -

We sent the Armstrong letter up to POTUS yesterday in info package - Do you want me to put this in the system?

Yes ________

No ✓

Dorskind

Kevin N. McGrath
President

DIRECTV International

14 May 1996

96 MAY 15 A7:41

Via Facsimile: (202) 456-2215

The Honorable William S. Clinton
President of the United States of America
The White House
Washington, DC 20502

Dear Mr. President:

I know that Mike Armstrong, Chairman of Hughes Electronics Corporation, wrote you a letter last week thanking you and specific members of your Administration for your support in negotiating a major telecommunications agreement between the United States and Mexico, which directly aids Hughes Electronics and, in particular, DIRECTV International. Let me add my thanks to you for your support.

The recent developments in telecommunications have been truly momentous and will change the world, but as important as these technological developments are, their impact will be limited if the social and political institutions cannot change with the technology. Your team has greatly aided the process of change within these institutions. In addition, your Administration has been a strong supporter of Mexico, which I believe is good for the United States. Without your help, that of Reed Hundt of the FCC, your Ambassador to Mexico, Mr. Jim Jones, and other members of the State Department, as well as Mack McLarty, we would not be able to start into business in Mexico in June, and that would have been bad for us, for the technology, for entertainment companies whose products we export, and for Mexico.

Thank you again.

Sincerely,

Kevin N. McGrath

Kevin N. McGrath

KNM:dl

P.O. Box 92424
Los Angeles, CA 90009
(310) 364-4885
Facsimile: (310) 364-4875

Panetta
Tyson
Sperling

Also
cc:
Baer
Waldman

Go

THE WHITE HOUSE

WASHINGTON

May 15, 1996

THE PRESIDENT HAS SEEN
5-15-96

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN

SUBJECT: Sec. 127 -- Employer-paid education benefits

The attached Tyson memo concerns extension of Sec. 127 and a possible related tax credit for small business. Sec. 127, which expired December 31, 1994, allowed workers to exclude employer-paid education expenses from taxable income -- up to $5,250 per year -- even if these expenses were not directly related to a worker's current job. Our FY 97 budget proposal endorses a revenue-neutral extension of a number of "tax extenders", including Sec. 127, the R&E tax credit and others. House Ways and Means is now marking up a retroactive extension of Sec. 127 (Jan. 1 1995 to end of 1996). **Two issues are presented: (i) whether to support extension of Sec. 127 (alone or with other extenders); (ii) whether to support a new education and training tax credit for small business.**

Extension of Sec. 127 -- Your economic team agrees on extension of Sec. 127 -- which fits your core education message -- separately or with other tax extenders including the R&E tax credit. Extension is also strongly supported by business and education groups -- though doing it alone could signal a lack of support for the R&E credit -- which high-tech community might resent. Cost of extension effective January 1, 1996 (which has to be offset): $1.2 billion through 1997; $4.7 billion through 2002.

Small business credit -- Employers with average receipts of $10 million or less would get a 10% non-refundable credit for amounts paid to third parties for employee education and training under a Sec. 127 plan. *NEC, DOL and SBA support the credit; Treasury and CEA oppose*. Treasury says such a credit wouldn't be cost-effective in stimulating education expenses, would be highly uneven in its effects on firms and individuals, would be administratively burdensome, and would have to be offset ($0.2 billion through 2002 assuming permanent extension of Sec. 127). DOL and SBA favor the credit as a means of both addressing the underinvestment by small business in education and training and boosting productivity and wages. NEC believes the credit underscores your commitment to education.

Announcement. The final issue -- if you decide to support separate extension of Sec. 127, with or without the small business credit -- is whether to announce it at the Corporate Citizenship Conference Thursday. Con: distracts from private sector challenge and might be seen as too small for a major announcement. Pro: provides news for the Conference and allows you to make education the main message of the conference.

Approve extension of Sec. 127 ✓ Disapprove____ Discuss____

Approve small business credit ✓ Disapprove____ Discuss____

Announce position at Conference ✓ Don't announce____ Discuss____

THE WHITE HOUSE

WASHINGTON

May 14, 1996

MEMORANDUM TO THE PRESIDENT

FROM: LAURA TYSON

SUBJECT: Options on Section 127

You inquired about what our policy should be on Section 127, which permitted an employee to exclude employer-paid education benefits from income for both payroll and income tax purposes. This memo provides you with options on Section 127.

Background:

As you know, under current law employees can only exclude from their income employer-provided education expenses that maintain or improve skills required for their current job. These expenses generally include the costs of tuition, books, laboratory fees, and similar items. Section 127 offered a broader tax incentive: it allowed workers to exclude from taxable income employer-paid education expenses -- up to $5,250 per year -- even if it were not directly related to a worker's current job.

Your FY1994 budget proposed making Section 127 permanent, but OBRA 1993 only extended it through December 31, 1994. Section 127 has now expired, and has not yet been extended.

Rather than including an explicit extension of Section 127 in our FY1997 budget proposal, we proposed that we work together with the Republicans to extend and find offsets for the following "tax extenders" (provisions that routinely expire): Section 127, the R&E tax credit, targeted jobs tax credit, orphan drugs tax credit, and deductions for appreciated stock contributed to private foundations. Thus, the budget endorses revenue-neutral extension of all the tax extenders.

You should know that the House Ways and Means Committee marked up a tax bill today (Tuesday) that includes an extension of Section 127 retroactively from January 1, 1995 through the end of 1996. This provision, however, does not allow employees to exclude the costs of employer-paid graduate education. We opposed the limitation to undergraduate education because we ought to be encouraging both undergraduate and graduate education. During the mark-up, Democrats offered an amendment to allow both graduate and undergraduate education expenses to be excluded from income, but it was defeated. Democrats also offered an amendment to extend the R&E tax credit, but it too was defeated. A version of your tuition tax deduction was also offered and defeated. The Ways and Means bill does, however, extend a modified version of the targeted jobs tax credit.

Decisions:

The basic threshold question you face is whether to support continuing with our current budget approach -- which calls for us to work with the Republicans on all the extenders -- or whether we make a specific proposal to extend Section 127 separately along with appropriate offsets. On this, there is some division on your economic team.

If you think we should extend Section 127 independently of the other extenders, the next issue is whether there is a means to strengthen or expand Section 127. This memo provides two options beyond our current approach:

Option 1: Separately extend Section 127.

Option 2: Extend Section 127 and provide a new education and training credit for small businesses.

We considered other options as well, such as increasing and/or indexing the dollar limit of excludable expenses under Section 127 and allowing educational expenses as an employee benefit in cafeteria plans, but there was not sufficient support to warrant further consideration.

If you choose to endorse the separate extension and/or expansion of Section 127, the final issue to decide is whether to announce your position at Thursday's corporate citizenship conference. On this issue there is also some division on your economic team.

Option 1: Separate Extension of Section 127.

Pros:

- Education is so central to your core economic message and your corporate citizenship message that there is a strong reason to give Section 127 special treatment by calling for its separate extension.
- Extension of Section 127 would complement the Administration's proposals for deducting tuition payments and allowing penalty-free IRA withdrawals for tuition, without allowing taxpayers to double-dip.
- Extension of Section 127 would help simplify the tax code because excluding employer-paid assistance for education -- unrelated to the employee's current job -- eliminates the problem of precisely defining "job-related" education expenses.
- Under the expired Section 127 law, it is our understanding that Section 127 benefits were available for education provided as part of a package of severance benefits to displaced workers. If we were to extend Section 127, we could highlight this feature either by explicitly mentioning severance benefits in the legislation or by issuing an administrative clarification. In the current debate about downsizing, this new twist could be an important way to highlight the fact that we are lowering the costs of education and training to displaced workers (when they may be especially concerned about income loss, but still need to invest in new skills).

- Extending Section 127 has widespread support from the business community and education groups. As the *Wall Street Journal* reported last week, the American Payroll Association -- a trade group representing 13,000 businesses and individuals -- was urging people to flood Congress with phone calls in favor of extending the provision.

Cons:

- Extending Section 127 would require a revenue-raising offset. Extending Section 127 permanently (effective January 1, 1996) would cost $4.7 billion between 1996-2002. A temporary extension through 1997 (effective January 1, 1996) would cost $1.2 billion between 1996-2002. It should be noted that a temporary extension would discourage some employers from adopting educational assistance programs. Democrats did not offer an amendment to extend Section 127 permanently at today's Ways and Means Committee markup.

  If your tuition tax deduction were enacted, the revenue estimates of extending Section 127 would be affected. Along with your tuition tax deduction, extending Section 127 permanently (effective January 1, 1996) would cost $3.5 billion between 1996-2002. A temporary extension through 1997 (effective January 1, 1996) would cost $1.0 billion from 1996-2002.

- A proposal to extend Section 127 separately risks being interpreted by many in the business community as a sign that the Administration is backing away from its announced support for extending the R&E credit and could be greatly resented. The business community, particularly high-tech firms in California and elsewhere, strongly supports extension of the R&E credit. While Republicans explicitly endorsed extending Section 127 without extending the R&E tax credit at today's Ways and Means markup, continued emphasis on Section 127 alone could still incur resentment by many in the business community.

- Based on survey data for years during which Section 127 was in effect, only 1 to 1.5 million employees are likely to benefit from the provision. Managerial, technical and professional employees of medium and large firms in goods-producing industries would be disproportionately represented among beneficiaries.

Note: One other possible modification of Section 127 would be to retroactively extend it to include 1995, as done in the Ways and Means Committee bill. Some workers participated in these programs in 1995 expecting amounts to be excluded and employers did not withhold taxes on amounts but did render W-2s that include the amounts. Since the 1995 filing season is over, it would be complicated to permit workers to file amended returns. Alternatively, employees could receive a special, above-the-line deduction in 1996 for 1995 educational expenses paid by employers, but this would require special reporting by employers.

Option 2: Extend Section 127 and Provide a Credit for Small Businesses.

Under this option, in addition to the availability of Section 127, employers with average receipts over the prior three years of $10 million or less would be allowed a 10 percent non-refundable income tax credit with respect to amounts paid to third parties for employee education and training under a Section 127 plan. The employer's deduction for education expenses would be reduced by the amount of the credit.

Pros:

- Gives a "small business angle" that makes Section 127 better fit the overall small business package. House Republicans have put Section 127 in a small business tax relief Section which is described as moderating the negative impact of the President's small business Section. Yet, there is no specific small business angle in the Republican package. Our proposal would trump theirs by targeting Section 127 to small business.

- The delegates to the White House Conference on Small Business strongly recommended legislation to provide tax incentives to small businesses to fund workforce training programs; the training recommendation was one of the Conference's top priorities.

- Small employers under–invest in employee training that has the spillover effect of benefiting employees in subsequent jobs. A credit would provide added encouragement for small employers to offer generalized education and training.

- The credit would further encourage smaller firms to turn to community colleges and other outside training suppliers, which may be more efficient suppliers of training. To the extent small firms stepped up their training efforts, it would tend to reach more low–wage and low–skill workers who are more likely to work for smaller companies.

- The additional cost of the small business training credit would be $0.2 billion between 1996–2002 (assuming Section 127 was extended permanently).

- Linking the credit to Section 127 limits potential abuse, such as payments for hobby– and sports–related courses. Section 127's nondiscrimination requirements help to ensure that the credit is not taken primarily in connection with education for owners, their relatives, or other highly compensated employees.

Cons:

- The credit may be too small to overcome the low (or negative) returns to worker training perceived by most small employers, but will cut taxes for those small firms that already provide educational assistance, including training mandated by governmental regulations and professional society rules.

- Employers will be encouraged to convert in–house training to a format eligible for the credit, for example, replacing instruction by their own employees with contracted services. SBA notes that small businesses do not conduct much formal training, so this effect is likely to be small.

- Linking the credit to Section 127 creates some administrative burdens for small businesses by mandating a formal educational assistance plan. However, absent the tie to Section 127, the credit could be abused and would be difficult to administer. For example, without nondiscrimination rules employers could hire their children and claim the credit for their educational expenses. In addition, employers would have an incentive to unbundle employee training from the package of services provided by equipment vendors and to characterize a wide variety of payments to third parties, e.g., to lawyers and accountants, as payments for training.

- Credits will not benefit employers who are tax-exempt institutions or have no tax liability, such as many start-up companies. But, over 60 percent of small businesses do have a tax liability in any given year.

- A credit would treat employer-provided education more favorably than other fringe benefits such as health insurance.

- A credit varies the real cost of training based upon arbitrary firm size cut-offs.

- For some employers credits will be discouragingly complex because of interactions with other credits, the alternative minimum tax, carryover rules and overall limitations on business credits. SBA argues that the credit is unlikely to be very complex for the size of businesses we would target.

Recommendations:

1. **Extend Section 127 Separately (Or With The Other Tax Extenders Including The R&E Tax Credit), But Not With New Small Business Tax Credit:** Treasury and CEA support the extension of Section 127 on a revenue-neutral basis either alone or together with the other expiring tax provisions. However, Treasury and CEA oppose creation of a small business credit.

   According to Treasury, proposals for expansion -- beyond simple extension of Section 127 -- would not be cost-effective in stimulating educational expenses, would be highly uneven and arbitrary in their effects among firms and individuals, would be administratively burdensome, and would have to be offset either by savings in our balanced budget or additional savings. CEA opposes a small business training credit because CEA believes the social benefits are likely to be smaller than the revenue loss. CEA notes that any market failure in the provision of training would be addressed by the extension of Section 127, making a small business tax credit superfluous.

2. **Extend Section 127, Either Separately Or With The Other Tax Extenders, And Provide a Small Business Training Credit:** Labor, SBA and the NEC recommend this option. The rationale is two-fold: (1) there is a market failure in the provision of training -- especially for small businesses, and (2) education and training improves productivity and increases wages.

   Labor and SBA note that firms underinvest in education and training because of the difficulty in claiming the benefits of increased skills. Small businesses -- facing the additional barrier of scale economies -- are especially unlikely to devote the efficient amount of resources to their employees' skill development. Moreover, Labor and SBA point to the academic evidence that suggests that education and training improves productivity and raises wages. Labor and SBA believe that expanding Section 127 and creating a new small business training credit are important policies to address these problems. And they think that these policies will complement your overall economic agenda by increasing educational opportunity and providing direct economic incentives for companies to invest in their workers. We, at the NEC, support this mostly because together with the education tax deduction and your overall education agenda, it further stresses your commitment to education as a key to investing in the future.

Announcement Issues and the Corporate Citizenship Conference:

If you decide to propose a separate extension or expansion of section 127, a major question is whether you would announce it at the Corporate Citizenship Conference.

CONS: The arguments against a Conference announcement are as follows:

> **1) Distracts from Private Sector Challenge:** The focus on the conference is supposed to be challenging companies to be citizens and to highlight best practices in the private sector. This would alter the focus, and could make tax incentives more of the focus.
>
> **2) Trivialization:** Others feel that it would be seen as small and therefore not worthy of a major announcement because we are already on record in support of extending Section 127. In this view, the only real news would be an expansion proposal, but the small business tax credit would be small -- it would only cost $200 million over 7 years. However, this might not be the case if we were to announce also a permanent extension of Section 127, which would have a $3.5 billion cost over 7 years (assuming enactment of your tuition tax deduction).

PROS: The arguments for it are as follows:

> **1) Need News for the Day of Conference:** While we are doing well on set-up pieces for the economic conferences, we may be short on "news" for the day of the conference -- though the award may generate some news. This would play into the "tax incentives" issue and the action on the House floor and could help generate some news -- other than AT&T being at the breakfast.
>
> **2) Part of an Education Tax Incentive First Message:** You could make the message at the economic conference that tax incentives for education should come first -- and use the extension section 127 and the special small business tax credit to drive this home -- along with the $10,000 education deduction and the IRA expansion for education.

THE PRESIDENT HAS SEEN
5/14/96

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

THE DIRECTOR

May 10, 1996 96 MAY 10 P6:54

Leon
wanted to discuss.
This - real potential
for good or ill -
BC

MEMORANDUM FOR THE PRESIDENT

FROM: Alice M. Rivlin Alice
Director

SUBJECT: The 1997 Congressional Budget Resolution

This memorandum describes the policies in the House and Senate budget resolutions released by the Budget Committees yesterday and compares those resolutions to your 1997 budget. It also describes two different ways you could approach these resolutions: as yet another extreme set of policies that prevent agreement on a balanced budget, or as a step towards agreement.

Some of the policies in the resolutions are "more of the same" (e.g., elimination of the direct student loan program in the House resolution); others are more moderate than in the reconciliation bill you vetoed last fall (e.g., no increases in Medicare premiums). The bottom line, though, is that movement towards moderation is more apparent than real. For example, while the Republicans have decided to forgo premium increases, Chairman Kasich is still talking about structural reforms in Medicare. Another example is in their tax cuts, which appear to have fallen from more than $200 billion in January to $124 billion now. However, Kasich said in the House markup yesterday that he is planning on a $185 billion tax cut. The Republicans could reach a higher tax cut by including the expired excise taxes ($36 billion) and the level of corporate subsidies in their last offer ($26 billion), both of which are absent from the current resolution.

In the final analysis, the Republican cuts have not changed from their January offer. Their discretionary savings have dropped from $348 billion to $309 billion in the House and $295 billion in the Senate only because CBO lowered their inflation estimates and the discretionary baseline fell, bringing the savings in ***all*** plans down at the same time. In Medicare, they have decided to drop the premium increases, but not reduced their overall savings, which requires them to come up with another $24 billion in provider savings, most of which will likely come from hospitals.

Nonetheless, the Republicans (at least in the Senate) seem to have decided to appear more reasonable, at least to the outside world, if not to their more extreme House colleagues. If you wanted to emphasize this more moderate picture, you could argue that they should use the savings from their last offer that are not included in their resolutions -- $62 billion from the expired excise taxes and corporate subsidies -- to reduce the differences between us in Medicare, Medicaid, welfare reform, and discretionary spending. On the other hand, if you think their resolution offers little chance for real progress, it would be relatively easy to expose their policies (including the House's intention to propose $185 billion in tax cuts) that remain unacceptable to you and to the American public.

Below is a summary of the significant policies in the House and Senate budget resolutions.

Medicare. The Senate budget resolution includes $168 billion in Medicare savings -- the same level in the last Republican balanced budget offer. Of the total, $123 billion is from Part A and $44 billion is from Part B. They also propose $10 billion in new mandatory spending for a graduate medical education trust fund. While the information released by both the House and Senate Committees thus far does not indicate specific savings policies, we understand that they have both dropped their proposal to increase the Part B premium to 31.5 percent of program costs.

To achieve the Part A savings target of $123 billion without a premium increase, the Republicans must find $24 billion more in Part A savings than in their last offer. Such savings could be achieved by: further cutting hospital payments; reducing disproportionate share payments to hospitals that serve a large indigent population; and reducing payments for home health services, skilled nursing facilities, and hospices.

If all the additional Part A savings come from hospitals, the reduction in hospital payments would be $98 billion (versus $49 billion in your bill) -- 18 percent higher than the hospital cuts in the vetoed bill. Cuts of this magnitude could place tremendous stress on the nation's hospitals and could limit beneficiary access to hospital-based health services.

Medicaid. The budget resolution includes $72 billion in Medicaid savings and assumes implementation of the February NGA agreement (Medigrant II). The NGA agreement was originally scored at $85 billion off CBO's December baseline. However, CBO's March baseline is $25 billion ***lower*** over 7 years -- thus, the comparable scoring for the NGA agreement should be $60 billion. The Chairman's mark effectively spends ***less*** on Medicaid over 7 years than did the NGA agreement from February, because it has more savings off a lower baseline.

The February NGA agreement would convert the Medicaid program into a capped federal entitlement to the States with supplemental funding from an "insurance umbrella" available to States in times of economic downturn. Each State would receive a capped annual federal grant based on a base year of either 1993, 1994, or 1995, and a growth formula that takes into account states' caseload growth and case-mix, and a measure of inflation. Coverage is guaranteed for certain children, pregnant women and for low-income elderly. However, the phase in coverage for children aged 13-18 would be eliminated. In addition, States would be allowed to define "disabled." States would also be required to cover certain benefits for required populations, but would have flexibility in amount, duration and scope of coverage. In addition, the State minimum matching percentage would be reduced to 40 percent. All OBRA 1991 provider tax and donations laws would be repealed.

Welfare. The House and Senate resolutions would cut low-income assistance programs by $53 billion over six years. It appears that the welfare reform provisions have not changed substantially from the bill you vetoed in January. The vetoed bill coupled deep budget cuts with severe structural changes and immigrant bans that would harm children and fail to transform the system toward work.

Earned Income Tax Credit. The resolution would cut EITC by $17 billion in the Senate and $20 billion in the House (versus $15 billion in the last Republican offer). More than six million families with children might see a reduction in their EITC. The four million childless workers losing the credit would also see their net taxes go up by an average of about $170 annually. This would appear to result from, among other things, more rapid phase-out of the EITC for families in income ranges where they are likely to benefit from the child tax credit.

Tax cuts. According to Joint Tax Committee estimates, the Republicans' child tax credit costs about $23 billion per year. The Republican press release shows the cost at $23 billion in 2000, $23 billion in 2001, and, in 2002, the cost falls to $16 billion. The documents released by the Committee do not explain the sudden drop in revenue losses. We understand that they dropped their tax trigger, and are counting on revenues from the expired excise taxes to fill in the gap in 2002. (This scenario also fits our understanding of their modified capital gains tax cut proposal, which is designed to cost money in 1997-2001, but not in 2002.)

Discretionary. The Senate resolution includes $295 billion in discretionary savings over six years; the House includes $309 billion. Although both paths lead to the same discretionary spending level as in your budget in 2002, they save more by spending less than your budget does in the early years. In an effort to appear moderate, the Republicans have characterized their 1997 funding levels for non-defense discretionary spending as a freeze. In fact, their levels are $2-3 billion below the level necessary to support a freeze because the Committees did not fully account for many of the one-time mandatory and other cuts that financed your addbacks in the 1996 bills and cannot be repeated in 1997 (e.g., the $1 billion FEMA rescisison).

Although the resolutions provide very little detail on discretionary programs, the House Budget Committee released a list of proposed terminations. That list includes Goals 2000, National Service, the Departments of Energy and Commerce, National Endowments for the Arts and Humanities, Corporation for Public Broadcasting subsidies, bilingual education, the Office of the Surgeon General, the Council of Economic Advisers, the Legal Services Corporation, Trade Adjustment Assistance, mass transit operating subsidies, fossil and energy conservation research, and the Advanced Technology Program.

On the defense side, the Administration and the Republicans continue to have very different spending paths. The House proposes to spend $13 billion more than your budget in

1997 (for a total of $268 billion in budget authority) and then allow that figure to rise slowly through 2002. Your plan calls for lower spending in 1997-2000, rising above the Republican plans in 2001 and 2002.

Contingent consideration. Both the Senate and House are planning to break their reconciliation bill into three pieces: Medicaid and welfare reform combined, Medicare reform and other spending cuts (e.g., spectrum), and tax cuts. The Senate reconciliation instructions allow consideration of the Medicare bill only if the Medicaid/welfare bill is enacted, and of the tax bill only after both spending bills are enacted. Thus it is possible that you may never be presented with Medicare or tax reconciliation bills -- in which case the Republicans might try to move a non-reconciliation tax cut bill (one that could be filibustered) in September, paid for with miscellaneous spending cuts.

Backloading. One way to measure "backloading" is as a percentage of total spending cuts in the last two years. As the figures below indicate, there is not much difference among the plans:

Percent Of Spending Cuts In Each Year	1997	1998	1999	2000	2001	2002	Percent In Last Two Years
Administration	3.2	4.7	11.6	17.5	26.4	36.7	63.1
Senate	3.5	6.9	12.8	18.3	25.3	33.1	58.4
House	4.6	7.2	12.8	17.9	25.1	32.4	57.5

Your proposal has about 63 percent of the spending cuts in the last two years; the Senate has about 58 percent; and the House has about 57 percent.

The savings from any deficit-reduction plan will grow in the later years -- just as the power of compound interest increases personal savings over time. Reducing the rate of growth of entitlement spending saves comparatively small sums early on, but those savings compound themselves as the reduced rate of growth continues year after year. Furthermore, any budget savings in the early years add up even faster as they reduce government debt, and hence net interest costs, by increasing amounts year after year.

TODD

no copies sent yet -
should we send to

Quinn ——— ✓ y ——— no
Fein ✓
Leon ——— ✓ y ——— n
George ——— y ——— ✓ n
Rahm ——— ✓ y ——— n
others?

THE PRESIDENT HAS SEEN
5·15·96

THE WHITE HOUSE

WASHINGTON

May 15, 1996

MR. PRESIDENT:

Senators Feinstein and Kyl have proposed a constitutional amendment that would confer upon crime victims certain constitutional rights: to attend proceedings; to be heard regarding sentencing, pleas and release; a speedy trial of the defendant; a final conclusion free from unreasonable delay; full restitution from the offender; and reasonable measures to protect from violence by the offender.

Counsel recommends that you not endorse the amendment but refer it to DOJ for review to determine if it offers anything that isn't already, or couldn't be, provided by statute. Most of the proposed rights *are* already provided for in federal statutes (e.g, Crime Act of 1994, Antiterrorism Act of 1996), and protecting rights by statute is preferable to tampering with the Constitution. An amendment could clash with other constitutional clauses, such as those guaranteeing defendants' rights. And the amendment is ambiguous as to what rights it might create -- e.g., a victim might claim right to government protection to avoid future violence by an offender.

Leon and George concur. Rahm concurs, but urges that we develop a proposal (statutory or constitutional) so that you can be pro-actively for victims' rights.

Approve ✓___ Disapprove ____ Discuss____

Todd Stern
Phil Caplan

I remember [illegible] [illegible] [illegible] [illegible] [illegible] to [illegible] [illegible] [illegible] needed

THE WHITE HOUSE

WASHINGTON

96 MAY 3 P2:52

May 1, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: JACK QUINN, Counsel to the President JQ
DAVID B. FEIN, Associate Counsel to the President DBF

SUBJECT: Proposed Constitutional Amendment for Crime Victims

On April 22, 1996, Sens. Feinstein and Kyl introduced a proposed constitutional amendment to establish a bill of rights for crime victims. For the reasons that follow, we recommend that our response to questions about whether or not you support the proposed amendment be as follows: "I have asked the Justice Department to review the proposed amendment, with an eye toward determining what, if anything, it offers that is not already provided for by statute or that could not be provided for by additional statutes." We do not recommend that you endorse the proposed amendment.

The proposed amendment would confer upon crime victims the following constitutional rights:

-- to attend proceedings;
-- to be heard regarding sentencing, pleas, and release;
-- a speedy trial of the defendant;
-- a final conclusion free from unreasonable delay;
-- full restitution from the offender; and
-- reasonable measures to protect from violence by the offender.

Many of the rights listed in the proposed amendment are already provided for in federal statutes, regulations and policy, most notably, the Victims' Rights and Restitution Act of 1990, the Crime Act of 1994, and the Antiterrorism and Effective Death Penalty Act of 1996. Protecting victims' rights by statute is preferable to amending the Constitution because statutes achieve most of the goals of the proposed amendment with greater clarity and specificity without clashing with the constitutional powers of the judiciary and defendants' constitutional rights. For example, a victim's constitutional right to a speedy trial may interfere with the powers granted by Article III of the Constitution to the judiciary, as well as with a defendant's right to effective assistance of counsel.

Moreover, the language in the proposed amendment is confusing and ambiguous as to what right is being created and what remedy would accompany it. The right to "reasonable measures to protect the victim from violence or intimidation by the accused or convicted offender" could be read to give a victim the constitutional right to demand government protection under any circumstances and the opportunity to sue the government to recover damages for any subsequent harm to the victim by the offender.

Constitutional amendments have been rare in our nation's history, and for good reason. Without evidence that a particular problem cannot be resolved through legislative means under our existing constitutional system, we should be reluctant to tamper with the fundamental charter of our government. We recommend that the Department of Justice study whether the proposed amendment offers any important rights that are not already provided by statute, regulation or policy. Then, specific legislative proposals can be developed to address any rights not already protected.

Recommendation

As indicated above, we recommend handling this issue by referring it to the Justice Department for a review of the proposed amendment, with an eye toward determining what, if anything, it offers that is not already, or could not be, provided for by statute.

_______ AGREE _______ DISAGREE _______ DISCUSS

THE PRESIDENT HAS SEEN
5·15·96

THE WHITE HOUSE

WASHINGTON

Ickes/Sosnik

John Kerry wants me to do an event for him at end of Sept — at Fleet Center — should probably keep open for now —

BC

Copies sent to
Ickes
Sosnik

OK to send copy to scheduling?

✓ yes ___ no

5-15-96

THE PRESIDENT HAS SEEN
5-15-96

was a "wonderful reminder" for him and for you: "We shared very happy memories of having known you in the earliest of these photos. I must tell you, though, that I never thought I'd have to confess to a President that I lost your Economics notes just days before the final! Stop by and see us if you are ever down this way."

(I) **Text of Sen. Lieberman's statement on April 15 about Ron Brown.** He thought you might like to see it.

(J) **Higgins note on Project Children booklet.** Kitty requested that this booklet, featuring pictures of you with Dennis Mulcahy one of our "Top Cops," be forwarded to you. It will be widely distributed to host families around the country.

We also received the following items:

cc: Alexis

- **Ickes note on naming federal building for Ron Brown.** Rep. Steny Hoyer recommended to Dave Barram that a federal building be named for Ron, and Dave suggests the new building in Foley Square (lower Manhattan). Note: Charlene Drew Jarvis, DC City Council, has written you suggesting that Freedom Plaza, on Pennsylvania Ave across from the Commerce Dept., be renamed Ronald H. Brown Plaza. The Plaza is maintained by GSA. Harold and Alexis are aware of both requests. *Harold wants to discuss with you.*

- **George Bristol letter forwarded by Mack.** Bristol compliments you on your activities during Earth Week and National Park Week and requests a letter of congratulations to Chief Ranger Tomie Patrick Lee, the recipient of the Harry Yount National Park Ranger award, who spoke eloquently about the rewards of being a federal employee in the National Park System. We are having a letter prepared.

- **Thank you from Rep. Nick Rahall (D-WV) for meeting with the President of Lebanon.** "I want to personally thank you for meeting today with the President of Lebanon -- the land of my grandfathers." He also thanks you for your expressions of sympathy to the families of the civilians who were killed and your dedication to a comprehensive peace in the region.

NSC P/S
do reply

- I[...] Sale indicated to Harold a strong interest in being a[...]ldie Mac, but you recently re-appointed your five board m[...] James Nutter, Jerry Hultin, Harriet Woods and Joel F[...]done with regard to Freddie Mac.

- I[...] Joe Chapman. Chapman, of Panama City, FL, made tw[...] 1) that you go to the Navy base there, commanded by Capt. Richard Parrish, for a special program to honor retiring Cong. Pete Peterson; 2) attend an "appreciation program" at the local community college for his mother, who is 84 and retiring after 35 years as an elected official. Harold recommends against going unless you happen to be in the area. *We can have letters prepared to be read at the ceremonies, if you wish.*

NICK J. RAHALL, II, M.C.
WEST VIRGINIA

APR 29 1996

Public Works & Transportation
Natural Resources

CONGRESS
of the
United States of America

4/24/96

My dear Mr. President,

I want to personally thank you for meeting today with the President of Lebanon — the land of my grandfathers. Words could never adequately express my heart-felt appreciation.

Your expressions of sympathy to the families of all the innocent civilians killed are appreciated as well. And above all your dedication to, and persistent efforts at, a comprehensive peace in the region are to be applauded loudly.

Thank you, Mr. President

Nick Rahall
(D-W.VA)

228 · 1265

Sheila Burke

THE WHITE HOUSE
WASHINGTON

96 MAY 15 P6:22

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: The Honorable Robert Dole c/o Sheila Burke

Fax Number: 228-1265 **Phone Number:**

FROM: Todd Stern

SUBJECT: Presidential letter to the Senator

DATE: 05/15/96

NUMBER OF PAGES (including cover sheet): 2

MESSAGE:

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

THE WHITE HOUSE

WASHINGTON

May 15, 1996

Dear Mr. Leader:

As I mentioned when we spoke by phone earlier today, you have served your country in so many ways, and you should be proud of your 35 years in Congress. On behalf of a grateful America, as you retire from the Senate, I thank you for your service.

During the fall campaign, you and I will engage in what I believe is one of the most important jobs in our democracy, as we lead a great national debate about how best to move our country into the future. I look forward to participating with you in that discussion.

Until then, I believe that the coming weeks and months can be a moment of genuine bipartisan achievement in meeting the challenges we all face together. Before you go, I look forward to working with you and Speaker Gingrich, and afterwards with your successor, to move ahead to give our people a balanced budget, welfare reform, an increase in the minimum wage and the Kassebaum-Kennedy health care reform.

As you know so well, it is when we work together that we can truly make progress for our country and for the people who sent us here.

Sincerely,

Bill Clinton

The Honorable Robert Dole
Majority Leader
United States Senate
Washington, D.C. 20510

MESSAGE CONFIRMATION

MAY-15-96 17:19

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THE PRESIDENT HAS SEEN
5·15·96

THE WHITE HOUSE

WASHINGTON

96 MAY 15 A11:20

exec clerk per phil

May 14, 1996

Bob J. Nash

MEMORANDUM FOR THE PRESIDENT

FROM: BOB J. NASH, Assistant to the President and Director of Presidential Personnel

RE: **EMERGENCY BOARD FOR CERTAIN RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE OF THE NATIONAL RAILWAY LABOR CONFERENCE INCLUDING CONSOLIDATED RAIL CORPORATION (INCLUDING THE CLEARFIELD CLUSTER), BURLINGTON NORTHERN RAILROAD CO., CSX TRANSPORTATION CO., NORFOLK SOUTHERN RAILWAY CO., ATCHISON, TOPEKA & SANTA FE RAILWAY CO., UNION PACIFIC RAILROAD, CHICAGO & NORTH WESTERN RAILWAY CO., KANSAS CITY SOUTHERN RAILWAY CO. AND THEIR EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES (PA)**

I. BACKGROUND

A dispute exists between certain railroads represented by the National Carriers' Conference Committee of the National Railway Labor Conference including Consolidated Rail Corporation (including the Clearfield Cluster), Burlington Northern Railroad Co., CSX Transportation Co., Norfolk Southern Railway Co., Atchison, Topeka & Santa Fe Railway Co., Union Pacific Railroad, Chicago & North Western Railway Co., Kansas City Southern Railway Co. and their employees represented by the Brotherhood of Maintenance of Way Employees. The dispute covers the organizations' proposals and the carriers' counterproposal concerning changes in rates of pay, work rules, other working conditions and any other dispute(s) not adjusted in conference by the parties. According to the National Mediation Board the situation appears to be extremely critical, since a strike is possible. This dispute threatens to substantially interrupt interstate commerce to such a degree that a section of the country would be deprived of essential transportation service.

II. DISCUSSION

If a dispute exists, under the Railway Labor Act, as amended, between a carrier and its employees, and if in the judgement of the National Mediation Board, it threatens to substantially interrupt interstate commerce to such a degree as to deprive any section of the country of essential transportation service, the National Mediation Board shall notify the President. The President may then, at his discretion, create an emergency board to investigate and report on said dispute. The emergency board shall be composed of individuals selected by the President, provided that no member appointed shall be pecuniarily or otherwise interested in any organization of employees or any carrier. In anticipation of the necessity of a Board being created in the next few days, you should select three individuals to serve as Board members.

III. RECOMMENDATION

I recommend that you appoint the following individuals:

DAVID P. TWOMEY of Massachusetts to serve as Chair of the Emergency Board. Mr. Twomey is a professor in the School of Management at Boston College. He serves as a Permanent Arbitrator on three boards including the City of Boston and the Boston Police. He has served on five Presidential Emergency Boards and is affiliated with the American Arbitration Association and the National Academy of Arbitrators. Mr. Twomey is on the public sector agency rosters of the National Mediation Board and the Massachusetts Board of Conciliation and Arbitration. He received his B.A. in business administration from Boston College in 1962, M.B.A. in business administration from the University of Massachusetts in 1963, and J.D. from Boston College in 1968.
Sponsor: National Mediation Board

Approve:____________________ Disapprove:____________________

SIGN HERE

WILLIAM P. HOBGOOD of Florida to serve as a Member of the Emergency Board. Mr. Hobgood is an attorney specializing in mediation and arbitration. He has held various positions relating to labor relations including serving as Director - Labor Relations, John Gray Institute from 1982 to 1987; Adjunct Professor, Labor Law, Georgetown University Law Center from 1974 to 1983; and Assistant Secretary of Labor for Labor-Management Relations, U.S. Department of Labor from 1979 to 1981. Mr. Hobgood has also served at the Federal Mediation and Conciliation Service as Commissioner from 1965 to 1973, and from 1973 to 1979 in several roles ending as Director of Mediation Services.
Sponsor: National Mediation Board

Approve:____________________ Disapprove:____________________

CARL E. VAN HORN of New Jersey to serve as a Member of the Emergency Board. Mr. Van Horn currently serves as Professor of Public Policy and Political Science Eagleton Institute of Politics and Chair, Department of Public Policy at Rutgers University. He began his career as Assistant Professor of Political Science and Director, Master of Arts Program in Public Affairs, State University of New York at Stony Brook, where he served from 1976 to 1978. Since 1978 he has served in various professorships in political science and public policy at Rutgers University. Mr. Van Horn has also served as a policy advisor and as Director of Policy in the Office of the Governor, State of New Jersey from 1990 to 1994. Mr. Van Horn is the author of many publications in the areas of employment and public policy.
Sponsor: National Mediation Board

Approve:____________________ Disapprove:____________________

BN:dr

There were four separate majority opinions — an indication that the Court is still groping for a firm policy on commercial speech. Nevertheless, all nine justices voted to overturn the ban, which Rhode Island — with 10 other states — had imposed to inhibit price competition among retailers and, by keeping prices high, discourage liquor consumption.

There was also a clear majority for the proposition that the Constitution's First Amendment protection of free speech takes precedence over the 21st, which repealed Prohibition and granted states broad authority to regulate alcohol. But the most important message of the case, broadcast in the four separate opinions staking out nuanced differences among the Justices, is that the Court will judge harshly any absolute ban on commercial speech that is not precisely tailored to protect consumers against false or deceptive information.

The Court extended First Amendment protection to truthful advertising of lawful products 20 years ago. Recent rulings have broadened the scope of that protection, which still falls short of the safeguards awarded to political, artistic and other noncommercial speech.

Justice [illegible] in the

THE PRESIDENT HAS SEEN
5-15-96

[illegible] restrictions on cigarette advertising under consideration by the Food and Drug Administration is not clear. Rhode Island did not try to defend its advertising ban as a method of restricting young people's access to liquor. The focus of the F.D.A.'s cigarette plan is illegal sales to minors.

It seems unlikely that the Court will view favorably tobacco advertising that targets and manipulates children, who cannot legally buy cigarettes. But the justices may well object, as some did in the Rhode Island case, if they find that the Government could meet its goal of keeping cigarettes from children by methods that do not restrict information to adults — more prominent health warnings on packages, for example, or stricter penalties for selling cigarettes to minors, or a national education campaign.

A proposed ban on cigarette billboards near schools and playgrounds has always seemed easier to justify than curbs on the form of cigarette advertising in magazines read mostly by adults. The challenge facing the Administration, as the new Supreme Court ruling underscores, is to refine its program to curb smoking by children without unduly trampling on free speech for adults.

Benign Chaos in India

Sandy Interesting
BC

The spirited jockeying for power since India's election is proving difficult even for insiders to follow. But as countless political blocs trade votes and float possible candidates for prime minister, it appears likely that an alliance of centrist and leftist parties will try to form a government, shutting the main Hindu chauvinist party out of power even though it received the most votes. For all the confusion, the horse-trading is reassuring. Politics is the force that binds India together.

For most of the years since independence, India has held itself together under the leadership of the founding Prime Minister, Jawaharlal Nehru, or his daughter, Indira Gandhi, or her son, Rajiv Gandhi. But dynastic rule at the top, while spawning corruption, has never stunted the development of a vibrant political culture. India's functionaries, bureaucrats and special-interest lobbyists relish the benign chaos of democratic politics.

Whatever government is formed will likely be weak, since no single grouping commands a majority vote. It now appears possible that the long-governing Congress Party, reduced to 25 percent of the seats in Parliament, will support the establishment of a centrist-leftist government but not join it. The strategy would be to block the Hindu rightists from power as a danger to India's secular traditions and stability. By holding the margin of control in Parliament, the Congress Party would theoretically be able to choose when to topple the government in hopes of winning the next national election. Both Mrs. Gandhi in 1977 and Rajiv Gandhi in 1991 withdrew crucial outside support from weak non-Congress Governments, to their benefit.

The Hindu rightists in the National People's Party complain that they have not been asked by President Shankar Dayal Sharma to form a government. But many in India assume that the party is not eager to form a government itself, and that like the Congress Party, it hopes that any new government will be so weak that it will fall within two years. The Indian People's Party has moved away from its strident Hindu chauvinist rhetoric, but it has yet to prove itself free of intolerance.

Perhaps the most important development of this election is the full flowering of politics based on caste, particularly the striving of the lower castes who have submerged their political identity in the past. To the early modernizers like Nehru, caste was the bane of Indian civilization. They never outlawed caste identity, but they dreamed of the day when it would not hold people back. In the meantime, as they appealed to the lower castes to join their party's drive for equality and secularism, Congress politicians balanced their tickets based on caste as surely as American politicians have searched for balanced tickets of their own.

Until the last decade or so, the Congress Party succeeded with the support of these lower castes, as well as the nation's huge Muslim minority. But as economic growth has created new centers of wealth and left many behind, resentments among the lower castes have welled up across the country, creating new parties, some of them regionally based.

Some of these castes are officially labeled "backward" by law but have substantial wealth, large numbers and competing factions of their own. Their demand for representation in a new government is healthy. A new generation of caste-based politicians might help cleanse the government of corruption while adding energy to India's lively politics.

Correction

An editorial on Monday about New York City debt incorrectly described what revenues would pay off the bonds of a proposed new financing agency. The revenue would come from the city's entire personal income tax, not just the income tax surcharge.

THE PRESIDENT HAS SEEN
5·15·96

THE WHITE HOUSE

WASHINGTON

Ickes/Sosnick

John Kerry wants me to do an event for him at end of Sept — at Fleet Center — should probably keep open for now —

BC

5-15-96

THE PRESIDENT HAS SEEN
5-15-96

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961-1963*
ARTHUR OCHS SULZBERGER, *Publisher 1963-1992*

VP - Vfgl - BR

The Safety of Low-Cost Airlines

Four days after crashing in the Florida Everglades, an airliner with a long and checkered maintenance history remains a focus of shock, mystery and anxiety to the public and commercial aviation. Sunk in a swamp only minutes from the Miami airport, the wreckage of the DC-9 resists strenuous efforts to recover its remains and learn its secrets. Investigators and officials, some quarreling openly with each other, can promise only that the answers will not come quickly.

That is especially unfortunate, because the flying public as well as the families of the 109 people who perished on ValuJet's flight 592 deserve to know what brought about this tragedy. The accident has raised disturbing questions about air safety, the condition of aggressive, cost-cutting smaller airlines and the ability of government to simultaneously regulate and promote the air-travel industry.

Above all, everyone wants to know whether it is safe to fly on cheap, no-frills airlines like ValuJet, less than three years old but equipped with planes cast off by established carriers. Federico Peña, the Secretary of Transportation, and David Hinson, the Federal Aviation Administrator, were quick to pronounce the airline safe. But it is disturbing that Mary Schiavo, inspector general of the Transportation Department and a pilot herself, avoided flying on ValuJet "because of its many mishaps," and also shuns commuter planes and marginal airlines.

Have the competitive, smaller start-up airlines been allowed to expand too fast? ValuJet has suffered a rash of equipment mishaps, and its planes had been forced no fewer than seven times to return to their terminals before last Saturday's crash. Yet F.A.A. officials have praised the airline's corrective responses. Until last weekend, none of the new companies had suffered a crash since deregulation in 1978, which attracted many new entrants to the air-travel market.

The mere age of aircraft has not mattered much to overall industry safety. Larger, mature airlines have planes of similar vintage, but unlike ValuJet they do not farm out their maintenance work. Has that made a difference? The F.A.A., in a flurry of investigative actions, says it will scrutinize both the airline and its maintenance contractors.

Meanwhile the agency itself will be investigated, according to Ms. Schiavo, the inspector general. From an office that enjoys broad independence, she has already criticized the F.A.A.'s inspector force, ValuJet's safety record and even the dual mission of the F.A.A. to advance commercial aviation while policing its safety. She pledges an inquiry into alleged and undefined "pressure" on inspectors to play down concerns about airworthiness.

Ms. Schiavo's skepticism is a welcome ingredient, more assuring in its way than Mr. Hinson's promise to "reassure the public" that ValuJet is a safe carrier. The airline, other cut-rate carriers and the public deserve both open-minded judges and full, fair investigations.

Commercial Free Speech Gets Freer

In one of this term's most significant First [A]mendment cases the Supreme Court has struck ...

Court's principal opinion that Rhode Island had not shown a sufficiently close relationship between ...

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- **Ickes note on Deborah Sale.** Sale indicated to Harold a strong interest in being appointed to the board of Freddie Mac, but you recently re-appointed your five board members (Dennis DeConcini, James Nutter, Jerry Hultin, Harriet Woods and Joel Ferguson), so nothing can be done with regard to Freddie Mac.

- **Ickes note on requests from Joe Chapman.** Chapman, of Panama City, FL, made two requests through Harold: 1) that you go to the Navy base there, commanded by Capt. Richard Parrish, for a special program to honor retiring Cong. Pete Peterson; 2) attend an "appreciation program" at the local community college for his mother, who is 84 and retiring after 35 years as an elected official. Harold recommends against going unless you happen to be in the area. *We can have letters prepared to be read at the ceremonies, if you wish.*

THE WHITE HOUSE

WASHINGTON

96 MAY 17 A9:12

6 May 1996

MEMORANDUM TO THE PRESIDENT

CC: Evelyn Lieberman
Stephanie Streett
Anne Walley

From: Harold Ickes

Re: Requests from Joe Chapman

On 15 March I spoke with Joe Chapman of Panama City, Florida who made two requests.

1. That you come to the Navy base, the Commander of which is Captain Richard Parrish, who Mr. Chapman says you know well, for a special program to honor retiring Congressman Pete Peterson. He thinks that this would do you a lot of good.

2. On the same day, he wants you to attend an appreciation program at the community college for his mother, who is 84 years old, who just announced that she will not seek re-election. According to Mr. Chapman, she was the first minority elected in Bay County history and will retire as the County's longest serving public official (35 years). This, combined with her 25 years as a school teacher gives her a total of 60 years of public service.

Unless you are otherwise scheduled in that area, this does not appear to be something that should be put on the schedule.

Let's discuss if you wish.

THE PRESIDENT HAS SEEN
5·15·96

Medicaid, including over 90% of children with AIDS). The Council expressed concern about lack of senior NIH support for consolidated budget authority of NIH Office of AIDS Research, inadequate funding for substance abuse treatment, federal policy regarding needle exchange programs, inadequate funding for AIDS housing, and the mandatory HIV testing policies of the State Department and the Peace Corps.

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Smart Cons, Mass Co

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Good suggestion. Do a letter of congrats to NEA leaders

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Minister; Amb. Vonya McCann at State (Office of Internationa
Information Policy); and Mack, whose contributions were "dec

Do reply to a letter of thx to the team for me to sign.

JIM DORSKIND:

Please coordinate the reply.

THE PRESIDENT HAS SEEN
5.15.96

THE WHITE HOUSE

WASHINGTON

April 11, 1996 96 MAY 8 P5:29

MEMORANDUM FOR THE PRESIDENT

FROM: Carol H. Rasco CHR

SUBJECT: Expelling Students with Disabilities

You asked about the attached item from Cabinet Affairs' weekly report. Virginia is suing the Department of Education over its position that states may not expel children with disabilities without offering them alternative instruction outside of the classroom. You asked whether this is a double standard, and whether it is bad policy.

Special education is governed by the Individuals with Disabilities Education Act (IDEA), a 20-year-old civil rights law. Legally, there appears to be a strong consensus that the IDEA requires that children with disabilities be educated and therefore prohibits "cessation of services." Since there is no such Federal protection for students without disabilities, there is in a sense a double standard in those states that allow cessation for non-disabled students (roughly 30 states).

Disability advocates argue that history justifies this distinction, since schools have used discipline as an excuse to remove disabled students from class, and that proposals to treat disabled students "equally" are flawed because some disabilities manifest themselves as behavioral problems. School boards, principals, and the teachers' unions feel that the double standard encourages irresponsible behavior and endangers non-disabled children. (Unfortunately, there are few statistics about how prevalent such discipline problems are.)

This question is now being debated from a policy perspective on the Hill, since IDEA is up for reauthorization. Discipline is the most controversial issue. The pressure for change centers less on cessation of services than it does on the question of when a school can act unilaterally to remove a student from the classroom on a temporary basis. In fact, a coalition of school boards, principals, administrators, the NEA, and the AFT split last year over the school boards' insistence that they push for cessation of services. The other groups did not want to take on that issue, choosing instead to focus on the latter issue.

The Department of Education opposes cessation of services. Its IDEA reauthorization proposal would allow schools to act unilaterally to remove from the classroom students who bring weapons to school (current law allows this for guns only). It would also allow a hearing officer to remove a child who exhibits "dangerous" behavior.

The key leaders on this issue in both the Senate and the House are sympathetic to the disability community's perspective, and are attempting to proceed in a bipartisan way. They are trying to satisfy individual members who might be inclined to offer more extreme amendments so that this does not blow up into a very public issue.

The Senate Labor and Human Resources Committee has passed a bill that would allow schools to cease services for students who bring drugs or weapons to school. It would also allow a hearing officer to remove a student from the classroom for "disruptive" behavior, a lesser standard than "dangerous".

Senators Frist and Harkin, the key Senate leaders on this issue, did not want to go as far as they did. However, they reached a compromise with the school boards, principals, unions, and disability advocates, with none of the groups enthusiastic about it. The Department of Education has concerns about defining terms like "disruptive". The House is likely to adopt the Senate position on cessation, but may take a stand closer to that of disability advocates and the Department on other issues.

This is a thorny issue that raises the question of whether twenty years of inclusion of children with disabilities has brought us to the point where students with and without disabilities can be disciplined "equally". Moderate change appears inevitable here, but there does not appear to be widespread political support for the state of Virginia's policy, which goes beyond the Senate plan to cease services only for students who bring drugs or weapons to school.

It is interesting to note that the Department of Education tells us privately they oppose cessation of services for any student, even the non-disabled, but the only area where they have influence is in special education.

THE PRESIDENT HAS SEEN
4.1.96

- **Intellectual Property Rights (IPR) and Government Procurement:** Ambassador Kantor will continue to prepare for announcements in April regarding foreign country practices with respect to adequate and effective IPR protection and fair and competitive government procurement practices.

<u>DEPARTMENT OF JUSTICE</u>

- **Virginia Challenge To Education Regulations:** On April 4th, The Fourth Circuit will hear oral arguments in <u>Commonwealth of Va. v. Riley</u>. The Individuals with Disabilities Education Act (IDEA) requires state educational agencies to submit plans ensuring that all eligible children with disabilities receive a free appropriate public education. The Department of Education interprets that mandate as requiring <u>continued special education services for students with disabilities who have been expelled or suspended from school on a long-term basis for conduct unrelated to their disabilities</u>. Virginia's regulations do not require the provision of such services to expelled or suspended students, and therefore do not meet IDEA requirements.

Leon | Carol
isn't this a sensible standard? or is it bad policy?

- **Court Grants Certiorari In Abortion Clinic Matter:** On March 18, the Supreme Court granted certiorari in <u>Schenck v. Pro-Choice Network</u>. The Second Circuit, sitting <u>en banc</u>, affirmed a preliminary injunction preventing the defendants from engaging in certain obstructive conduct in the vicinity of abortion clinics in the Western District of New York.

- **Favorable Judgment Entered In Military Homosexual Discharge Suit:** On March 14, the court granted summary judgment in favor of the Air Force and the DoD in <u>Jackson v. Widnall</u>. The court rejected the claims of a former Air Force officer that he was unlawfully discharged on the basis that he had engaged in homosexual acts. The discharge, under the military's "old policy" governing homosexual service members, was upheld against equal protection and Administrative Procedure Act challenges.

- **Complaint Filed Against Georgia To Prevent Implementation Of Redistricting Plan:** On March 21, the United States filed a section 5 enforcement action, and request for preliminary relief, against the State of Georgia and several state officials. <u>United States v. State of Georgia</u>. The complaint and application for a TRO and preliminary injunction seek to enjoin the state and its officials from implementing new redistricting plans for the state House and Senate, unless and until preclearance is obtained.

- **Court Approves Love Canal Settlement:** On March 19, the District Court in <u>U.S. v. Occidental Chemical Corp.</u>, entered a cost recovery consent decree. Pursuant to the decree, Occidental will pay the <u>U.S. $129 million, plus interest, for the costs incurred in the cleanup of Love Canal</u>.

THE PRESIDENT HAS SEEN
5-15-96

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JIM DORSKIND
Please coordinate
the reply.

Senate Comm, Kassebaum Co

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JIM DORSKIND:

Please coordinate
the reply.

Do reply to Mike & TYs to the team for mtg sign

THE PRESIDENT HAS SEEN
5·15·96

THE WHITE HOUSE

WASHINGTON

96 MAY 8 P5:28

April 23, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: CAROL H. RASCO CHR

SUBJECT: CHARTER SCHOOLS

The National Education Association recently announced its intention to create five charter schools. This memo provides background on that announcement and additional information on the teacher unions' views of charter schools.

OVERVIEW OF NEA INITIATIVE

On Tuesday, April 16, the National Education Association announced that it will provide $1.5 million to finance five charter schools around the country. The NEA's objective is to examine the efficacy of the charter school model -- upholding the basic principles of education while giving practitioners and school employees the autonomy and freedom to take risks with innovation -- for public school reform.

The charter schools initiative is part of the NEA's ongoing efforts to rethink and reinvent public education. The money pledged for this project will finance technical assistance for administration, budgeting, staff training and community relations. The NEA will also provide funds for documentation and assessment to be conducted by an independent team from the University of California.

CONCERNS

Both the NEA and the AFT have cautiously supported charter schools at the national level but they have also expressed concerns about how charter schools might be defined and implemented. Albert Shanker, while writing that charter schools -- done right -- have a lot of promise, has also voiced concerns regarding financial accountability and "union busting." He has emphasized that they are not a "silver bullet" and in some cases are not the appropriate step to take. Shanker has warned against charter schools becoming another gimmick that distracts educators and the public from a focus on standards and student learning.
The three concerns most often expressed by the NEA and the AFT are: (1) implications for collective bargaining; (2) selection of charter schools by entities other than local school districts; and (3) management of public schools by for-profit firms.

Ensuring that charter schools do not preclude collective bargaining is perhaps the most contentious issue for the NEA and AFT. Some proponents of charter schools see them as a way to promote public school reforms that may be blocked or slowed by state or local rules and regulations, including those governing collective bargaining. The NEA and AFT have both made it clear that they will not support charters which do not ensure coverage of charter school employees by existing collective bargaining contracts.

The NEA and AFT are also strongly opposed to state laws that allow charter schools to operate completely independent of any school district based on the argument that it would have the effect of reducing local accountability for public schooling. Similarly, they believe that a movement toward management of public schools by for-profit firms could harm students and threaten the integrity of public schools.

ADMINISTRATION RESPONSE

To address concerns raised by the unions, the Department of Education is working closely with the AFT and the NEA and keeping them informed about any Administration initiative. For example, Secretary Riley called both Albert Shanker and Keith Geiger personally in advance of the State of the Union address to let them know that you were going to challenge states to enact charter laws.

While we have not taken an explicit position on the issues outlined, Secretary Riley strongly believes, as does Albert Shanker and Keith Geiger, that consistently defining charter schools as public schools is an essential component of our support for this effort. The NEA effort to develop charter schools is an important sign that they are thinking about ways to make this concept work. We will continue to communicate with the unions as our charter schools initiative grows.

THE PRESIDENT HAS SEEN
5·15·96

Medicaid, including over 90% of children with AIDS). The Council expressed concern about lack of senior NIH support for consolidated budget authority of NIH Office of AIDS Research, inadequate funding for substance abuse treatment, federal policy regarding needle exchange programs, inadequate funding for AIDS housing, and the mandatory HIV testing policies of the State Department and the Peace Corps.

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Senate Com's Version Ok

JIM DORSKIND
Please coordinate the reply.

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Do regular letter of thx to the team for me to sign

JIM DORSKIND:

Please coordinate the reply.

THE PRESIDENT HAS SEEN
5.15.96

96 MAY 8 P4:01

THE WHITE HOUSE

WASHINGTON

May 8, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: **KITTY HIGGINS** Kitty

SUBJECT: **Oklahoma City Follow-Up**

James Lee, working with the U.S. Attorney's Office and the Unmet Needs Committee in Oklahoma City, will take the lead in preparing a report for you on issues and problems still facing the victims of the bombing and their families.

The attached memo reflects the approach FEMA will follow. James Lee is aware of Roger Johnson's recommendations. I have spoken to Roger and he has offered his help.

James Lee hopes to have a report to you in ninety days. Let me know if there are additional issues you would like FEMA to address.

cc: Leon Panetta
Harold Ickes
Evelyn Lieberman

Federal Emergency Management Agency

Washington, D.C. 20472

May 7, 1996

MEMORANDUM FOR: Kathryn O. Higgins
Secretary to the Cabinet

FROM: James L. Witt
Director

SUBJECT: Proposed Report on the Recovery of the Victims of the Oklahoma City Bombing

As requested, please find attached the proposed scope for an issues and action report on the recovery of victims of the Oklahoma City bombing. This scope has been reviewed and approved by the U.S. Attorney's Office for the Western District of Oklahoma and is supported by the Resource Coordination Committee of Oklahoma City (Unmet Needs Committee).

We will be happy to make any modifications you suggest and are prepared to proceed upon approval of the scope. Please feel free to contact me or Jane Bullock should you have any questions.

PROPOSED SCOPE OF AN ISSUES AND ACTIONS REPORT ON THE RECOVERY OF THE VICTIMS OF THE OKLAHOMA CITY BOMBING

Background

One year after the April 19, 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma City, individuals, families and the community impacted by this tragic event, continue to try to cope with the bombing and its consequences. An extraordinary outpouring of support from the community, from private organizations and individuals across the Nation, and from all levels of government in the aftermath of the event began the long recovery process. One year later, however, thousands of cases involving individual claims, family benefits, and victims needs remain unresolved and are still being worked.

Numerous issues and legal concerns never before contemplated need resolution before the recovery process can be completed. A process is needed to identify and characterize these issues and then examine those areas where the Administration, through it's Federal programs and policies, can seek to address the problems. We anticipate the end product of this process will be an issues and actions report to the President.

Approach

The Federal Emergency Management Agency (FEMA), working in conjunction with the Department of Justice, U.S. Attorney's Office for the Western District of Oklahoma, has been tasked with coordination of this process. In addition to the U.S. Attorney's Office, we will work closely with the groups already working with the victims such as Project Heartland, United Way, the Resource Coordination Committee of Oklahoma City (the Unmet Needs Committee) and individual case workers, as necessary. We will also closely coordinate with the Federal agencies, State and local agencies and other groups the need becomes apparent. We must also be cognizant of the unique independence of the people of Oklahoma as we proceed.

Because of the volume of cases and privacy concerns, individual case reviews are not practical. Instead, we will catalogue the issues into categories: For example, retraining, legal reimbursement, employee benefits, survivor benefits, workman's compensation, counseling and mental health, to name a few. Subsections of the categories will also evolve as we proceed.

The issues will then be assigned to the appropriate Federal agency or agencies for review and recommendation on what can be done to address the issue. We anticipate that recommendations will fall into two major categories: actions the Agencies can take immediately, such as extending funding for crisis counseling; and longer-term solutions such as amending workman's compensation regulations.

We need to keep the approach as flexible as possible until we have a better understanding of the scope of the problem.

A broad outline on how we would recommend proceeding is:

Establish a special project group within FEMA

Establish a point of contact(POC)/liaison with each of the appropriate Federal, State and local agencies.

Set up series of meetings with Oklahoma- based groups to discuss scope and approach of project and seek support and concurrence.

Modify approach as necessary.

Work with key groups and case workers to identify and quantify the issues.

Obtain concurrence on catalogue of issues from all participating groups and agencies.

Identify appropriate Federal agency(ies) to address each issue. Submit issues to appropriate Federal agency(ies) for review and recommendation for resolution.

Compile draft report for review (programmatic and legal) by appropriate groups and agencies.

We will need to emphasize that this process will only apply to those issues that are in the purview of the Federal government to resolve. A by-product of this process may be a list of issues that need to be addressed at the non-Federal level.

It is hard to estimate the time it will take to complete the process until we have a better understanding of the complete scope of the problems. Recognizing that this is of highest priority, we estimate it will take approximately 90 days to produce a report.

Finally, although the Oklahoma City bombing was a unique event, as we proceed with this process, we need to be cognizant of the potential implications of this process and any recommendations we may make for future disasters.

THE PRESIDENT HAS SEEN
5-15-96

was a "wonderful reminder" for him and for you: "We shared very happy memories of having known you in the earliest of these photos. I must tell you, though, that I never thought I'd have to confess to a President that I lost your Economics notes just days before the final! Stop by and see us if you are ever down this way."

(I) **Text of Sen. Lieberman's statement on April 15 about Ron Brown.** He thought you might like to see it.

(J) **Higgins note on Project Children booklet.** Kitty requested that this booklet, featuring pictures of you with Dennis Mulcahy one of our "Top Cops," be forwarded to you. It will be widely distributed to host families around the country.

We also received the following items:

- **Ickes note on naming federal building for Ron Brown.** Rep. Steny Hoyer recommended to Dave Barram that a federal building be named for Ron, and Dave suggests the new building in Foley Square (lower Manhattan). Note: Charlene Drew Jarvis, DC City Council, has written you suggesting that Freedom Plaza, on Pennsylvania Ave across from the Commerce Dept., be renamed Ronald H. Brown Plaza. The Plaza is maintained by GSA. Harold and Alexis are aware of both requests. *Harold wants to discuss with you.*

cc: Alexis

- **George Bristol letter forwarded by Mack.** Bristol compliments you on your activities during Earth Week and National Park Week and requests a letter of congratulations to Chief Ranger Tomie Patrick Lee, the recipient of the Harry Yount National Park Ranger award, who spoke eloquently about the rewards of being a federal employee in the National Park System. We are having a letter prepared.

- **Thank you from Rep. Nick Rahall (D-WV) for meeting with the President of Lebanon.** "I want to personally thank you for meeting today with the President of Lebanon -- the land of my grandfathers." He also thanks you for your expressions of sympathy to the families of the civilians who were killed and your dedication to a comprehensive peace in the region.

- **Ickes note on Deborah Sale.** Sale indicated to Harold a strong interest in being appointed to the board of Freddie Mac, but you recently re-appointed your five board members (Dennis DeConcini, James Nutter, Jerry Hultin, Harriet Woods and Joel Ferguson), so nothing can be done with regard to Freddie Mac.

- **Ickes note on requests from Joe Chapman.** Chapman, of Panama City, FL, made two requests through Harold: 1) that you go to the Navy base there, commanded by Capt. Richard Parrish, for a special program to honor retiring Cong. Pete Peterson; 2) attend an "appreciation program" at the local community college for his mother, who is 84 and retiring after 35 years as an elected official. Harold recommends against going unless you happen to be in the area. *We can have letters prepared to be read at the ceremonies, if you wish.*

164775

THE WHITE HOUSE

WASHINGTON

96 MAY 4 P2:35

2 May 1996

MEMORANDUM TO THE PRESIDENT

CC: Leon Panetta
Evelyn Lieberman
Alexis Herman

From: Harold Ickes HI

Re: Naming new federal building in Manhattan for Ron Brown

On 30 April 1996 I spoke with GSA Administrator Dave Barram who said that he had recently talked with Congressman Steny Hoyer about naming a federal building for Ron Brown. He wanted to know what you thought about naming the new federal building in Foley Square, lower Manhattan, for Ron Brown.

Let's discuss.

COUNCIL OF THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20004

(202) 724-8052

CHARLENE DREW JARVIS
Councilmember-Ward 4
Chairperson
Committee on
Economic Development

Committee Member
Human Services
Housing and Urban Affairs
Labor and Human Rights

96 APR 5 P3:02

April 5, 1996

The President and Mrs. William H. Clinton
The White House
Washington, DC 200500

Dear President and Mrs. Clinton:

Please allow me to express my very deepest sympathy on the loss of Secretary of Commerce Ronald H. Brown. I know his death is a deep personal loss for the both of you, as well as a tragedy for our community and our country.

Ron and I were born a day apart at Freedmen's Hospital right here in Washington. Our mothers chatted as their offspring experienced a new world. He was a native son.

I would like to make a recommendation to you about a fitting memorial for Ron. Opposite both the Department of Commerce and the District Building is Freedom Plaza. The plaza was developed by the Pennsylvania Avenue Development Corporation and is now being maintained by GSA. The plaza also faces the International Cultural and Trade Center, recently renamed the Ronald Reagan Building.

The renaming of Freedom Plaza as the Ronald H. Brown Plaza would be a wonderful tribute to an extraordinary American who believed that he was free to live the American Dream. I look forward to talking with you about what I believe to be a very compelling tribute to Ron.

Warm regards.

Charlene Drew Jarvis

Charlene Drew Jarvis
Councilmember, Ward Four
District of Columbia City Council

cc: Alexis Herman

To Jim Dorskind for Reply?

yes ✓

no ______

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 5-15

TO: Andy Serwer

FROM: Staff Secretary

you guys want
to put a cover
on this?

Todd

166609

Incoming Staff Sec

DEPARTMENT OF VETERANS AFFAIRS
National Memorial Cemetery of the Pacific
2177 Puowaina Drive
Honolulu HI 96813

96 MAY 14 P1:56

May 3, 1996

In Reply Refer To: 899

Ms. Jamie Williams
Presidential Staff
The White House, Room 39
Washington, D. C. 20502

Dear Ms. Williams:

During the hustle and bustle of the activities at the National Memorial Cemetery of the Pacific (NMCP) in commemoration of the End of the War in the Pacific, I failed to have the President of the United States sign NMCP's official Guest Book.

To rectify that oversight, it is hoped that you will assist us in having the President sign the enclosed page, taken from the guest book. It is desired that the President write a brief statement concerning the event and date the signature as of September 2, 1995, the actual date of the ceremony. It was suggested by Mr. Robert Deaton, that we enclose copies of other distinguished guest's signatures as examples of our Guest Book. We have enclosed Xerox copies Emperor of Japan's and President of Korea's signatures.

Your assistance in this matter will be greatly appreciated and will provide NMCP with a lasting memento of the occasion.

Sincerely yours,

G E Castagnetti

G. E. CASTAGNETTI
Director

Enclosures: (2)

National Memorial Cemetery of the Pacific Guest Book

Guests

Date	Name	Address
		STREET CITY STATE
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Guests

Date	Name	Address	
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		STREET	

This is the original signature of His Majesty, Emperor Akihito of Japan, who signed in the Official Guest Book at the conclusion of the June 24, 1994, Historical Wreath Laying Ceremony held at the National Memorial Cemetery of the Pacific, Honolulu, Hawaii.

		STREET	
		CITY	STATE

Guests

Date	Name	Address
10/26 1995	President The Republic of Korea	STREET CITY STATE
	대한민국 대통령	STREET CITY STATE
	김영삼	STREET CITY STATE
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Todd -
Do you want this put in the System?

Yes ✓

no

Keep copy for me

Send to letter ~~[illegible]~~ to POTUS to NSC, C.

05/15

Todd,
pls clarify instructions. Send letter to POTUS and copy to NSC to do reply??????

s

Per Todd -
Send letter
To POTUS to NSC

John - please return original Podesta note & copy of Joiner ltr to ~~B~~ Todd -

Bell Helicopter TEXTRON

Bell Helicopter Textron Inc.
A Subsidiary of Textron Inc.

Post Office Box 482
Fort Worth, Texas 76101
(817) 280-2105
Fax (817) 280-3299

Webb F. Joiner
Chairman

May 7, 1996

The Honorable William J. Clinton
The President
White House

Dear Mr. President:

I write deeply concerned about a $5 billion export market in jeopardy because of continued inaction by the State Department. Turkey, designated as a big, emerging market by the Commerce Department has requested the purchase of 10 AH-1W helicopters.

Turkish officials indicate that over the next 15 year period, the combined requirements of the military and civilian markets will be over 450 helicopters. The value of this market is estimated at nearly $5 billion.

When the President of Turkey visited on March 29, he discussed the need to notify Congress of the pending sale to Turkey of 10 Super Cobra helicopters. Our concern is that failure to move now on those helicopters will mean ceding a $5 billion market over the next fifteen years. The accompanying loss of jobs and industrial base will have a lasting negative effect on American technology, balance of payments, and defense production capacity.

Eurocopter (Franco-German) has offered the Turks a Memorandum of Understanding (MOU) covering an entire family of helicopters. The Russians are also offering helicopters at reduced prices. Failure to approve the current U.S. sale - now awaiting action for a full year - calls into question America's reliability as a supplier.

The challenge is not hypothetical: Sikorsky won an earlier competition originally aimed at 200 utility helicopters. Sikorsky received an order for 45 only to see then Prime Minister Ciller order 30 Eurocopter Cougar helicopters.

U.S. failure to respond positively to the May, 1995, Turkish order for 10 Super Cobra helicopters opens the door to Eurocopter and the Russians. If this market is lost, the cost to our country will be high. American labor will be directly affected by continued delay. I ask for your immediate and favorable action on this urgent issue.

Sincerely,

Webb Joiner