Chron

ANHEUSER-BUSCH COMPANIES

Richard F. Keating
Vice President National / International Affairs

August 30, 1996

96 SEP 3 A 9:58

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

Dear Mr. President:

We understand you are now reviewing a recommendation from the U.S. International Trade Commission (ITC) to increase the duties applied to broom-corn brooms imported from Mexico.

We understand also that the Mexican government has indicated that if the United States raises duties on broom-corn brooms, and if satisfactory compensation for such higher duties is not agreed upon, Mexico will raise duties on products imported from the United States, including specifically beer.

American beer exports to Mexico have tremendous potential. Beer exports rose from 7.5 million gallons in 1993 to 10.2 million gallons in 1994, before declining after the crash of the peso to 5.5 million gallons valued at over $12 million in 1995. As the Mexican economy recovers, so, will beer exports, especially since high Mexican duties (currently 14%) are scheduled to drop to zero by 2001 under the NAFTA. An increase in Mexican tariffs would destroy that potential.

Anheuser-Busch strongly supported the NAFTA and remains committed to the principles of free trade and fair competition that the NAFTA embodies. We hope that you will follow a course of action in the broom-corn broom case that will avoid a situation in which Mexico would be entitled to withdraw its NAFTA concessions on beer.

Sincerely,

Richard F. Keating

Richard F. Keating

cc: Mr. Thomas F. McLarty III

9/3/96

Todd -
This was forwarded to our office today - since we did take action on Friday, should we send to NSC for appropriate action?

Yes ✓

Anheuser-Busch Companies, Inc.
Republic Place
1776 I Street, NW
Suite 200
Washington, D.C. 20006
(202) 293-9494
FAX: (202) 223-9594

P.2/2

soros fund

96 SEP 3 P2:48

August 30, 1996

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

Dear Mr. President,

Further to our conversation last Friday, you have just received a green light from Senator Dole to postpone the Bosnian elections. I very much hope you will avail yourself of this opportunity. Even a two month postponement would safely get us past our own elections, and allow us to pursue more effective policies afterwards, particularly with regard to the war criminals. Going ahead under present conditions would create a very bad precedent and expose you to severe criticism not only from your opponents, but also from supporters like me.

Yours sincerely,

George Soros

GS/ys

9/3/96

From the Oval

Send to NSC for reply

~~appropriate~~ Action!

Yes ✓

No

C.

SOROS FUND

Let corres. reply

96 SEP 3 P2:46

THE PRESIDENT HAS SEEN
8/23/96

well by Ms. Betts

UK - Blumenthal
need a response
BC

President William J. Clinton
The White House
Washington D.C. 20500

President's Attention%: Betty Currie

9/3/96

Send to Dorskind for reply?

Yes ✓

No

THE PRESIDENT HAS SEEN
8/23/96

August 9, 1996

President William J. Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

I am most happy that you have not yet signed the Republican Welfare bill. Please do not, for in signing this bill the promise to "..end welfare as we know it" becomes the cutting away of the safety net "as we know it" for all our children.

For the first time in our history a bill has been presented to punish the young mothers and the children and to put at risk their fundamental rights of protection.

So goes the mother and the children-- so goes the nation.

"Heroic measures" must be used to remedy this situation. A brand new welfare bill must be presented to the nation along these lines-- a bill that would insure the basic needs - home, health and education for the children while providing training and jobs for the young mothers. In addition a household support fund for the grandmothers or caretakers to insure a loving home for the babies and children while the young mother is contributing to their support.

Money is not a problem for us. We are a nation that produced in a flash fifty-five billion dollars (or one billion dollars every three days) for the war of Desert Storm. We can easily provide for our children in need so that they will become the basis of the next and future generations who will form a happy and healthy nation.

I have always thought of you as our President for the children. I know that you will find the way to preserve and protect them!

Very respectfully yours,

Elinor B. Philbin

Elinor Brisbane Philbin

DEPARTMENT OF POLICE

CITY OF WORCESTER

MASSACHUSETTS 01608-1172

(508) 799-86 96 SEP 3 P2:46

EDWARD P. GARDELLA
CHIEF OF POLICE

9/3/96

August 12, 1996

William Jefferson Clint
President of the Unitec
The White House
Washington, D.C.

Send to Dorskind for reply?

Yes ✓

No

Dear Mr. President,

As the election draws cl
your efforts. Although
is better over the past

Thanks to your Crime E
officers. This increase
community policing. As a
fear of crime. Members ... increased
dramatically. Our programs involve citizens, school officials, other city departments, state and federal agencies, and the business community. However, more than programs, there has been a change in attitude to work with the community and to solve the problems of the community.

The problems of society did not occur due to a lack of police officers on the street, and society's ills will not be cured by an abundance of police officers on the street. Policing has become a community responsibility. You have made us keenly aware of our responsibilities, and if we all hold up our ends we can make a significant impact. Yes Mr. President, the concepts and philosophies of community policing have worked for us.

I have in my office three pictures with you, the last taken in March at the White House Leadership Conference. Although we have met a few times, I've never said what was on my mind. I had no difficulty expressing myself with the First Lady or the Vice President, only with you Mr. President. While I have tried to rehearse my comments, the best I could do was to thank you for the Crime Bill and wish you well.

Since I may not get another opportunity, I just want to tell you that I have not felt this way about a president since 1963. Being from Massachusetts it is very significant for me. It has been a while since a president has had my loyalty trust and support and those you have Mr. President.

You once wrote, "our task is to rekindle hope and opportunity for every American". Well, I still believe in a place called Hope. My appreciation to you for rekindling my hope and belief that all of us, at every level, can make a positive contribution.

Stay strong Mr. President, God be with you for all that you need to do.

Coincidentally, I too will be vacationing this week in Jackson Hole. I hope the splendor of the country allows you time to rest and enjoy.

Respectfully yours,

Edward Gardella

EDWARD P. GARDELLA
CHIEF OF Police

Through staff secy

I assume will reply NH

MRS. FRANKLIN D. ROOSEVELT, JR.
200 EAST 66TH STREET
NEW YORK, NEW YORK 10021

August 27, 1996

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

96 SEP 3 P2:54

Dear President Clinton,

As a director of the Franklin and Eleanor Roosevelt Institute I look forward to your announcement that October 1996 will be designated as Roosevelt History Month. FDR's legacy will be commemorated across the country in schools, universities and many other celebrations.

When you are photographed in the Oval Office, I am always so pleased to see my father-in-law's bust on your desk. I know you hold his presidency in high esteem and have

9/3/9

From the Oval

Send to Doris Kind.

Y

MRS. FRANKLIN D. ROOSEVELT, JR.
200 EAST 66TH STREET
NEW YORK, NEW YORK 10021

been to Hyde Park service.

My hope is that it will be possible to have a Presidential Proclamation to recognize Roosevelt History Month and possibly a signing ceremony in the Rose Garden.

I know I am requesting a great deal from you at a very busy time in your schedule. However, I feel it is important to acknowledge FDR's great accomplishments and legacy and especially by you – a Democratic President.

Thank you for your consideration.

In appreciation –
Tobie Roosevelt
(Mrs. Franklin D. Roosevelt, Jr.)

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 9-3

TO: Chris (Jennings)
Jen (Klein)
Nancy-Ann (Min)

FROM: Staff Secretary

Thought you guys
might like this.
Suitable for framing

Todd

One Hundred Fourth Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Wednesday, the third day of January, one thousand nine hundred and ninety-six

An Act

To amend the Internal Revenue Code of 1986 to improve portability and continuity of health insurance coverage in the group and individual markets, to combat waste, fraud, and abuse in health insurance and health care delivery, to promote the use of medical savings accounts, to improve access to long-term care services and coverage, to simplify the administration of health insurance, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Health Insurance Portability and Accountability Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

(Copy)

Subtitle C—Repeal of Financial Institution Transition Rule to Interest Allocation Rules

SEC. 521. REPEAL OF FINANCIAL INSTITUTION TRANSITION RULE TO INTEREST ALLOCATION RULES.

(a) IN GENERAL.—Paragraph (5) of section 1215(c) of the Tax Reform Act of 1986 (Public Law 99–514, 100 Stat. 2548) is hereby repealed.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

(2) SPECIAL RULE.—In the case of the first taxable year beginning after December 31, 1995, the pre-effective date portion of the interest expense of the corporation referred to in such paragraph (5) of such section 1215(c) for such taxable year shall be allocated and apportioned without regard to such amendment. For purposes of the preceding sentence, the pre-effective date portion is the amount which bears the same ratio to the interest expense for such taxable year as the number of days during such taxable year before the date of the enactment of this Act bears to 366.

Speaker of the House of Representatives. pro tempore

Strom Thurmond

~~*Vice President of the United States and*~~
President of the Senate pro tempore.

APPROVED

AUG 2 1 1996

William J. Clinton

(Copy)

THE PRESIDENT HAS SEEN
-96

Carol Rasco
Jack Lew
Chron

THE WHITE HOUSE

WASHINGTON

96 AUG 21 P2:45

August 21, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Carol Rasco and Jack Lew

SUBJECT: Status of Welfare Reform Implementation

This memo will update you on efforts to ensure that welfare reform is implemented smoothly and effectively.

We have formed an inter-agency working group to coordinate implementation, which met for the first time on August 9 and will meet on a weekly basis. We have established three subgroups. One will monitor key implementation milestones, identify and resolve issues, and ensure deadlines are met. A second group is developing proposals to expand job opportunities for those leaving welfare. A third group will coordinate Presidential welfare events. Separate work is going forward on developing proposals to correct the major flaws in welfare reform which you have identified.

One key element of implementation is work with the states through the National Governors' Association (NGA), the National Conference of State Legislators (NCSL), and the American Public Welfare Association (APWA) to ensure smooth federal-state communication. Intergovernmental Affairs is coordinating Cabinet agency contact with state and local officials on all implementation issues. NGA, NCSL, and APWA will meet on implementation issues on September 9 and 10, including governors' senior policy staff, state legislative leaders, and state social service commissioners. Intergovernmental Affairs is working with NGA to negotiate the agenda of that meeting, including making Federal officials available for briefings.

This memo summarizes the work of the subgroup dealing with implementation. There are a tremendous number of difficult implementation challenges raised by the bill. All affected agencies are at work developing their own timelines and work plans. We will be compiling these agency plans so that there is one overall framework for monitoring implementation. The following is a list of some of the main deadlines and challenges that we have so far identified.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) BLOCK GRANT

As you know, the bill creates the new block grant to replace AFDC and requires that states transform their AFDC systems to TANF by July 1997. There are several major issues that we will be tracking as HHS manages this transition:

o Early Implementation -- States have the option of implementing the block grant immediately, and it is financially advantageous for them to do so. Some states may be ready to go immediately on enactment. We will be working to clarify with HHS the process and timetable for approving these plans. You should know that many states, including California, will need to seek approval from their state legislatures before submitting plans. No states are expected to call special sessions this fall on these issues.

o Regulations -- HHS is preparing a preliminary list of areas in which it sees a need to regulate under the statute. We will be working with HHS to ensure that the new program is appropriately, but not overly, regulated. Q: can we require SSA to offer, or allow local gov't to offer, wage subsidies to ~~[illegible]~~ private employers plus local gov'ts?

o Guidance to States -- HHS is also considering issuing guidance to states on how to construct their new block grant plans. We will be working closely with HHS on this guidance to ensure that it is useful and helpful to the states.

o Approved Waivers -- The bill lets states continue to operate existing waivers. However, the bill's language is unclear about the scope of these provisions, especially the treatment of work requirements and time limits. It appears that the bill's drafters did not intend to exempt states from the work participation rates, but only to provide them with some flexibility in defining work activities. In addition, waivers that apply to only a few counties in a state can not be extended to the entire state.

Can we at least condition waiver on work participation rates to continuation of monthly check?

As for time limits, Michigan has waivers that do not include a time limit on benefits and has indicated it will continue on this course in the plan it submits, rather than adopt time limits as required by the bill. New Hampshire may follow suit. Whether the intent of the waiver provisions can be clarified by administrative action has yet to be determined. Deciding upon the best course for clarifying the intent of the waiver provisions -- seeking legislation or through regulation (which would be our first preference) -- will be one of the implementation group's first major issues.

~~[illegible]~~ (want to discuss time limits waiver before a ~~[illegible]~~ decision is made and announced OK

o Pending and Future Waivers -- HHS has approved eight waivers in the past two days, three of which arrived after you announced you would sign the bill (D.C., Idaho, and Kansas). Wisconsin is not yet approved. HHS is prepared to act on future waiver requests until July 1, 1997 should states ask for them.

o Other issues -- There are a whole series of operational issues the group will be addressing including the establishment and management of the Performance Bonus Fund and the Contingency Fund.

again - I want to discuss before decision made

CHILD SUPPORT ENFORCEMENT

The bill requires an increased Federal role and significant state activity in this area. States must have enabling legislation in place by the end of their 1997 sessions. Federal data processing systems have be able to interact with state systems by October 1997. We must develop a registry of new hires and a case registry, and enhance the Federal Parent Locator Service. HHS has scheduled training conferences and set up joint working groups with the states. One change of interest is that states will no longer be required to pass the first $50 of monthly support collections to the family receiving assistance as of October 1, 1996.

important all agreed to this —

I didn't know this!

IMMIGRANTS

Obviously, the cross-cutting impact of the immigrant provisions of the bill will be a central concern on implementation. Among the key impacts:

- Food Stamps -- Upon enactment, legal aliens applying for food stamps will no longer be eligible. Immigrants currently receiving benefits will lose them at the time of their regularly scheduled recertification. These recertifications would begin immediately upon enactment, with all such immigrants to be removed from the program within one year of enactment. About 900,000 participants (including 300,000 children) will be ineligible in the first year; approximately 250,000 participants will lose benefits in the first three months after enactment.

Can we slow walk this on recertification grounds —

- Supplemental Security Income (SSI) -- Upon enactment, most immigrants who apply for SSI will not be eligible. Current immigrant recipients will get benefits until the Social Security Administration (SSA) determines they are no longer eligible. By March 1997, SSA ~~must send notices~~ to the 1.1 million current recipients who may be legal immigrants and request evidence of their citizenship status. If the immigrant provides evidence that he or she is not eligible or fails to respond, SSA will notify the individual that benefits will be stopped. The amount of time the recipient has to respond to the first notice appears to be at SSA's discretion, although all redeterminations must be completed within one year of enactment. SSA is exploring timing options, with the intent of providing recipients as much time as possible within the law to naturalize. An estimated 300,000 to 400,000 recipients are expected to come off the rolls.

Use the year and work w/ INS on race to get as many citizens as possible

We will be focusing on two overarching issues in implementing these and the other immigration provisions:

- Verification -- Developing a workable and fair system of verifying citizenship status that meets the needs of the various systems affected is a daunting challenge. The legislation outlines ambitious timelines, and an administration workgroup is already at work putting proposals and options together.

o Naturalization -- In anticipation of the restrictions on benefits, many immigrants have already applied for citizenship and many more will apply as the restrictions take effect. INS has been working on initiatives to speed up the naturalization process. The Citizenship U.S.A. initiative is designed to respond to the large increase in applications and expects to naturalize 1.2 million immigrants this fiscal year. INS is also working with SSA and OMB on a new regulation that will waive English and civics test requirements for immigrants with certain serious disabilities and perhaps establish a special waiver for many disabled immigrants receiving SSI.

how big an increase over last year

thousands
them ASAP

FOOD STAMPS -- NON-IMMIGRANT PROVISIONS

Eligibility for 18-50 Year-old Childless Adults -- Most able-bodied adults without children will now be limited to 3 months of food stamps in a 36-month period if they are not working or participating in a work or workfare program. For current recipients, this limit is effective 3 months after enactment. One million current recipients will become ineligible within six months. Households remain ineligible for the balance of the 36-month period unless they obtain work or get a slot in a job training or workfare program.

Making the extensive changes to their computer systems to determine the eligibility of individuals who are dropped from the rolls and to track new recipients against the time limits will be a major implementation challenge to states.

Benefit Levels -- Changes to the standard income deduction and the excess shelter deduction will reduce benefits for nearly all of the 25 million monthly participants. Food stamp allotments will still increase under these changes, but much less than under prior law. The impact increases over time -- by 2002, average benefits will be nearly 20% lower.

These provisions involve relatively simple computer changes. The Department of Agriculture (USDA) expects most states will be able to implement them on October 1 and January 1, respectively, without delay.

OTHER KEY PROVISIONS

SSI for Children -- The bill tightens SSI eligibility for children with disabilities. Upon enactment, new applicants who do not meet the new standard will be ineligible. Current recipients will get benefits until SSA makes a redetermination that they are no longer eligible. Children whose cases must be reviewed will receive notices by January 1997. Those found no longer eligible will be sent a notice that benefits will be stopped. In certain cases, benefits may continue until the first level of appeal is completed. The bill calls for all redeterminations to be completed within one year of enactment. An estimated 285,000 initial notices will be sent and an estimated 190,000 children are expected to come off the rolls. SSA is working on the plan for the timing of the release of the first notices and the subsequent processes.

we must use
real care on these —

any changes we must deal w/ Wisconsin income tax cuts

Tx

Medicaid -- The Medicaid program faces two major challenges in implementation: (1) delinking eligibility for Medicaid from the welfare system, and (2) assessing the impact on pending and existing waivers. The Health Care Financing Administration is working closely with other parts of HHS and with SSA to meet these challenges.

Child Care -- The bill block grants several child care programs, effective at the beginning of the fiscal year. While these changes are mostly positive, the timeframe for implementation is challenging.

Good to do HHS announcement showing positive aspects of law

Monitoring and Evaluation -- One key overarching issue will be to ensure that agencies are establishing effective research, evaluation, and monitoring capabilities to identify the impact of these dramatic changes on the individuals and institutions involved.

JOB OPPORTUNITIES

agree

The interagency working group on the welfare jobs issue is nearing completion of a package of options. At this point it appears that the components will likely be: about $1 billion in enhancements to the Work Opportunities Tax Credit passed in the minimum wage bill; a $100 million expansion of the Community Develpoment and Financial Institutions program to enhance economic development in distressed areas; a $3 billion spending program to place one million hard-to-employ welfare recipients in unsubsidiezed jobs, with the key feature of withholding full payment to States until successful job placement and retention.

↳ Should give limit to users

NEED FOR LEGISLATION

Work has begun on developing proposals to correct the major flaws in the welfare reform bill. Among those you have noted are: (1) the too-deep cuts in the Food Stamp Program, including the cap on the amount that can be deducted for shelter costs when determining an individual's eligibility; (2) the denial of Federal assistance to legal immigrants and their children, and the state option to do the same; and (3) the failure to provide Food Stamp support to unemployed childless adults who are willing to work, but not offered a work slot.

yy

Additional issues requiring corrective action include: (1) the failure to provide sufficient contingency funding for States that experience a serious economic downturn; and (2) the lack of a provision for in-kind vouchers for children whose parents reach the five-year Federal time limit without finding work.

+ what about Joe Califano's concern in Sat 9/25 New York Times

CONCLUSION

We will keep you up to date on developments as we go forward.

cc: Leon Panetta

THE PRESIDENT HAS SEEN
9-3-96

cc: Tyson
Baer
Lewis
Chron

THE WHITE HOUSE

WASHINGTON

96 AUG 20 P1:51

August 20, 1996

MEMORANDUM TO THE PRESIDENT

FROM: LAURA D. TYSON Laura D. Tyson

RE: PENSION SECURITY ACCOMPLISHMENTS

Laura: Good

The attached document summarizes your Administration's accomplishments on enhancing and expanding pension security for working Americans during your first term. You have a strong record of accomplishments in this area, and you may want to refer to your achievements either during your pre-convention train trip or at the convention itself.

cc: Baer / Ann Lewis

Clinton Administration Accomplishments Concerning Retirement Income Security

We've been working to protect people's pensions from the start of the Administration, and getting results:

- In February 1993, we created an interagency task force to consider the problems of underfunding in traditional defined benefit plans and the growing deficit at the PBGC. Legislation was proposed in September 1993 and passed in December 1994.

  This legislation, the Retirement Protection Act, protects the benefits of more than 40 million American workers and retirees in traditional pension plans. Pension underfunding has declined dramatically for the first time in a decade, and the PBGC deficit has dropped by almost 90%, from $3 billion in 1993 to $300 million in 1995.

- From 1993 to the present, the PBGC's Early Warning Program has enabled that agency to get 35 major corporations to add $14 billion to underfunded plans covering 1 million workers.

- In 1995, the Department of Labor initiated a nationwide enforcement effort to protect retirement savings in defined contribution -- 401(k) -- plans.

  The Department has opened 1062 investigations, recovering almost $10 million for workers and retirees.

- During the 1995-96 budget battles, the Administration successfully beat back Republican efforts to allow corporations to raid $15 billion from pension funds.

- In early August 1996 the Department of Labor issued final regulations that require that workers' 401(k) contributions start earning money for them a maximum of 15 business days after the close of the month in which the money is contributed, rather than the current maximum of 90 days.

We've also been working to increase pension coverage and retirement savings, legislatively and administratively.

- Under the Administration's leadership (starting at the White House Conference for Small Business in June 1995), pension reforms, including some that had been languishing for years, are finally being enacted as part of the minimum wage bill. Highlights include:

  - A new, simplified pension plan for small businesses which can be started with a simple one-page form;

  - Simplifying 401(k) plans for *all* businesses;

- o Encouraging employers to allow employees to start saving for retirement from the first day on the job by changing the law that encouraged waiting periods;
- o Making the 9 million employees of non-profit organizations, as well as employees of Indian tribes, eligible for 401(k) plans;
- o Enabling relatives who work in a family business to earn their own retirement benefits;
- o Repealing unreasonable limits on benefits for certain disabled and low- and middle-income union and state and local government employees; and
- o Enabling millions of spouses who do not work outside the home to contribute up to $2,000 to an individual retirement account.

o In July 1995, the Department of Labor, together with 150 private co-sponsors, launched an ongoing pension education program, with outreach programs in major cities. In 1996, DOL launched a special addition to the program focusing on women's particular pension needs.

o In May 1996, the Treasury Department announced that it would issued inflation-protection securities: Treasury securities designed to give those saving long-term, such as for college or retirement, protection against loss of value resulting from inflation. The precise terms of the securities will be announced in September. [NOTE: It is likely that the first issue will be shortly after the new year, but this has not been determined or announced yet.]

cc: Panetta
Chron

THE PRESIDENT HAS SEEN
9-3-96

Hamdoney

THE WHITE HOUSE

WASHINGTON

96 AUG 22 P8:24

August 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: LEON E. PANETTA
Chief of Staff

SUBJECT: Summary of Commerce/Justice/State Appropriations Bill Mark-up

Attached is a summary, based on a memo prepared by OMB staff and received yesterday, of the mark-up of the Commerce/Justice/State appropriations bill by the Senate Appropriations Committee on August 1.

In total, the bill is $2.8 billion below your request, $0.7 billion below the House and $1.0 billion (+4%) over FY 1996. While the Senate bill is well below the House bill, it remains the only domestic appropriations bill that provides for such an increase above enacted levels.

In a letter to the full Senate committee prior to its mark-up, Acting OMB Director Lew indicated that your senior advisers would recommend a veto if the bill were presented to you. This was the same position taken with respect to House bill. Although the House allocation is about $700 million higher than the Senate, the two bills have similar problems. Funding for the Legal Services Corporation is somewhat disappointing in the Senate and unacceptable in the House; ATP funding, although slightly better in the House than the Senate, is unacceptable in both bills; restrictions in both bills on the use of LSC and ATP funds are objectionable; overall funding for the COPS program, although nominally at the FY 1996 level in both bills, is constrained by set-asides within the total COPS funding in each bill; and there are serious cuts in a number of important international affairs accounts in both bills, including State Department operations in the House and UN/UN Peacekeeping in the Senate. In addition, the House bill contains extremely objectionable language restricting your ability to negotiate amendments or understandings to the ABM Treaty. (On a more positive note, the Senate bill does contain authorizing language on the study of taggants and multipoint wiretaps. Staff are now reviewing these provisions to determine their acceptability.)

Floor action on the bill in Senate has not yet been scheduled.

Senate Appropriations Committee Approves FY 1997 Commerce/Justice/State Bill

On August 1st, the Senate Appropriations Committee approved the FY 1997 Commerce/Justice/State bill. Senate floor action is not yet scheduled and is not expected the week of September 3rd. The Senate Committee has now marked up 12 of the 13 bills (all but Labor/HHS). Highlights follow (funding levels are preliminary):

(budget authority in billions)

FY 96	FY97 Pres Bud	FY 97 House	FY 97 Senate	Diff PB/Sen
$27.3	$31.1	$29.0	$28.3	-$2.8

- In total, the bill is $2.8 billion below the request, $.7 billion below the House and $1.0 billion (+4%) over FY 1996. While the Senate bill is well below the House bill, it remains the only domestic appropriations bill that provides for such an increase above enacted levels.

  In order to make the cuts below the House and to fund additional anti-terrorism activities, Chairman Gregg reduced some Justice programs below the House, funded some activities with fees and significantly reduced payments to the United Nations.

Commerce

- Overall the Commerce Department is funded at $3.6 billion, $.7 billion below the request, $.1 billion above the House and $32 million (-1%) below FY 1996.
  - $60 million is provided for the Advanced Technology Program, with language limiting the use of those funds to continuation grants. The House language, which also limits the use of carryover balances and limits funds to pre-October 1, 1995 competitions, was dropped. The Senate level is $285 million below the request, $50 million below the House and a 73% cut below FY 1996.
  - Information highways is funded at $4 million, $55 million below the request, $17 million below the House and $17 million below the FY 1996 level.
  - The Manufacturing Extension Program receives $99 million, $6 million below the request, $9 million above the House and $19 million (+24%) more than FY 1996.
  - The GLOBE program is funded at the requested $7 million level. (The House terminated the program).

- $350 million is provided for Census, $50 million below the request, $11 million above the House and $66 million (+23%) above FY 1996. While an improvement relative to the House, the level will still impair preparations for the Decennial Census. There also is objectionable report language directing the Census not to use sampling in the Decennial Census.

- EDA is funded at $294 million, $60 million below the request, $55 million below the House and $55 million (or 16%) below the FY 1996 level.

- NOAA is funded at $1.99 billion, $38 million below the request, $0.2 billion above the House and $133 million (+7%) above FY 1996. The House language eliminating the NOAA Commission Corps by the end of FY 1997 was dropped.

- The Committee rescinded $32 million of NIST construction funds as part of a continuing battle with the Department over the Department's decision to obligate FY 1995 NIST construction funds in excess of estimates provided to the Committee, primarily for construction of the Advanced Technology Labs in Gaithersburg, MD.

- The $2.5 million the US-Israel Science and Technology Commission is approved. (The House did not fund it).

<u>Justice</u>

o Overall, the Justice Department is funded at $15.9 billion, $.7 billion below the request, $.3 billion below the House and $1.3 billion (+9%) over FY 1996, <u>the largest increase for any domestic department</u>.

  There are cuts below the request in FBI, the Marshals Service, Legal Activities, INS, State and Local Law Enforcement and other programs.

  - The $1.9 billion COPS program request is funded at the FY 1996 level of $1.4 billion.

    While the House set aside or transferred $154 million of the COPS funds for non-police hiring purposes such as the Police Corps, youth violence and State and local drug task forces, the Senate set aside about $82 million for the Police Corps, drug courts and drug testing for Federal prisoners. The Senate bill provides $20 million for operating the COPS program, $9 million below the request but $5 million more than the House, which froze the program at the FY 1996 level. DOJ has indicated that it can live with the Senate operating number but not the House level.

- $503 million is provided for the congressionally-created local law enforcement block grant, none of which was requested, $68 million below the House and the same as FY 1996.

- Chairman Gregg included $154 million for anti-terrorism activities ($59 million of which was requested) to promote rapid response capabilities and increase security measures. He also included anti-terrorism authorizing legislation that would permit the study of taggants in black or smokeless powder (with some limitations) and would permit multipoint wiretaps.

- INS is funded at $3.0 billion (including fees), $58 million below the request, $88 million below the House, $.5 billion (+18%) over FY 1996 and 73% above FY 1993. Funding is provided for: 900 new border patrol agents, 200 more than the request and 100 fewer than the House; for 110 additional support personnel (26 below the House); and, for 1,700 more detention beds (1,000 below the House and 1,000 above the request). Funds for employer sanction enforcement were cut.

- FBI receives $2.7 billion, $141 million below the request, $59 million below the House and $258 million (+11%) over FY 1996. The $100 million request for telephone carrier compliance was not approved, though transfers of unobligated balances are permitted for that purpose. FBI construction was reduced $28 million below the request. The proposal to forward fund new FBI lab construction was reduced.

- DEA received $960 million, $4 million above the request, $16 million below the House and $150 million (+19%) above FY 1996.

- In total, crime bill funding is $4.44 billion, $.4 billion below the request (the level authorized), $.1 billion below the House and $.5 billion over FY 1996. Drug Courts (we requested $100 million) is not directly funded (in the Senate $20 million may be transferred from COPS and in the House $18 million may be transferred from the local law enforcement block grant).

- Violence Against Women Grants receive $197 million as requested, the same as the House and $22 million (+13%) over FY 1996.

- The Senate bill drops the House language which eliminates funding for the Associate Attorney General (John Schmidt).

- Language enacted in FY 1996 that would prohibit the use of funds in the Bureau of Prisons for abortion, except in cases of rape or where the life of the mother is endangered, is included in both the House and Senate bills.

State/USIA/Other international

o Overall, the State Department is funded at $3.3 billion, $0.7 billion below the request, $0.4 billion below the House and $0.4 billion (-11%) below FY 1996 levels.

  - UN/UN Peacekeeping received $833 million, $637 million below the request, $375 million below the House and $418 million below FY 1996. No funding is provided for arrearages; the House provided $50 million for UN Peacekeeping arrearages with bill language making the funds contingent on certain criteria being met concerning UN management improvements.

  - State Department Administration of Foreign Affairs received $2.65 billion, $65 million below the request, $29 million above the House and $26 million (-1%) below FY 1996.

o The Senate bill drops the very objectionable House language, authored by Rep. Livingston, that would prohibit the use of funds in this or any other Act for negotiating or implementing amendments, agreements or understandings to the ABM Treaty of 1972 concerning theater missile defense systems and anti-ballistic missile systems unless the President certifies that such amendments, understandings or agreements will be submitted to the Senate for its advice and consent.

o The objectionable House language limiting the authority to expand the diplomatic and consular post in Vietnam is dropped.

o As in the House, USTR is funded at the requested level of $21.4 million, a 3% increase over FY 1996.

o USIA is funded at $1.02 billion, $0.1 billion below the request, $10 million below the House and $61 million (-6%) below FY 1996.

  - International Broadcasting is frozen at the FY 1996 level while there are cuts in education/cultural exchanges.

  - The National Endowment for Democracy is terminated. The House funded NED at the $30 million request and FY 1996 levels.

- The Senate restored FY 1996 funding levels for the East-West and North/South Centers. The House had terminated the programs.

- Funding for TV Marti is provided at the requested $11 million level; a Skaggs amendment in the House eliminated such funding.

o ACDA is funded at $30 million, $18 million below the request, $8 million below the House and $9 million (-23%) below the 1996 level.

Legal Services/Ounce of Prevention Council/Other Issues

o $288 million is provided for the Legal Services Corporation, $52 million below the request, $38 million above the House, and $10 million (+4%) above FY 1996.

As in the House bill, the same objectionable restrictions are placed on the use of their funds as in the enacted FY 1996 bill, with one exception. Both versions of the bill would allow the use of non-Federal funds for legal services to illegal aliens who are victims of domestic violence. This is in response to news stories this past June about the murder of a female Cuban immigrant by the father of her son; she had sought help from Legal Services lawyers in obtaining a restraining order, but had been denied assistance because of a prohibition on assistance to any person not a lawful permanent resident that was included in the FY 1996 bill.

o The Ounce of Prevention Council is terminated, as in the House bill.

o The Judiciary is funded at $3.0 billion, $0.2 billion below their request, $0.1 billion above the House and $0.2 billion (+8%) above FY 1996.

o The Commission on Civil Rights is funded at $8.7 million, $2.7 million below the request, the same as the House and a freeze at FY 1996 levels.

o While the House terminated the State Justice Institute, the Senate provided $10 million, twice the request and the FY 1996 level.

o The Senate provided roughly the requested level and the FY 1996 level for the Federal Maritime Commission, while the House included funds to phase it out by January 1997, while shifting some functions to DOT.

o The SEC is funded at $306 million, $2 million below the request, $9 million above the House and the FY 1996 level (+3%). Unlike our proposal to fully fund SEC with discretionary budget authority, the House and the Senate continue the current practice of funding roughly two-thirds of the SEC budget with offsetting fee collections.

- o SBA Disaster loans are funded at $66 million, the same as the request and $40 million below the House. The proposed $100 million contingency is not in either the House or Senate versions of the bill. The Administration's proposed disaster loan reforms have not been enacted so the subsidy BA in the Senate version may be inadequate. The SBA 504 Development loan program is not funded in either version of the bill and the Administration's reform proposals that would have eliminated the need for subsidy BA have not been enacted.

- o Maritime Guaranteed Loans are funded at $37 million, $3 million below the request and the same as the House. The program was funded as part of a Stevens amendment in full committee that funded all of the Antitrust Division and the FTC through Hart-Scott-Rodino premerger notification filing fees (the Subcommittee bill had partial fee financing and partial General Fund financing).

- o The Bankruptcy Review Commission is funded at $498,000, roughly the same as the request and the House.

- o House language that prohibits the FCC from denying licenses to religious or religiously-affiliated radio stations that have a policy of limiting hiring to individuals of a certain religion or religious training is dropped.

- o A Stevens amendment was adopted that would prohibit the use of funds in the Act for denying permit applications for the importation of certain historic firearms (M1 carbines and M1911 .45 semi-automatic pistols).

THE PRESIDENT HAS SEEN
9-3-96

cc: Quinn
Chron

THE WHITE HOUSE

WASHINGTON

August 21, 1996

96 AUG 22 P4:02

MEMORANDUM FOR THE PRESIDENT

FROM: JACK QUINN

SUBJECT: Commutation of Sentence for Peter MacDonald, Sr.

Recently, you denied a petition for a Presidential pardon made by Peter MacDonald, Sr., the former Chairman of the Navajo Nation Tribal Council. In doing so, you inquired about the appropriateness of a commutation of MacDonald's sentence. I have consulted with the Office of the Deputy Attorney General, and I agree with the Department's recommendation against a commutation of MacDonald's sentence.

MacDonald's offenses were recent and serious, and his sentence is appropriate given the offenses of which he was convicted. Moreover, a number of other individuals who were convicted along with him will, remain in prison despite being no more, and likely less, culpable than MacDonald himself. This fact led the sentencing judge also to recommend against a pardon or other reduction of MacDonald's sentence. DoJ also notes that, at present, MacDonald's health does not justify a commutation; if MacDonald's medical conditions worsen significantly, the Bureau of Prisons can move for a judicial reduction of sentence, a much less controversial action than a Presidential commutation.

Jack Quinn

cc: Stiglitz
Chron

THE PRESIDENT HAS SEEN
9-3-96

WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

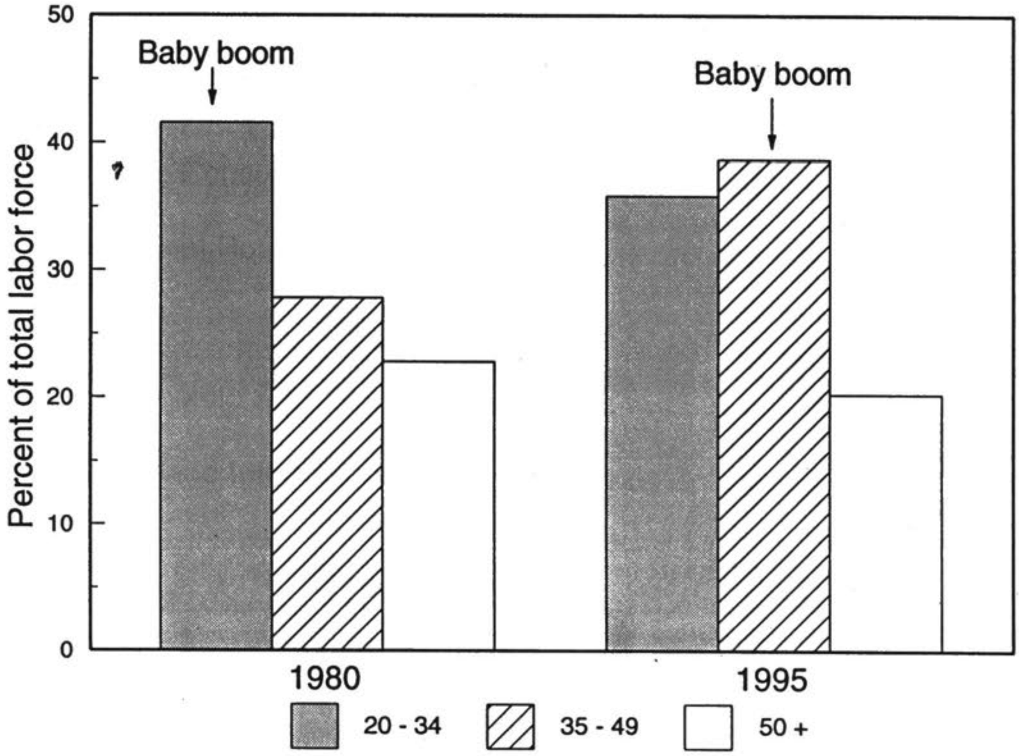
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

August 23, 1996

96 AUG 23 A9:20

CHART OF THE WEEK

The Baby Boom and the Age-Composition of the Workforce



Changes in the age-composition of the workforce reflect the aging of the baby-boom generation. The proportion of the labor force made up of 20-34-year olds has fallen since 1980 as baby boomers grew older. Boomers are now increasing the proportion of the workforce represented by 35-49-year olds. An article in this Weekly Economic Briefing describes the importance of this changing composition in understanding trends in the female-to-male earnings ratio.

CONTENTS

CURRENT DEVELOPMENT

SPECIAL ANALYSES

ARTICLE

DEPARTMENTS

"I know exactly how you feel. I'm a Boomer, too."

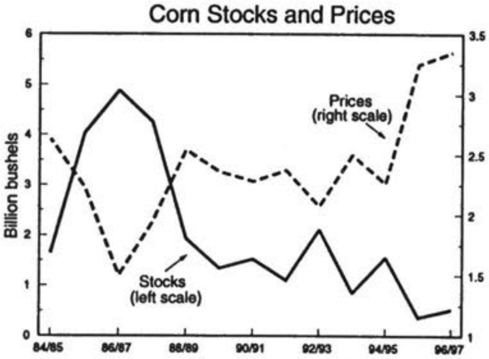
THE PRESIDENT HAS SEEN
9-3-96

CURRENT DEVELOPMENT

Poor Weather Lowers Crop Forecasts

Corn and soybean production will be lower than expected this summer due to cool weather in the Great Lakes region from Ohio to Minnesota, according to the latest U.S. Department of Agriculture (USDA) projections. Prices for both corn and soybeans rose sharply after USDA's forecast was announced.

Corn Stocks and Prices

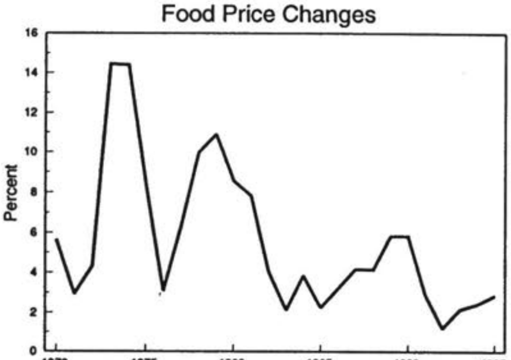


Note: Year beginning September 1; 1996/97 data are projections.

Analysis. This summer, farmers have planted the largest number of acres of corn and soybeans in the last decade. While yields are forecast to be lower than previously expected, this year's harvests should be among the largest on record.

Despite the expected large harvests, prices for feedgrains like corn and soybeans were at or near record levels even before the USDA's announcement (see top chart). Domestic grain stocks have been declining in recent years, partly as a result of U.S. farm policies that suppressed farm output and stimulated demand both here and abroad. Poor harvests in 1993 and 1995 also contributed to declining grain stocks. Even average yields per acre this summer would have helped replenish stocks.

Food Price Changes



The Food and Agricultural Policy Research Institute predicts that food prices will increase by 4.3 percent in 1997 as increased feedgrain prices reduce U.S. dairy and meat production. This increase would be the largest annual change since 1990, but well below previous peaks in 1973-74 and 1979 (see bottom chart). Moreover, consumers spend a relatively small fraction of their total income on food, and food price increases are already running at about 3.9 percent. Hence the likely change in food prices would add less than 0.1 percentage point to CPI inflation.

THE PRESIDENT HAS SEEN
9-3-96

SPECIAL ANALYSIS

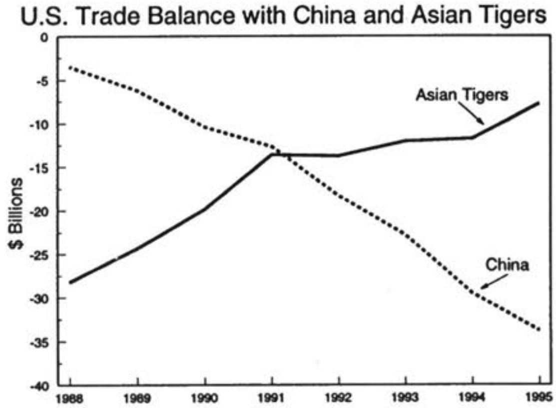
Trade Patterns and the U.S.-China Trade Deficit

In June, for the first time on record, the U.S. monthly trade deficit with China surpassed that with Japan. Although much popular attention has focused on our trade balances with China and Japan, economists believe that too much emphasis is placed on bilateral imbalances. Even if U.S. trade were balanced overall, there would still be bilateral deficits with many individual countries. Moreover, bilateral imbalances are often difficult to properly measure. Allocating our overall trade flows among trading partners is a somewhat arbitrary process and is particularly problematic in measuring our trade with China.

Although the U.S. trade deficit with China has increased, we now run a growing surplus with Hong Kong ($4 billion in 1995). This reflects the fact that many U.S. goods destined for China first flow through Hong Kong. Because U.S. customs officials are often not aware of the final destination of the goods, these are recorded as exports to Hong Kong in the U.S. data. Adding these "re-exports" would increase the level of U.S. exports to China by roughly 40 percent in recent years. Re-exports accounted for 35 percent of the dollar value of U.S. exports to Hong Kong in 1995.

Moreover, our trade balances with other countries in Asia have also risen. In the period since 1988, our annual trade balance with China has fallen $30 billion, while our balance with the "Asian Tigers" (Hong Kong, Taiwan, Singapore, and Korea) has risen by roughly $20 billion (see chart). As these countries have developed, production of textiles, footwear, and other light manufactures has shifted to China. As production has shifted, so too have trade patterns.

U.S. Trade Balance with China and Asian Tigers



Of course, how we allocate trade among countries does not affect the overall trade deficit. Data released this week indicate that the U.S. trade deficit in the first 6 months of this year declined 14 percent from the same period last year. Further progress on reducing the Federal budget deficit and an increased pace of economic growth abroad should shrink the U.S. trade deficit further. These improvements in the overall trade deficit imply that decreases in the trade balance with China are being more than offset by increases in trade balances with other countries.

SPECIAL ANALYSIS

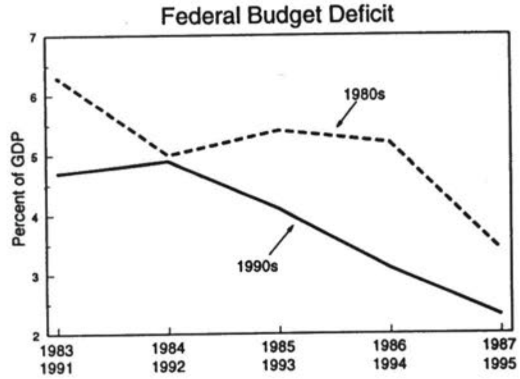
The Mix Matters: A Comparison of Fiscal and Monetary Policy in the 1980s and 1990s

Advocates of large tax cuts point to the expansion of the 1980s as proof that tax cuts make the economy grow. But this argument obscures the difference between a business cycle expansion and sustainable long-run growth.

The importance of the policy mix. When there is slack in the economy, any mix of monetary and fiscal policies that produces net stimulus can generate a short-term expansion. But the actual mix of policies matters a great deal when it comes to laying the foundation for sustained long-term economic growth and a rising standard of living. The following charts compare several indicators, starting with a business cycle trough (the fourth quarter of 1982 and the first quarter of 1991) and covering a comparable amount of time of the subsequent expansion.

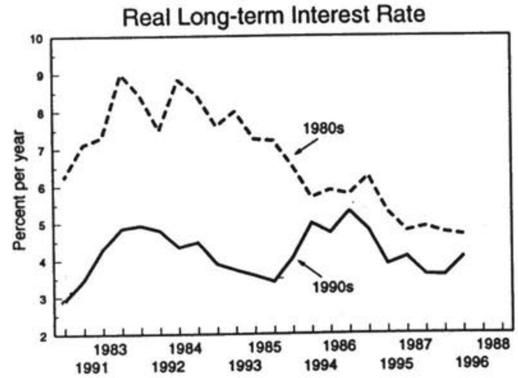
Fiscal policy in the 1980s, characterized by the large tax cut of 1981 and large Federal budget deficits, was expansionary (see Weekly Economic Briefing, August 9, 1996). Fiscal policy in the 1990s, by contrast, has been more restrictive, marked by serious efforts to bring down the deficit. These efforts began with the Omnibus Budget Reconciliation Act of 1990 and proceeded through OBRA93 to current proposals to eliminate the Federal budget deficit.

Federal Budget Deficit



In the 1980s, when fiscal policy was expansionary, monetary policy, acting through higher interest rates, provided the restraint needed to keep the economy from overheating. In the 1990s, when fiscal policy was more restrained, monetary policy accommodated private sector growth. In both cases, the economy was able to expand following a recession, but real (inflation-adjusted) interest rates have been lower in the 1990s than they were in the 1980s.

Real Long-term Interest Rate

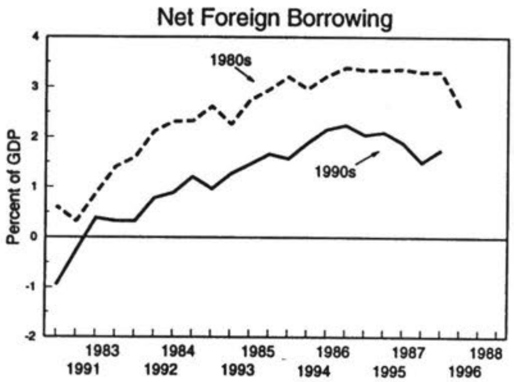


The high real interest rates of the 1980s may have discouraged investment, especially the equipment investment many economists believe is critical to productivity growth.

THE PRESIDENT HAS SEEN
9-3-96

Similarly, the lower real interest rates of the 1990s may have allowed investment to grow more strongly.

Investment would have been even lower in the 1980s if we had not been able to borrow abroad to offset some of the national saving depleted by large Federal budget deficits. This borrowing put the United States on a path that turned it from the world's largest creditor to its largest debtor. And many of the benefits of investment financed by foreign borrowing accrue to foreigners, not U.S. citizens. Foreign borrowing has been substantially less in the 1990s.



Finally, higher interest rates increased demand for dollar-denominated assets. This factor may have been partly responsible for increasing the foreign exchange value of the dollar in the mid-1980s. A strong dollar raises the foreign price of U.S. goods, making it harder for U.S. producers to sell abroad, and lowers the U.S. price of foreign goods, allowing foreign producers to make substantial inroads into U.S. markets. In the late 1980s, the real exchange rate of the dollar fell sharply, perhaps reflecting lower real interest rates in the United States. The dollar has not shown similar gyrations in the 1990s, reducing the shocks experienced by firms engaged in international commerce.

Conclusion. The economic expansion of the 1980s (following the deep 1981-82 recession) was no supply-side tax miracle. In fact, the combination of an expansionary fiscal policy and a restrained monetary policy produced a number of deleterious supply-side effects (such as restrained equipment investment and a sharply increasing trade deficit). The current recovery, by contrast, has produced stronger investment performance and less foreign borrowing, and thereby laid a better foundation for future prosperity.

THE PRESIDENT HAS SEEN
9-3-96

ARTICLE

The Baby Boom and Women's Wages

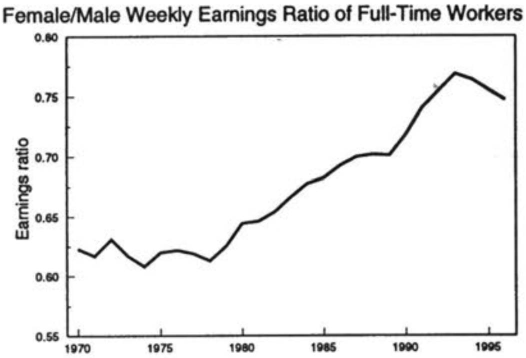
A Biblical View of the Male-Female Wage Ratio

And the Lord spoke unto Moses, saying 'Speak unto the children of Israel, and say unto them: When a man shall clearly utter a vow of persons unto the Lord, according to thy valuation, then thy valuation shall be for the male from twenty years old even unto sixty years old, even thy valuation shall be fifty shekels of silver, after the shekel of the sanctuary. And if it be a female, then thy valuation shall be thirty shekels.'

–Leviticus, chapter 27, verses 1-4

Although the ratio of female-to-male wages remained consistent with biblical decree for much of the postwar period, women's relative earnings improved substantially through the 1980s and early 1990s (see upper chart). By 1993, women's relative earnings peaked at more than three-quarters of what men earned. Recently, improvement has slowed, and even reversed in the past few years. One potential explanation of the downturn is demographic change.

Female/Male Weekly Earnings Ratio of Full-Time Workers

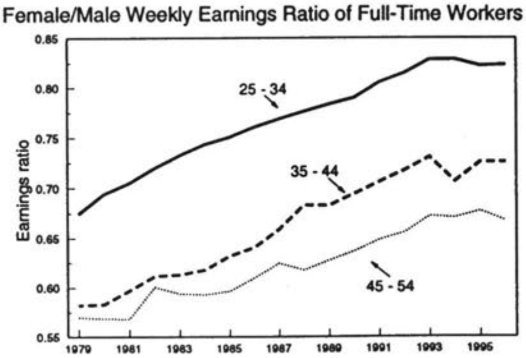


Note: 1996 data is for second quarter.

Demographic Trends. Separating the workforce into different age groups (see lower chart) shows the ratio of female-to-male earnings is lower for older workers than it is for younger workers. This pattern reflects greater amounts of time spent out of the labor market for childbearing and lower educational attainment for older cohorts of women.

Within age groups, the recent decline in women's relative earnings in the aggregate is not evident. This apparent contradiction may be explained by the aging of the baby boomers that has skewed the distribution of employment towards older workers (see Chart of the Week). As a result, the age groups in which women's relative earnings are low are acquiring increasing weight in determining the aggregate female-to-male earnings ratio. Trends within age groups tend to be more reliable indicators

Female/Male Weekly Earnings Ratio of Full-Time Workers

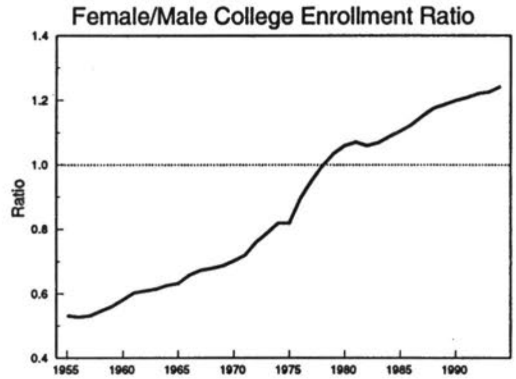


Note: 1996 data is for second quarter.

THE PRESIDENT HAS SEEN
9-3-96

of relative wage changes. These data show that women's relative-earnings advances appear to have slowed, but have not reversed.

Explaining wage differentials. These trends within age groups may be understood by dividing the wage differential between men and women into two components. Differences in wages may arise from readily identifiable characteristics (like education and experience) and hard-to-detect factors (like commitment to work or labor market discrimination). Over time, women's average educational attainment and labor market experience has been rising faster than men's. Although only about half as many women as men were enrolled in college in 1955, for example, more women than men were enrolled by the 1980s (see chart). The reduced gap in labor force experience can be partially explained by women taking shorter periods out of the labor market to raise children. Improvements in these readily identifiable characteristics began to pay off in the 1980s in the form of higher relative earnings for women.



Research indicates, however, that women make significantly less than men even with identical levels of education and experience. Slower growth in women's relative wages may reflect the fact that most of the gains from reducing differences attributable to these factors have already been made. Further advancement is likely to be more difficult because it may require changes in social norms regarding the role of women and the behavior of firms.

THE PRESIDENT HAS SEEN
9-3-96

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

More Mortgage Lending to Minorities. The latest Home Mortgage Disclosure Act data suggest that affordable home loan programs, initiated in recent years to benefit low-income, moderate-income and minority households and neighborhoods, may be having an impact. In 1995, mortgage loans to blacks rose by nearly 10 percent and loans to Hispanics grew by over 4 percent, even though overall mortgage lending decreased. Denials of minority loans also increased, reflecting a large increase in applications. Although this jump in approvals is encouraging, the data do not provide enough information to determine whether ethnicity and race matter in mortgage lending. To do that requires additional information about the economic and demographic characteristics of the mortgage applicants.

Rural America Rebounds. After suffering severe ailments in the 1980s, rural counties are benefitting from revived employment and population growth in the 1990s. A recent study has found that the population outflow of the 1980s has already been offset by inflows of 1.6 million people in the 1990s. Rural employment growth in the 1990s has outpaced job growth in urban areas, although many of the new jobs pay relatively low wages. With new communications technologies, companies are finding it easier to locate in rural areas that offer lower taxes, utility bills and labor costs. Workers find that living costs are lower and quality of life higher with less congestion and pollution. Because of these perceived advantages for both workers and firms, forecasters predict that rural communities will continue to grow.

Banking On the Internet. Internet banking is poised for tremendous growth likely to reduce banking costs for consumers, according to an industry study. Predicting continued increases in computer ownership, Internet usage, and acceptance of electronic banking, the study finds that Internet banking customers will represent almost 16 percent of households by the year 2000, up from less than 1 percent in 1996. Over the Internet, typical transactions cost about 1 cent, compared to more than a dollar for a traditional branch bank transaction. And, since it is much easier for consumers to switch banks on the Internet, banks will be forced to pass their transaction cost savings on to consumers in the form of lower fees. Despite increased competition, banks see Internet banking as a substantial profit opportunity because those customers likely to use the Internet represent a disproportionately high percentage of retail banking profits. They are younger, more affluent, and use more services than other customers. As a result, the number of banks offering Internet banking is expected to increase from 30 by the end of 1996 to more than 500 by the end of the decade.

THE PRESIDENT HAS SEEN
9-3-96

INTERNATIONAL ROUNDUP

Mexico Records Positive Growth in Second Quarter. During the second quarter of 1996, the Mexican economy registered a real rate of growth of 7.2 percent vis-a-vis the same period last year. This is the first quarter of real growth (year over year) since late 1994, and the fastest growing quarter since late 1990. Industrial production expanded at a remarkable 11.9 percent last quarter, while agriculture grew by 4 percent. Due to strong growth in imports, Mexico's second quarter trade surplus of $2.2 billion is down 16 percent from last year's level. For the first 6 months of 1996, Mexico's trade surplus with the United States, which totaled $8.3 billion, was 8 percent higher than last year.

France Announces Sweeping Budget Cuts for 1997. On August 7, the French government announced plans to slash public spending by 2 percent in real terms to achieve a spending freeze in 1997. In order to meet the Maastricht fiscal criterion for monetary union, France must reduce its budget deficit from over 4 percent of GDP this year to 3 percent by 1997. Concerns have been voiced that a new round of social unrest could be triggered in the fall as details on the budget cuts are made public. (France was hit by numerous strikes in the last year.) Although France rebounded from a contraction of output in 1993 with growth of nearly 3 percent in 1994, economic performance has been more sluggish since then, with output forecast to rise by only 1 percent this year. France also suffers from high unemployment, which is 12 percent this year and unlikely to fall before 1998.

Brazilian Banking Sector to Get Government Help in Restructuring. Brazil's Finance Minister recently outlined a Federal plan to finance the restructuring or privatization of the beleaguered state banks. Brazil's state banks have been seriously weakened by the practices of state governors, who borrowed heavily from their banks without offering adequate guarantees. Another exacerbating factor has been the dramatic decline in inflation in the last 2 years, which has eroded the profits made by banks on non-interest bearing deposits. Under the new government refinancing plan, states that choose to privatize their state banks or transform them into non-financial institutions can receive up to 100 percent of the funds needed to finance the restructuring. States that choose not to relinquish ownership of their state banks would be reimbursed for only half the cost of restructuring, and would have to offer full collateral on the loans.

Athletic Prowess and Economic Status Show Few Links at Olympic Games. At the Centennial Olympic Games in Atlanta, the United States was the most successful nation in terms of medals won–44 gold, 32 silver, and 25 bronze. But if one takes into account the population and wealth of the United States, other nations–many of them quite poor–appear to have outperformed the United States. A country's national income seems to bear no relationship to its medal "score" (calculated by awarding three points for a gold, two points for a silver, and one point for a bronze). Cuba, for example, had one of the highest medal scores per capita, despite having very low average income. Other countries that performed well on this measure were Bulgaria, Jamaica, and Hungary.

RELEASES THIS WEEK

Advance Durable Orders

****Embargoed until 8:30 a.m., Friday, August 23, 1996****

Advance estimates show that new orders for durable goods increased 1.6 percent in July, following a 0.2 percent decrease in June.

U.S. International Trade in Goods and Services

The goods and services trade deficit was $8.1 billion in June compared with a deficit of $10.5 billion in May.

MAJOR RELEASES NEXT WEEK

Consumer Confidence—Conference Board (Tuesday)
Gross Domestic Product (Thursday)

U.S. ECONOMIC STATISTICS

	1970–1993	1995	1995:4	1996:1	1996:2
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	1.3	0.3	2.0	4.2
GDP chain-type price index	5.3	2.5	2.1	2.3	2.1
Nonfarm business (NFB) sector:					
Productivity (chain-type)	1.5	0.3	–1.1	1.8	-0.1
Real compensation per hour:					
Using CPI	0.6	1.4	1.6	0.0	-0.1
Using NFB deflator	1.3	2.1	2.8	2.0	2.0
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.2	10.2	10.4	10.2
Residential investment	4.5	4.0	4.0	4.1	4.2
Exports	8.2	11.1	11.4	11.3	11.3
Imports	9.2	12.4	12.3	12.5	12.7
Personal saving	5.1	3.4	3.8	3.6	3.2
Federal surplus	–2.7	–2.2	–2.1	–2.1	N.A.

	1970–1993	1995	May 1996	June 1996	July 1996
Unemployment Rate	6.7**	5.6**	5.6	5.3	5.4
Payroll employment (thousands)					
increase per month			407	220	193
increase since Jan. 1993					10224
Inflation (percent per period)					
CPI	5.8	2.5	0.3	0.1	0.3
PPI-Finished goods	5.0	2.3	–0.1	0.2	0.0

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

FINANCIAL STATISTICS

	1994	1995	June 1996	July 1996	August 22, 1996
Dow-Jones Industrial Average	3794	4494	5672	5496	5733
Interest Rates					
3-month T-bill	4.25	5.49	5.09	5.15	5.00
10-year T-bond	7.09	6.57	6.91	6.87	6.62
Mortgage rate, 30-year fixed	8.35	7.95	8.32	8.25	7.93
Prime rate	7.15	8.83	8.25	8.25	8.25

INTERNATIONAL STATISTICS

Exchange Rates	**Current level August 22, 1996**	**Percent Change from** Week ago	Year ago
Deutschemark-Dollar	1.491	0.4	0.5
Yen-Dollar	108.2	0.2	11.9
Multilateral $ (Mar. 1973=100)	86.81	0.1	0.6

International Comparisons	**Real GDP growth (last 4 quarters)**	**Unemployment rate**	**CPI inflation (last 12 months)**
United States	2.6 (Q2)	5.4 (Jul)	3.0 (Jul)
Canada	0.6 (Q1)	10.0 (Jun)	1.4 (Jun)
Japan	5.5 (Q1)	3.6 (Jun)	0.0 (Jun)
France	0.9 (Q1)	12.1 (May)	2.3 (Jun)
Germany	0.4 (Q1)	7.1 (May)	1.3 (Jun)
Italy	1.6 (Q1)	12.5 (Apr)	4.0 (Jun)
United Kingdom	1.9 (Q2)	8.3 (Jun)	2.2 (Jun)

THE PRESIDENT HAS SE
9-3-96

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

MEMBER

August 23, 1996

96 AUG 23 P6:25

cc: Baily

MEMORANDUM FOR THE PRESIDENT

FROM: MARTIN N. BAILY Martin N. Baily

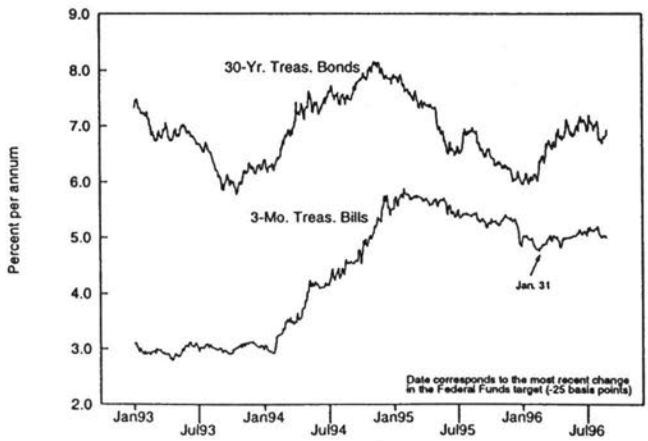
SUBJECT: Interest Rates and the Stock Market, Week Ending Friday, August 23, 1996

Long-term interest rates rose more than fifteen basis points this week. On Monday, interest rates rose a few basis points, possibly because Bob Dole's jump in the polls following the Republican convention raised concerns that a Dole presidency would result in a bigger federal budget deficit. On Friday, long-term rates jumped on the news of stronger-than-expected July durables orders. Short-term rates fell slightly this week. The market for Federal funds futures shows that the market does not expect the Fed to increase rates through December.

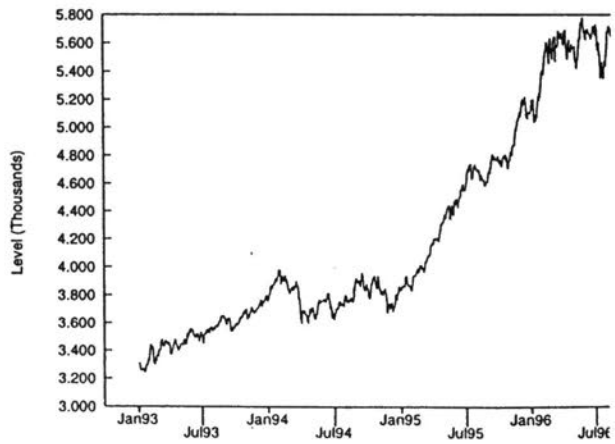
	Close 08/16/96	Close 08/23/96	Change
3-month bills	5.04	5.01	- 0.03
10-year notes	6.56	6.72	+ 0.16
30-year bonds	6.77	6.93	+ 0.16

The stock market edged up this week. The Dow Jones Industrial Average closed at 5722.74, up 0.6 percent from last week. The broad-based S&P 500 index closed Friday at 667.03, up 0.3 percent from last Friday. The Nasdaq Composite Index closed at 1143.03, up 0.8 percent for the week.

Daily Interest Rates



Dow Jones Industrial Average



THE PRESIDENT HAS SEEN
9-3-96

THE WHITE HOUSE

WASHINGTON

August 23, 1996

96 AUG 23 P10:07

cc: Emanuel
Panetta
Caplan
Crown

MEMORANDUM TO: THE CHIEF OF STAFF

FROM: RAHM EMANUEL

SUBJECT: WEEKLY REPORT

CRIME/DRUGS: This week we will announce the first ever national registry for sexual predators. This registry follows up on the June Presidential Directive.

Great

Over the last three years the President has signed into law the Jacob Wetterling Act, which created state registries, and Meegan's Law, which notifies communities when a sexual predators has moved into a neighborhood. The Justice Department has also spoken in defense of sexual predator laws in the courts.

As the Missing Children's Foundation has stated "no President has done more to protect children from sexual predators than President Clinton." (I have attached a copy of the letter.) This is a powerful record and something to brag about.

We looked into three educational TV programming regulations. The networks can dedicate a half hour of their time to PSAs. I suggest that at the convention the President urge the networks to dedicate that time to substance abuse.

Good

We are also developing a drug testing program for state prisoners and parolees. The continued federal funding of prisons would be contingent upon a comprehensive drug testing program for parolees.

The HHS Household survey earlier this week was poorly handled. The survey was given to Senator Hatch for review and he leaked it to USA Today. Although Senator Hatch provided the wrong numbers, he succeeded in creating a larger story. I do think General McCaffrey now understands his role in defending the Administration.
We have one more study in mid-September by PRIDE. I am convening a group to discuss its release.

WELFARE: I thought the announcement and event went very well. The Administration is poised to develop a record on welfare like we did on crime after the legislation passed.

Although we are taking the appropriate corrective steps as it pertains to immigrants and nutrition, that should not be our communications strategy. What needs to come are steps focused on work and responsibility.

Announcements should not be limited to our job proposal. Although it is important that this be the first big push. Presidential activities should also look into teen mom initiatives as well.

IMMIGRATION: We are going to face a very tough fall. Congress is going to try to push the immigration legislation with a revised Gallegly amendment. They are also planning to call up Commissioner Meissner to testify to all the INS scandals. The congressional leadership will focus on Gatekeeper and Citizenship USA.

Doris and I discussed a high profile strategy for September for the agency. I communicated to her my concern that all our activities on immigration not be limited to defensive maneuvers.

I want our September strategy to focus on the workplace and deportations. We will have new actions and new studies to release showing the impact of our enforcement efforts. To be frank I am a little worried about the fall.

ECONOMY: This week I organized the minimum wage event. I cannot stress enough the importance of the pension provisions for our paid and unpaid communications.

In regards to Senator Dole's plan, we need to have confidence in the strength of our own plan to cut taxes for college education. The HOPE tax cut and college tuition tax cut are very popular on their own. In short, your tax cut is better than Senator Dole's, period.

NATIONAL CENTER FOR MISSING & EXPLOITED CHILDREN

2101 Wilson Boulevard
Suite 550 • Arlington, VA
22201-3052

Telephone: 703/235-3900
Facsimile: 703/235-4067

August 24, 1996

The Honorable Janet Reno
Attorney General of the United States
U.S. Department of Justice
Washington, D.C. 20530

Dear Attorney General Reno:

On behalf of the National Center for Missing and Exploited Children (NCMEC), I am writing to express our strong endorsement and support of your plan for a National Sex Offender Registry.

Your report and today's action by the President is an important, commonsense approach to the problem of sexual offenses against children. Recent tragic acts have brought into focus the reality that most victims of sex offenders in the U.S. are children and youth; that a significant number of these offenders have a high propensity to reoffend; and that most offenders will return to our communities.

We are pleased that your plan addresses two key elements simultaneously: (1) it creates a national database through the FBI's National Crime Information Center (NCIC) to flag records of registered sex offenders and indicate where they are registered; and (2) it creates a national network of state databases through the National Law Enforcement Telecommunications System (NLETS) to permit states to access and retrieve sex offender registry information from other states.

NCMEC is deeply grateful to you and President Clinton for your advocacy and leadership on this issue. The National Child Protection Act in 1993, the Jacob Wetterling Crimes Against Children Registration Act in 1994, the national Megan's Law in 1996, the President's directive to create missing child displays in federal buildings in 1996, and now, the creation of a National Sex Offender Registry, represent an unprecedented and historic attack on child victimization and those who prey upon our children.

We are honored to be your partner, and express our sincere thanks for your extraordinary efforts.

Sincerely,

Ernie Allen

Ernie Allen
President

Branches:
California
Florida
New York
South Carolina

...am Walsh Children's Fund

THE PRESIDENT HAS SEEN
9-3-96

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

August 23, 1996 96 AUG 23 P7:49

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. McGINTY

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

cc: McGinty
Chron

UTAH

As you know, a draft national monument declaration has been prepared for your review by the Department of the Interior (DOI). Per your request, DOI studied the area and found it incredibly rich archaeologically (anasasi ruins) and ecologically (unique and pristine natural resources). Because the area is already in Federal ownership, it is therefore suitable for monument designation under the Antiquities Act.

DOI also reports that a foreign coal company called Andalex Resources currently is pushing to open a coal mine in the heart of the area. While a monument designation is not capable of stopping the mine (all existing property rights and uses would be held harmless), it would make it more difficult for the mining company to secure approval of their request for a 20 mile road that they would propose to run across federal land, again in the heart of this area. In this regard, the situation is very similar to where we were last year on Yellowstone -- a proposed mine requesting use of federal land. Under these circumstances last year, you exercised authority to withdraw surrounding land from mining activity. That action did not stop the Yellowstone mine, but it did erect significant barriers to it as would the monument designation here.

It was originally proposed that you would announce the monument during your vacation. Work was pushed to meet that deadline. I am very concerned now that, since we did not move forward at that time, but significant work was done, news of this will leak out. I strongly recommend that we move forward with this initiative. Others are concerned that it will ignite a "War on the West" backlash, and indeed, the Utah delegation -- including Congressman Bill Orton (D-UT) -- will be displeased to say the least. However, the attached editorial from the Salt Lake Tribune decries Dole's "Whine on the West", and I believe that in many other places in the west (CO, CA, WA, OR, NM) this initiative would be extremely well received.

In any event, we need to decide this soon, or I fear, press leaks will decide it for us.

TIMBER ISSUES

Earlier this week in California, the U.S. Forest Service (USFS) had planned to propose doubling the amount of timber harvest and easing restrictions on cutting large trees for all of the national forests in the Sierra Nevada mountain range in California. We learned about this through outside calls from alarmed environmentalists who had been contacted by the Los Angeles Times. It soon became clear that many scientists, including some USFS scientists, believed that the analysis in the proposal inadequately reflected the science in the recently released Sierra Nevada Ecosystem Project Review, a congressionally mandated scientific assessment of California's largest mountain range.

Must Not Do

Leon Panetta discussed this matter directly with Secretary Dan Glickman. The proposal will not be going forward at this time. The USFS will be asked to undertake a much more thorough analysis of the science and to revise the proposal accordingly. The White House is getting credit in California newspapers for intervening to protect the Sierra Nevada.

On a separate timber issue, the Salem, Oregon city council recently voted to denounce the two controversial timber sales planned within the drainage basin of the city's water source. The Environmental Protection Agency (EPA) issued a report, commissioned by the USFS, to examine the potential harm that the two sales could pose to Salem's drinking water. I have attached article and editorial from the Statesman Journal in Salem for your review.

Can we stop?

HEADWATERS

We are forging ahead in our attempts to acquire Headwaters forest from Charles Hurwitz, although the negotiations continue to be difficult and complex. Ralph Nader is again challenging your efforts, co-sponsoring an August 22 New York Times advertisement (West Coast edition) which claims the Administration is being too compliant with Mr. Hurwitz.

CANADIAN WHALING

discuss w/ the timing perhaps (should come PM Chretien

On July 24 and August 17 Canada issued permits for Canadian natives to take bowhead whales in the Eastern and Western Arctic for aboriginal and subsistence purposes. However, the Eastern Arctic stocks are highly endangered. Since Canada is no longer a member of the International Whaling Commission (IWC), the takes are considered objectionable. Unless the U.S. takes action against Canada, not only might U.S. natives question why they should continue to obtain quotas for whaling through the IWC, but non-IWC members may think this opens the door to commercial whaling, despite the IWC's moratorium on such activities. CEQ is working with the Departments of State and Commerce in developing a strategy which will denounce Canada's actions, and set up a process for appropriate sanctions.

ENDANGERED SPECIES - TEXAS

Good

The Fish and Wildlife Service expects to make an announcement at the end of next week that it will not go forward with a proposed listing of the Barton Springs salamander as an endangered species. The proposed listing has been a matter of controversy in and around

Austin, Texas for several years. The decision not to list the salamander will be based on reaching a conservation agreement with the State of Texas, which has recently issued water quality regulations and will take other steps that will benefit the salamander.

YELLOWSTONE

Six recent editorials on the New World mine near Yellowstone National Park all praised the agreement while stressing the deal underscored the need to reform the Mining Law of 1872. I have attached summary of the editorials for your review.

Salt Lake Tribune, August 1, 1996

West Isn't All Rural

Republican's presidential candidate Bob Dole joined the chorus this week bemoaning the federal government's war on the West. Dole spoke in Montana and at a California logging company about the over-zealous federal workers "who don't have the slightest regard for the Western economy, for jobs or for the rights of property owners."

Yup. Dole's campaign has embraced the Whine of the West.

It's an old saw, that tired refrain of a terrible federal government — an overbearing landlord bent on destroying the West's economy and sacred notions about self-sufficiency.

But Dole's problem is the truth.

The West leads the nation in real economic growth and in creating new jobs — trends that will probably continue through the end of the century.

What's more, the federal landlord, even with its faults, has done a good job in promoting this remarkable economy. Western states receive much more from Washington than their taxpayers contribute. And, since the turn of the century, the nation's taxpayers paid some $70 billion so that westerners can have cheap, accessible water in arid lands.

An audit by the U.S. General Accounting Office, released Monday, says farmers only pay a small fraction of the billions it costs to maintain irrigation projects in 17 Western states.

Most of the region's growth, of course, is contributed by cities such as Salt Lake City, Denver and Phoenix. Yet too many candidates pander to the narrow interests of agriculture, mining or timber — forgetting that it is the millions of residents of cities who are demanding cleaner air, water and plenty of recreation sites. Indeed, it is urban westerners who often cheer the federal government on when its bureaucrats follow the law and protect the environment.

Editorials

Council serves city's best interest on timber sales

■ Preserving our water quality must remain the highest concern.

The Salem City Council has shown courage in its conviction that Salem's water quality is a priority.

Despite staff recomendations and a U.S. Environmental Protection Agency report supporting approval for the Sphynx and French Marten timber sales, councilors still denounced logging the sites.

The EPA report, commissioned by the Forest Service, examined the causes of excess sediment in the upper North Santiam watershed and the potential harm that the two sales could pose to Salem's drinking water. Mike Rylko, the EPA specialist who led the study, said, "There is marginal increased risk to the city of Salem by recommending that these sales go forward."

Even marginal risk wasn't something the councilors — or about 20 others who testified at Monday night's meeting — were willing to accept.

And they weren't willing to accept a quick study commissioned by the agency with the most to gain from approval of the sales. The council pressed for a more comprehensive study of the connection between watershed logging and water quality. That assessment is to be conducted by the congressional General Accounting Office or another independent agency.

We recognize that excess sediment in the water — and the potential causes of it — would not be such a problem for Salem if our aging water treatment system could efficiently handle muddied waters. But the water crisis that accompanied February's floods showed us that turbidity can cause serious difficulties. And we don't need logging in our watershed that will exacerbate the problem.

The timber sales still might proceed. The U.S. Forest Service doesn't need the city council's permission to move ahead because both sales fall under President Clinton's Northwest Forest Plan. But we're pleased to see the council sticking up for Salem, even against federal authorities.

Statesman Journal, Salem, Ore., Wednesday, August 14, 1996

Council opposes logging in basin

■ Councilors say two timber sales could be harmful to Salem's water supply.

By Anne Williams
The Statesman Journal

Following a spirited three-hour debate, the Salem City Council on Monday denounced two controversial timber sales planned within the drainage basin of the city's water source.

The council's 5-4 resolution on the 400 acre Sphynx timber sale, south of Detroit Reservoir, probably won't stop it. The U.S. Forest Service has authority to proceed with both sales, which fall under President Clinton's Northwest Forest Plan.

"We'll make a decision by the end of the week," said Bill Funk, district ranger for the Detroit Ranger District in the Willamette National Forest.

Councilors said they felt the move — which went against the recommendation of staff — sent a message to the agency about the importance in protecting a municipal water supply.

"It comes down to who we are, sitting here tonight," said Councilor Loren Collins. "We do have a different responsibility ... We are stewards of our citizens' water quality."

In addition to Collins, councilors Jacqueline Zimmer, Bill Burgess and Ann Gavin Sample and Mayor Roger Gertenrich favored the resolution; councilors George Puentes, Dave Glennie, Glenn Wheeler and Tom DeSouza opposed it.

In a separate vote, the council unanimously opposed the 50-acre French Marten sale, which city staff believes poses a greater risk to water quality because of steeper slopes and previous clearcutting.

The council also agreed to keep up its demand for a more in-depth study — to be conducted by the congressional General Accounting Office or some other independent body — of the link between logging and watershed degradation.

Please see Timber, Page 2A

Timber/Speakers challenge validity of EPA's analysis

Continued from Page 1A

The vote came after lengthy testimony on the validity of a study of that link by the U.S. Environmental Protection Agency.

That assessment, commissioned by the Forest Service last month, examined the multiple causes of excess sediment in the waters of the upper North Santiam watershed, and looked specifically at the potential harm the two sales might pose to Salem's drinking water.

Finding that risk minimal, it recommended approval of both, as well as several measures to monitor and protect the watershed in the future.

"There is marginal increased risk to the city of Salem by recommending that these sales go forward," said Mike Rylko, the EPA watershed protection specialist who led the study.

Rylko showed the council numerous maps and tables comparing today's Forest Service practices with those of the past. They indicated dramatic declines in timber harvests since the 1980s and far greater protections for streamside areas.

But aside from Forest Service and EPA representatives, all but one of the nearly 20 people who testified opposed both sales. Speakers included environmentalists, scientists and ordinary citizens.

"A moratorium on logging may not solve the problem," Salem resident Jim Conley said, referring to the residual harm of past logging practices. "But continued logging will surely exacerbate it."

Like many speakers, Doug Larson, a biology professor at Portland State University and a water-quality consultant for various government agencies, took the EPA to task.

"The report not only fails to adequately address your concerns in this matter," he said, "but the report itself does not qualify as a reliable, scientifically based document."

He said a true analysis would take years, not the 80 hours spent on this one, and he found it lacking in substantive data.

Regna Merritt, a water protection advocate for the Oregon Natural Resources Council, agreed.

"I think both staff and council had inadequate time to study an inadequate document," she said.

She praised the council for its tough stand against the sales, which already had prompted the Forest Service to delay them for several weeks. "Please hold strong," she said. "The community will respect you for generations if you do."

The mayor and some councilors said they were swayed by the public testimony.

"I have really struggled with this, as much as I have struggled with any issue in my (time as a mayor and city councilor)," Gertenrich said. "I came into this council meeting tonight ready to accept the staff recommendations."

But the four who opposed the resolution said they trusted the staff's assessment of both sales.

"I think we're talking about zero risk here," DeSouza said. "That's not possible in modern society — you cannot have zero risk."

Statesman Journal, Salem, Ore., Tuesday, August 13, 1996

Greenwire

8/19/96

*7 YELLOWSTONE: HOW'S IT PLAYING? EDITORIALS LAUD LAND SWAP

Following Pres. Clinton's 8/12 announcement of a deal with Crown Butte Mines Inc. to halt the New World Mine project near Yellowstone National Park (GREENWIRE, 8/13), six recent editorials all praised the agreement while stressing that the land swap underscored the need to reform the Mining Law of 1872. Under the deal, Crown Butte will receive $65 million worth of fed land elsewhere in exchange for abandoning the mine project.

The CHICAGO TRIBUNE writes that Clinton acted both "correctly and shrewdly" in announcing the deal during the GOP convention, but warns that reform of the "hopelessly outdated" mining law, which is "a terrible deal for US taxpayers," is "a larger, more urgent priority" (8/17).

A HARRISBURG [PA] PATRIOT editorial says conflicts such as the one surrounding the New World site could be avoided if Congress altered the law "to reflect the economic, social and environmental realities and concerns of the 1990s. ... It is an absurdity on its face that the government has to buy out, in effect, a claim on government land that ... should not have been granted in the first place" (8/14).

The ST. LOUIS POST-DISPATCH suggests that Clinton should "end corporate welfare as we know it" and reform the 1872 Mining Law to charge royalties for mining on federal lands (8/15).

The SEATTLE POST-INTELLIGENCER lauds Clinton's effort to keep the mining industry on US soil through the New World deal, but cautions that "[t]he devil is very much in the details of the agreement," as negotiations to hammer out specifics of the land swap may take two years (8/15).

A TULSA WORLD editorial terms the agreement a "fair" balance of private enterprise and the env't, but adds that it provides "a good time for Congress to revisit the 1872 law" (8/15).

The WASH. POST writes that the deal provides a "more dramatic illustration of the need" to reform the mining law, which it dubs an "anachronism" from a time "when the government's only purpose was to encourage mining and the development of the West." WASH. POST: "It was an excellent save. But the need is to change the law to make such saves unnecessary" (8/16).

ROCKEFELLER & CO., INC.
ROOM 5600
30 ROCKEFELLER PLAZA
NEW YORK, N.Y. 10112

THE PRESIDENT HAS
9-3-96

DAVID ROCKEFELLER, JR.
CHAIRMAN

212-649-5680
FAX 212-649-5922

August 8, 1996

To: Stacy Forster

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, DC 20050

Dear Mr. President:

I will be out of town on Sunday, the 18th of August, and therefore not able to attend your 50th birthday party celebration at Radio City Music Hall, but am pleased to participate *in absentia* as a birthday sponsor. Accordingly, Clinton-Gore '96/GELAC will be receiving a check for $1,500 in the next several days.

With all best personal wishes for a happy and healthy birthday and a successful re-election campaign.

Yours,

David

David Rockefeller, Jr.

THE WHITE HOUSE

WASHINGTON

September 4, 1996

John Devine, Ph.D.
New York University
School Partnership Program
Suite 72
32 Washington Place
New York, New York 10003

Dear John:

Thanks for your letter of August 22. It was great to hear from you again, and I really appreciate your following up on what we can do for our inner-city youth. Though I'm not sure of my schedule for this fall, I've let my schedulers, Anne Hawley and Stephanie Streett, know of your fine suggestion for a meeting and have asked them to be in contact with you.

Congratulations on the grant and your upcoming book -- I look forward to reading it. My best to Betty.

Sincerely,

Bill Clinton

I hope I can do this — we'll look into it

cc Schedulers

Rahm → what do you think

cc: Crasco —

John Devine, Ph.D.
New York University
School Partnership Program
Suite 72
32 Washington Place
New York, New York 10003-6644

Father Devine
from Georgetown

Metropolitan Center
for Urban Education

LaMar P. Miller, Executive Director

11-E

M. Lewis

3/123 04

August 22, 1996

The President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton,

Shortly after you were elected in 1992, I was honored to receive the attached letter from you, for which I am most grateful. I appreciated renewing our friendship--a friendship which goes back to 1966-67, when I was Dean of Students at Georgetown and you were the President--of the Freshman Class! In those days you knew me as "Father Devine, S.J." As I believe you know, in 1967 I left behind the Jesuits, the priesthood, and Georgetown University in order to marry. Betty and I have been happily married now for 29 years! And I continue to teach at NYU.

In your earlier letter you expressed an interest in my work here at New York University and generously asked if I would pass on to you any ideas I might have about what you, as President, could do for inner-city youth. For several years, I have been directing a program which places small teams of NYU graduate students in some of the toughest inner city high schools to act as tutors and mentors. In October, the University of Chicago Press will be publishing my book which is an ethnographic account of life inside these troubled urban schools entitled "Maximum Security: The Culture of Violence in Inner-City Schools." I will send you one of the first copies. In it, I have attempted to delineate the problem of school violence and what we, as a society, can do about it.

I have an idea which might appeal to you for your current campaign. I would be very happy to set up a small-scale session which would afford you an opportunity to interact with New York City high school adolescents who are living, every day, in some of the most violent communties and schools of our nation. On this occasion, you might also meet with my graduate students who tutor and mentor these students--it was this program which served as the model and the basis for NYU's Americorps program.

If you deem this to be a worthwhile idea, I would work with your staff to set up a session either at the University, at a Brooklyn High School, or even in the intimacy, if you prefer, of our Greenwich Village apartment. I should mention that the U.S. Department of Education has just announced that I will receive a large research grant to conduct a nationwide study on school violence; you might want to

New York University ◆ School of Education ◆ 32 Washington Place ◆ Suite 72 ◆ New York, NY 10003-6644 ◆ Phone: (212) 998-5100 ◆ Fax: (212) 995-4199

use this occasion to make the formal public announcement.

The session would give our high school students an opportunity to express to you the issues they face as well as their views on some of the possible solutions. The university students would also be able to share with you some of their insights. For me personally, it would indeed be an honor and a pleasure to see you again and to welcome you to New York. I am listing my home and business addresses at the end of this letter.

To you and your family I send all good wishes for happiness, good health -- and four more years in the White House!

Sincerely,

John

John Devine, Ph.D.
Director, New York University
School Partnership Program

Home Address:

John Devine, Ph.D.
45 Christopher Street Apt. 3-C
New York, NY 10014

home telephone: (212) 924-2949

New York University Address:

John Devine, Ph.D.
Metropolitan Center for Urban Education
New York University
82 Washington Square East, Suite 72
New York, NY 10003-6644

NYU telephone (212) 998-5120

Clinton Gore

November 9, 1992

John Devine, Ph.D.
45 Christopher Street, Apt. 3C
New York, New York 10014

Dear John:

Thanks for your letter! One of the bonuses of the campaign has been hearing from old friends. I appreciate your support and vote of confidence.

Sincerely,

Bill

Bill Clinton

BC:ss

It was great to hear from you & admire your work. If you have any ideas about what the President can do for inner-city youth, please pass them on

National Campaign Headquarters • P.O. Box 615 • Little Rock, Arkansas 72203 • Telephone (501) 372-1992 • FAX (501) 372-2292