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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	W.D. Manning Jr. to POTUS (3 pages)	09/09/1996	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 8118

FOLDER TITLE:

Chron Files: Monday, September 23, 1996

2019-0774-S

rs3332

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

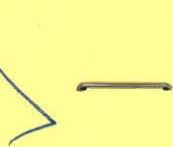
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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THE PRESIDENT HAS SEEN
9-23-96
96 SEP 20 17:37

THE WHITE HOUSE
WASHINGTON

September 20, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *for hilly*
SUBJECT: Summary of Cabinet Weekly Reports
September 13 - September 20, 1996

DEPARTMENT OF TREASURY

- **New Arrangements to Borrow (NAB):** Treasury continues to work on the NAB, which will supplement the International Monetary Fund's resources in the event of future crises that threaten the international monetary system. Work is underway to ensure that the IMF's decision will be available for review by the G-10 Ministers meeting on September 29. The IMF will make a decision establishing the arrangements in late October, and there may be notable press interest in the conclusion of this agreement.
- **Debt Management - Inflation Protection Securities:** On September 23-27, Treasury will announce the terms and conditions of the inflation protection securities. Treasury will use the Uniform Offering Circular to announce the final terms and conditions of using those securities and is exploring this announcement as part of a larger savings-related announcement at the White House. Treasury also anticipates announcing that inflation protection Savings Bonds will be available approximately one year after the first auction of marketable inflation protection securities.
- **Freeman Militia Case:** On September 10, in Billings, MT, LeRoy Schweitzer was found guilty of four counts of willful failure to file income tax returns. On September 11, he was found guilty of failure to appear for a trial on tax charges that was set four years ago.

- **Church Fires Task Force Update:** Since January 1995, federal authorities have investigated 230 incidents of church arson, bombing or attempted bombing. Since the formation of the Task Force in June this year, 100 arrests have been made. Of the 100 people arrested, 72 are white males, eight are white females, and 20 are African-American males. Nationwide, 43.5 percent of the fires/bombings occurred at African-American houses of worship.

After have needs examples, worth doing

• **Community Development Grants Update:** By September 30, Treasury will have awarded approximately \$50 million Community Development Financial Institution (CDFI) awards in contracts, grants, loans, and cooperative agreements from the CDFI fund. The White House is considering options for your participation in these announcements.

- **COPS Training:** Last week, the Federal Law Enforcement Training Center (FLETC), collaborating with DOJ and the COPS office, held a conference for developing a training program on community policing. Through this program, FLETC developed a 40-hour training program which will be delivered throughout the United States this year and next.
- **Counter-Terrorism Update:** The authorizing bill passed by the House just prior to the congressional recess is in serious trouble. Your \$1.2 billion terrorism-Gore Commission appropriations request will be funded in the CR. Treasury continues its discussions on other counter-terrorism issues with Justice and the Vice President's office.
- **Farrakhan License:** Treasury continues to respond to a steady stream of Congressional inquiries on Farrakhan's visit to Cuba. We expect even more inquiries on the federal response. Treasury continues to work with Justice and State concerning the enforcement issues presented by Farrakhan's travels.

DEPARTMENT OF COMMERCE

- **Economic Indicators During The Next Two Weeks:**

State Per Capita Personal Income	September 24
Investment Plans Survey	September 24
Advance Report on Durable Goods,	
Manufacturers' Shipments and Orders (August)	September 26
Gross Domestic Product	September 27
Corporate Profits	September 27
Personal Income and Outlays (August)	September 30
New One-Family Houses Sold and For Sale (August)	September 30

- **Ireland Trade Conference:** Commerce continues to prepare for the U.S. Conference for Trade and Investment in Northern Ireland to be held on October 6-8 in Pittsburgh, Pa.
- **Minority Entrepreneurial Development (MED) Week:** On September 23-26, the MBDA 14th National MED Week Conference will be held at the Sheraton Washington Hotel. Since you will be unable to participate, Commerce is working with the White House to secure the participation of the Vice President or First Lady sometime during the week. MED Week generally attracts 1500-2000 participants.
- **National Export Strategy:** On September 24, Secretary Kantor will release the TPCC's National Export Strategy Report.
- **US-China Trade:** On September 26, Commerce officials will hold a conference with China to review trade and commercial issues and to seek ways to expand commercial cooperation.

DEPARTMENT OF LABOR

- **PA Strike:** For the first time in 30 years, the members of the Philadelphia Orchestra are on strike. On September 16, the musicians rejected overwhelmingly the Orchestra Association's last offer. The principal issue in the dispute is the continuation of a salary supplement for recording and broadcast work.
- **Ford:** On September 16, negotiators for Ford and the United Auto Workers came to terms on a three-year contract to replace the one that expired September 14. On September 17, the ratification process began and is expected to be completed by September 29.
- **McDonnell Douglas:** On September 16, members of District 837 of the Machinists began returning to their jobs at the St. Louis, MO, area plants of McDonnell Douglas after approving a five-year contract by a 2-1 margin.
- **G.I. Bill:** Senator Kassebaum has received permission from the Republican leadership to bring the CAREERS/Workforce Development Act Conference Agreement to the Senate floor. Senator Kennedy and the Democratic leadership have committed to a filibuster of this version of the legislation.

- **Secretary's Schedule:** On September 24, Secretary Reich will travel to Boston, MA, for events with Senator Kerry and Jim McGovern. On September 25, Secretary Reich will speak at the OH AFL-CIO Convention. Later, he will speak at the International Association of Machinists in Chicago, IL, and participate in an event with Rod Blagojevich. On September 26, Secretary Reich will attend an event in honor of the Congressional Hispanic Caucus.
- **Poverty Numbers:** On September 26, Secretary Reich will convene a roundtable of reporters to discuss the Census Bureau's release of an annual report on poverty. He will discuss the effects of the Earned Income Tax Credit.

DEPARTMENT OF TRANSPORTATION

- **Pittsburgh Grant:** On September 20, Leon Panetta announced the award of \$8.9 million in Airport Improvement Funds for the Pittsburgh International Airport.
- **Air Traffic Control System Upgrade:** On September 16, Secretary Peña announced award of a multi-million dollar contract for the Standard Terminal Automation Replacement System (STARS). The contract will ultimately be worth nearly \$1 billion. The announcement received extensive press coverage.
- **Pan American Airways, Inc.:** On September 18, DOT issued a final order finding Pan American Airways, Inc. fit to operate. Pan American Airways, Inc., a newly formed company based in Miami, FL, requested a certificate to operate domestic scheduled passenger service from Los Angeles and San Francisco to New York (JFK), and from Miami to New York, with later options to include Chicago. The company is headed by Martin Shugrue, former president of Continental and former COO of Pan American World Airways. Objections to the application were filed by family members of individuals who died in the Pan American crash in December 1988 over Lockerbie, Scotland. The objectors claim that Mr. Shugrue, while he was COO of Pan American, approved security procedures at the carrier which were in violation of FAA rules, and which ultimately contributed to the air disaster.
- **Meigs Field:** On September 30, the City of Chicago intends to close Meigs Field. The Aircraft Owners and Pilots Association (AOPA), which represents general aviation interest, has filed suit against the City and the FAA to prevent this from occurring. AOPA has asserted that closure of the airport would violate various provisions of federal and state law and contractual assurances given by the City to the federal and state governments. AOPA has proposed an accelerated schedule that would allow the court to render a decision before September 30. IL has intervened as a plaintiff in the case seeking to prevent closure of the airport. This continues to be a very contentious issue and receives press coverage in Chicago.

- **Rail-Highway Crossing Report:** Preliminary accident and casualty statistics for rail-highway grade crossings during the first 6 months of 1996 reveal an unprecedented decline. Collisions at crossings are down nearly 10 percent, deaths declined 30.5 percent, and injuries are off 18 percent. Although the data represents only the first 6 months of 1996 and is preliminary, the results are encouraging. If the trend continues through the remainder of the year, 1996 will be the safest year on record for rail-highway grade crossing accidents and fatalities.
- **Indonesia Security Assessment:** Next week, FAA expects to announce the results of its safety assessment of Indonesia. FAA has found that Indonesia does not meet all International Civil Aviation Organization requirements for safety oversight of Indonesian air carriers, and will categorize Indonesia as a Category 2 country. This means that FAA will provide additional oversight to Indonesian air carriers, and the number of flight operations to the U.S. by Indonesian air carriers cannot be increased.
- **Thailand Air-Cargo Service:** On September 13, DOT awarded five U.S. airlines the rights to provide expanded scheduled all-cargo services to Thailand. Those carriers were United Parcel Service, Air Micronesia, Federal Express, Northwest Airlines, and Polar Air Cargo.
- **Drug Enforcement:** On September 23, the House Government Reform and Oversight Subcommittee on National Security, International Affairs, and Criminal Justice will hold a final hearing in CA to discuss the national drug policy particularly as it relates to CA and the Southwest. The Coast Guard has been asked to focus their testimony on the counter-drug issues faced by the Coast Guard in the Pacific area. Other witnesses will include representatives from the DEA, Customs, and CA state and local law enforcement.

UNITED STATES TRADE REPRESENTATIVE

- **Ambassador's Schedule:** On September 19, Ambassador Barshefsky will meet with Foreign Minister Luiz Felipe Lampreia of Brazil to discuss WTO concerns with Brazil's auto-regime, implementation of the WTO panel on reformulated gas, and the FTAA process. On September 24-28, Ambassador Barshefsky will host the Quadrilateral Meeting, a meeting of trade ministers from the U.S., Japan, the European Union, and Canada, in Seattle, WA.
- **NAM Breakfast:** On September 20, Ambassador Barshefsky will address a forum of CEOs at the National Association of Manufacturers in Washington, D.C.

SMALL BUSINESS ADMINISTRATION

- **Secretary's Schedule:** On September 25, Administrator Lader will open the Hartford Business Information Center in Hartford, CT. On September 26, the Administrator will speak to the Portsmouth, NH, Rotary Club.

FEDERAL MANAGEMENT EMERGENCY AGENCY

- **Hurricane Update:** You declared a disaster in MD as a result of Hurricane Fran. Recovery and rebuilding continue in NC and WV. Your visit to NC was very well received locally. Puerto Rico has begun to rebuild after Hurricane Hortense. Officials were very appreciative of your rapid response to the hurricanes.
- **Director's Schedule:** On September 23, Director Witt will address the annual meeting of the National Emergency Management Association in San Diego, CA. On September 26, Director Witt will give the keynote address to the annual meeting of Arkansas County Judges in Pine Bluff, AR. On September 27, Director Witt will address the SILO Conference in Little Rock, AR. On October 10, Director Witt will address the Jonesboro Arkansas Chamber of Commerce.

DEPARTMENT OF JUSTICE

- **Fair Housing:** Recently, suit was filed by a coalition of advocacy groups against HUD concerning accessibility of housing to the disabled. The suit alleges that HUD has unlawfully abdicated its responsibilities under the Fair Housing Act and the Rehabilitation Act to ensure that housing built with Community Development Block Grants is accessible to the disabled.
-  **Terrorist Convictions:** Last week, Ramzi Ahmed Yousef, Abdul Makim Murad, and Wali Khan Amin Shah were convicted of planning 48 hours of "terror in the sky" by conspiring to plant bombs aboard 12 American passenger airliners operating in the Far East. Yousef, who will be tried later this year in connection with his alleged role in the 1993 terrorist bombing of the World Trade Center, also was convicted of placing a bomb aboard a Philippine airliner bound for Tokyo as a "trial run" for the planned American airliner bombings.
- **LA Cross Burning Sentence:** On September 10, in United States v. Smith, et al. the court issued sentences arising out of guilty pleas entered by 11 defendants for their involvement in two cross burnings at the residences of African-Americans in Junction City, LA. The sentences included prison terms ranging from 8 to 18 months, and each defendant was ordered to pay a \$3,000 fine, and to attend a Cultural Diversity Program offered by the Bureau of Prisons.

- **Calumet River Cleanup:** United States v. Hammond Sanitary District Three northwest IN companies will spend \$5.55 million to help clean up the heavily polluted West Branch of the Grand Calumet River in IN. This innovative settlement will create a trust fund to pay for dredging severely contaminated sediments in the river and restoring damaged wetlands and wildlife habitat along its banks.
- **Cyber-Pornography:** By September 30, DOJ intends to file the jurisdictional statement in Reno v. ACLU. This case involves the constitutionality of several provisions of the Communications Decency Act (CDA) of 1996, which make it unlawful to send indecent communications over the internet unless steps are taken to prevent the communications from reaching children. The District Court for the Eastern District of PA held that the CDA is unconstitutionally vague and violates the First Amendment.
- **Former US Attorney Convicted:** Last week, Donald L. Beckner, who served as U.S. Attorney for the Middle District of LA from 1977 to 1981, was found guilty of four counts of wire fraud. Beckner was originally charged with aiding and abetting his client, business promoter Sam J. Recile, in a bogus real estate investment scheme which netted approximately \$36 million from its victims. Recile offered various forms of worthless collateral to his victims in order to "secure" their loans to corporations he controlled.
- **RI Child Support:** In U.S. v. Lewis, the district court rejected a motion challenging the constitutionality of the Child Support Recovery Act (CSRA). The court held that there was a sufficient interstate nexus for Congress to have authority under the commerce clause. The court also found that the CSRA does not violate the Tenth Amendment, but instead "enhances state efforts to require all parents to financially support their children."
- **Environmental Crimes and Enforcement Act:** On September 19, Attorney General Reno unveiled the Environmental Crimes and Enforcement Act of 1996 to Congress. The Act would strengthen the partnership among federal, state, local, and tribal enforcement officials and enhance their abilities to prosecute environmental criminals.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **RU-486:** On September 18, FDA approved "approvable" letter for RU-486 for the termination of early pregnancy. RU-486 has been determined to be safe and effective when used under close medical supervision. Additional information on several issues, including manufacturing practices and labeling, must be submitted before a final approval decision can be made.

- **DC Welfare Waiver:** On September 20, HHS withdrew a portion of DC's welfare reform waiver. The work requirement and five-year time limit provisions were withdrawn because the public comment requirements of the waiver process were not met for these provisions. The District may still receive the other waivers. The District submitted its waiver asserting that the public notice requirement was met through the passage of legislation by the D.C. City Council. After congressional inquiries about the waiver, HHS reviewed the submission and discovered that the legislation passed by the Council was complete.
- **AIDS Grants:** On September 26, Secretary Shalala and Secretary Cisneros are scheduled to announce the award of \$6.9 million in federal funds to 18 innovative community-based AIDS service programs. The programs, funded under the Ryan White AIDS Act, are designed to improve the delivery of care to the homeless, people with mental illness or substance abuse problems, former prisoners and HIV-positive adolescents. Two of the grants are a collaboration between HHS and HUD to provide comprehensive AIDS care and housing to homeless individuals who are living with HIV/AIDS. Grants are being made to AK, CA, FL, IL, MD, MA, NJ, NY, NC, RI, TX, and D.C.
- **IL Child Welfare Waivers:** On September 18, Secretary Shalala announced the approval of a demonstration project to improve child protection services in IL. This is the second waiver granted for states to undertake innovations in their child protection programs. The Illinois waiver was announced as HHS released the National Incidence Study of Child Abuse and Neglect, showing a doubling of estimated child abuse and neglect between 1986 and 1993.
- **Retirement Board Recommendation on Dr. Felsen:** On September 21, the Acting Surgeon General will meet with Dr. James Felsen, the Commissioned Corps doctor who boasted to a national newspaper that he does "virtually nothing." Earlier this summer, Dr. Felsen was put on administrative leave pending action on management's request that he be involuntarily retired from the Commissioned Corps. The Board has rejected management's recommendation. At the meeting, Dr. Felsen will be advised that the recommendation of the Involuntary Retirement Board is that he be retained on active duty. Accordingly, Dr. Felsen will be assigned to active duty in a new position at the National Institute of Occupational Safety and Health, effective immediately. Press coverage is anticipated.
- **Kurds Evacuation:** The Office of Refugee Resettlement (ORR) is coordinating the Department's response to your decision to evacuate up to 2500 Kurds from Iraq to Guam for political asylum and eventual permanent resettlement in the United States. These Kurds are former employees of the U.S. government and their immediate family members who are at risk of persecution if they remain in Iraq.

- **New Therapies:** Next week, two advisory panels will discuss applications for FDA approval of innovative therapies. On September 25, an application for an implantable device to allow some disabled persons to open and close a paralyzed hand will be considered. The Freehand System employs a technology called neural prosthetics, which works through electrical stimulation that replaces the brain's nerve impulses that are blocked because of spinal cord injury. The device is for specific cervical spinal cord injuries and requires healthy upper arm musculature and intact lower arm nerves.
- **Nonsurgical Abortions:** Next month, Planned Parenthood of New York City will offer nonsurgical abortions at its Manhattan clinics. The procedure will be available only to women 18 or older and teenagers 15 to 17 who have parental consent. It will not be available for women who are more than 49 days pregnant.
- **NC Tobacco Agreement:** NC Attorney General Easley and officials of the R. J. Reynolds Tobacco Company are near agreement on establishing a model state law that would limit access by teenagers to tobacco products. The sales and enforcement regulations, which are close to those proposed by the FDA, would be combined with voluntary advertising limits by tobacco companies. The companies would also provide \$50 million to \$100 million a year to states that pass the model law to help pay for enforcement and education programs aimed at teenagers.
- **FL High Risk Providers:** The Florida Health Care Administration has suspended Medicaid payments to more than 3,000 health care providers in Dade and Broward Counties who are considered high risks for fraud. The suspensions will remain in place until the providers post the \$50,000 surety bond required by state law. The suspension targets clinics, companies that sell medical equipment, labs, and providers of transportation for the poor and elderly.
- **Support Collections:** On October 1, GA Governor Miller plans to implement the suspension of professional licenses of parents who are more than sixty days behind in child support payments. The legislation covers all professions for which state boards issue licenses. Lawyers and teachers would be exempt because their licensing boards are not governed by state lawmakers. Delinquent parents would be entitled to a hearing before license suspension.

- **NY Welfare Block:** NY Mayor Guiliani has announced New York City's intention to file a lawsuit against the federal government regarding provisions in the Personal Responsibility and Work Opportunity Reconciliation Act that require public officials to furnish information to the INS. The law requires the names, addresses and other identifying information for individuals known to be in the U.S. unlawfully. The Mayor believes that this requirement violates the Constitution and that individuals will be reluctant to enroll children in school, obtain immunizations, and seek treatment for serious illness because of the fear of such reporting.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Housing Starts:** On September 19, Secretary Cisneros announced that housing starts rose 4 percent in August, meaning that builders started 1.5 million homes and apartments in August. If these starts continue, 1996 will be the best year for home building since 1988. These strong home sales have resulted in builders producing more single family housing.
- **Welfare-to-Work:** On September 26, Secretary Cisneros will announce the kick-off of the Bridges to Work (BTW) demonstration program that will link work-ready, low-income inner-city residents with suburban jobs by providing them with job placement, transportation, and support services. BTW will operate in five cities: Baltimore, Chicago, Denver, Milwaukee, and St. Louis. These cities are expecting to help approximately 400 low-income individuals find and stay in permanent jobs. HUD has committed \$8 million to this demonstration program.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Drug Survey:** On September 25, the Parents Resource Institute for Drug Education (PRIDE) survey data will be released.

DEPARTMENT OF INTERIOR

- **Headwaters Forest Negotiations:** Negotiations over thousands of ancient Redwood trees were delayed due to a breakdown between Maxxam, Inc. Chairman Charles Hurwitz and representatives of the FDIC and OTS. The deadlock occurred because private timber companies have lifted the timber harvest ban on salvage logging operations. Negotiators agreed to a two week moratorium on entering any of the Redwood groves owned by Pacific Lumber.

- **Secretary's Schedule:** On September 21, Secretary Babbitt will be in Miami, FL, to participate in 1996 International Coastal Cleanup Day. On September 25, Secretary Babbitt will visit a wetlands enhancement site in southern NJ. On September 26, the Secretary will address the Outdoor Writers of the Great Lakes conference in Sandusky, OH. On September 27, Secretary Babbitt will meet with Indian tribes on self-governance in Boulder, CO.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Improved Conservation Reserve Program Announced:** On September 18, Secretary Glickman announced a major shift in USDA's conservation policies that will redefine the types of land covered by the Conservation Reserve Program (CRP). The proposed USDA rule will reduce soil, improve water quality, and protect or enhance wildlife habitat in the most environmentally sensitive acreage.
- **Old-Growth Timber Sales:** This week an agreement was reached between the Administration and 15 timber companies. 44 Pacific Northwest old-growth timber sales will be replaced with alternative timber volume that meets all of the environmental laws. This agreement maintains the integrity of environmentally sensitive forest lands and helps assure timber industry jobs. The agreement resolves a conflict created by the Rescissions Act of 1995, which ordered the federal government to release certain timber sales even if they did not comply with the nation's environmental laws. The original timber sales were suspended after Interior's Fish and Wildlife Service added the Marbled Murrelet population to the federal list of threatened species. Under the agreement terms, the Forest Service will provide 176 million board feet of alternative timber to the companies over a three-year period, allowing ample time to satisfy the terms of the sales in an environmentally responsible manner. This agreement allows USDA to manage the forests in accordance with your Pacific Northwest Forest Plan and has averted the harvest of the environmentally damaging old-growth sales mandated by the salvage rider in the Rescissions Act of 1995.
- **AZ Wheat Quarantine:** Last week, AZ Governor Symington requested that USDA revise Karnal bunt federal quarantine regulations. USDA will soon publish a final rule that should relieve unnecessary restrictions on regulated areas, including AZ, and that the federal quarantine regulations are not discriminatory.
- **Child Immunization Grants:** On September 30, USDA will announce \$950,000 in grants for AL, FL, IA, MA, NV, RI, TX, VA, and that the Chickasaw Nation is to be used to assess the immunization needs of infants and children who are part of the Women, Infants, and Children (WIC) Program. The grants are being made possible through CDC funding.

- **Newspaper Files Suit for Reporters' Arrest:** On September 11, the *Register-Guard* in Eugene, OR, filed a lawsuit against the Forest Service for arresting two reporters who were within the Willamette National Forest Warner Creek closure area. The lawsuit also challenges the validity of the closure.
- **Cattle Producers:** Last week, GA and TX requested authority to continue implementation of the Disaster Reserve Assistance (DRAP), which provides eligible livestock producers with cost-share assistance if they have lost their feed grain due to drought. The extension request for TX is likely to be announced soon, and GA's request is still under review.
- **Secretary's Schedule:** On September 21, Secretary Glickman will be in Evansville, IN, and Wichita, Manhattan, and Topeka, KS. On September 24, Secretary Glickman will address National Association of State Departments of Agriculture in Lake Geneva, WI. On September 25, the Secretary will address the Western State Tourism Policy Council in Lake Tahoe, NV. On September 25-27, the Secretary will travel to OR and WA, on salmon issues and the extension of the Pacific Northwest Economic Adjustment Initiative.

DEPARTMENT OF ENERGY

- **WA Tank Waste:** On September 25, Secretary O'Leary will announce the new contract for the Tank Waste Privatization Demonstration Project in WA. The announcement will highlight DOE's commitment to the use of new technologies to speed the cleanup of hazardous sites.
- **WA Superfund:** On September 20, EPA announced the first EPA Superfund National Priority List site to be delisted in the former nuclear weapons complex.
- **Secretary's Schedule:** On September 25, Secretary O'Leary will keynote a plenary session of the World Economic Development Congress. On September 26, Secretary O'Leary will tour an alternative fuel powerplant in Burlington, VT. On September 27, the Secretary will visit International Fuel Cells in South Windsor, CT.

DEPARTMENT OF EDUCATION

6 **Sallie Mae "Candidate's Package":** Last week, DOEd obtained the Sallie Mae report entitled "Responding to Clinton/Democratic Charges on Student Loans: Candidate's Package on Federal Student Loans." The document advises Republican candidates on how to defend themselves from criticisms of their opposition to the Federal Direct Student Loan Program. The document was apparently prepared by Sallie Mae at the request of Congressman Davis, who has a Sallie Mae facility in his district. Sallie Mae has sent Secretary Riley a letter regretting the document and stating that Representative Davis was the only "Member who was sent the document."

- **Historically Black Colleges Week (HBCU):** September 22-28 is National Historically Black Colleges Week. On September 23, Secretary Riley will address the HBCU Presidents Board Meeting.
- **Hispanic Education Initiative:** On September 26, Secretary Riley will present the Annual Report of the President's Advisory Commission on Educational Excellence for Hispanic Americans.

*Shirley
Carter
this?*

Charter Schools: Next week, Secretary Riley is planning to announce charter schools awards to 19 states and DC. States receiving continuation awards are AZ, CA, CO, GA, LA, MA, MI, MN, OR, and TX. States receiving new grants include AL, CT, DE, DC, FL, IL, KS, NJ, NC, and WI.

- **GOALS 2000:** On September 26, Secretary Riley is scheduled to announce Goals 2000 funds for MT, NH, and OK. These states were allowed to apply directly to DOEd for this funding.

VETERANS AFFAIRS

- **Persian Gulf Hearing:** On September 25, the joint hearing of the Senate Veterans' Affairs Committee and Senate Intelligence Committee is expected to focus on charges that the Administration has not been forthcoming with respect to possible exposures of Persian Gulf troops to chemical warfare agents and the potential health effects.
- **Medicare Pilot Projects:** The Administration's proposed legislation to establish pilot projects for Medicare reimbursement to VA for care provided to certain Medicare-eligible veterans was transmitted during the August recess. There has been no Senate action, but the House Veterans' Affairs Committee is planning to move ahead with a version that is markedly different from the Administration's.

- **Medical Care Funds:** The Veterans Health Administration is planning to allocate its FY97 funds in a way that is more equitable than the previous method, which left mostly southern and western states comparatively underfunded. The Department is hearing strong concerns from Members in some midwestern and northeastern states about the impact on their facilities. Similarly, Members from some states that would benefit from the new reallocation method are expressing eagerness for the Department to move ahead.

ENVIRONMENTAL PROTECTION AGENCY

- **Brownfields:** EPA is preparing to announce a new round of Brownfields grants that will provide seed money to help clean up and redevelop abandoned, contaminated, urban property.
- **Right-to-Know:** EPA is preparing to announce the third phase of the Administration's expansion of the Community Right-to-Know program.

OFFICE OF PERSONNEL MANAGEMENT

- **Reinventing Government:** On September 16, OPM held a demonstration of its new Internet web site, USA JOBS, for the media and interested agencies. The home page will provide worldwide, daily updated job listings. Internet users can direct their job search by focusing on an occupation, location and pay level, and they will be able to access job information and forms via their computers. The web site meets the National Performance Review mandate to make it easier for people to obtain job information and apply for jobs.

SOCIAL SECURITY ADMINISTRATION

- **Social Security Disability Report:** GAO is expected to release a report recommending that SSA use a more cost effective process in its routine review of Social Security and Supplemental Security Income disability recipients. These reviews are designed to determine whether the recipient's level of disability has improved to the degree that they are no longer eligible for benefits.
- **Drugs in America Hearing:** On September 24, the Subcommittee on Social Security of the House Committee on Ways and Means may hold a hearing on drugs in America. The Subcommittee will focus on the effects of drug use on welfare programs and the Supplemental Security Income program.

- **Trust Fund Hearing:** On September 24, the Senate Special Committee on Aging, chaired by Senator Cohen, will hold a hearing to examine revisions to the Social Security system which have been proposed to accommodate an aging population and to preserve the financial integrity of the Social Security Trust Funds.

UNITED STATES INFORMATION AGENCY

- **VOA/Iraq:** On September 12, VOA has carried a massive amount of information about events in Iraq. The importance of these reports was underlined by National Public Radio which reported that despite the absence of this news on the Iraqi media, it appears that residents do know about the possibility of another American strike. Baghdadis are faithful listeners to radio broadcasts from Kuwait and of the Arabic service of VOA, both of which carried frequent and extensive reports about Secretary Perry's comments.
- **United Nations:** On September 24, WORLDNET will transmit via satellite to all regions a live video of your address to the 51st United Nations General Assembly in NY.

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

hancy -

HRC wanted
POTUS to
see

Pam

THE PRESIDENT HAS SEEN
9-23-96

THE WHITE HOUSE
September 17, 1996

Commissioner Garry Mauro
Texas Land Commission
P. O. Box 13083
Austin, Texas 78711

Dear Garry:

I am enclosing a copy of the article I mentioned to you
from a recent *Washington Post* about the positive effects of
daylight.

With warm regards, I remain

Sincerely yours,

Hillary
Hillary Rodham Clinton

Enclosure

cc: GWS
Bickley
W/ School
HRC to encourage
more daylight
light - BSC

bcc: POTUS ✓

THURSDAY, SEPTEMBER 5, 1996

UNWARRANTED? Consider carefully before getting extended service contracts for quality appliances. PAGE 7

POTTERY-POURRI: Whimsical or artistic, hand-painted earthenware from Italy is trending across Washington. PAGE 8

BEYOND BORSCHT: Top to bottom, there are many more colorful reasons to grow beets. PAGE 18

SOUND OFF: A folding acoustical screen is designed to muffle the noise when there's no door to close. PAGE 22



By the Light of Day

A Shining Example
Of Healthy
Design



The Difference Is Daylight

Want to Grow Taller? Get Better Grades? Let the Sun Shine In

By Mike McClintock

It could be the most important, most rewarding improvement you can make to a building. It transforms indoor environments and creates such a wellspring of health, according to one recent study, that children grow more, do better in school and get fewer cavities.

The catalyst is daylight—simple, non-electric, unfiltered daylight—supplied in abundance, free every day, no matter where you live. All you have to do is bring it inside.

Sunlight has long been recognized as part of the energy equation in buildings, whether houses, schools or office towers. Passive solar, the design term for making use of sunlight, has won converts for cutting energy costs. But not everyone has found those benefits to be worth the cost of installation in an existing building. The idea that sunlight can make a building healthier may be more persuasive.

A study of five schools conducted in Canada by the Alberta Department of Education documented health benefits in children exposed to daylight. Over two years, beginning in 1992, it compared the health of elementary schoolchildren in rooms with full-spectrum lighting—the kind you get from natural light—and those in rooms with conventional electric lighting. The study, subtitled “A Case of Daylight Robbery,” found:

- Exposure to full-spectrum light resulted in better attendance—3.5 fewer days absent a year.

- Students in full-spectrum rooms had better dental records—nine times less tooth decay.

- Students in full-spectrum classrooms grew more—more than $\frac{1}{4}$ -inch in two years.

- Daylighted libraries had significantly less noise, a result of students' increased concentration levels.

- Full-spectrum lighting induced more positive moods in students and caused them to perform better scholastically.

The report, which has generated excitement among some passive-solar proponents in this country, concluded that “light—far from being neutral with respect to effects on children—has significant non-visual effects.”

The overworked word that, for once, really does apply is synergistic: Daylight design makes buildings work better—and the people in them, too.

The Canadian study led two North Carolina architects, pioneers in the passive-solar approach, to launch a study of their own daylighting designs. The partners, Michael H. Nicklas and Gary B. Bailey of Innovative Design in Raleigh, have been involved in energy-efficient plans for the past 18 years. Their projects have included commercial buildings, schools

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Daylight

continued from page 12

and hundreds of homes. "It was an eye-opener, just amazing," said Bailey of the Canadian study.

Innovative Design has since studied performance of students in three daylit schools the firm had designed and in traditional schools nearby. The firm tracked groups of daylit and non-daylit students through 6th, 7th and 8th grade, using scores on California Achievement Tests on reading, language and math that are given to every student in the county school system. Instead of comparing one school to another, which might reflect a bias of neighborhood, the firm compared the relative percentage improvement of daylit students to all of the county's middle grades, including students in daylit buildings. They found 5 percent relative improvement on standardized tests the first year, increasing to 14 percent over three years.

This disarmingly simple idea of bringing in more light—for psychological, health and energy-saving benefits—has been around for years. Across the country, daylighting has been used in such diverse places as the Isabella Stewart Gardner Museum in Boston, the Federal Reserve Bank in Philadelphia and the recently remodeled headquarters of the National Education Association in Washington. In Frederick, Md., a mental health facility called the Way Station uses light scoops, reflectors and other daylighting devices to help offset depression.

In residential design, perhaps the best-known example is the home built in London in 1812 by Sir John Soane, architect of the Bank of England. Attempting to re-create the sunny Mediterranean, he installed skylights, windows around an interior light well and lights that were amplified by mirroring. He was able to flood his Lincoln's Inn Fields multi-story town house, now a museum, with warmth and sunlight from roof to basement.

These days, cutting energy use is more often the driving force for sun-conscious residential design. After all, energy benefits are quantifiable. In a study of North Carolina builders using combinations of passive solar and daylighting design, Innovative Design documented cuts in consumption averaging 40 percent over a four-year period.

As impressive as that sounds, it may be less important than the kind of health benefits documented in Alberta. The likelihood is that in your own house, you'll want to consider both.

Daylighting in the Classroom: A New School of Thought

The Durant Middle School in Wake County near Raleigh, N.C., was designed to be energy-efficient and filled with daylight. It has achieved the best attendance record of more than 100 schools in the county, and its students are performing above the county norm. What's more, the school now spends less on utilities.

Durant is one of a number of "daylighted" schools in this area of North Carolina. Designed by the architecture firm Innovative Design of Raleigh, they are attracting attention to the firm as well.

The architects, Michael H. Nicklas and Gary B. Bailey, have applied daylighting design in older schools as well as in new ones. They also tracked energy costs and studied student performance.

Regardless of the age of the building, energy costs after daylighting have fallen by anywhere from 22 percent to 64 percent. And students in daylighted schools, both new and retrofitted, performed better than the county norm in every case, they say.

To alter existing school buildings, the architects modified flat roofs with a series of large, shed-roof dormers. They tailored the south-facing projections called roof monitors with overhangs outside to prevent heat buildup. Inside, they used baffles and slanted, or coffered, ceilings to flood classrooms with non-glaring natural light.

To meet state requirements, classroom lighting must equal a fluorescent output of 70 footcandles (a standard measure of illumination) during two-thirds of the time rooms are occupied. The standard for gyms is 35 footcandles. The architects' daylighting designs exceed even those standards. On cloudy days—even when the sky darkens for a minute or two—sensors automatically bring up electric lights as required. Follow-up studies show that when classrooms are occupied, the electric lights are off two-thirds of the time. Students spend more time under brighter natural light, and the school district pays less for utilities. (Cooling costs also are lower

because there is much less heat from lighting fixtures.)

Success with retrofits brought the firm projects for new schools incorporating daylighting principles. The completion of both kinds of projects has made possible studies of energy savings and student performance in both new and old school buildings with and without daylighting.

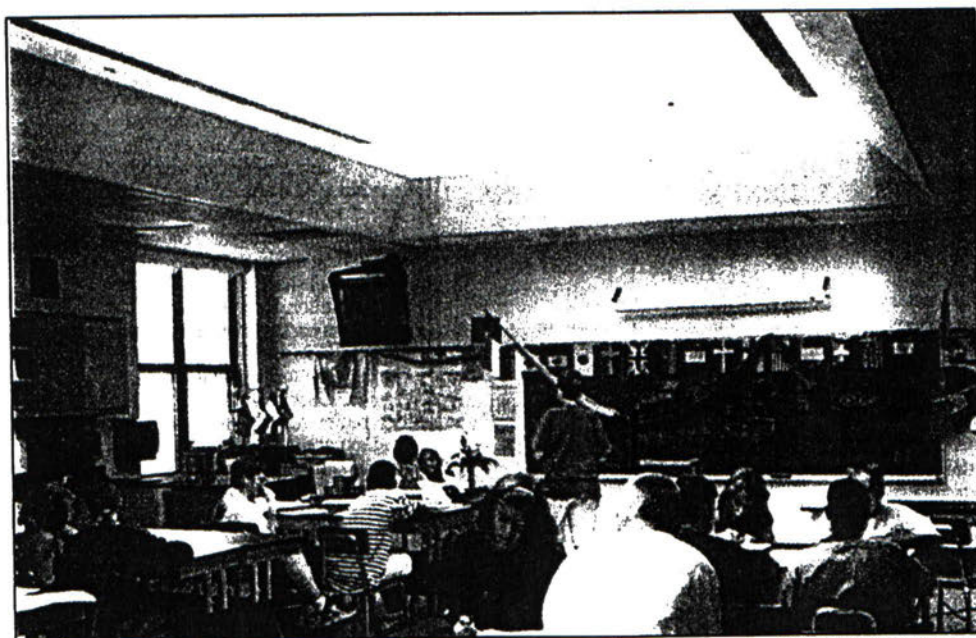
Innovative Design undertook such studies, tracking groups of students through sixth, seventh and eighth grades, using scores on California Achievement Tests in reading, language and math. The tests are given to every student in the county school system, in daylighted and non-daylighted schools. Instead of comparing one school to another, which might reflect a bias of neighborhood, the firm compared the relative percentage improvement of students in daylighted schools to all of the county's middle grades, including students in daylighted buildings.

"We were told that a performance jump of 2 or 3 percent would be significant," says Nicklas. "What we found was a 5 percent relative improvement the first year, which grew to 14 percent over the three years." (Tracking ended after the third year when students dispersed to high schools.)

Nicklas said, "It's logical to assume that any new school would have a positive impact." But he found that a new school building did not guarantee better grades and that scores dropped 4 percent in one new, non-daylighted building.

Nicklas calculates that "investments by school systems are being recouped in one to three years" through energy savings. Says Helen English, executive director of the Washington-based Passive Solar Industries Council, "The average middle school that incorporates daylighting will likely save \$500,000 over the next 10 years."

— Mike McClintock



Interior of a "daylit" classroom.

COURTESY INNOVATIVE DESIGN INC.

Remodeling? Explore The Options

Understanding where to use glass—and what kind of glass—is important. Placement depends on the latitude of the site, the angle of the sun at certain seasons, the presence of nearby trees, desirability of views and prevailing winds. And modern technology offers glass with characteristics to offset climate and other factors.

Here are a few elements to consider when contemplating how to bring more daylight into the house:

Passive Solar Angles

Passive-solar architecture can take many factors into account. But the basic idea is to increase the amount of southern-exposed glass.

■ **Roof overhangs.** In northern climates where utility bills are mostly for heat, overhangs should be minimal. Farther south, as air conditioning becomes more important, overhangs should be deeper, to prevent excessive heat buildup.

■ **Skylights.** Skylights are an obvious choice, if used well. Unshaded skylights can allow too much heat buildup or cast a glaring beam that tracks across a room like a spotlight. Controlling light and heat with shades or diffusing baffles on skylights, and with roof overhangs on dormers and south-facing windows, can make a great difference.

■ **Open interiors.** Commercial spaces can be flooded with light from perimeter glazing. In houses, a number of interior features can increase the flow of light: half-height partitions, island kitchens, two-story light wells and other features of open floor plans—and at least one old-fashioned detail, glass transoms over interior doors.

High-Performance Glass

Building designs can be altered to get more daylight without too much heat. But the glass itself can make a big difference.

■ **Low-emissivity glazing.** For now, there is Low-E glazing, though a new type of self-shading

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Illustration and Design by Steve McCracken for The Washington Post



Remodeling

continued from page 13

glass may be on the market within a year.

Until Low-E glazing became widely available about 10 years ago, you couldn't control heat from the sun without losing light. Huge windows and skylights might cut a winter heating bill in half, but they might double the cost of summer air conditioning unless you pulled the curtains or closed the blinds.

Low-E, short for low-emissivity, has a built-in coating that works year-round by reflecting radiant heat. In winter, it reflects some interior heat back into living spaces that would be lost through conventional glass. In summer, it reduces the oven effect of heat buildup—without blinds or shades.

In a delicate manufacturing process, called sputtering, an invisible metallic coating is applied between two panes of glass in a sealed space filled with an inert gas that is less conductive than air. The microscopically thin metallic film (the thickness of 200 atoms) screens out long-wave radiant heat but allows shorter-wave, visible light to enter.

■ **Electrochromic glazing.** Like the storm windows and insulated glass that preceded it, low-E glazing is static. It can't change for a cloudy day or a cold snap. But there is a type of glass under development that can. It's called electrochromic glazing, and you can tune it as finely as a narrow-slat blind to let in a lot or almost no heat—without blocking out the light and obstructing a view.

Electrochromic glass uses the same sputtering technology as low-E glass to make invisible heat barriers. But it has five layers, and it's electrified. By altering the low-voltage current, ions are driven to different layers, creating different densities—in essence, creating glass with a built-in, adjustable tint.

At its least reflective setting, allowing in maximum heat, the glass looks clear. At its most reflective setting, the glass looks like the tinted facade you see on some office buildings. The people inside still see out (as though they're wearing sunglasses), but they stay cooler and need less air conditioning than workers in a building with clear glass.

The exceptional new wrinkle is control. You can get every shade of gray because the glass can be set like a thermostat on a furnace so that tinting occurs at a certain time of day, or when the glass reaches a certain temperature. It can stay clear and allow in heat during the morning, then begin tinting itself—more and more as the sun beats

down—whether or not you're home.

In large commercial spaces, the glass would be wired to a central environmental controller (a computer) that monitors the weather and automatically makes constant adjustments to deliver optimum natural light and energy savings.

In homes, the panels might be managed by a device similar to an automatic setback thermostat. "We're still working on the best way to control it," said Mike Myser, marketing director for a major developer, Sage Electrochromics Inc., in Piscataway, N.J. "It may turn out to be something very simple like a dimmer switch."

Electrochromic glass differs from privacy glass that some manufacturers introduced last year. That glazing also is electrified but uses liquid crystal technology. With the power on, a film of crystals aligns, and the window appears clear. With the power off, the crystals return to a random pattern, which scatters light, and the window appears frosted. It's all or nothing; clear or opaque. Marvin Windows, a major supplier of privacy-glazed windows, said the coating adds about \$90 to the cost of each window.

Electrochromic glazing will cost "two to three times the cost of standard glazing," Myser said. There are too many variables to estimate residential payback, he said, but scientists at Ernest Orlando Lawrence Berkeley National Laboratory in California, have calculated a payback period of two to five years for commercial buildings.

Every daylighted opening in a wall or roof is labor intensive and expensive because each aperture has to be cut, framed, flashed and trimmed.

"It will have a big impact on residential and commercial spaces—not just schools," Myser said.

Aside from energy-saving and health benefits of daylighting, he points out that reduced absenteeism would be money in the bank for employers. Bailey of Innovative Design hopes to use prototypes of the self-tinting glass in a project this year, and to start collecting energy and health data.

Glass Doors

Every daylighted opening in a wall or roof is labor intensive and expensive because each aperture has to be cut, framed, flashed and trimmed. That's why glass doors—sliding or French—are an economical way to let in light. You get so much more exposure to the outdoors than from windows in a single opening.

Like windows, sliders can be made aluminum or wood and may be vinyl-clad to eliminate exterior painting. They hold various types of glass, including Low-E, which limits the amount of heat loss at night or heat gain during the day. Sliders are readily available in standard door height—6 feet, 8 inches—with two units, one fixed and one sliding, each two to four feet wide. You can special-order outsized units: Two panels in an 8-by-8-foot unit makes quite an opening.

The ideal location may be a southern exposure, depending on how the house is sited, the presence of trees and quality of the views. But the most economical location from a construction perspective is a plain wall filled with insulation, not crisscrossed with pipes, wires and ducts. Rerouting mechanical

lines can get complicated and expensive.

Sliders install easily once you finish the hard part—building the opening. In existing houses, you'll probably need a temporary support wall to keep things in place during demolition. Then a large, permanent, horizontal beam called a header will be needed to support building loads above the doors. In addition, you'll probably have to obtain a building permit because you're making a structural change to an exterior, bearing wall.

Header size, which is controlled by local building codes, is crucial. It has to support siding and roofing that was carried by several studs or a solid masonry wall. An opening for a 5-foot-wide set of doors probably will require at least two 2-by-8s spiked together and set on edge, while a larger, 8-foot opening may call for two 2-by-12s. But there is a header for every circumstance: For instance, a steel I-beam or a wood beam strengthened with a steel plate can span very wide, three-panel sliders.

Glass Blocks

Modern glass blocks are rugged enough to make large exterior walls (even two stories high) that let in more light than windows without weakening home security. You can add locks and drop-in bars to sliding glass doors, but you can't keep a burglar from breaking the glass. Breaking through glass block is almost like breaking through brick, and some varieties are used instead of windows in prisons. But you do give up ventilation.

In many areas, you can afford to have less ventilation, such as in a small bath, laundry room or other area that's vented by a fan. Adding glass block also is a good way to gain light without giving up privacy, perhaps with a wavy-surfaced or scored block. Instead of adding security grates to ground-level basement windows, you might add a fan and fill the openings with glass block.

Glass block is installed like bricks or concrete block with solid mortar joints, tied together through the joints with wire mesh. On big installations, rows are built up in stages to prevent mortar in the joints from compressing before hardening.

What's more, it can be economical. Replacing the solid exterior wall in a dark stairwell with a grid of clear, 12-inch squares—four blocks wide and 11 blocks high—would cost about \$800 for materials, much less than the cost of a complex assembly of windows covering the same area.

—Mike McClintock



THE PRESIDENT HAS SEEN
9-23-96

September 19, 1996

TO: President Clinton

FROM: Nancy Hernreich
Arielle Krebs

RE: Letter from Jock Gill

*cc: D. Riey
CRASSO
Bread*

Jock Gill writes that he has enjoyed reading your recent speeches, especially the speech on "Internet and Education", which you gave in Westland, Michigan on September 17.

He believes your dream of a computer in every classroom raises a very interesting issue: the future of the textbook. He thinks text books are too expensive, too slow and certainly cannot keep up in the age of the information superhighway.

Here is the challenge: universal service and universal access. It is clear that in order to achieve your vision, we will have to abandon paper-based textbooks. We must move to electronic delivery of educational material.

P.S. He inquires about your Christmas present PC and hopes it is getting some use.

EXECUTIVE OFFICE OF THE PRESIDENT

18-Sep-1996 09:10am

*Chief
Summary
for the Pres.*

TO: Nancy V. Hernreich

FROM: Jock Gill

SUBJECT: Internet & Education

Mr. President,

I have enjoyed reading your recent speeches in which you talk about the internet and education, as you did yesterday at the John Glenn High School in Westland, Michigan:

For those of you like me who don't know a lot about computers, that may not mean much, so let me put it in plain language. Let me tell you what that means. If we hook up every classroom in America to the Information Superhighway, what it means is this: that in the poorest inner-city classrooms, in the most remote rural classrooms and all the classrooms in between, for the first time in the history of our country, all of our schoolchildren will have access to the same learning at the same level of quality, in the same way, in the same time as the students in the richest schools in America. That is achievable and we must do it. (Applause.)

How far we all have come since 1992 when I had no real idea what the internet was! How's your Christmas present PC doing? I hope it is getting some use. And I hope you have gotten it connected to America Online [AOL]. I probably never did tell you how much fun I had getting that for Hillary to give to you. It was pretty amazing to call up the store and casually give them the AMEX card number of the President of the United States. I do miss those days sometimes.

Your dream does raise a very interesting issue: the future of the text book. Our girls went to a working class elementary school where not only were the text books often 15 or more years old, but different students in the same room had different editions! Text books - information delivered on dead flattened trees - are simply too expensive and too slow. Their life cycle is about a dozen years. If you check with Jack Gibbons or Mr. Gore I believe they will confirm that our knowledge-base is doubling about every 5 years. There is no way text books can keep up.

When I worked for you and went out and gave speeches, it was about the time the comet was hitting Mars. I would divided my audience in half. One half would get a text book 10 years from now with single, black and white, artist's rendering of the impact. The other half could RIGHT NOW view the NASA full color animations on their World Wide Web browsers! Perhaps view them once in school with their peers and teachers and then at home as often as they liked until they "got it".

I would then ask if anybody wanted to move from the text book half of the

room to the WWW side. Usually got a big laugh.

So here is the challenge: universal service and universal access. Further, it is clear that in order to achieve your vision of:

for the first time in the history of our country, all of our schoolchildren will have access to the same learning at the same level of quality, in the same way, in the same time as the students in the richest schools in America

we will have to abandon paper-based text books. We must move to electronic delivery of educational material. Simply, we will have to issue each and every child some as yet not invented device for education and the WWW in the 21st century. The good news is that we already know how to issue textbooks, so we will be able to figure out how to do this. After all, we no longer issue slates and chalk. So just as the textbook replaced the slate, so will this new device replace the textbook. We must do this to achieve your dream.

You might consider challenging all concerned to solve this problem as a Blue Ribbon National Task Force. It would be a very significant part of that bridge you are building for all of us.

Keep it up! Four more years!

Best regards,

Jock

Jock Gill
Penfield Gill, Inc.
Boston, MA
jgill@penfield-gill.com
<<http://www.penfield-gill.com/gill>>

THE WHITE HOUSE
WASHINGTON

DATE: 09/23/96

NOTE FOR: THE HONORABLE RICHARD W. RILEY

The President has reviewed the attached, and it is forwarded to you for your:

Information ☒

Action ☐

Re copy of Mrs. Clinton's letter to
Commissioner Garry Mauro, President's
note says --

'w/school dollars need to encourage
more natural light

BC'

Thank you.

Staff Secretary
(x6-2702)

cc:

WHITE HOUSE
WASHINGTON

September 21, 1990

Paul M. Glaser
317 Georgina Avenue
Santa Monica, California 90402

Dear Paul:

Thanks for your wonderful letter, your encouragement, and the friendship you have given to us. I'm so glad that you and Jake had a good summer and are embarking on a new beginning this fall. You both deserve the best.

Say hello to Jake for us. Sixth grade can be tough, but we know he's up to the challenge.

I'm very grateful for your offer of help and support. Come see us the next time you're here or when I'm in Los Angeles.

Sincerely,

Bar

Paul M. Glaser

Dear Bill and Hillary,

Aug. 29, 96

I almost feel remiss not having written to you sooner, to wish you both well through the Convention. Then I looked at all the hullabaloo, and it seemed that to wait would be O.K.. Now the dust is clearing just enough for you to see the road ahead, get a glimpse...and in this space, I want to say hello, and along with Jake, wish you a constructive and enjoyable run to re-election.

Jake and I have had a wonderfully busy summer of travel. The film's opening in NYC...(not a remarkable success, but I am still proud of having done it), some time in Maine, then the Vineyard,(at Ted and Mary's), then Colorado and Montana for some superb flyfishing. There's a very strong relationship between golf and flyfishing. If you have never flyfished, I have to strongly recommend it. Perhaps in 2001?

Now back in L.A., Jake's sixth grade, our house finally renovated from the earthquake and all those years of loss. It's a new beginning, and I am embracing it with everything I have.

I watched you on your train ride, through your convention, as I will through your whole campaign. Congratulations on your 'higher road'. It would be good to see it be the healing force that this country needs through an election. I can only guess at your journey, what you see and have to deal with. I get inklings of a perspective once in a while, but just inklings. (Good word, that,...'inklings'?). Then again, you are both forest and trees at this point in yours' and the world's history,...some ride.

I don't know if there is anything I could ever do for you, to help. I don't want to presume, but if ever there is anything, please don't hesitate to ask. Whatever, know that amongst the raised voices, and hopes are Jake's and mine. You are deserving of more than the cynical and scared reactions of these times. Or perhaps they simply define your opportunity. At any rate, it is not enough to relegate the act and art of governing to mere 'politics'. From my vantage point, we are all 'of' history, defined and known by all it's currents and forces. We can only find ourselves, be as conscious as we can, as present, and compassionate. Then we can walk with what we have been given.

So, best of luck, and keep the fire. Jake joins me in sending all good thoughts.

Sincerely,



WHITE HOUSE
WASHINGTON

cc: with incoming:
marsha scott
Sandy Berger
Laura D'Andrea Tyson
Bob Nash
I'd like to get him
down here just from
cc: LEON
Maureen Lewis

September 21, 1996

Christopher C. Ashby
17 Side Hill Road
Westport, Connecticut 06880

Dear Kit:

Thanks for your note of September 4. It was great to see so much of you last month though I must say that I agree with you about turning 50 -- it makes one even more philosophical about what's truly important in life, about our dreams, and about our achievements.

I hope that we'll be able to work out another role for you in the Administration -- be sure to stay in touch with Sandy Berger and Laura D'Andrea Tyson. As you well know, your involvement means a lot to me.

Sincerely,

Bill

CHRISTOPHER C. ASHBY

September 4, 1996

cc Marsha
Scott
cc: Nash
Sandy Berger
Laura Tyson

Dear Bill,

There have been a lot of "Clinton events" lately, and a number of things for which I wanted to thank you. First, thanks for the key ring on my birthday. Its nice to receive your package each year, which surprisingly always arrives exactly on August 10. I appreciate it.

I very much enjoyed being included in your birthday party celebration in New York. The Radio City celebration was a once-in-a-life-time event. I'm glad you also had time to have a real party on Monday morning. Your gift from me is taking a little time, but it should arrive soon. This birthday really is quite different from all the rest. On one hand, I feel just like I always did. No big change. On the other hand, I realize that the time for planning is over. If I want to do something, do it. If I don't want to do it, then accept the fact that I never will.

Finally, I want to thank you for including me in the convention. It was a thrill. The facilitates you and Hillary arranged and the treatment we got was really quite a treat, and I want you to know that I am very grateful. Marsha Scott did a great job, and she should be recognized. I am happy that things worked so well for you and Al Gore. It all came of without a hitch.

As I mentioned to you briefly in Chicago, I ran into Sandy Berger in New York and Chicago. I had written him a few weeks earlier, stating that I would like to regenerate the discussions we had previously. You may know that he and Laura Tyson offered me a joint appointment to the NSC and NEC, working on economic and commercial aspects of foreign policy. It was a perfect job, but I turned it down because the risk to my family of losing my job at the bank because of the just-announced merger, and losing my job with the government if you did not get re-elected, were too great to accept. Both of those risks seem to be greatly meliorated, and I want to revisit the conversation. I have also had conversations with Bob Nash, who has been very helpful. Of course, what I would really like is to be an Ambassador, especially to Spain. I know that job is already taken.

I am working with Donny Fowler and John King in Connecticut, trying to arrange an event in Fairfield County. Right now things look very good, but Fairfield is traditionally the most Republican part of the State. You took Fairfield County in '92, and I believe you can again.

So, thanks for the memories. I appreciate all you have done for me, and hope to make the next four years even more eventful.

Best Regards
Kit

THE WHITE HOUSE
WASHINGTON

9/23/96
cc: w/innaming:
Bob Nash

(photo taken care of)

Did ~~signature~~ (should
actually ~~sign~~ on

maureen Lew is
copied

September 21, 1996

John E. Barnes
164 Pebble Beach Road
Little Rock, Arkansas 72212

Dear John:

Thanks for your letter of September 12 and for your kind words about Chelsea. As you well know, Hillary and I are so proud of her. She continues to be the joy of our life, and we're trying to be good parents to her while giving her as normal a life as possible. I can only hope she is able to stay as centered and strong as she goes through the rest of her life with all its challenges and disappointments and dreams.

Thanks, too, for letting me know of your strong support for Martha Helen Smith's appointment to the Health Care Advisory Commission for Consumer Protection and Quality. I'll keep it in mind as we move to put together the commission.

Say hello to Christy and Megan for me -- I know what a proud father you are, too.

Sincerely,

BW

JOHN E. BARNES
164 Pebble Beach Rd.
Little Rock, Arkansas 72212

*Maureen
Reply
Ask Hilary
do
probs*

September 12, 1996

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

Dear Bill:

From one father of daughters to another, I believe your greatest accomplishment may be the wonderful daughter you and Hillary are raising. I watched with admiration how Chelsea conducted herself in the limelight she was receiving at the Democratic National Convention, and couldn't get over how fast she is becoming an adult. You have a wonderful daughter, and should be proud, but I'm not telling you anything you don't already know. On the day she was born, I learned of the news while meeting with Jim Alexander at AIDC. We were working on an industrial development project for Heber Springs. Every time I visit my sister, Lisa Olmstead, at her florist there, I see the picture of Hillary holding Chelsea in her arms. I believe it was the one you mailed with the announcement of her birth.

Yesterday, I read with interest the front-page article in *The Wall Street Journal* regarding Chelsea taking a public interest in your work. That's great. I just hope the press will respect and understand that she is a young person, and is not necessarily a public person as you and Hillary are.

Just to bring you up to date, Christy is now 19, and is a sophomore at the University of Central Arkansas. She is studying business. Christy has registered to vote and is excited about casting her first Presidential vote for you. You may remember, she flew back from D.C. with you some nine years ago. I was attending a national arts meeting, and had to stay over. Megan, my 14-year-old, this fall entered the 9th grade at Heber Springs. Making straight A's during middle school, she is in a three-way tie for first place in her class.

All I want for both of them is equal opportunity to accomplish the goals they have for themselves. I applaud you for your continued efforts in this area.

On another note, in a recent speech you announced the creation of the National Commission on Health Policy. I would like for you to consider Martha Helen Smith of Lexington, Ky. She is chairman of the board of trustees for Appalachian Regional Healthcare, a group of 11 hospitals and related medical facilities in the three states of

Kentucky, Virginia and West Virginia. She is very bright and gives her all to any project she undertakes. You may know her husband, Albert P. "Al" Smith, who is a well-known Kentucky journalist and was the federal co-chairman for the Appalachia Regional Commission during the Carter Administration. I also understand that several prominent Kentucky Democrats will be contacting your office on her behalf.

Before moving to Heber Springs to publish the *Arkansas Sun*, I worked for three years with Al. He was my mentor. He taught me much about the true role of a newspaperman in a small town. Whatever I have been able to accomplish for the public good in Heber Springs and in Arkansas, he is due part of the credit. I have a lot of regard for both Martha Helen and Al, and I know she would make a valuable member to your proposed commission.

I spoke with Nancy Hernreich about this appointment, and she advised me to send the supporting documentation to Bob Nash which I am in the process of doing. I know you will give this every consideration. Thanks.

Finally, I have a dear friend in Hernando, Miss. by the name of Marilyn Aaron. Her father was one of the founders of the Fred's Dollar Stores. Her whole family is Republican, and though she tends to lean that way, she is a great fan of yours and has pledged to me that she will vote for you. Would you sign a picture and send it to her. She would greatly appreciate it. Her address: 101 Cooke Cove, Hernando, MS. 38632.

Two political things -- your idea about a tax credit for the first two years of college is great, and keep talking about reducing the deficit and how it can affect the average person if interest rates go up. People can relate to higher house payments, car payments, and credit card payments. By the way, at Pulaski Technical College, our enrollment is up 25% from where it was a year ago.

Your friend,

A handwritten signature in black ink, consisting of a stylized, cursive 'J' followed by a horizontal line extending to the right.

JOHN E. BARNES
Vice President - Financial Consultant
Ph. 800-879-0089 or 501-221-6352
Fax 501-221-6160

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

FAX COVER SHEET

DATE: 9/12/96

ATTN: Nancy Herweich FAX # (202) 456-6610

TOTAL # OF PAGES INCLUDING THIS PAGE: 3

Message:

Nancy, Thanks for taking my call yesterday. Hope all is well with you. Would you please pass the following letter to the PRESIDENT. Thanks


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

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

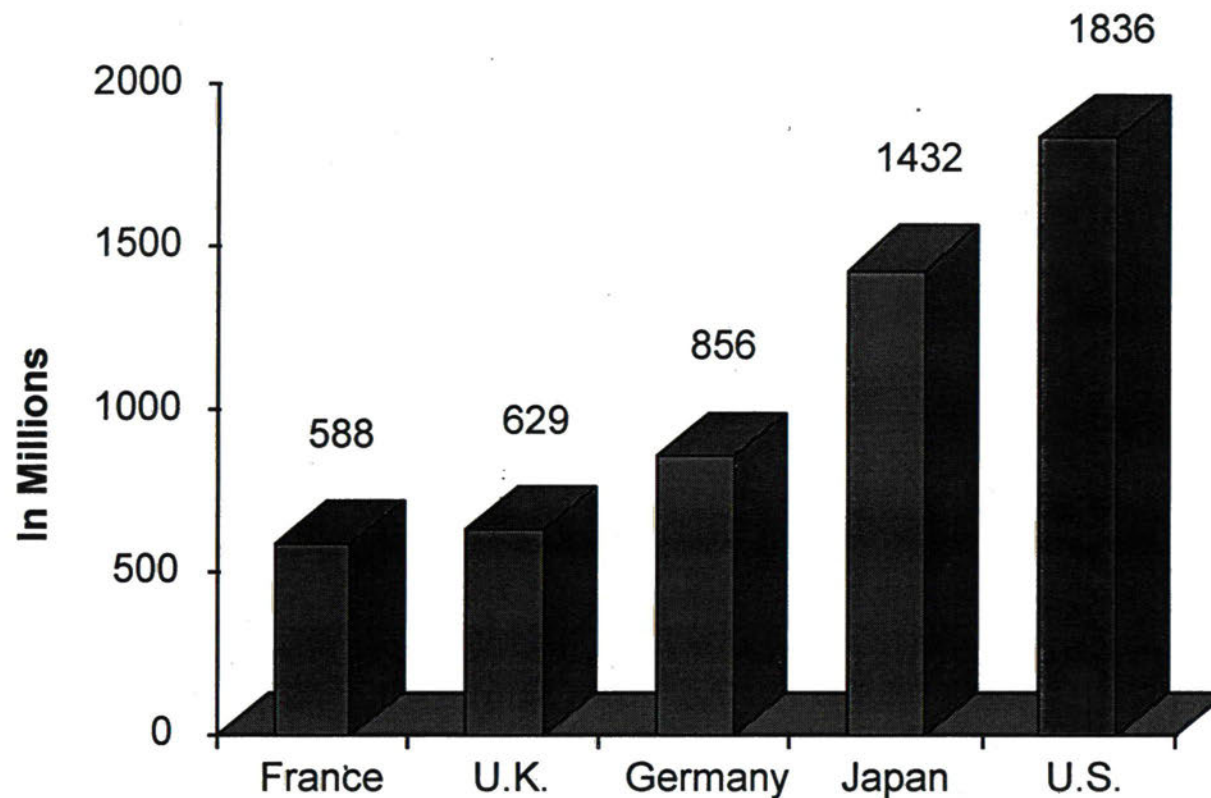
9/23/96

~~Ballistics~~

To ~~Ballistics~~ Beer/Wedding
Fyl- B

THE PRESIDENT HAS SEEN
9/23/96

Contributions to the United Nations' System (1995)

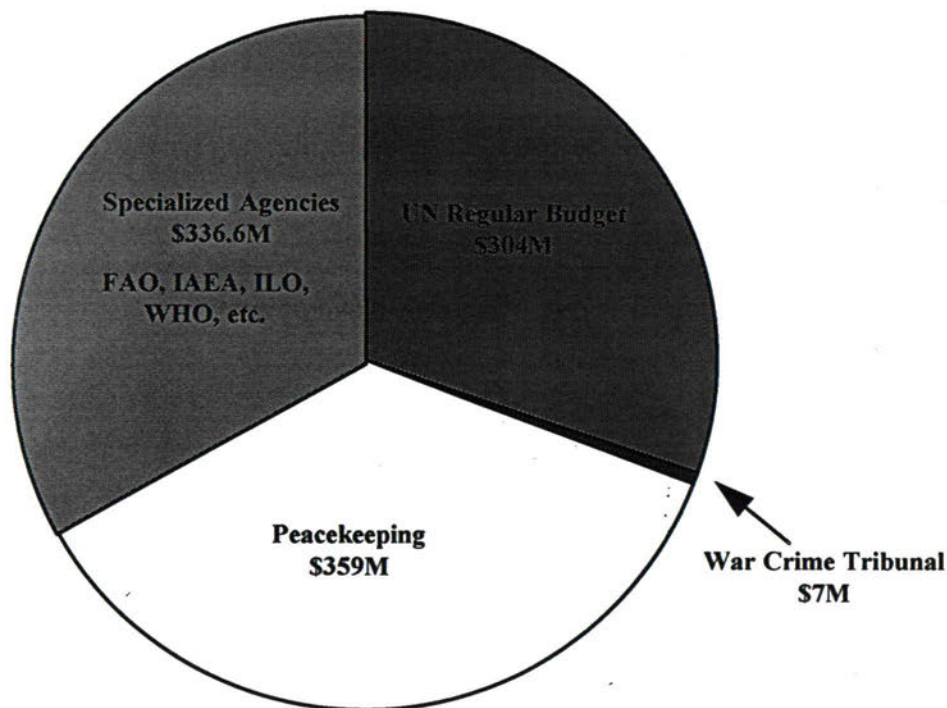


As it has been for 50 years, the United States remains the largest financial contributor to the United Nations' System.

U.S. Contributions to the UN in 1996

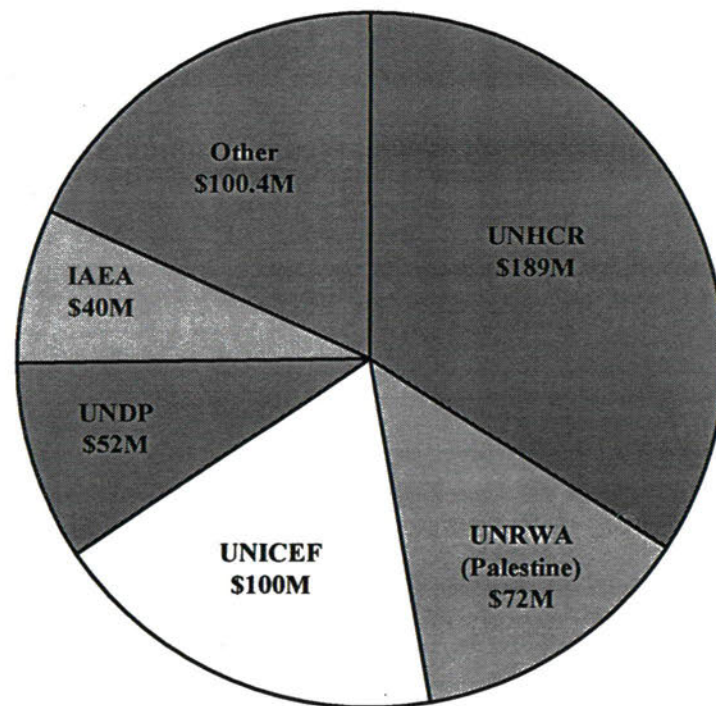
Total Contributions = \$1,559M

Assessed Contributions to the UN System



Total Assessed Contributions = \$1,006M

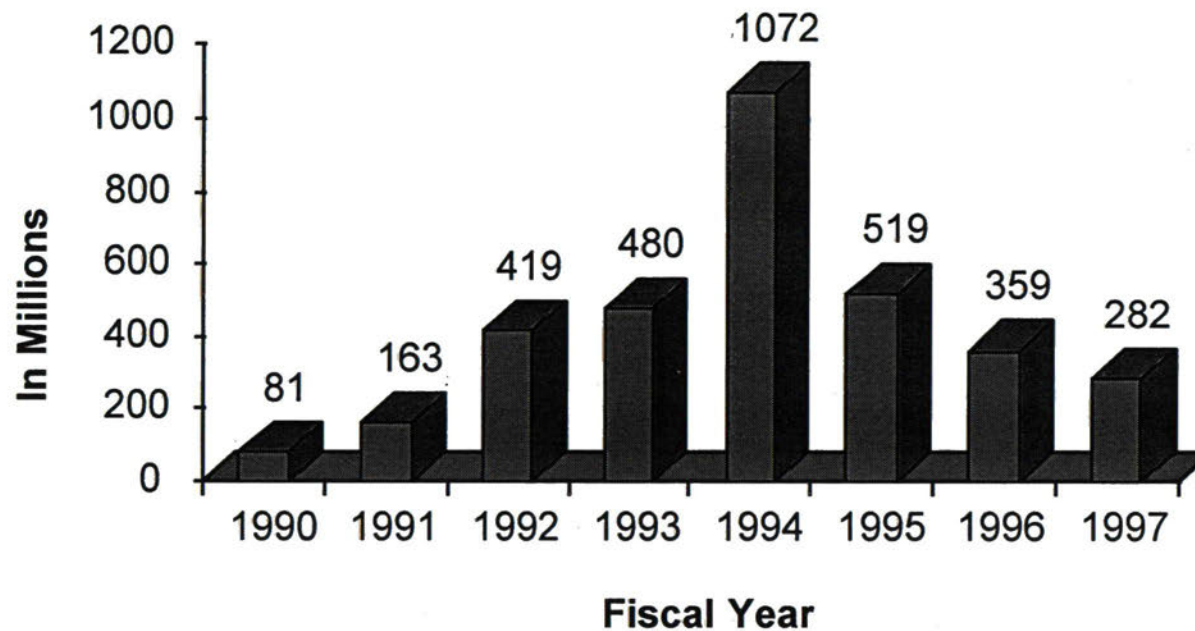
**Voluntary Contributions to the UN System
(as of June 3, 1996)**



Total Voluntary Contributions = \$553M

The United States has contributed more than \$1.5 billion to the United Nations and its affiliated agencies in 1996 -- \$1 billion in assessed contributions and \$553 million in voluntary contributions.

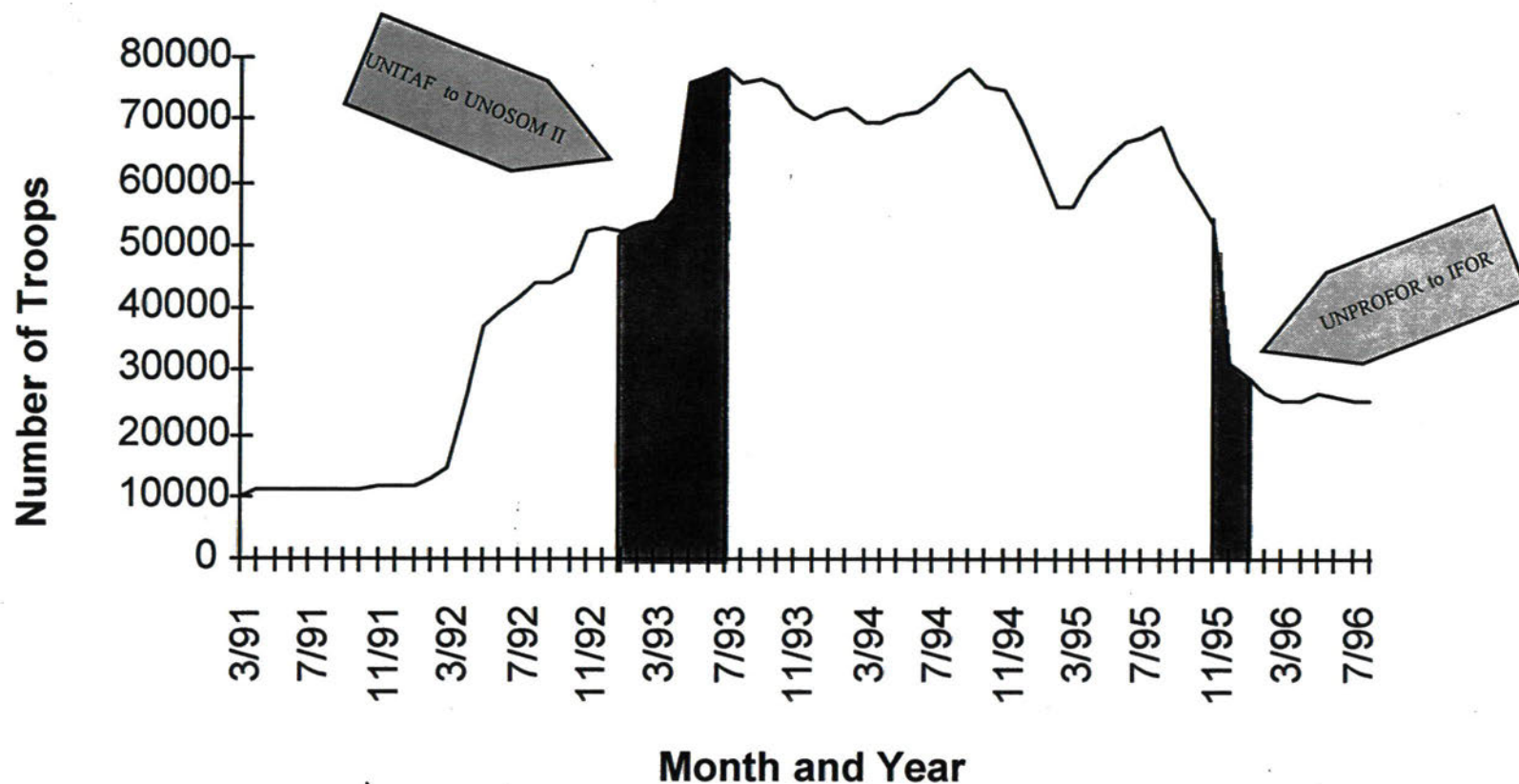
U.S. Payments for UN Peacekeeping -- The CIPA Account (Constant 1996 \$)



With the termination of missions such as UNPROFOR, U.S. payments for UN Peacekeeping have stabilized at levels that the State Department's budget can sustain, making it possible for us to pay down our arrears.

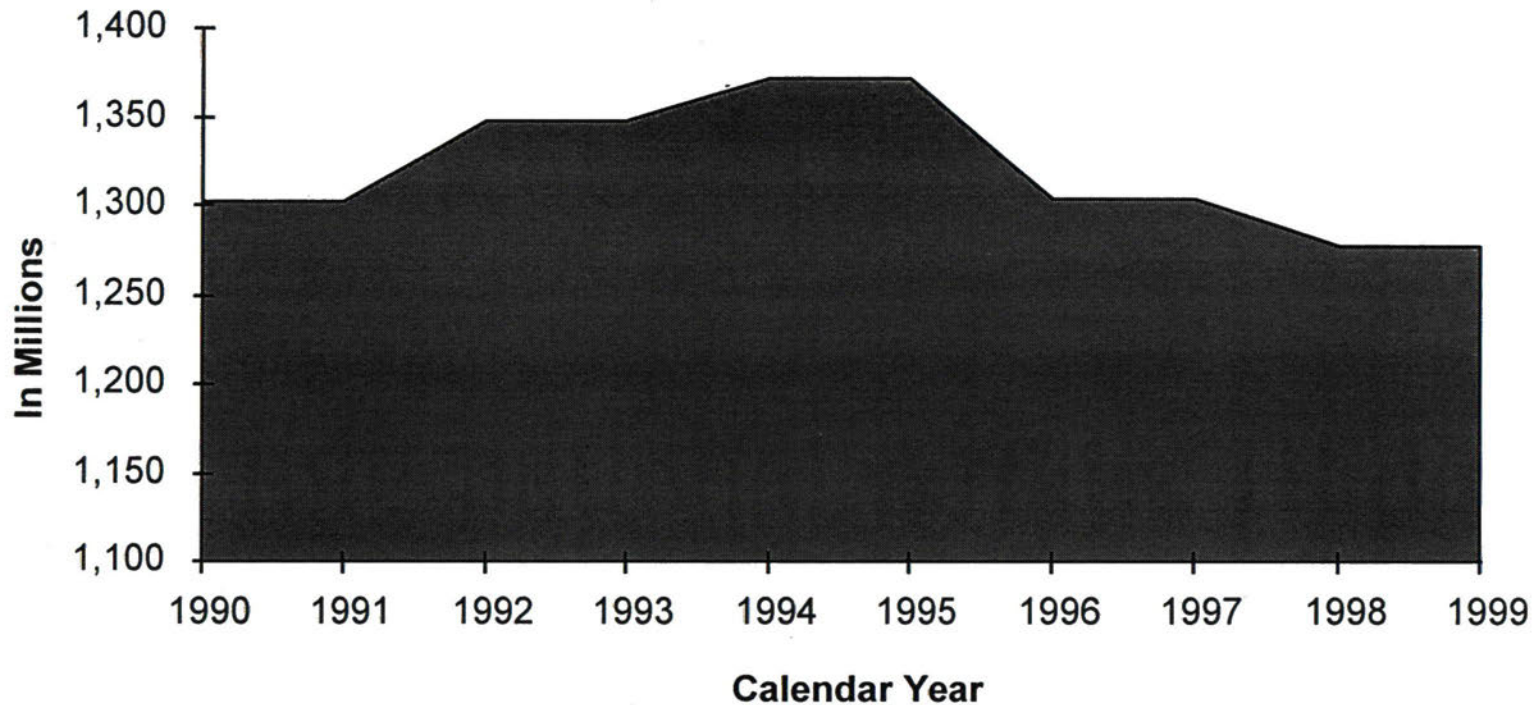
UN Peacekeeping Forces in the Field

March 1991 - August 1996



Peacekeeping operations grew rapidly at the end of the Cold War. In 1992 alone, the number of UN peacekeeping troops quintupled, and they would eventually peak at 78,000 in mid-1993. With the closure of operations such as UNPROFOR, the number of troops has fallen below 26,000.

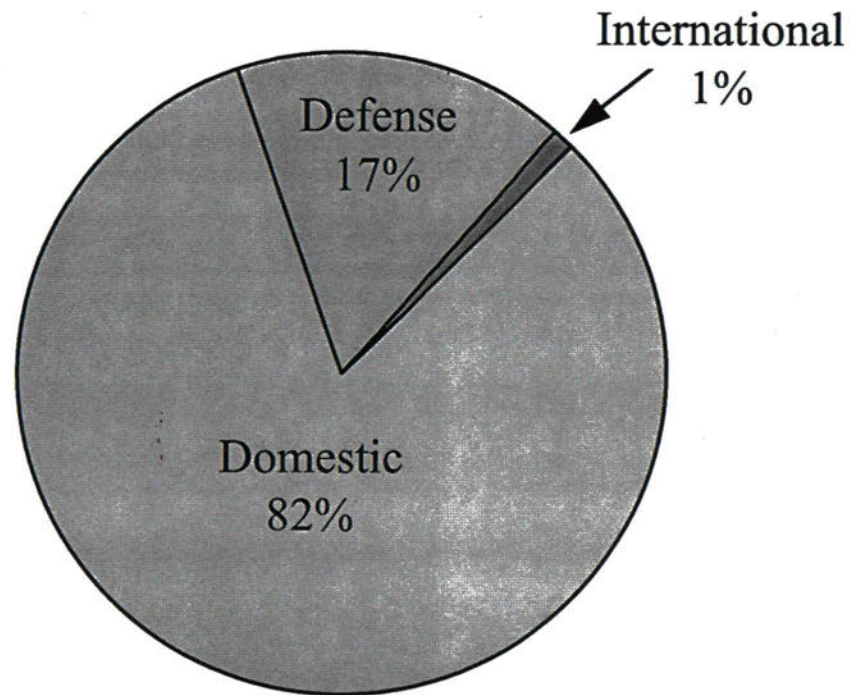
UN Regular Budget



Under pressure from the United States, the United Nations adopted a no-growth budget for its 1996-1997 budget cycle, and it's likely to do so again for its 1998-1999 budget cycle. Once the effects of inflation are factored in, the United Nations is projected to see its budget fall at least 8% in real terms between 1995 and 1999.

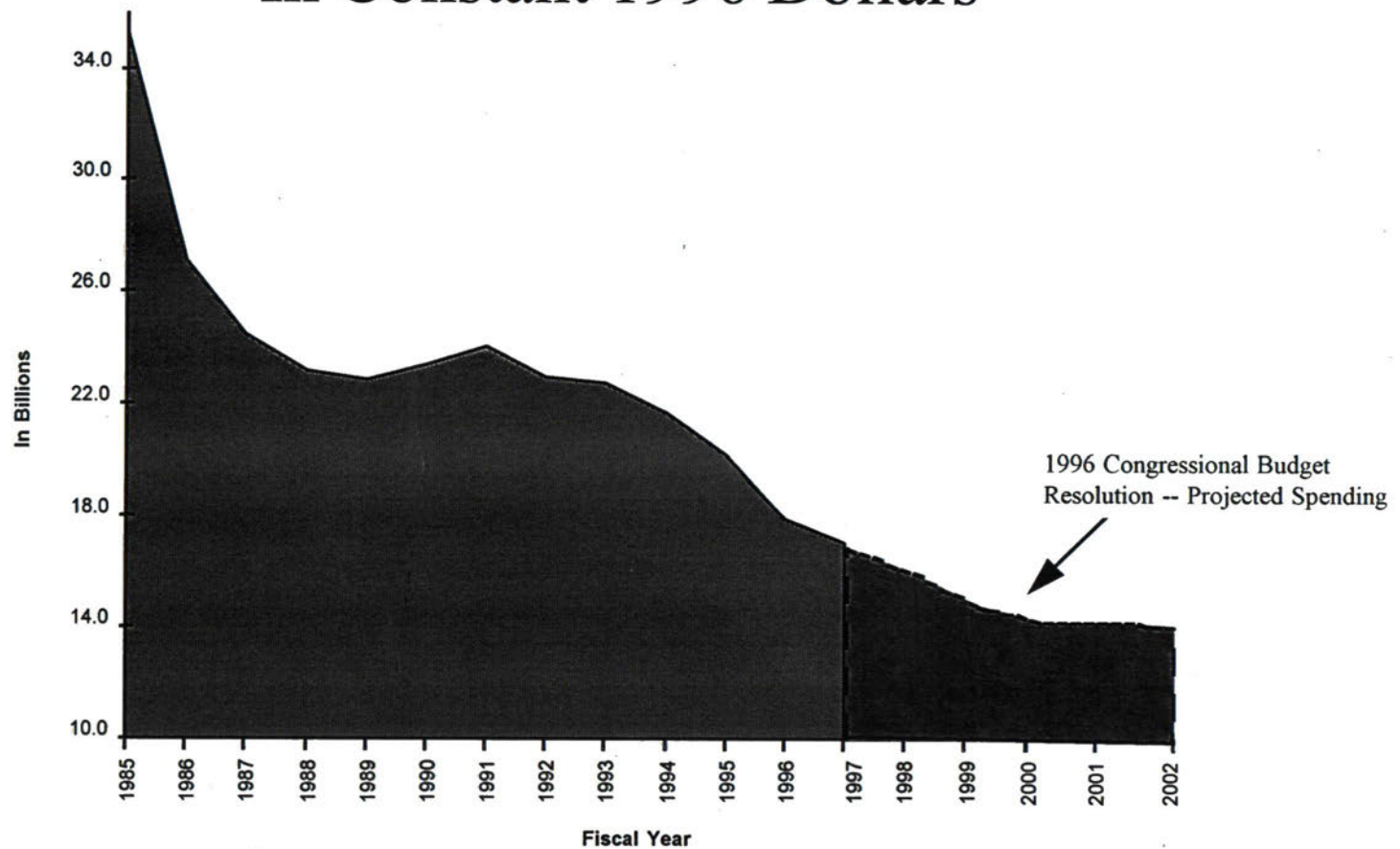
The International Affairs Budget
and the
United Nations

Total U.S. Government Funding By Major Category -- FY 1996



Spending on international affairs constitutes roughly 1 percent of all spending by the federal government.

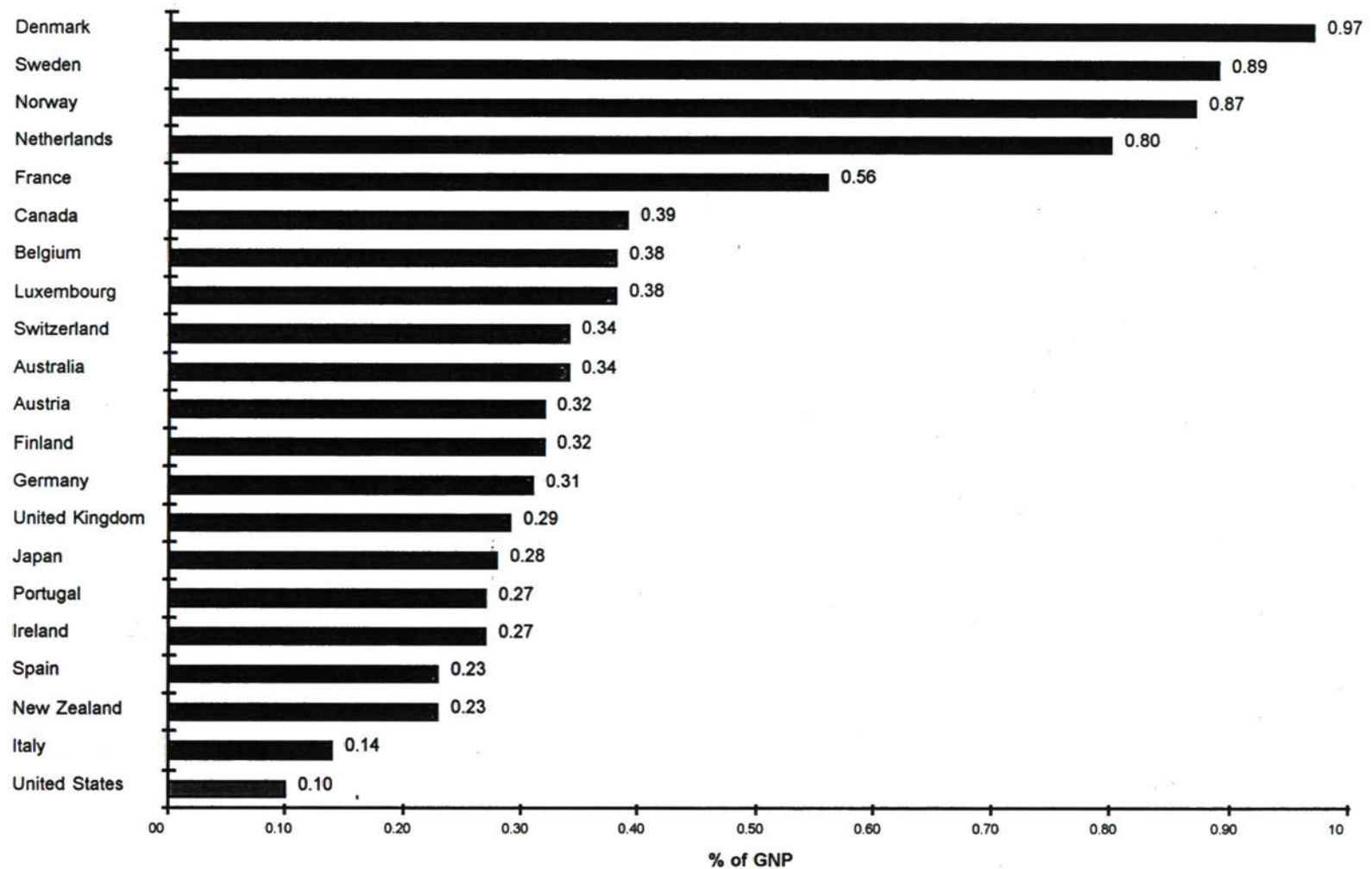
International Affairs Spending In Constant 1996 Dollars



Funding for international financial programs not included

*Spending for international affairs fell by nearly 50 percent in real terms between FY 1985 and FY 1996.
Congress proposes to cut international affairs spending another 23 percent by FY 2002.*

Comparing Foreign Aid



The United States ranks last among major industrialized countries when foreign aid is taken as a percentage of gross national product.

U.S. Assessments Due to UN (& Other IOs) in 1996¹

	1996 Assessment	1996 Payment	Shortfall	Cumulative Shortfall
Regular Budget (CIO)	\$923	\$892	\$31	\$247
Peacekeeping (CIPA)	\$380 ²	\$359	\$21	\$764
Total	\$1,303M	\$1,251M	\$52M	\$1,011M

¹ Excludes monies withheld for policy reasons and assumes that all FY 1996 appropriations are disbursed.

² Estimate -- not all FY 1996 peacekeeping bills have been compiled.

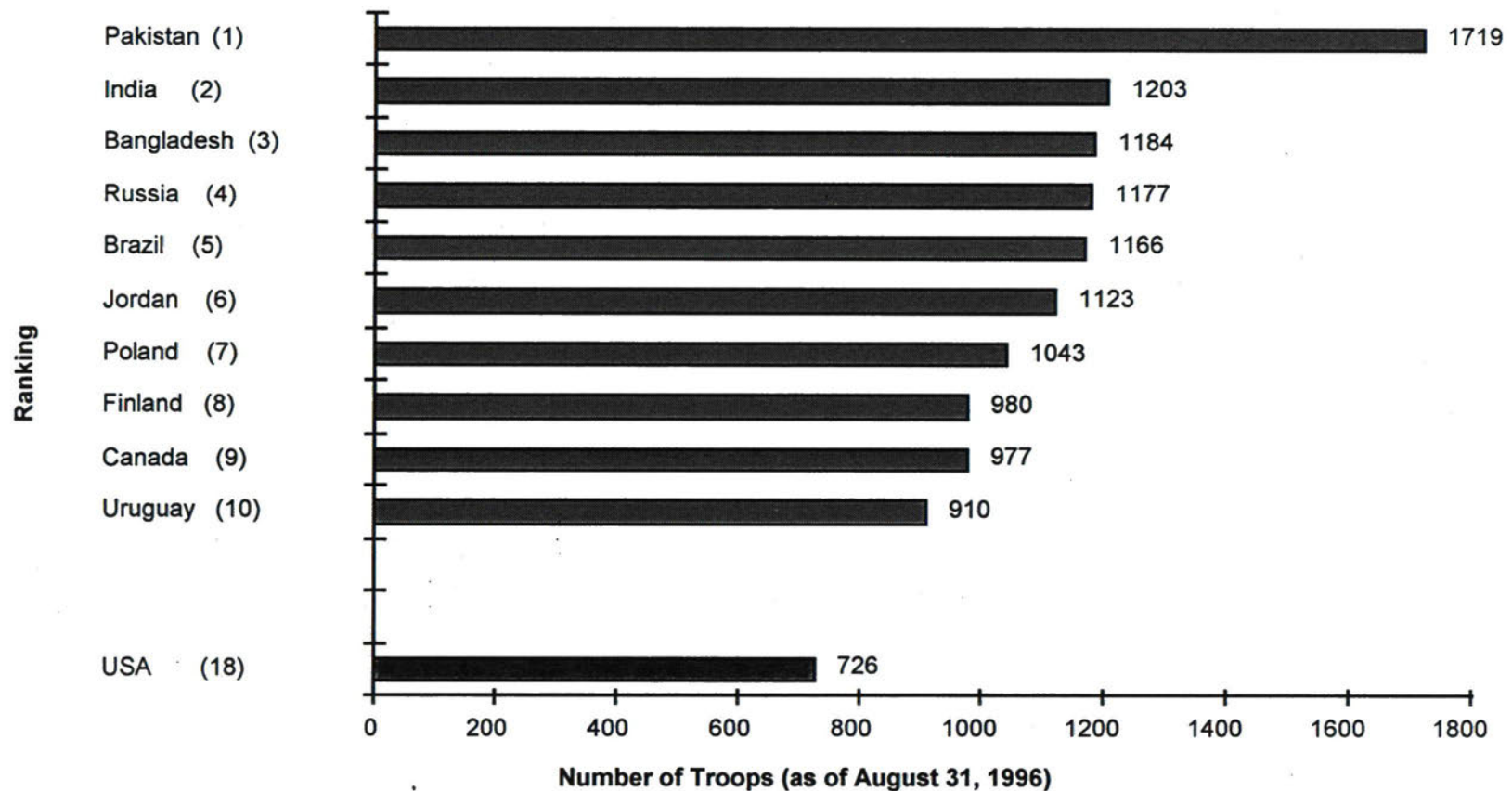
The United States paid 96 percent of its UN-assessed dues in 1996.

U.S. Assessments to UN (& Other IOs) in 1997

	1997 Assessment	Potential 1997 Payment (Senate Mark)	Potential Shortfall (Senate Mark)	Potential Cumulative Shortfall (Senate Mark)
Regular Budget (CIO)	\$1,045	\$550	\$495	\$742
Peacekeeping (CIPA)	\$425	\$282	\$143	\$907
Total	\$1,470M	\$832M	\$638M	\$1,649M

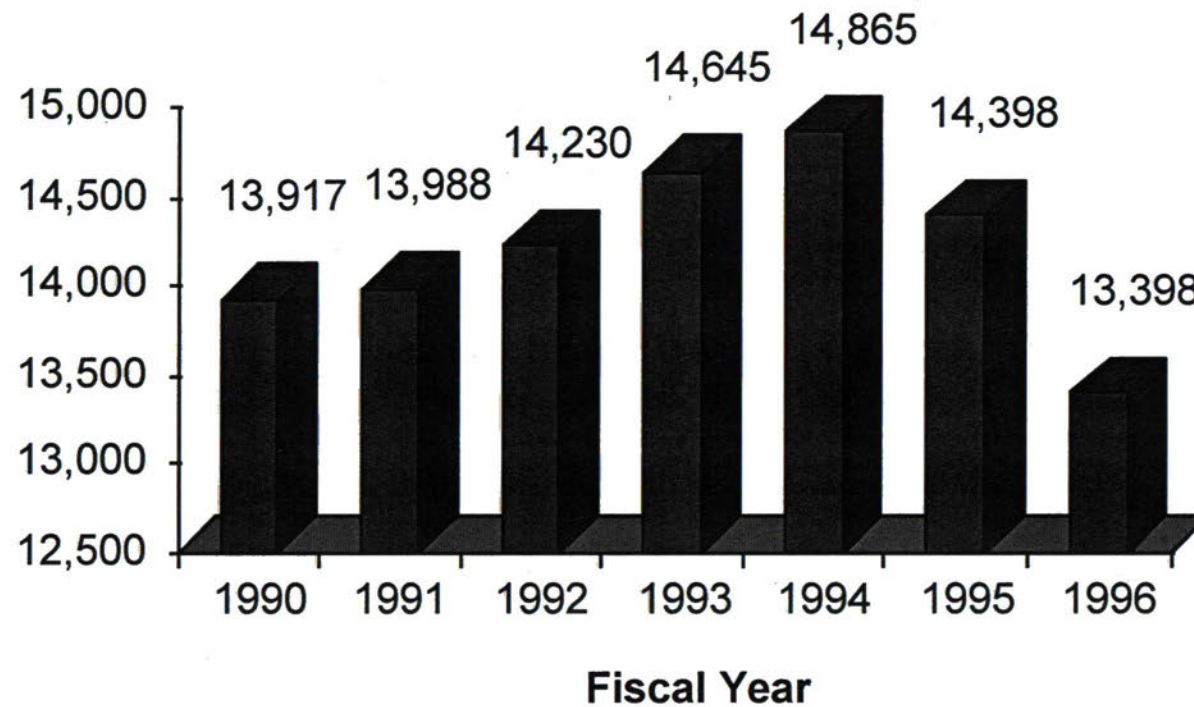
U.S. arrears to the UN will jump by more than 50 percent if the Senate marks for CIO and CIPA prevail.

Troop Contributions to UN Peacekeeping Operations



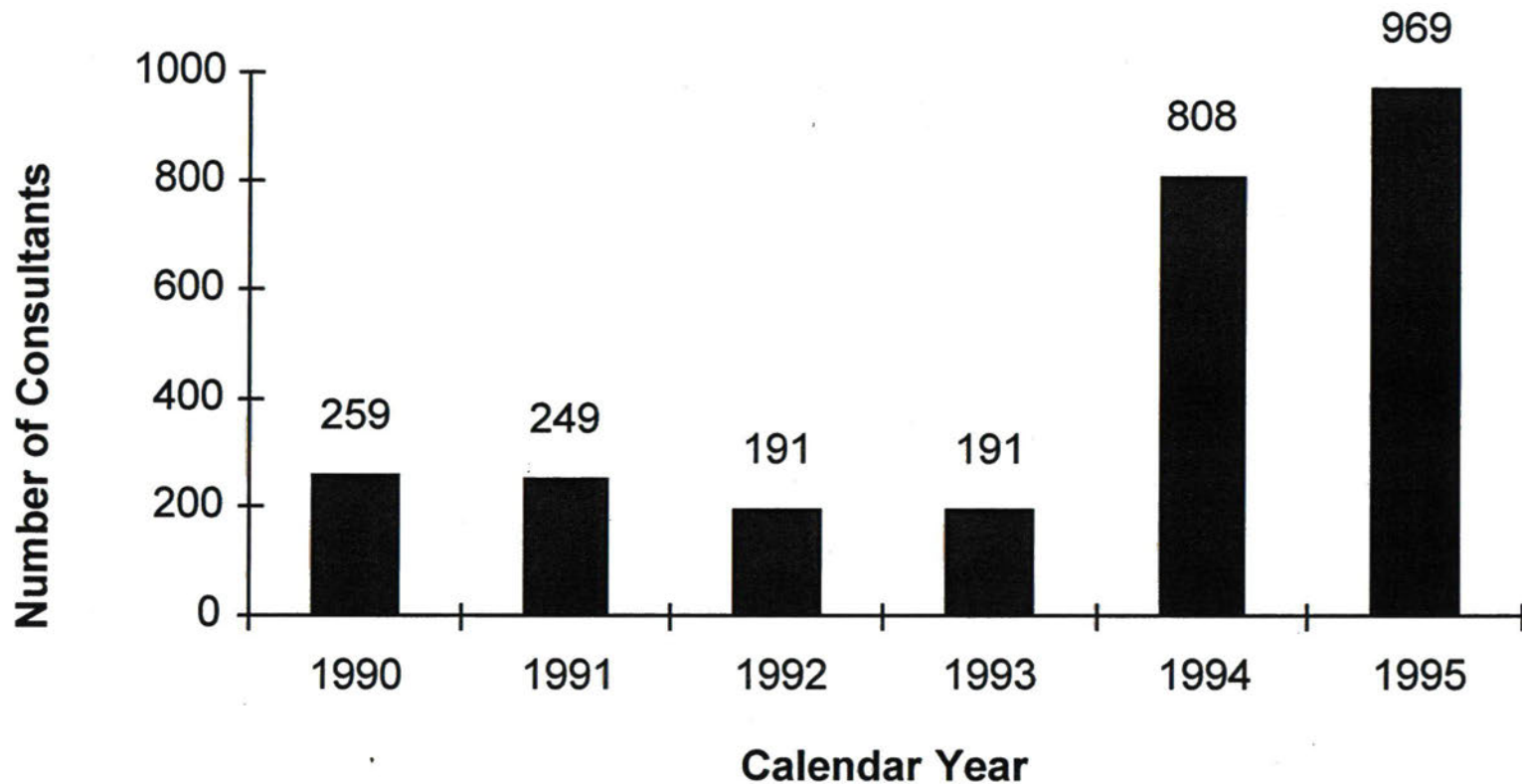
Since 1992, the U.S. has participated in UN peacekeeping operations at modest levels. The bulk of the U.S. troop contribution -- 500 soldiers in all -- is stationed in Macedonia as part of UNPREDEP. South Asian countries are typically the largest contributors to UN peacekeeping operations.

Staff at the UN Secretariat



U.S. pressure for reform has produced some staff cuts at the UN Secretariat.

Number of Short-Term Consultants Employed by the UN Secretariat



As the U.S. has pushed for cuts in the regular staff of the UN Secretariat, the UN Secretariat has begun to employ more short-term consultants.

1148-22nd
Fort. Myer, Washington 9863

9/23

Jack Quinn:
- please call him

Jim Dorskind:
- please coordinate
reply.

Let's see:
Morton & Parrot
Somewhere in W.H.
should call him
+ (newly)
Dreyfus

TES

THE PRESENT HAS SEEN
9/23/46

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19th September 1996

The President of the United States
Mr William Clinton
Washington D.C.

THE PRESIDENT HAS SEEN
9/23/96

Dear Sir:

I Wish to thank you for coming to our small community,
Longview, Washington. It was great to see the First
family and Our Vice President and his wife.

I wish to ask you to allow me to meet with your advisor
on Pre trail release in Washington. I feel that the tax
funded release of criminal should come to a halt. We
are spending Millions to release criminals from jail at
tax payer expense.

I beleive I can help save those dollars and still see that the
criminal justice system runs smoothly and at considerable
less cost to the tax payers.

I have government facts and figure to support my facts
and will travel at my expense to meet with whom ever you
would have me meet with to inform them and you of these
facts.

I am a Bajlbonds men and have been in the private sector
of business for some Twenty Years. I would appreciate
this opportunity to inform your administration of these facts.

Again Mr President, thank you for coming to our community
and as a Democrat ,you know you have my support.

Sincerely

Mr. Holly Bishop



THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
9/23/96

September 19, 1996

MR. PRESIDENT:

Carolyn Staley sent the attached two faxes to you and Nancy thought you might like to see them today. Carolyn has raised several points about education and literacy funding in the appropriations negotiations. OMB (Ken Apfel) has provided the following good news :

- (1) **National Institute for Literacy.** The Administration is fighting for \$5 million -- the full request in your budget -- in our appropriation negotiations with Congress. This is more funding than contained in the House (\$4 million) or Senate (\$4.8 million) proposals.
- (2) **Adult Education Act.** The Administration is also fighting for \$372 million for Adult Education in the negotiations. This is a \$72 million increase over your initial FY 1997 budget request, \$110 million above the Senate proposal, and \$118 million above the House.

Phil Caplan

Phil

(3) What about
letter on 24 fax in
last proposal -- can we
get on it? Need to
let her know on that
let her know on 3/3/97
Thank
BK

FAX**Date** 09/19/96**Number of pages including cover sheet** 1**TO:** The President**FROM:** Carolyn Staley
Nat. Institute for Literacy**Phone****Phone** (202) 632-1526**Fax Phone****Fax Phone** (202) 632-1512**CC:****REMARKS:** ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

Dear Mr. President:

Your Grand Canyon signing was BEAUTIFUL. Missed you last night at a great party for Pryor given by Bumpers and the AR State Society. Most Dem. Senators attended plus many Arkansans. Very touching tributes. Reminded me of the good old days of Statesmanship and Public Service which we grew up thinking this was all about.

→ I have one critical business item, please— an update on the fax message I sent yesterday about the proposed \$2.3 billion increase for education programs in the '97 appropriations bill— a request which could also help you ameliorate the welfare bill debate:

(*) I hope you will signal your support for the \$110 million targeted for adult and family literacy programs in the Lott proposal. It is critically important that this new funding for literacy programs remain in the final bill. Harkin's competing proposal is for \$78 million for Voc Ed. The Lott proposal puts the money into literacy. Action in Congress is likely within the next 48 hours.

America has an adult literacy problem that impacts on the ability of businesses to be competitive, parents to be involved on the education of their children, and citizens to participate fully in their communities. The new welfare reform law has raised the stakes for the nearly two million adults on welfare who do not have a high school diploma. That law allows very few welfare dollars to support educational services while at the same time increasing the need for critical welfare-to-work literacy skills. The proposed funding increase in the Lott proposal will

not only help fill this gap, but also allow thousands of parents to attend family literacy programs and thousands of dislocated workers to improve their literacy skills so they can move back into the workforce.

While there are many important, competing educational programs that could benefit from an increase in funding, we are convinced that this relatively small amount of funds— 4% of the \$2.3 billion— will make a tremendous difference in the lives of adults and children all across this nation. Funds spent on adult literacy are double duty dollars; they help at least two generations of Americans contribute more fully to our society.

I hope you will support the maintenance of this new funding in the final bill.

I hope, too, that you have a wonderful continuation of your western states visit. I saw on the weather this morning that it's supposed to be beautiful out there today and tomorrow.

God Bless You and Keep you Safe and Healthy and Strong in this season.



Carolyn

FAX

Date

96 SEP 19
09/18/98

Number of pages including cover sheet

P2: 2 2

TO: The President

FROM: Carolyn Staley
Nat. Institute for Literacy

Phone

Phone (202) 632-1526

Fax Phone

Fax Phone (202) 632-1512

CC:

REMARKS: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

Dear Mr. President:

Things are looking excellent for you on all fronts. I am sure the decision to deploy troops to Kuwait was tough. I hope you are feeling positive about your life in general right now. Please let me know if I can be of help to you and your family in any way during these busy days.

Please permit me two brief notes— one immediate funding issue, and one policy area in which I am very concerned that you are vulnerable.

I was excited to see that the House and Senate are talking with your staff about putting more resources into education as a result of your efforts to make it a national priority. Because adult literacy is a key component of your literacy policy initiative to have parents helping their children learn to read independently by grade 3, there are two areas where a small amount of additional funding could go a long way:

-The National Institute for Literacy was funded by the House at \$4 million for FY97. This would be almost a 20% cut from our FY96 level. The Senate last week funded the NIFL at \$4.8 million, which is about our current level of appropriations. We are hoping that any final agreement could be either at the level you requested for FY97, \$5 million, or at least the Senate level, \$4.8 million.

-The major federal literacy program, the Adult Education Act, is another area that could really use additional funds for FY97. You requested \$290 million for this program that supplies

critical funds to all 50 states for adult and family literacy services. The House gave the literacy state grants \$250 million and the Senate \$252 million. Funding this program at your request (\$290 million) would return the federal literacy effort to the level it was at when President Bush left office.

I know there are many, many important education priorities that could use additional resources; however, I don't think there is another part of the educational field that tries to do more with less.

Very soon I would like the opportunity to discuss with appropriate members of your staff two key policy gaps that currently exist in your education message:

You have a plan for every child to read by grade 3, and you have announced the initiative for every American to have 2 years of education beyond high school. The gap exists in the middle—those Americans 16 and older who can't benefit from either strategy. 90 million Americans—half of the American population—are in that gap. We conducted a year-long essay/survey process in which these learners told us they need basic skills to be equipped to be the parents, workers and citizens they want to be. You used these same phrases in your book.

The bridge to the 21st century currently has broad gaps for adults with low literacy skills. My staff and I are eager to help you address them.

Happy Grand Canyon!

Will spent a week hiking there
this summer & loved it.

And I got lost on a trail there
at age 13 — left my family
to get a better view & have
my own "space" 😊

Always the independent one...

Yours, Carlyn

THE PRESIDENT HAS SEEN
9-23-96

*H. H. H. / D. S. Smith /
C. B. Smith*

THE WHITE HOUSE
WASHINGTON

September 17, 1996

MR. PRESIDENT:

The attached memo discusses the pending immigration bill. While most of the recent focus has been on the Gallegly amendment, this memo focusses on other aspects of the bill, both strengths and weaknesses. (For example, the bill includes certain provisions that go beyond the welfare bill in limiting the eligibility of legal immigrants for government benefits, but it also includes many provisions we have proposed or supported.)

Although the memo is styled as decisional, you should treat it as an information memo. There is no need for you at this point to answer the hypothetical question it poses -- namely, whether you'd support or oppose the immigration bill in the absence of Gallegly. I've discussed this with Leon, and he agrees that you should treat this memo as informational only.

Todd Stern
Todd Stern

*Update on
Immigration*

*Return to staff
secretary*

96 SEP 17 P12:48

September 16, 1996

9/18/96

- W. J. Clinton

MEMORANDUM FOR THE PRESIDENT

FROM: Carol Rasco *CHR*
John Hilley *JH*
Anthony Lake *AL*
Frank Raines *FR*
Rahm Emanuel *RE*

SUBJECT: Immigration Legislation

The House-Senate conference on the immigration bill (HR 2202) is expected to meet for the first time this week with floor action anticipated prior to the end of the session. This memorandum summarizes major elements of the bill, both those that support our policy objectives and those raising serious concerns. While we have a veto threat on the bill if it contains the Gallegly amendment (barring education for illegal immigrants), that amendment may be dropped. We need your strategic guidance on how to proceed if the bill advances without it, specifically on whether to signal that you would sign or veto the bill in that case.

I. STRENGTHS OF THE BILL

Administration-supported Provisions in HR 2202

The Conference Report contains a number of provisions that the Administration either proposed or supports:

Fixes to the Antiterrorism Bill

H.R. 2202 provides needed improvements to several objectionable provisions in the Antiterrorism and Effective Death Penalty Act (AEDPA). Unless fixed, these AEDPA provisions go into effect in November. The immigration bill, for example, repeals the requirement for mandatory expedited exclusion of all aliens who "enter without inspection" (EWI) and provides the Attorney General with discretionary authority to exercise expedited exclusion.

Border Control and Anti-Smuggling

Supports our border efforts -- increasing border personnel, equipment and technology.

Increases anti-smuggling powers and penalties, including some wiretap and racketeering offense authority.

- Enhances penalties for failure to depart, illegal reentry, and passport and visa fraud.

Removal

- Streamlines removal process -- consolidating exclusion and deportation proceedings.

Worksite Enforcement And Employer Sanctions

- Increases INS personnel for employer sanctions enforcement and visa overstayer investigations.

- Includes voluntary work authorization pilots, though it limits the Attorney General's discretion under current law to design the pilots (see discussion of concerns below).

- Limits the number of documents acceptable to establish an individual's authority to work thereby reducing fraud.

- Significantly increases penalties for a number of immigration law violations including document fraud.

Administration Victories -- Provisions Dropped from Initial Legislation

The administration also won a number of victories in the legislative process. Several provisions to which we objected were deleted or modified as Congress:

- Severed legal immigration provisions which were inconsistent with our pro-family, pro-work, and pro-naturalization principles (with one exception discussed below).

- Dropped changes to the H1-B program that weakened protections for U.S. workers.

- Rejected efforts to include a new guestworker program.

- Rejected efforts to include English-only and to scale back Motor Voter.

II. CONCERNS WITH THE BILL

Our primary concern remains the Gallegly amendment. The present version permits states to deny education to newly enrolling children. Illegal immigrant children already in elementary school would be able to finish elementary school. Those in junior or senior high school would be permitted to finish high school. After that, they would have to pay tuition or be ineligible to complete their education. It is unclear whether this provision will be included in the final Conference report.

The bill also contains a number of other troubling provisions that go even farther than the welfare bill in limiting the eligibility of legal immigrants for government benefits. In light of your public position that the welfare bill went too far and must be fixed, we want to be sure you are aware that this bill would actually move in the opposite direction, even further limiting the eligibility of legal immigrants for federal benefits. Among our concerns:

Restriction on Legal Immigration

In a "backdoor" restriction on legal immigration, the bill requires sponsors to have income above 140% of poverty to sponsor a spouse or child, and 200% of poverty to sponsor other family members. This effectively prevents a quarter of the country from sponsoring their spouses, sons or daughters, and reuniting with their families. Currently, the State Department uses the poverty level as a guideline for making entry determinations, but it is not conclusive.

try to get numbers.
Need to
Exception

Expansion of Welfare Bill Limits on Immigrant Benefits

In welfare reform, all *new* immigrants were banned from Medicaid and other means tested programs for five years and subject to deeming thereafter. This bill requires deeming for immigrants *currently in the country* for less than five years.

In addition, deeming would be extended to other programs including Head Start and JTPA, and for emergency Medicaid (for emergency medical services under \$5000).

The welfare reform bill provides the Administration with some leeway in defining means-tested programs which exclude noncitizens. The immigration bill appears to limit this discretion by defining "means-tested" more broadly than in the welfare bill.

The bill expands the cases in which immigrants are subject to deportation. Current law allows deportation for causes existing prior to entry. The changes permit deportation for using means-tested benefits after entry for a total of 12 months within seven years and bans those using the benefits from naturalizing for seven years. Some immigrants who under the welfare bill would be eligible for benefits (such as veterans) would now be made deportable for using those benefits.

Let's discuss
[Folds]

Environmental Concerns

The Attorney General is authorized to waive the Endangered Species Act and NEPA for border fencing and road construction, raising environmental concerns.

Worksite Standards Enforcement and Employer Sanctions

The legislation fails to include Administration-sought investigation and prosecution tools for the Department of Labor to enforce worksite standards and prosecute sweatshops.

H.R. 2202 undercuts worker protections, particularly for citizens who "look or sound foreign", by raising the burden of proof required for an individual to show that an employer has discriminated.

Present statutory authority to establish work authorization pilots is preferable to H.R. 2202, which limits the Attorney General's existing flexibility to design pilots and requires pilots in five out of the seven states with the most immigrants within one year and mandates federal participation in the pilots.

Exclusion of Terrorist Organization Members

The bill somewhat weakens our ability to exclude members of designated foreign terrorist organizations, by permitting exclusion of such individuals only if they knew or should have known that the organization in question is a terrorist organization.

DISCUSSION

It is very possible that the bill will move forward this week without Gallegly. It will be very helpful in devising our legislative and communications strategy should that occur to make the strategic decision now on whether we would support or oppose the bill without it.

As this memorandum indicates, there are a number of very strong reasons to support the bill. It contains many of the elements, particularly in enforcement and antiterrorism, that your administration has sought. Particularly with Gallegly out, we could make a strong case for signing the bill despite its weaknesses, arguing that even though the bill is not perfect, it still contains vital measures for fighting illegal immigration and is a vast improvement over the bill with which the Republicans started. We could pledge to fix the provisions that we do not support in the effort next year to fix the welfare bill.

On the other hand, there is a case that, in light of the welfare bill, this legislation may go too far in its restrictions on legal immigration and benefits. Many of the constituencies most concerned with your signing of the welfare bill are united in their opposition to this bill as well. They have, however, been unable to rally support in Congress for their position. Without some signal from us (and possibly even with such a signal), the bill, without Gallegly but with these provisions, could still pass with veto-proof margins. If we decide we want to stop the legislation, we will need to send that signal quickly if and when Gallegly is pulled.

DECISION

We would like your guidance as to whether you want to support or oppose the immigration bill if Gallegly is excluded.

_____ Support

_____ Oppose

Nancy - There are good
friends of ours. Bill Manning,
who wrote this letter, lost
both arms in Vietnam. He is
running "Vets for C/G" in Tennessee.
I am sending a courtesy copy to
Secy Togo West, but recommend
~~that~~ EOP send over formally. Thanks
Hershel

9/20/96

Phil from Nancy H.

Don Skind for reply

✓ yes ~~no~~

Jim -
to agency
inison to
resolve
situation
per

5

Withdrawal/Redaction Sheet

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001. letter	W.D. Manning Jr. to POTUS (3 pages)	09/09/1996	b(6)
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Todd Stern
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2019-0774-S

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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

4640 Admiralty Way, Suite 810 Marina del Rey, CA 90292
Phone/310.821.2110
Fax/310.827.1168

96 SEP 20 P4:25


**AMERICAN
CYBERCAST**

Fax

To: Ms. Nancy Hernreich**From:** William Royce**Fax:** 202/456-~~6703~~ 6703**Pages:** 4**Phone:****Date:** September 18, 1996**Re:** Internet**CC:**

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

● **Comments:** Please see attached letter. If you have any questions, please feel free to contact me at 310/821-2110.

9-20-96

Phil -

From Nancy H.

Is Doukind for Reply?
— Yes — No

Nancy Hernreich
The White House
Washington D.C. 20500
FAX #: 202-456-6703

AMERICAN CYBERCAST

The Digital Entertainment Network

Dear Nancy,

My friend, Alexandra di Portanova, suggested I send you a copy of my letter to The President.

It is an appeal for him to make a ground-breaking appearance on the Internet similar to the way he broke new ground four years ago when he appeared on "The Arsenio Hall Show" (where I was then working as a segment producer and talent executive.)

Any help you could give in this matter would be greatly appreciated.

Respectfully,



William Royce
Executive In Charge
of Talent

4640 Admiralty Way

Suite 900

Marina del Rey

CA 90292

phone/310.821.2110

fax/310.827.1168

email/amer@amc.com

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

AMERICAN CYBERCAST

The Digital Entertainment Network

September 18, 1996

Dear Mr. President,

I was fortunate enough to be a talent executive and segment producer with "The Arsenio Hall Show" when you made your historic appearance on that program.

I will never forget meeting you and the impact you had on our audience, both in the studio and at home watching. For a (then) candidate for the President of the United States to take the time to show up at a venue that appealed directly to the youth of America showed how important the thoughts and wishes of young people are to you.

Which brings me to the point of this letter. I am now the Executive In Charge of Talent for American Cybercast, a multi-media company which creates and distributes original programming for the Internet. I'm sure I don't have to tell you about the ever-growing influence of this domain or the young demographic to which it appeals.

I'm writing you now with an idea that I believe could have the same impact with the same audience your appearance on Arsenio created. American Cybercast has already broken new ground by bringing the first ever episodic drama, The Spot, to the Internet. This success story has spawned, at last count, 62 imitations on the net.

On October 14th, our company will launch its own homepage or homesite called "The Gateway." This will not only provide an easy pathway to internet users to The Spot and other programs American Cybercast has created, it will also provide a venue where newsmakers and personalities will have a chance to say whatever is on their mind.

The launch of "The Gateway" will be backed by a full multi-media campaign. The theme of our advertising: "This time the revolution will NOT be televised."

I would like to invite you to be the very first guest on "The Gateway." There is no doubt that the youth of America in 1996 are totally plugged into "the net." By appearing on "The Gateway" you could reach that audience in a dramatic way just as you so swiftly and so amazingly reached the youth of America on Arsenio four years ago.

4640 Admiralty Way

Suite 900

Marina del Rey

CA 90292

phone/310.821.2110

fax/310.827.1168

email/amc@amc.com

Page 2

AMERICAN CYBERCAST

The Digital Entertainment Network

A recent Nielsen Media Research Survey revealed that almost a quarter of those 16 and older in the United States and Canada are plugged into the Internet at some point during each day. If anyone understands how important it is to reach that audience and to involve it in the political landscape, it is you, Mr. President.

If your schedule would not permit an appearance on October 14th, I'm sure our audience would welcome your daughter, Chelsea. I don't know if she has ever "surfed" the Internet but I'm sure we could make it an unforgettable experience for both her and our audience.

I know how valuable your time is so I will not take up any more of it. Like you, I have been very fortunate in the years following your appearance on Arsenio. After Arsenio left the air, I joined "The Tonight Show with Jay Leno" as Co-Producer and last year was lucky enough to win an Emmy for Best Variety or Music Program along with the other producers on Jay's team.

I have now taken the leap into cyberspace because I know this domain represents the future. I now invite you to join me in this exciting new world.

My friend, Alexandra di Portanova, strongly suggested I write you with this idea to break new ground with the youth of America. She said she had no doubt you and your staff will easily see the wisdom of it.

Four years ago, you reached out your hand to young people on Arsenio in a way that has never been forgotten. I would love to be a part of another historic appeal.

I thank you for taking the time to read this letter and consider my request.

Respectfully,



Bill Royce
Executive In Charge
of Talent
1640 Admiralty Way

Suite 900

Marina del Rey

CA 90292

phone/310.821.2110

fax/310.827.1168

email/amy@amer.com

cc: Nancy Herrreich

Cc HRC

THE WHITE HOUSE
WASHINGTON

September 21, 1996

Michael M. Conway
Suite 3700
Three First National Plaza
Chicago, Illinois 60602

Dear Mike:

Thanks for your great letter of September 4.
What a terrific picture of you at the
Convention -- we hope it earned you plenty of
good press.

Keep up the drumbeat. We'll see you again
soon.

Sincerely,

Bill

Thanks for coming
but to see me

MICHAEL M. CONWAY
THREE FIRST NATIONAL PLAZA
SUITE 3700
CHICAGO, ILLINOIS 60602
(312) 558-6742

Michael M. Conway
cc RH

September 4, 1996

President Bill Clinton and Ms. Hillary Rodham Clinton
The White House
1700 Pennsylvania Avenue
Washington, D.C. 20500-2000

Dear Bill and Hillary:

Being sleep deprived from the Convention was blurry fun, but I did manage to sleep 23 hours (in two days) this past weekend. I marvel how you keep the schedule you're on.

My image as a staid, reserved big-firm lawyer will be shattered by the enclosed photograph (to be published tomorrow in the suburban papers). But I remember exactly the moment I let out this primal shout, accompanied by the full-arm extension thrust of my trusty Clinton sign. The speaker had just castigated those making personal attacks on you and this full-throated personal endorsement of the sentiment now will be preserved in the newspaper archives. That's what happens when something really strikes home.

You both looked happy and content on the platform Thursday night. Those of us who were forehead-deep in balloons in the Illinois delegation were distracted by the haunting question whether we could be suffocated by balloons. (From a physics standpoint, not a chance, but which of us is really scientifically-grounded?) The claustrophobic element was underscored when we looked skyward (well, actually ceilingward -- but that is an awkward phrase) to see that the balloons were going to "just keep coming." The delegate seated directly in front of me launched an attack on the balloons that rivaled the battle scene in Braveheart. All of us used the stick end of our pennants to puncture the balloons, but she pulled out a pin and began bursting balloons everywhere including those lying helplessly on the floor. I have heard that Colin Ebeling was in charge of the balloon operation and I swear that when the balloons burst they emitted a faint cry "Voda". I am referring this aspect to the X-Files.

I missed the Sheraton dinner Thursday night, instead succumbing to sitting with Kevin, Jim Lyons and Bill Daley in the bar of the Sheraton. What fun. Of course, Kevin has to psychoanalyze why any specific person came up to speak to him (except for Jim and me, who are regarded as harmless).

In the spirit of reporting events from the periphery of the Convention, I will tell you about the lovely brunch at the Manilows for the DLC. Al From was the guest host. Al was the editor of the Daily Northwestern when Jack and I were freshmen "cub" reporters on the Daily. This is a fact which Al is unlikely ever to forget and, in fact, mentioned on this occasion as well. However, he told how on April 1, 1965, the Daily Northwestern published its April Fool's edition called the **Daley Northwestern**, which substituted a picture of the late Mayor Richard J. Daley for the Northwestern seal in the paper's logo. Al reported that mid-afternoon on April 1, he received a hand-delivered letter in the Daily offices from Mayor Daley expressing his delight with the satire. Al expressed puzzlement how Mayor Daley could have known about the edition, since the Daily Northwestern did not circulate beyond the Evanston campus. In a stage whisper, Bill Daley, who was standing at the side, said, "The printer told him." Not only is this probably true, but it cracked up Al.

On Tuesday this week, I went to lunch at the Union League Club (where I have been a member a long time). The woman maitre d' loudly greeted me by name, but as we walked to the table whispered conspiratorially, "I saw you on TV speaking out for the Clintons; I'm a supporter." I assured her that while most of the club members were Republicans, there were a few right thinkers in her midst and that she was right to feel that way. Hillary, I did reveal in a WGN interview, where I contrasted the wrong-headed attitude of some older men toward you with how you are received by women and "enlightened men", that I was 50. My cover, as a non-AARP-eligible person, is now blown.

Hillary, it was wonderful seeing you and seeing how positively Chicago reacted to you. I am only sorry that I didn't go on with you to Billy Goat's to see you actually eat a hamburger there. Please have a regular medical check-up, as the long-term effects of eating at Billy Goat is not yet documented.

On your next visit, the North Shore would be a great setting for a campaign stop this Fall; it would really mobilize the suburban voters and especially the women so that you can win Republican New Trier Township in '96.

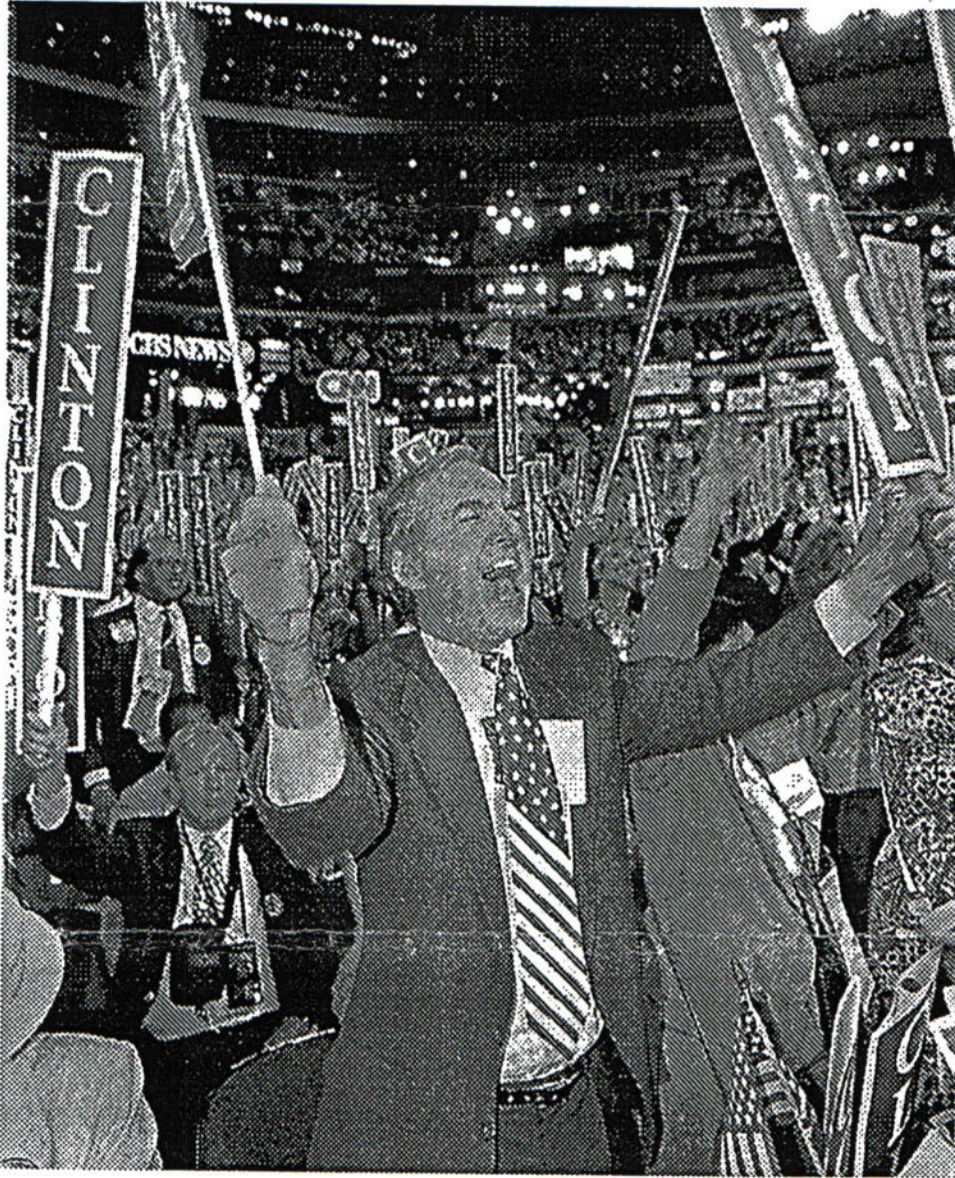
Bill, I heard that you may be coming to Winnetka (the suburb adjoining my hometown of Glencoe) later this month. If so, I hope I can arrange to see you there. cc MS

While the good poll numbers are encouraging, my favorite barometer is the comments from people I meet. You are doing very well on that scale, too. But I am delighted you are working so hard to be sure it stays that way.

Your friend,

Mike

0380DNC905



CHICAGO--8/28/96-- DELEGATE MICHAEL CONWAY OF GLENCOE GETS INTO CONVENTION SPIRIT DURING WEDNESDAY NIGHT'S PROGRAM. STAFF PHOTO BY KURT BUTCHER

9123194

THE WHITE HOUSE
WASHINGTON

96 SEP 19 P5:54

September 19, 1996

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT & ANNE HAWLEY

SUBJECT: SCHEDULING DECISIONS

CC: EVELYN LIEBERMAN

ACCEPT:

Date of Event:

9/23/96

9/24/96

9/25/96

9/26/96

9/26/96

10/1/96 - 10/4/96

10/3/96

October tbd

Description of Event:

Interview With Jim Lehrer of PBS

Comprehensive Test Ban Treaty Signing Ceremony, New York City

Congressional Hispanic Caucus Dinner

Interview With *TV Guide*

Satellite to the Machinists and Aerospace Workers' Convention, Las Vegas, NV

Interview With Dr. Altman of the *New York Times*

Photo With National Association of Police Organizations' *Top Cops*

Attend Fundraiser For Marion Berry, Washington, DC

PENDING:

Date of Event:

9/23/96 - 9/26/96

Description of Event:

Meeting With Bosnian President Izetbegovic

96

WILEY

Ant: Ant

a Lehrer of PBS

10/1/96 - 10/2/96	Meeting With King Hussein of Jordan
10/1/96 - 10/4/96	Welfare Roundtable Discussion With CEOs
	The purpose of this meeting is to discuss the welfare to work challenge you posed to corporate America.
10/1/96 - 10/5/96	Event to Launch the Domestic Violence Awareness Month
10/5/96	National Italian American Dinner
	It is likely that you will be unable to attend this dinner because of the debates. We are looking to have HRC or the VP attend in your place.
10/11/96	Attend the AIDS Memorial Quilt Display on the Mall
	It is likely that the VP and Mrs. Gore will represent you at this event.
10/17/96	Meeting With Lebanese Prime Minister Rafiq Hariri

REGRET:

<u>Date of Event:</u>	<u>Description of Event:</u>
9/10/96 - 9/30/96	Unveiling of the Thomas Jefferson \$2 Notes
9/16/96 - 9/27/96	Event to Commemorate the Arms Control Agency's Anniversary
9/24/96	Speech to the National Working Women's Financial Satellite Forum, St. Louis, MO
	You will be recording a video on 9/23/96 for this group.
9/26/96	Event Honoring Minority Enterprise Development Week
	We are currently trying to find a surrogate for this event.

10/1/96

Address the Annual World Bank and IMF Meeting,
Washington, DC

We are currently trying to find a surrogate for this event.

10/4/96

Address the National Convention of Children's
Hospitals, San Diego, CA

We are currently trying to find a surrogate for this event.

Still couldn't
tell be there
now -

September 1996

* Presidential Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Morning & Afternoon Down Crowd Event, Little Rock, AR. RON Little Rock	2 Labor Day Natl. Baptist Convention Mtg., Ark. Travel to Green Bay, WI Travel to Milwaukee, WI RON WH	3 Statement Speech Prep (45 min) Speech to the National Guard, DC (p.m) RON DC	4 Hold For Family Time (am) Down Until 12:30 pm VP Lunch Hold 1 Hour Rep. Tim Johnson Dinner, DC	5 Event, Tampa, FL. Travel to Miami, FL. DSCC Dinner Miami, FL. RON Orlando, FL	6 Speech to the National Baptist Convention, Orlando, FL Event, Orlando, FL. DNC Lunch Orlando, FL. Speech, Panama City, FL. Tape Radio Address RON WH	7 Day & Evening Off
8 Day & Evening Off	9 Office Day WH Medal of Freedom Ceremony Meeting w/ PM Netanyahu Announcement Meeting w/ PM Bruton (30 min) Meeting w/ the Fraternal Order of Police Hold Evening for Family Time	10 Event, Kansas City, MO. Southern Gov. Assoc., Kansas City, MO. DNC Lunch, Kansas City, MO. DNC Dinner St. Louis, MO. RON Pueblo, CO (T)	11 Message Event, Pueblo, CO Message Event, Phoenix, AZ DNC Dinner Palo Alto RON Fresno, CA	12 Message Event Fresno, CA Message Event San Bernadino, CA DNC Dinner Los Angeles RON AFI	13 Day & Evening Off Tape Radio Address Rosh Hashanah Begins @ Sun Do...	14 Official Travel to North Carolina CBC Dinner DNC Dinner Rosh Hashanah
15 Harkin Fundraiser, Des Moines, IA Harkin Steak Fry, Des Moines, IA RON DC	16 Message Event, Cincinnati, Ohio Interview w/ FOX RON DC	17 Congressional Meeting, DC Message Event, Western Wayne Co., MI Interview w/ AARP Message Event, Chicago, IL (T) DNC / Durbin Dinner, Chicago RON Chicago	18 Message Event, Grand Canyon, AZ Message Event, Seattle, WA. DNC Dinner Seattle, WA RON Seattle, WA	19 Hold For Bus Trip: Tacoma-Portland DNC Dinner Portland, OR. RON Portland, OR.	20 REGO Event, Portland, OR. Fundraiser, Portland, OR. Tape Radio Address South Dakota Travel RON DC	21 Day Off 2 DNC Dinners, DC
22 Day Off DEBATE PREP Yom Kippur Begins @ Sun Down	23 Office Day, DC Hold 9 am - 10 am Interview w/ the Lehrer News Hour Videos / Hold 1 Hour Debate Prep Evening Off Yom Kippur	24 Signing Ceremony, NYC Speech to the UN General Assembly, New York City Pull Asides, NYC New Jersey Travel Hold Evening For Family Time, DC RON DC	25 Message Event, Pittsburgh, PA DNC Dinner, Philadelphia Congressional Hispanic Caucus Dinner, DC RON WH	26 Down Until 11am VP Lunch Congressional Meeting, Cap. Hill Interview w/ TV Guide Debate Prep Satellite, Off Complex DSCC Gala / DNC Dinner (DC)	27 Texas Travel Tape Radio Address DNC Dinner, Houston, TX RON Texas	28 Reid Lunch, Providence, R.I. DNC Dinner, Boston Kerry Dinner, Boston RON DC
29 Hold For Political Travel (T)	30 Day & Evening Off					

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October 1996

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November 1996

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9/23/96

THE WHITE HOUSE

WASHINGTON

96 SEP 16 P3:17

September 16, 1996

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE
CAROL RASCO

SUBJECT:

Golden Venture Detainees

You asked two questions regarding the possible disposition of the Golden Venture detainees (see attached memorandum at Tab. A).

1. How many of the 67 who remain in detention are alleging coercive family practices?

Although the Immigration and Naturalization Service (INS) does not have exact figures, almost all of the remaining detainees -- certainly more than 60 -- have raised asylum claims based on fear of coercive family practices. Their claims were rejected by the INS as lacking credibility.

2. What does fear of "severe mistreatment" mean?

Under the administrative, humanitarian relief program you approved in 1994, Chinese nationals who have suffered severe mistreatment related to coercive family planning practices or who have well-founded fears of return to severe mistreatment are released from detention and protected from deportation.

"Severe mistreatment" includes physical harm, destruction of property, draconian fines and imprisonment.

RECOMMENDATION

That you review the action memorandum at Tab A.

Attachment

Tab A Original memorandum on Golden Venture detainees

cc: Vice President
Chief of Staff

Lake
Quinn
Rascoe
Hilley

PLEASE STAFF

Malley Schwartz

THE WHITE HOUSE

WASHINGTON

September 7, 1996

THE PRESIDENT HAS SEEN

9-9-96

Q: HOW MANY OF
THEM ARE ALLEGING
COERCIVE FAMILY
PRACTICES?

WHAT DOES FEAR
OF "SEVERE
MISTREATMENT"
MEAN?

Goodling on alleging
coercive family practices
What does fear
of severe mistreatment
mean?
BC

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN
SUBJECT: Golden Venture Detainees

Sixty-seven Chinese migrants of the original 282 on the *Golden Venture* remain in detention - 49 are still pursuing *habeas* relief, while 18 have abandoned legal appeals and are awaiting deportation. You recently told Rep. Goodling that you would review options concerning 46 of these migrants being held in York County, Pa. The attached memo discusses five options, but only two -- continued detention and supervised release -- have any support as solutions. Two others -- "soft detention" on a military base or halfway houses -- are discussed, but none of your advisors favor them. Finally, it is agreed that third country resettlement could be pursued in tandem with one of the viable options, but would not solve the problem alone.

Background. U.S. law requires detention of persons caught entering the country illegally. Pursuant to administrative action you took in 1994, *Golden Venture* detainees deemed by INS to have credible claims based on coercive family planning practices were released from detention and protected from deportation. But INS has applied this policy strictly, to maintain deterrence of alien smuggling. Many of the 67 still detained also raised family planning claims, but INS has not deemed them eligible for relief. **The viable options are:**

Continued detention pending resolution of deportation cases -- INS has already rejected their claims; changing their status now could undermine deterrence; it could also encourage the 18 who have dropped their appeals to raise new claims. *DOJ, INS, Coast Guard, Quinn and Hilley favor.* **Supervised release** -- INS would parole to responsible persons who would post bond. Advocacy groups would applaud, but DOJ and INS strongly oppose saying it would result in flight or abduction. Also, since government will likely win the *habeas* cases, more visible controversy will be stirred when we then have to deport people who aren't in detention. On other hand, deterrent effect may have been achieved already by the long detention to date. *Tony and Carol favor, as does George.* **Removal to third countries** -- all favor as a complement to one of the other options, but not enough placements could be found to dispose of whole problem this way.

Secondary issue. If you choose supervised release, issue arises as to whether it would apply to all 67; only the 46 in Goodling's district; or only the 49 pursuing *habeas* release. Those who favor release agree it would have to apply to all 67.

Continued Detention _____ Supervised release _____ Also removal _____ Discuss _____

THE WHITE HOUSE

WASHINGTON

August 23, 1996 96 AUG 23 P4:29

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
JACK QUINN *Sm*
CAROL RASCO *CHR (info)*
JOHN HILLEY *H*

SUBJECT: Golden Venture Detainees

Purpose

To review current Administration policy concerning the detention of Chinese nationals from the *Golden Venture*.

Background

In a recent conversation with Representative Goodling, you suggested that you would review options to address the continued detention of 46 Chinese nationals in York County, Pennsylvania.

The Golden Venture: The 46 detainees in York County were among some 282 Chinese nationals who tried to enter the United States illegally in 1993 aboard the *Golden Venture*. The aliens were placed in exclusion or deportation proceedings, and many have raised asylum claims based on China's coercive family planning practices. They have been held in jail for three years.

A total of 67 *Golden Venture* migrants remain in detention nationwide; of these, eighteen have abandoned their legal appeals and are awaiting deportation while forty-nine have pending *habeas* petitions in federal court. Final resolution of their cases is not expected until the end of the year at the earliest. The geographic breakdown is as follows: 46 are at York County; 16 at Bakersfield (CA); and the rest in New Orleans and Winchester (VA).

Legal background: Under current law, coercive family practices generally are not grounds for asylum. However, pursuant to an administrative, humanitarian relief program you approved in 1994, release from detention and protection from deportation may be provided Chinese nationals who have suffered severe mistreatment related to coercive family planning practices or who have well-founded fears of return to severe mistreatment.

cc: Vice President
Chief of Staff

INS detention policy: While U.S. law mandates the detention of persons who have attempted to enter our country without permission, the Immigration and Naturalization Service (INS) is authorized to parole them where it would be "strictly in the public interest." However, in order to deter future alien smuggling, the Administration strictly applied its detention policy to the Chinese migrants. DOJ, INS and Coast Guard believe this detention policy has discouraged alien smuggling from China.

Appeals from Congress and other groups: Twenty-eight Representatives have written to urge the immediate release of the *Golden Venture* detainees. They include Representatives Goodling, Gilman, Hyde, Smith, Berman and Pelosi. Numerous advocacy groups have made the same request.

ISSUE #1: POSSIBLE COURSES OF ACTION

Option 1: Stay the course -- maintain current detention: DOJ, INS and Coast Guard strongly recommend that we maintain the 67 aliens in detention pending resolution of their cases. They stress that INS has determined all detainees in this group are not eligible for asylum or administrative relief and argue that a change in detention status could undermine our deterrence of alien smuggling. Finally, a change could convince those detainees who have given up their legal appeals and are awaiting deportation to initiate new claims.

Option 2: Soft Detention on a Military Base: The INS has placed small numbers of detainees in "soft custody" on military bases in some circumstances, for example for minors at risk of harm. DoD recommends against this option, pointing to prior instances of violence. To address this issue, the aliens could be moved to a base that is being closed and is unoccupied. However, it is unclear whether the detainees would regard moving to a military base as an improvement given the broad support network they enjoy at York County.

Option 3: Soft Detention in Halfway Houses: Halfway houses have been used to hold aliens on prior occasions. DOJ and INS recommend against this option because of the risk of flight or of abduction by representatives of the smuggling organizations. (This already has happened with children who were placed in soft detention or foster homes.)

Option 4: Supervised Release: The INS can parole the detainees pending final disposition and seek to place them with responsible persons who would post bond. This option would be applauded by advocacy groups and some on the Hill, but DOJ and INS strongly oppose it, arguing that it likely will result in the flight or

abduction of migrants, and it would undermine the government's legal position. Moreover, given the likelihood that the government ultimately will prevail in the 49 *habeas* cases, they believe that trying to remove the migrants after they have been released will create a more visible and controversial issue.

On the other hand, releasing the detainees arguably would not hurt law enforcement objectives because much of the desired deterrent effect may have been achieved by the long detention period. In addition, provisions in the antiterrorism legislation you signed earlier this year should further deter alien smuggling.

Option 5: Removal to Third Countries: An attorney representing some of the detainees has resettled ten of them in Ecuador, and he is willing to continue his efforts. The United States also could *démarche* countries of the region. Prior experience suggests, however, that it will be difficult to find interested third countries, particularly within an acceptable timeframe. Still, this could be pursued together with either of the above options.

ISSUE #2: DETAINEES AFFECTED BY DECISION

Any option other than maintaining the status quo will require deciding who among the *Golden Venture* detainees should benefit from the change in detention status. There are two questions:

1. Whether the decision should affect all *Golden Venture* detainees or only those in York County: The York County detainees are the only ones you discussed with Representative Goodling. However, it would be difficult to distinguish between these and other *Golden Venture* detainees, and some migrants could challenge such a distinction in court.

2. Whether the decision should reach all detainees or only those whose *habeas* proceedings are still underway: Eighteen of the sixty-seven *Golden Venture* detainees have abandoned their legal appeals and are awaiting deportation. Therefore, a decision to transfer or release the detainees could be limited to the forty-nine whose *habeas* petitions remain active. Such a limitation could, however, lead detainees who have abandoned their legal appeals to file new *habeas* actions at any time before actual deportation.

RECOMMENDATION

That all *Golden Venture* detainees be released to responsible persons, subject to reasonable bond and pending final resolution

of the deportation cases. (Mr. Lake's and Ms. Rasco's recommendation, although the DOJ arguments have merit.)

Approve _____

Disapprove _____

That *Golden Venture* detainees remain in detention pending final resolution of the deportation cases. (DOJ, INS and Coast Guard recommendation. Jack Quinn and John Hilley concur in this recommendation.)

Approve _____

Disapprove _____

That third-country resettlement be pursued in the interim. (All agree.)

Approve _____

Disapprove _____

Terrorist-Fighting Sleuths Get Help From 'Taggants'

BY CHRISTOPHER B. COHEN

Sixteen years ago, on May 10, 1979, Nathan Allen left work at Bethlehem Steel Company's Baltimore plant and got in his truck to go home.

As he turned on the ignition, the truck exploded in the parking lot. Allen was killed and his passenger injured. The murderer soon was arrested and convicted due to a new invention for "tagging" explosives.

After the explosion, agents from the U.S. Bureau of Alcohol, Tobacco and Firearms examined the site for evidence. They found microscopic, plastic, color-coded chips called "taggants"—part of an ATF pilot program in 1978 and 1979. The color code lists given to the ATF allowed it to trace the explosive used in the bomb.

In the 16 years since, thousands of bombs have shattered lives of otherwise ordinary Americans with little notoriety. Then came the bombings at the World Trade Center in 1993 and Oklahoma City last month.

Since Allen's killer's 1980 conviction in federal court in Baltimore, and its affirmation by the U.S. Court of Appeals in 1981, the ATF halted its program to catch bomb-making criminals through the use of taggants. These tagging devices are no longer mixed into explosives in the United States.

To aid law enforcement, the colored striped codes in the plastic flakes are changed after each shift at the explosives plant. During manufacturing, they are given magnetic and fluorescent qualities. This means detectives and investigators can more easily find these tiny specks by shining ultraviolet light on debris left at a bombing site.

Investigators can place a magnet inside a small plastic evidence bag turned inside out. When the magnetized particles are drawn to the plastic bag, it is turned outside in with the evidence sealed inside. Bringing a microscope to a truck's tailgate allows investigators to read the code right at the bombing site. They compare it to the code book and immediately contact the manufacturer and retail outlet.

In 16 years, bills have been introduced in Congress to help trace the source of bombings. None passed. Insertion of tagging devices into all manufactured explosives and potassium nitrate is opposed by the Institute of Makers of Explosives, the National Rifle Association and the Fertilizer Institute.

Taggants are the size of pepper flakes. Those who argue against their use say that they would add to the cost of explosives and thus damage the mining and oil exploration businesses that use these commercial products. Others want an exception so taggants will not be placed in gunpowder—a favorite substance for making pipe bombs.

Still others don't want the plastic specks put into fertilizer, which can be combined with fuel oil to produce powerful bombs.

Democratic anti-terrorism legislation has yet to be released but it is likely to require the treasury secretary to study tagging explosives, making fertilizer inert and controls on bomb components.

Chris Cohen served two terms as a Chicago alderman and was regional director of the U.S. Department of Health, Education and Welfare during the Carter Administration. He chairs the government law department at the law firm of Holleb & Coff.



Christopher B. Cohen

Chicago Sun-Times
An Independent Newspaper

Dennis A. Britton
Editor, Executive Vice President

Mark B. Nadler
Executive Editor, Vice President

Julia Wallace
Managing Editor

cc: Supporter File (Stack) Forster
for Kentucky
Nancy Herrlich

THE WHITE HOUSE
WASHINGTON

September 21, 1996

Meghan Johnson
Post Office Box 967
Richmond, Kentucky 40476

Dear Meghan:

Thank you for your nice letter and for your continued support and faith in me. I am very honored to serve as your President and hope that the American people will give me the opportunity to continue our work here. If all goes well in November, I would love for you to be able to join us in Washington for the inaugural festivities. I have asked my staff to be sure that you are invited.

Clearly, you are a very talented young person -- I really like the towel you made for me and was impressed by your computer skills.

Good luck in school. Learn a lot!

Sincerely,

Bill Clinton

Meghan Johnson
Post Office Box 967
Richmond, Kentucky 40476-0967

Aug. 26, 1996

Thank
Reply
Patricia
a supportive fan
for Ky
and
James. file

Dear Mr. President Clinton,

Here is \$4.00 I saved for you to use in the election. I know it's not much, but I am low on money now because I spent some on vacation. I can send some more in a few weeks after I get my allowance. Do you like the sweat towel I made for you? Thanks for your letter. I am having it framed.

Is there any way I could get a ticket to your Inauguration Party? Travis, who is in my class said it would take a miracle and I'd never get one. Then Jason, who throws spitballs at everybody said it would take a miracle for you to be President 2 times! Do you remember how you said you believe in a place called, Hope? Well, so do I and I believe you can be President 2 times. So, after you get elected if there are any left over tickets would you send me one? My pappaw in Florida who's really old will help me to get to Washington. He's even voting for you because I convinced him pretty good that you're the right person for the job. And he is even a Republican! Now, that's a miracle!!

Your best fan,

Meghan Johnson

P.O. Box 967
Richmond, Ky. 40476-0967

P.S. Please tell Mr. Gore that I typed this by myself on my computer, thanks.

10/1/96
2/1/97

*Carol -
I wish I could
see you in
Arkansas*

ITE HOUSE
INGTON

September 21, 1996

Taibi Kahler
Kahler Communications, Inc.
1301 Scott Street
Little Rock, Arkansas 72202

Dear Taibi:

Thanks for your letter of September 13 and for your kind words about our speeches -- I thought they all went well. Also, I appreciate your interest in coming up to Washington and have made Carol Rasco aware of your offer to help improve educational standards.

We missed you in Arkansas, but there will be another time. Best to Shirl.

Sincerely,

Bru

*I would welcome
any advice you want
to send me about the
debate in the next few
days.*



Kahler Communications, Inc.

International Management Communication

The President and First Lady
September 13, 1996

Handwritten notes:
M...
C...
C...
J...
J...

Dear Bill and Hillary,

Shirl and I appreciated the invitation to be included in the group admitted to the lawn of the Old State House and see you again, but I got the card too late. (My fault, as I was out of town on business and hadn't checked my P.O. Box).

I did not watch most of the convention, but I thought both of your speeches were excellent. I believe your addressing the issues of family and education [content] were particularly appropriate and effective. And with shifting your collective processes [Bill: Persister belief words, Workaholic fact words, and Promoter action words; Hillary: Persister beliefs, Workaholic facts, and Reactor feeling words; and Al Gore now doing Rebel humor], you are significantly reaching your audiences. I hope Bob Dole never realizes what an advantage it would be for him to shift his process to address Reactors and Rebels as it would significantly help his cause.

Through dissertations and other research studies the Process Communication Model continues to be proven an extraordinarily useful and effective tool in both education and parenting. We are having great success with the Boys and Girls Clubs of America and with the mentoring programs sponsored by the Hundred Black Men in Atlanta. We will impact lives and help reduce violence. In addition, work in schools in Arizona, Arkansas, Vermont and Maryland shows that PCM can significantly improve student and teacher performance and learning.

Would this be something you or Secretary of Education Richard Riley would like to cite on the campaign trail as a program to improve our educational standards in the coming four years? I am aware that Secretary Riley does not have any background in Process Communication but I would be happy to explain it to him if you wish. If you agree, will you arrange an appointment for me and Joe Pauley, my representative in Washington, D.C.? I know Secretary Riley would not have time to attend a three day seminar, but perhaps one of his senior staff could attend. Alternatively, either Joe or I would be willing to provide a one or two day private tutorial for him.

I look forward to hearing from you and to helping your re-election campaign in any way you believe I can be useful.

With loyalty and respect,

Handwritten signature: Raibi
Handwritten note: P.S. I have had no correspondence for months from Mack Penn, but am available and am continuing to expand my discoveries into campaigns with our psychodemographic polling techniques, speech spinning, and overall image consulting.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
9-23-96
96 SEP 19 A10:30

September 18, 1996

MEMORANDUM TO THE PRESIDENT

From: Carol H. Rasco *CHR*

Subject: Weekly Report for September 7-13, 1996

UPDATES ON KEY INITIATIVES

WELFARE REFORM

State Waivers to Delay Implementation of Immigrant Food Stamp Cuts -- Seventeen states have indicated that they will accept the Department of Agriculture's offer of a waiver to delay recertification for legal immigrants on food stamps, while another nine are leaning toward doing so. We are still investigating whether delays can be fashioned for states like California that do not benefit from the waiver that USDA has extended.

Domestic Violence. My staff is working with HHS, DOJ and the Women's Office to help states fully implement the Family Violence Amendment to the welfare reform law. The Amendment invites states to increase services and add protections in cases of battering or extreme cruelty. It will help ensure that victims of domestic violence have the same opportunities as others to become self-sufficient through work.

AIDS/HIV POLICY

Advisory Council Meeting -- The Presidential Advisory Council on HIV/AIDS met September 8-10 in Bethesda. Members reviewed a draft of the National Strategy on HIV/AIDS prior to broader circulation of the draft to the community. They expressed support for the President's efforts to increase funding for the AIDS Drug Assistance Program and the Housing Opportunities for People with AIDS program in the current appropriations cycle. The Council also expressed a desire to work with the Administration in fixing elements of the welfare reform legislation and stated its concerns that the Defense of Marriage Act will have a negative impact on HIV prevention because of the message it sends to gay people about their self-worth.

Appropriations -- The Senate Appropriations Committee, during its consideration of the Labor-HHS bill, approved the entire \$65 million budget amendment proposed by the President for the AIDS

Drug Assistance Program. It also provided for a consolidated budget for AIDS research, managed through the Office of AIDS Research. These are both important victories. We are still "short" of the President's request in other parts of the Ryan White CARE Act and the CDC's prevention program.

Social Security Disability Claims -- The AIDS Policy office facilitated a discussion between the Social Security Administration and client services representatives from AIDS organizations regarding disability claims by people with AIDS. There is tremendous variation around the country in the handling of disability applications for people with AIDS, who are supposed to receive a presumptive determination if they meet certain criteria. SSA described the situation as "appalling" and has committed to taking steps to retrain field office staff.

WOMEN'S ISSUES

Microenterprise. DPC staff spoke to a group of women business owners about microenterprise opportunities in the welfare reform law. SBA's Office of Women's Business Ownership convened the meeting.

TEEN PREGNANCY

Dr. Foster. DPC staff helped prepare Dr. Foster to testify on teenage pregnancy prevention before the Congressional Black Caucus. Dr. Foster testified Thursday on a panel sponsored by Rep. Eva M. Clayton and Friday on a panel sponsored by Rep. Stokes. Dr. Foster has events scheduled through November and is working closely with my staff and HHS to coordinate his activities.

CRIME AND DRUGS

National Community Policing Number -- Baltimore received approval from the Maryland Utility Commission to use 3-1-1 as a community policing non-emergency number. In the spirit of the President's call for a national community policing number, the COPS Office will award the Baltimore Police Department a grant to assist in the implementation of this program. The new number will be operational October 1st.

ENVIRONMENT AND NATURAL RESOURCES

Air Tanker Legislation: DPC staff have been working to expedite legislation that would make excess DOD airplanes available to suppress wildfires. Senators Bingaman, Craig and Kempthorne introduced the legislation this week. We are making every effort to get passage this year (we hope to proceed without objection). Coincident with this effort, CBS evening news had a story on September 9 highlighting the aging fleet of air tankers, and lauding the dedication of the pilots; in addition the September issue of National Geographic mentions this issue.

Family Right to Know: DPC and other White House staff are working with EPA to refine the President's proposal to provide families with better information about toxics and other hazards. Both legislative and non-legislative options are being considered.

Rural Development Strategy: DPC staff are working with the Department of Agriculture to create a federal rural development strategy. DPC is hosting an interagency discussion of the strategy on Friday, September 20.

GOVERNMENT REFORM

Local Empowerment and Flexibility Act -- DPC, OVP, and your staff met Wednesday with Democrats on this legislation. The bill would now provide for a demonstration program, with 30 sites in six states. Three states would have to have populations below 3.5 million (about half the states would qualify).

✓ The Department of Education's concerns with provisions related to vouchers and IDEA have been fully addressed. Hatfield had planned to offer the legislation as an amendment to Treasury/Postal Appropriations. He had a unanimous consent agreement with Sen. Kennedy (after putting in several changes) and he had added language for Senator Byrd that would protect special projects added by appropriators. The amendment was pulled, however, and we are uncertain when Hatfield will bring up the bill now. We have remained silent, which has irritated Hatfield's staff. Glenn and Levin are now supporting the bill, and they are interested in whether our position has changed.

EXTERNAL ACTIVITIES

MEETINGS AND SPEECHES

Monday & Tuesday, September 9-10, I attended the NGA/NCSL/APWA Conference on Welfare Reform. I delivered the keynote address for the Conference Monday.

Wednesday, Bob Nash, Paul Weinstein and I met with Bob Rapoza of Bob Rapoza Associates and a coalition of organizations advocating for a community development financial institutions initiative for rural areas to be funded by the Fund for Rural America in USDA. This is a most promising proposal and we will be working with the NEC, Kirsten Moy and USDA among others to further explore the matter.

Thursday, I met with Sarah Longaker, Executive Director, and Keith Lee from the Children's Cabinet of Reno, Nevada to follow up on the discussion on the needs of children held with their board when I visited Reno.

I also met with Dr. Robert Bezdek and Dr. Jane Wilhour from the

Texas A&M University at Corpus Christi's Early Childhood Development Center model program. They have built a state of the art facility for children ages 3 through third grade and will incorporate comprehensive family services (including health delivered by the nursing education staff, counseling by the psychology department, and diagnostic work by the special education department), teacher training, middle school one week course opportunities for schools throughout Texas, distance learning and many other innovative programs.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
9-23-96
96 SEP 16 P5:35

September 16, 1996

MEMORANDUM FOR THE PRESIDENT

From: John Hilley *TH*

Subject: Legislative Summary, Weeks of September 2 and September 9, 1996

House of Representatives

Currently, the priority for the House is to complete work on appropriations bills and complete a continuing resolution that will enable them to adjourn for the year. Other important bills the House may consider are: the immigration bill, BIF-SAIF, and an override of the late term abortion bill veto. While the House waits for the Senate to make progress on appropriations matters, the House agenda will be filled by non-controversial bills on the suspension calendar. The leadership has announced plans to adjourn on September 27, rather than October 4, as originally announced.

House of Representatives Floor Action: Highlights

1. **Energy and Water Appropriations Conference Report:** The House passed (383:29) the FY97 Energy and Water Appropriations Act Conference Report. The conference report agreed to by the House provides \$20.4 billion for the Department of Energy and related programs. This amount is \$600 million more than the House-passed bill and \$200 million less than the Presidential request. The Administration supports the legislation, and the President will sign the bill upon receipt.
2. **FY97 VA/HUD Appropriations Act:** The House went to conference on the FY97 VA/HUD Appropriations Act. On September 11th, the President wrote to Speaker Gingrich urging the House to accept three health reform provisions that the Senate added to the bill last week.
 - a. An indication of how close we are to the election was demonstrated in the House passage (392:17) of a Stokes motion to instruct conferees to approve three Senate-passed provisions: setting a 48 hour minimum hospital stay for newborns and new mothers; mandating coverage of veterans' offspring with spina bifida linked to agent orange; and requiring partial parity in mental

health coverage by group health plans. This motion does not bind the conferees.

3. **The Immigration in the National Interest Act of 1996:** The House approved a motion to go to conference on the Immigration in the National Interest Act of 1996. The President threatened on August 2 to veto the bill if the House retains the Gallegly amendment allowing states to bar illegal immigrant children from public schools. It is unclear if that provision will be included in the final conference report. The Dole campaign feels it would be beneficial for Dole if the immigration bill is not enacted in the final days of the 104th Congress. Sen. Simpson and Rep. Lamar Smith have attempted unsuccessfully to convince Dole to relent on maintaining the Gallegly language.

✓ 4. **The United States Armed Forces Protection Act of 1996:** The House passed (299:109 -- 103 Democrats voting against passage) the United States Armed Forces Protection Act of 1996, which the Secretary of Defense and the Attorney General recommend the President veto. The bill would prohibit the President from placing U.S. troops under United Nations command unless the President certifies to Congress that doing so is in the national security interests of the United States. Legislative Affairs is working with the leadership to prevent consideration of this bill in the Senate.

✓ 5. **The Bill Emerson Good Samaritan Food Donation Act:** The House passed by unanimous consent the Bill Emerson Good Samaritan Food Donation Act, clearing the bill for Presidential action. The bill, introduced and sponsored by Rep. Danner and named after the late Rep. Emerson, shields those who donate food for the needy from liability if the food causes harm, except in cases of gross negligence or intentional harm. Chief of Staff Panetta and the Secretary of Agriculture recommend a signing ceremony.

The Week Ahead

The House will reconvene on Tuesday to consider several non-controversial bills under suspension of the rules. Among other bills that may be considered during the week are:

1. **Conference Reports:** The House may consider conference reports for the Transportation Appropriations bill, the Department of Defense Appropriations bill, the VA-HUD Appropriations bill, the Immigration Reform bill, and the Securities Amendments of 1996 if they have been completed.
2. **Financial Institutions Regulatory Relief Act of 1995:** Sponsored by House Banking, Housing and Urban Affairs Committee Chairman Leach, the bill rolls back consumer protection laws that supporters say impose compliance

(92:6) the \$10 billion Military Construction conference report, appropriating overall \$1.1 billion below the FY96 level, including \$0.2 billion less for family housing and \$0.4 billion more for military construction. The President must sign the bill by September 18.

4. **VA/HUD Appropriations:** The Senate passed (95:2) the FY97 VA/HUD Appropriations bill. The measure's \$84.7 billion spending level is \$3 billion below the President's request; however, it does provide \$402.5 million for AmeriCorps. Senators approved three health care reform amendments, all of which the President supported.

- a. The Senate passed (82:15--all Democrats voting for the President's position) a Domenici/Wellstone compromise amendment, which drops all mental health parity provisions except for those relating to lifetime and annual caps. To address the business communities' concerns about costs, this compromise eliminates the parity provisions relating to co-payments, deductibles, and coverage for chemical dependency and substance abuse;
- b. The Senate passed by voice vote an amendment requiring insurance companies to pay for minimum 48-hour hospital stays for new mothers and their babies; and
- c. The Senate passed by voice vote an Administration initiative making the government financially responsible for the health care of children with spina bifida if one of their parents was exposed to Agent Orange during the Vietnam War.

5. **Treasury/Postal Appropriations:** The Senate acted on a number of amendments to the FY97 Treasury/Postal Service Appropriations bill before Sen. Lott removed it from the floor. The Appropriations Committee allocated \$23.5 billion for the measure, \$0.3 billion above the FY96 level. The Administration strongly opposes the sharp reduction in funding (\$6.9 billion) for the IRS, resulting in a level that is \$1.1 billion below the President's request.

- a. The Senate tabled a committee amendment (53:45--10 Democrats voted in favor), thereby continuing the ban on health insurance payments for abortions for federal employees.
- b. The Senate tabled a Kerry/Feinstein amendment (57:42) to fund a study on taggants.
- c. The Senate passed (97:2) a Lautenberg amendment extending the provisions of the Brady handgun control bill to deny individuals convicted of domestic abuse the right to purchase handguns.

6. **Iraq Military Aggression:** The Senate passed (96:1) a non-binding resolution commending U.S. armed forces for their missile strikes against Iraq and condemning the aggression of Saddam Hussein against the Kurds.

7. **Defense Authorization Conference Report:** The Senate passed (73:26) the \$265.8 billion Defense Authorization Conference Report. The measure authorizes \$11.5 billion above the President's request, directed largely towards weapons procurement and military research. The bill would also authorize \$14 million for military preparedness to combat terrorism.

- a. Senators passed by voice vote a Hutchison amendment making it a federal crime to cross state lines to harass or threaten someone.
- b. Legislative Affairs worked to drop several contentious social policy provisions including House-passed amendments that would have required the discharge of service members who tested positive for the AIDS virus and repealed the "don't ask, don't tell" policy toward homosexuals in the military.

9. **Discrimination Against Homosexuals:** The Senate rejected (49:50 -- five Democrats voting against passage) Administration-supported legislation extending federal workplace civil rights laws to homosexuals.

10. **Defense of Marriage Act:** The Senate passed (85:14--all Republicans voting for passage) the Administration-supported Defense of Marriage Act, prohibiting federal recognition of same-sex marriages and allowing states to do the same. The measure would define marriage under federal law as the union of a man and a woman.

The Week Ahead

The Senate will continue to process FY97 appropriations bills:

1. **Interior Appropriations:** Secretaries of the Interior and Agriculture advise a veto of the \$12.7 billion spending bill based on several objectionable language provisions, including a provision delaying the implementation of a new forest management plan and related strategies for the Tongass National Forest.

Because the Labor/HHS/Education Appropriations bill is unlikely to be considered quickly, and may not reach the floor, the Senate Democratic Leadership will offer an amendment to increase education and training funding by \$3.1 billion offset by spectrum fees to the Interior Appropriations bill.

2. **Commerce/State/Justice Appropriations:** Senior advisers

recommend a veto based on substantial cuts in the Legal Services Corporation, the Advanced Technology Program, and in contributions for international organizations. The \$28.8 billion spending measure is nearly \$4 billion below the President's request.

3. Labor/HHS/Education Appropriations: The Appropriations Committee allocated \$65.7 billion in discretionary spending, \$2.5 billion more than FY96, but \$7.8 billion less than the President's request.
4. Treasury/Postal Service Appropriations: If the number of amendments can be pared down, the Senate may resume work on the FY97 Treasury/Postal Service Appropriations bill.
5. Omnibus Appropriations: The White House is beginning discussions with the Republicans over the structure of the Continuing Resolution.

CC: The Vice President
Leon Panetta
Harold Ickes
Evelyn Lieberman

THE WHITE HOUSE
WASHINGTON

96 SEP 21 P4:33

September 20, 1996

MEMORANDUM TO THE CHIEF OF STAFF
FROM RAHM EMANUEL *RE*
SUBJECT WEEKLY REPORT

CRIME/DRUGS: This week we organized the Fraternal Order of Police endorsement and the annual Justice Crime Victims report. The endorsement went well and the Justice report showed a 9% drop in violent crime. Both received extensive coverage and attention.

There is one more police organization that is ready to endorse the President. The International Brotherhood of Police Officers is very strong in the Northeast and I am working with scheduling on where would be best for the event. The IBPO will not receive the same press as the Fraternal Order of Police, but it is worth announcing.

There are three pieces of anti-crime legislation we will be signing shortly: the anti-stalking bill (on Monday), the "Meth" drug legislation and the extension of the Brady Bill.

When Congress adjourns, I want to criticize them for failing to act on our anti-juvenile crime legislation. This should be the focus of our second term crime agenda. The legislation targets at risk and hardened criminal adolescents.

In the appropriations negotiations it is very important to secure the President's drug testing and treatment amendment to Commerce, State, and Justice. This would provide the President with a major anti-drug victory prior to the debate.

On Thursday the Attorney General is holding a meeting with four midwestern US Attorneys to review their coordinated "Meth" enforcement strategy. I am working with Justice to ensure Presidential acknowledgment.

WELFARE: We are approaching the welfare issue all wrong. We must stop communicating our ambivalence about signing the legislation. It is our responsibility now to define the purpose of the legislation and its mission. Our entire communication (eg. DC waiver, immigration portions etc) focuses on our problems with the legislation. The months after the crime bill were not spent complaining about the bill. *→ agree → I want to focus on getting to work that's my focus.*

The Executive Order on Child Support is close to being done. The *four*

Executive Order will deny future government loans to individuals who are delinquent on their child support. We can also fold into the event the report on the progress from our last child support directive.

IMMIGRATION: The main focus this week has been on the legislation. The GOP Congressional leadership are in disarray over the bill. The Senate disagrees with the House, the House delegation from Texas disagrees with the California GOP delegation, and the Congress is at odds with the Dole campaign.

Our strategy has been to stay out of their way and not give them a way out. Before we make any overture to signal our intentions on the over-all legislation we are demanding that they drop Gallegly. Early next week we will learn of their intentions.

By next week INS should have a three year report on our progress in fighting illegal immigration. I have asked for the report as a way to highlight the Administration's success on this issue. If we end up with no illegal immigration legislation, it can also be used as an accomplishment document.

ECONOMY: The Department of Education is working on a report on the direct student lending program. The report can be used to highlight our higher education agenda for the 2nd term.

I followed up on the President's note about the White House conference on the Small Business Report. The report is ready for distribution. I am talking to Don know about organizing a White House event around the publication of the report.

Important



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

THE PRESIDENT HAS SEEN
9-23-96

September 20, 1996

96 SEP 20 P8:53

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

WAW for KAM

*Great week
Thank you
for hard work
PR*

ANTI-ENVIRONMENTAL RIDERS MESSAGE

This week the 17 heads of the major environmental organizations wrote to you thanking you for the Utah monument announcement and stating their priorities for the end of the legislative session.

Their principle desire is that the Administration hold firm in its opposition to "anti-environmental riders" in must-have bills such as the Continuing Resolution and the Omnibus Parks Bill just as it did last year in the negotiations over the Omnibus Appropriations Bill for fiscal year 1996. Sending a very firm and clear environmental message on these bills at this time greatly helps these groups in their efforts to build support for our positions and permits us to claim clear credit once negotiations are over.

OMNIBUS PARKS BILL

On Tuesday evening we received from the Congress a 700-page parks bill containing over 100 provisions with a letter indicating that the conferees were about to file their report and asking for the Administration's views. OMB Director Frank Raines sent a response letter Friday reiterating your earlier statement that we strongly support provisions on the Presidio, Sterling Forest, and Tallgrass Prairie, and urging Congress to enact these measures without adding controversial unrelated provisions. The letter further notes that there are many provisions in the bill that are objectionable, but that a detailed response cannot be made until we have reviewed the language. On the two provisions that the conferees' letter specifically indicated would remain part of the bill -- extension of the Ketchikan Pulp Company (KPC) timber contract in the Tongass National Forest, and opening of the Boundary Waters area to additional motorized vehicles -- we reiterated the relevant Cabinet members' veto recommendations.

It is unclear at this point how the Congress will proceed on this bill, and there are some indications that they may try to add some of these provisions to the Continuing Resolution as well. While there are some items in the bill that we would like to see enacted, there is no

9-23-96

reason to accept any objectionable provisions in return. At this point in the process, we have the greater leverage and should be willing to use it.

TIMBER SETTLEMENT

✓ The Department of Justice announced a settlement with 15 timber companies over the 44 timber sales in Oregon and Washington that must be offered as "replacement timber" under the timber rider. The sales will be offered over the next three years, in full compliance with environmental laws and subject to judicial review. This largely takes care of our implementation of the green sale provisions under the timber rider, although the salvage provisions remain effective through the rest of this calendar year. News of the settlement was generally favorably received. I have attached for your review a copy of the Seattle Post-Intelligencer editorial.

TONGASS NATIONAL FOREST

A much publicized meeting took place this week between Secretary of Agriculture Dan Glickman, Governor Tony Knowles (D-AK), the Chairman of Louisiana Pacific, Senator Frank Murkowski (R-AK) and Congressman Don Young (R-AK) to discuss the fate of the Ketchikan Pulp Contract's long-term contract to harvest timber on the Tongass. Secretary Glickman made clear our continued opposition to Senator Murkowski's bill that would modify and extend KPC's contract. Louisiana Pacific outlined a proposal that they have now forwarded to the Department of Agriculture. While we have not yet reviewed the proposal, it is not expected to be acceptable to Department of Agriculture. We expect to conclude this episode with a clear reaffirmation of our position that timber harvest on the Tongass must be based on a science-based revision of the forest plan.

HEADWATERS

✓ One week ago Charles Hurwitz agreed to refrain from logging on Headwaters forest until September 30 during which time we would continue negotiations towards a resolution. The parties met again today, and while we did not reach an agreement, I now believe we have a clear understanding of what it would take to secure one. Unfortunately, there are still financial complications that may preclude us from reaching agreement, particularly the issue of whether there are enough available federal assets to close a deal. The parties are meeting again on Wednesday, September 25, at which time I strongly believe we will know whether or not a deal will ultimately take place.

SALMON MEMORANDUM OF AGREEMENT (MOA)

I have attached news articles on the salmon agreement announced by the Administration. The agreement, which includes five federal agencies, thirteen tribes, and four Northwest states, broad bipartisan support in the Northwest.

96 SEP 20 P1:18

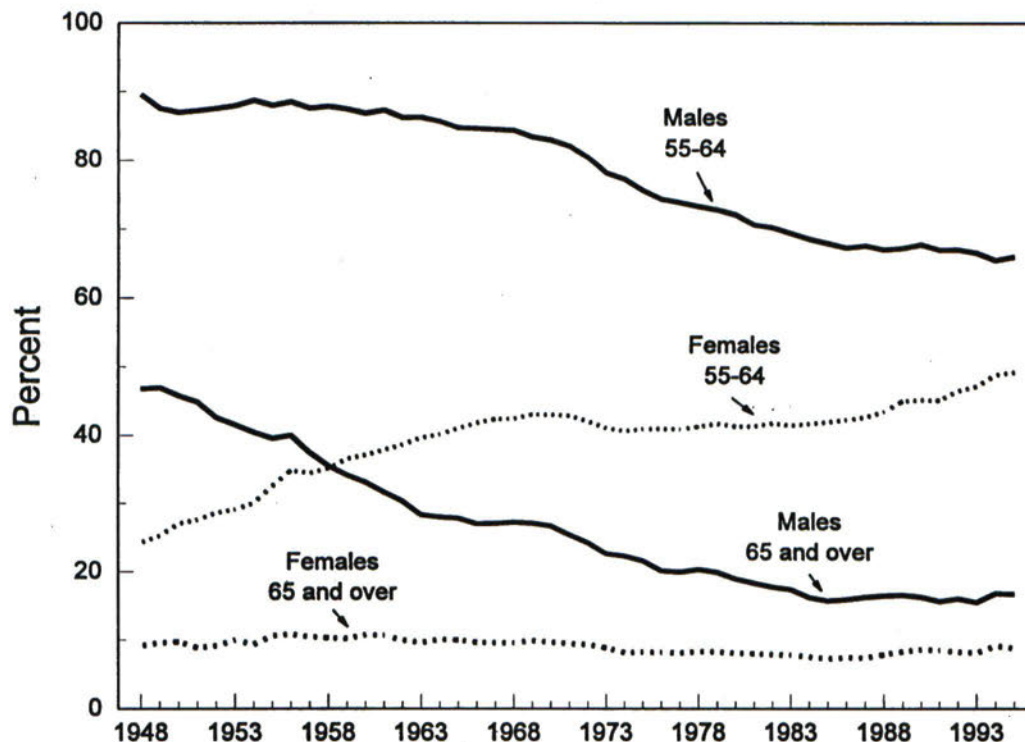
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

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

September 20, 1996

CHART OF THE WEEK

Labor Force Participation Rates of Older Americans



Labor force participation among men aged 55 and over has been declining at least since the end of World War II, suggesting a trend toward earlier retirement. But the trend has flattened recently, especially for men 65 and older. A Special Analysis in this Weekly Economic Briefing discusses this flattening. The long-term trend toward rising overall female labor force participation accounts for the rise among women 55 to 64. But both their rate and the rate for women 65 and older have flattened out.

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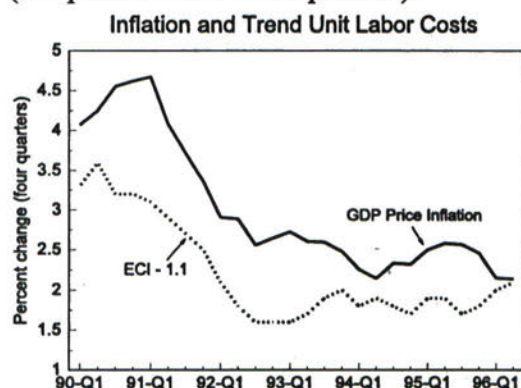
"What's this I hear about you adults
mortgaging my future?"

CURRENT DEVELOPMENT

Inflation Update

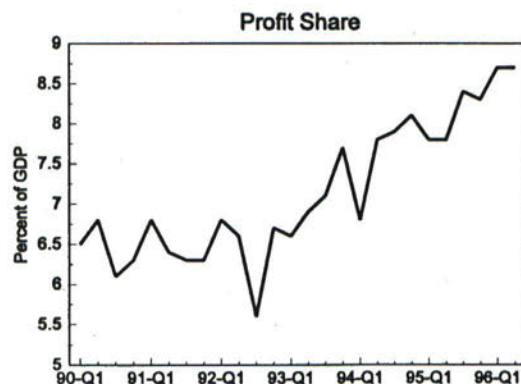
So far this year, price inflation remains subdued. Wages have begun to accelerate, but they do not yet pose a threat to price inflation.

Prices. Over the past 12 months, the CPI has increased 2.9 percent, 0.3 percentage point faster than its year-earlier pace. All of the rise, however, is due to increases in volatile food and energy components. The core CPI, which excludes food and energy, rose only 2.6 percent over the past 12 months, down from 2.9 percent the year before. The rise in food and energy inflation, which was anticipated in the Administration's last economic forecast, should reverse next year. The price index for GDP, a broader measure of inflation, also grew more slowly than it did a year ago (2.1 percent versus 2.6 percent).



Wages and hourly compensation. In contrast to the stability in prices, wages have started to accelerate. The employment cost index (ECI) for wages and salaries rose 3.4 percent, 0.5 percentage point faster than it did in the year-earlier period. For several reasons, this pick-up in wages is not yet a threat to price inflation:

- Increases for non-wage benefits, especially medical insurance premiums, have been running below wage inflation, so that the ECI for total compensation increased only 2.9 percent.
- Trend unit labor costs are not rising faster than prices. Subtracting trend productivity of 1.1 percent per year from wage increases of 3.4 percent, prices could go up about 2.3 percent per year with no erosion of profit margins. This is about the current pace of GDP price inflation (see upper chart).
- Profits are currently high (see lower chart), so a further rise in wage inflation would not necessarily cause an immediate acceleration of prices.

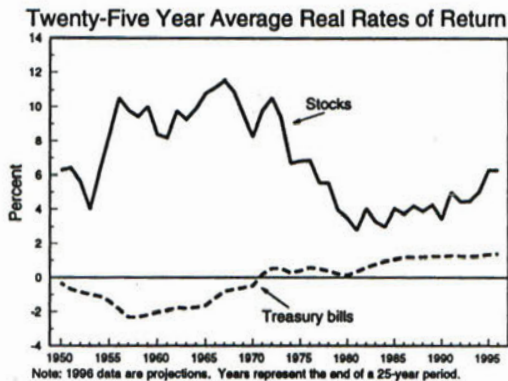


Long-term outlook. Although inflation remains subdued, the consensus of economists is that maintaining unemployment at its current relatively low level may well cause inflation to start rising.

9-23-96

SPECIAL ANALYSIS**Stock Returns over the Long Term**

Leading stock market indexes reached new highs this week. Over short periods of time, stock price movements can be highly volatile. But over longer periods, stocks have outperformed safer instruments, such as Treasury securities.

**High stock returns over long periods.**

Between 1926 and 1995, the total rate of return on stocks (as measured by the Standard and Poor's 500 stock index with dividends reinvested) averaged 10.5 percent per year, while that on Treasury bills was just 3.7 percent. These differences in return have an enormous impact on the long-term value of investments. A dollar invested in stocks in 1926 would have risen to more

than \$1,100 today, while a dollar invested in Treasury bills would have increased to only \$13. In fact, for every 25-year period since 1926, an investor would have done better investing in stocks than in Treasury bills (see chart).

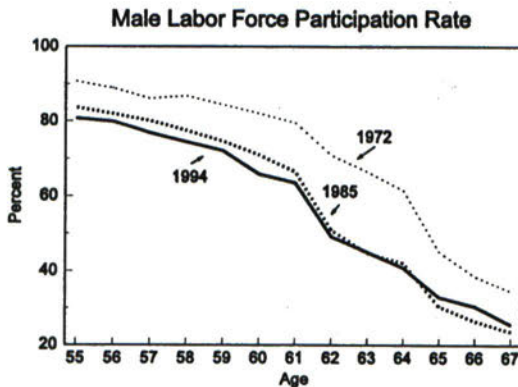
Relative performance over shorter periods. Over short holding periods, high stock price variability means returns on stocks can be very poor, often considerably below those on less volatile Treasury securities. Indeed, the standard deviation of the annual return on stocks since the mid-1920s has been over five times that of the 1-year return on Treasury bills. However, studies over the past decade have shown that the return on stocks has not been risky enough to explain the substantial premium earned relative to Treasury bills over shorter investment horizons, such as 1 year.

The future? Despite a recent uptick, the premium earned on stocks relative to Treasury bills over 25-year intervals ending after the early 1970s has been much lower than it was in the 1950s and 1960s. In part, high average stock returns in the earlier period may have reflected a high perceived riskiness of equities caused by the 1929 stock market crash. As the memory of that event faded from investors' minds, stock prices may have been bid up, reducing their rate of return. Two recent studies have found that the premium earned on stocks in the 19th and early 20th century was only 2 or 3 percentage points, more similar to that prevailing in recent years than to the very high differentials that prevailed in the 1950s and 1960s. Nonetheless, these studies confirm that while the size of the premium has varied, long-term returns on stocks have almost always significantly exceeded those on Treasury securities for a century or more. These results make it difficult to understand why investors would hold Treasury securities rather than stocks when investing for the long term, such as for retirement.

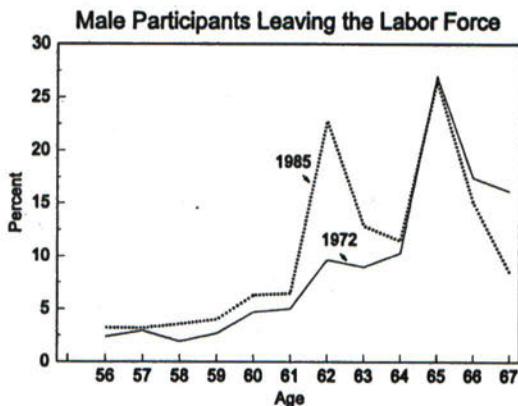
SPECIAL ANALYSIS

Has the Trend toward Earlier Retirement Ended?

The average age of retirement for men has been falling for most of the post-World-War-II era (see Chart of the Week). But recent evidence shows a slowdown in this trend and hints at a reversal.



Labor force participation rates. Data on labor force participation rates of older men at specific ages are available back to 1972. They show that these older men's labor force participation rates fell between 1972 and 1985, but have changed little since (see upper chart). In 1972, for example, 91 percent of 55-year-old men were in the labor force, but this participation rate fell to 84 percent in 1985 and has come down only a little since.



Two additional features of male retirement behavior are revealed in the lower chart, which shows the percentage of men who leave the workforce at any given age (for example, the percentage of men in the labor force at age 59 who have left the labor force by age 60). First, the retirement rates of 55-to 61-year-old men increased moderately between the early 1970s and middle 1980s. Second, males have become much more likely to retire at age 62.

The trend toward early retirement. The reduction in retirement age has occurred despite the elimination of mandatory retirement for almost all workers, the enactment of strict legislation banning age discrimination, and marked increases in life expectancy. Three sets of factors work to encourage earlier retirement:

- **Higher incomes.** Many Americans are retiring earlier because they can now afford to do so. Household incomes increased rapidly through the late 1970s as did Social Security and private pension benefits. Workers reaching age 65 in 1960 received Social Security benefits equal to about 33 percent of their pre-retirement earnings; by the mid-1980s this replacement rate was about 43 percent. Similarly, the proportion of persons 65 and over receiving employer-

based pensions rose from less than a quarter in the early 1970s to almost a third in the middle 1980s.

- Incentives. Many private pension plans have changed in ways that encourage many workers to retire earlier. This explains a portion of the increase in retirement prior to age 62 and, in combination with the rise in Social Security benefit levels occurring during the 1970s, is likely to be responsible for the growing propensity of men to retire at 62.
- Job opportunities. Older job losers are now out of work longer and experience larger wage reductions than their younger counterparts, which could induce early retirements.

A trend toward later retirement? Economic factors help explain why participation rates have recently stopped declining and raise the possibility that the retirement age will begin rising. Social Security replacement rates have remained virtually unchanged since the mid-1980s, and the retirement age for collecting full benefits is scheduled to increase. The rapid growth of private pension coverage ended in 1970, implying a subsequent stabilization in the fraction of retirees receiving benefits. Moreover, firms have increasingly shifted from defined benefit to defined contribution pension plans. The latter do not contain the same incentives for early retirement. Finally, slow wage growth during the 1980s and early 1990s, possibly combined with more limited employer contributions to retiree health insurance benefits, may make it more difficult for future cohorts to afford retirement at young ages.

Educated Baby Boomers May Retire Later

A recent study focusing on the state of Wisconsin projects that the average educational attainment of older workers will increase rapidly as the highly educated baby-boomers age. At every age level, labor force participation increases with educational attainment. In 1993, for example, the labor force participation rate for those 55 and older was 56 percent for college graduates compared to 31 percent for high school graduates. By the year 2020, the study projects that the share of high school dropouts in the 55 and older cohort will fall to 15 percent from 40 percent in 1990, while the share with at least some college will climb from around 25 percent to nearly 50 percent. As a result, the state's older labor force participation rate is projected to increase 7 percent. The same trend holds true for the entire nation; older workers will be a lot better educated in the next quarter century. And, such workers tend not only to stay on the job longer but also to earn more and derive more satisfaction from using their skills.

ARTICLE

Implementing the Telecommunications Act of 1996: The Devil Must Be in the Details Because It's Hot Down Here

With deserved fanfare, the Telecommunications Act of 1996 became law in February, promising a competitive telephone industry unencumbered by the regulations and monopolies of the past century. But creating competition is not simply a matter of legislative declaration, especially when controversies regarding market power and dominance will persist for some time. The magnitude of the Federal Communications Commission's Order on interconnection with local telephone companies, and efforts by some of those companies to overturn the FCC's regulations in the courts, point out that translating the promise of competition into reality will be a long and arduous process.

Hefty orders for hefty issues. The First Report and Order implementing the local competition provisions of the Telecommunications Act—known as the “Section 251” proceeding—weighs in at over 700 pages, with over 3,200 footnotes. The length and complexity of the order are especially striking in light of the fact that the Act gives competitors the right to negotiate among themselves, subject only to state mediation and arbitration.

Much of the complexity arises because firms wishing to enter new markets to offer local telephone service in competition with the incumbent may do so in three ways:

- End-to-end providers. An entrant can build a network that allows its customers to make and receive local telephone calls without using the incumbent's facilities. Because a telephone system is more valuable if it can communicate with everyone who has a phone, these “end-to-end” entrants need to interconnect with the established telephone company, so that their customers and those who stay with the incumbent can talk to one another.
- Using the incumbent's facilities. An entrant into local exchange service may find it useful to provide some facilities on its own (for example, a switch that can direct incoming calls to its customers), but it may still wish to use “network elements” provided by the incumbent (for example, the copper wire loops that connect an individual telephone to the rest of the system).
- Reselling the incumbent's service. Finally, an entrant may wish to purchase the ability to provide local telephone service from the established carrier on a wholesale basis, and then “resell” the service to final customers. A long-distance company like AT&T, MCI, or Sprint, for example, might want to offer its customers “one-stop shopping” for both long distance and local service in advance of or instead of building its own local network.

The following table summarizes some of the disputed issues and the FCC's resolution:

<i>Entrant type</i>	<i>Entrant concern</i>	<i>Incumbent position</i>	<i>FCC decision</i>
End-to-end	Incumbent preserves monopoly by refusing to interconnect	Act provided for negotiation between entrants and incumbent; FCC intervention will undermine process	Sets standards for negotiating interconnection agreements between existing local telephone companies and new end-to-end providers
Use "network elements"	Incumbent offers too few elements at too high a price	Entrants demand inefficient slicing of network; forward-looking incremental cost rules will not pay for past investments	Determines what "network elements" (loops, switches, and other discrete components) incumbent carriers should make available; specifies cost-based methods for setting their prices
Reseller	Obtain service at wholesale rates that permit profitable retail competition	Inadequate compensation; grants resellers rights to buy residential service at subsidized, below-cost rates	Sets a default discount of 17-25% based on estimates of incumbents' "avoided costs" related to retailing

The tip of the iceberg. Despite its size and scope, this Order represents only a small fraction of the regulatory effort necessary to implement the Act fully:

- State regulators will still have to mediate and arbitrate interconnection negotiations between incumbent local telephone companies and new entrants.
- The FCC will have to make contentious decisions regarding whether the local telephone companies have met the Act's conditions for being allowed to offer long distance service.
- The FCC still has to determine a long-term mechanism for funding "universal service" subsidies for telephone service to low-income or high-cost (generally rural) areas. Those services have traditionally been funded through "access charges" paid by long distance carriers to local telephone service providers. The current charge is 6¢ per minute; long distance carriers such as AT&T argue that the cost is less than a penny. Even the incumbent local telephone companies concede that the costs are only about 1.5¢ per minute, but they claim that the additional revenues are necessary to provide subsidies that hold down local telephone rates. Their opponents claim that the incumbents are merely "lining their pockets."

The road to competition is long and potholed. State and FCC decisions in all of these matters are unlikely to be the final word. This interconnection Order has already wound up in the courts, and according to the FCC Chairman, "almost every communications company will have sued" the Commission by the time it finishes its work on universal service and access charges. The years of debate prior to passage of the Telecommunications Act likely presage the years of regulation and litigation necessary to realize its goals. The lesson in this industry, as in others that have been or will be deregulated, is that the issues are complex and will require active policy oversight to ensure a proper outcome.

9-23-96

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Older Residents Invest Less in Local Schools. A recent study confirms what many in suburban towns have already suspected: elderly residents are more likely to vote against increasing school spending. The study shows that states with a relatively large elderly population tend to spend considerably less per pupil, after adjusting for regional differences. Over the long run, this could have a major impact on education, as the elderly share of the population is projected to rise from 12.5 percent to nearly 19 percent in 2030. The study predicts that this aging will lead to a 10 percent decrease in per-student spending.

Credit Card Delinquencies Up. The rate of late payments on credit cards rose to a record high in the second quarter, according to the American Bankers Association's latest figures. Delinquencies—loans past due 30 days or more—were reported on 3.66 percent of credit card accounts, up from 3.53 percent in the first quarter. The rate of the increase, however, has slowed from the first quarter's large jump. The report attributes the increase to looser lending standards used by banks 18 to 24 months ago. Although banks have been tightening lending standards, it will take time before this is translated into lower delinquency rates.

Blizzard-Inspired Baby Boom. When calculating the cost of the \$500 per child tax credit, the Congressional Budget Office left a factor out of its budget estimate—the weather forecast. Now, nearly 9 months after the blizzard of 1996 dumped 3 feet of snow on Washington and kept residents confined to their homes for days, hospitals and doctors are preparing for what could be the busiest baby season in years. Eight area hospitals report that the number of women registering for September or October deliveries is up 20 to 25 percent over last year. Hospitals report they are preparing extra facilities and hiring more nurses for what they expect to be a record-breaking month. Other East Coast cities are likely to show similar effects from "The Week the Streets Turned White."

INTERNATIONAL ROUNDUP

U.S. Oil Giant Launches Russian Joint Venture. On Thursday, ARCO and LUKoil, Russia's largest oil company, announced the creation of LUKARCO, which is being described as Russia's largest joint venture to date. Investment in the joint venture could total up to \$5 billion over the next 18 years, with ARCO, which will hold a 46 percent stake, providing most of the financing. LUKoil has been Russia's leader in overseas investments in oil projects, and the new joint venture is expected to participate in LUKoil's projects in Azerbaijan, Kazakhstan and western Siberia. The privatization of Russia's oil industry is relatively well-advanced, with three-quarters of the country's oil-producing units and four-fifths of all enterprises in the fuel and energy complex now owned or controlled by private interests. Nevertheless, foreign investors were banned from initial offerings in this sector, and legal hurdles have further discouraged foreign investment. Overall, foreign investment in Russia has been quite weak, cumulating to only \$5.5 billion by the end of 1995. Hungary, by contrast, attracted \$4.5 billion in 1995 alone. According to Russian official statistics, total investments worth \$2 billion make the United States the most significant foreign investor in Russia.

Mixed Signals in the Second Quarter for Japan's Recovery. Following double-digit growth in the first quarter, real GDP in Japan contracted in the second quarter at a seasonally adjusted annual rate of 2.9 percent. The second quarter number, however, is influenced by some anomalies. For example, observers speculate that some of the 1.3 percent decline in private consumption is attributable to declining food purchases following the food poisoning scare. Also, public investment fell 66 percent at an annual rate, in the aftermath of an extended period of fiscal stimulus. Net exports of goods and services also reduced growth, as Japan's trade surplus continued to decline in the second quarter. Adding to growth, residential investment was up 3.7 percent, and private non-residential investment was up 1.6 percent.

We also received the following items:

✓ Letter from Rep. Pete Peterson on your trip to Panama City. He thanks you for making the trip. "Your visit was a smash! People were stopping me on the street, in the supermarket, at the gas station, at church, and everyplace you can think of, telling me how much they enjoyed your visit and what a great job you are doing..... Given your very strong favorable reception in Florida's Republican heartland, I would suggest that if we continue to work hard throughout the state, you will have a winner."

✗ Letter from Rep. Sonny Montgomery about your remarks at the National Guard Conference. "Many thanks for your very warm and gracious remarks about me.... You were most kind to note that the Conference this year was in my honor. The next time I speak with my good friend Jim Watts in Arkansas, I will let him know you made mention of our friendship."

Rev. Fu
et Sonich/CT Sun Ki



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515 9

ALL: 42

GILLESPIE V. MONTGOMERY
THIRD DISTRICT
MISSISSIPPI

September 5, 1996

Dear Mr. President:

Many thanks for your very warm and gracious remarks about me at the National Guard Conference. You were most kind to note that the Conference this year was in my honor.

The next time I speak with my good friend Jim Watts in Arkansas, I will let him know you made mention of our friendship.

Thanks again for your thoughtfulness. Your comments mean a lot to me.

Sincerely,

And to the Watts

Your child hood friend

His father Jim served with

me in WW II - Thanks for mentioning that

Gilley
GILLESPIE V. MONTGOMERY
Member of Congress

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

9-23-96

fears that we want to micro-manage the health system. There is no statutory or regulatory prohibition against plans reimbursing audiologists or any other providers. Theoretically, if they provide a service that is in demand cost effectively, the market will force plans to add them to their list of covered health professionals. Carol and Chris recommend that OPM continue it's quiet opposition, but if the legislation passes, they suggest that you not oppose it.

OK but
time is
growing
short

✓ 1) **Tyson/Herman memo on corporate citizenship.** Laura and Alexis have been following-up with the CEOs on post-conference ideas and activities including bringing a group of CEOs to the White House in the next month to meet with you and accept your challenge to hire more people off welfare and put them to work. The meeting will build on your Kansas City initiative and be modeled after the sweat shop event -- substantive pre-briefs on our welfare-to-work proposals, an hour-long meeting with you, and a media availability. The Administration is also cooperating in 3 regional corporate citizenship conferences. Laura and Alexis worked with Sosnik to compile a list of corporate sites that showcase the best corporate practices in the nation for you and cabinet members to consider visiting this fall. And, they are expanding the Labor Department's job referral program to include a public/private partnership between the government and a network of leading trade associations and private corporations.

✓ 2) **Herman memo on CIA cocaine allegations.** Allegations of a CIA connection to drugs were a topic of major concern at the Congressional Black Caucus, particularly at Maxine Waters' "brain trust" session which was attended by over 5,000 people. Although long rumored, the San Jose Mercury News recently published a 3-part series, "Dark Alliance," detailing how a Bay Area drug ring sold tons of cocaine to street gangs in South-Central Los Angeles and funneled drug profits to a CIA-run guerrilla army. The issue has become a hot topic in California's African American communities. Sen. Boxer and Rep. Waters sent letters to John Deutch calling for an investigation, and Deutch has directed his IG to investigate the charges. Most recently, Dick Gregory and Joe Madison, a Washington, D.C. talk show host, were arrested trying to deliver documents (mainly news articles) to Deutch. Upon their release from jail, the CIA agreed to meet with them.

✓ 3) **Wendy Smith memo on crime roll-out events.** She forwards a sampling of local press clippings on the events held recently in 46 states.

✓ 4) **Clyde Prestowitz NY Times op-ed entitled, "Dole's Supply-Side Delusion."** Via Leon. A lifelong Republican reconsiders his party's legacy.

✓ 5) **Robert Redford L.A. Times op-ed entitled, "This Land is Your Children's Land."** Via Katie McGinty.

✓ 6) **Assemblyman Joe Baca Invitational Golf Classic.** Via Leon. Friday, October 18 at El Rancho Verde Country Club, Rialto, CA.

Manuel said with to

JIM DORSKIND:
Please coordinate
the reply.



Assemblyman Joe Baca Invitational Golf Classic



DATE: Friday, October 18, 1996

TIME: Registration - 11:00 am
Shotgun Start - 12:30 pm

LOCATION: El Rancho Verde Country Club
Foot of Country Club Drive, Rialto, CA

PLAY/FORMAT: \$500 per golfer or \$2,000 per foursome

COST: (includes beverages, dinner,
Tee prizes and other gifts & goodies)

MAJOR SPONSOR: \$1000 - \$3000

INFORMATION: (909) 386-7884
Limited to 144 players

YES I/We will attend the

Assemblyman Joe Baca invitational Golf Tournament, October 18, 1996.

Please reserve _____ slots for us \$500 person; \$2,000 Foursome

Major sponsor donation \$1000 - \$3000 _____

Enclosed is my/our check for _____

Team Member Names

Address

Occupation
(Required by law)

Business Name

Individual Name

I/We cannot attend but would like to make a donation

Enclosed is my/our contribution of \$ _____

Campaign donations are not deductible as charitable contributions for federal income tax purposes
ID# 911893

LABOR DONATED

**Assemblyman Joe Baca
Invitational Golf Classic**

Hole Sponsor
\$100 Each Hole

Make checks payable to
Joe Baca For Assembly
P.O. Box 305
San Bernardino, CA 92402

You're Invited To Tee Off



Assemblyman Joe Baca
Invitational Golf Classic
P.O. Box 305
San Bernardino, CA 92402

To President

*Honorable President
Bill Clinton*



9-23-96

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Should send letter to

JIM DORSKIND:
Please coordinate
the reply.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
9-23-96

96 SEP 12 P6:27

September 11, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: LAURA TYSON *LT*
ALEXIS HERMAN *AH*

SUBJECT: CORPORATE CITIZENSHIP

This memorandum will both update you on our activities on corporate citizenship since the May conference at Georgetown University and recommend additional activities for the fall.

SUMMARY

Both of us and our respective staffs have held several internal meetings and have continued to meet with corporate CEO's to follow up on post-conference ideas and activities. Collectively, we have been in touch with John Bryan, Paul Allaire, Larry Bossidy, Ken Chenault, Elizabeth Coleman and George Fisher, among others, to seek their input on the development of policy and to maintain pressure on businesses to "do the right thing" as corporate citizens.

Overall, as a result of our activities during the last year, culminating in the Georgetown conference, we believe it is fair to say that the issues you raised have become part of a very real, intelligent and consistent public debate on "corporate responsibility" or "corporate citizenship" by the media, corporations, public interest groups and labor organizations.

We also think it is fair to say that we have now expanded the scope of corporate responsibility to include the challenge of welfare to work.

To further the dialogue and maintain focus on this issue, we propose several additional activities for the next several months.

ACTIVITIES AND RECOMMENDATIONS

Welfare to Work CEO Challenge

We are actively engaged in bringing together a group of CEOs to the White House in the

next month to meet with you and accept your challenge to hire more people from welfare and put them to work. This meeting will build on your Kansas City initiative. Our current plan is to fashion the event along the lines of the sweat shop event last month: hold (private) substantive pre-briefs with the CEOs and top cabinet members on our welfare to work proposals; have an hour-long (private) meeting between you and the CEOs; schedule a media availability after the meeting to announce that the assembled CEO's have agreed to meet your challenge to hire more people from welfare.

Regional Conferences

As a direct result of our Georgetown Conference, the Administration is cooperating in at least three additional regional conferences:

- In Vermont, a Northeast Region Corporate Citizenship Conference is currently scheduled for September 20 in Burlington. This region-wide conference will draw mostly on non-CEO level executives and community leaders. This opportunity came to us via Kevin Harper, CEO of Autumn Harp, who participated in the Georgetown conference.
- In California, Business for Social Responsibility of Southern California will be hosting a conference in October, which Laura Tyson will attend. This opportunity came to us via Richard Foos, Rhino Records, who was a participant in the May conference.
- In Wisconsin, a tentative proposal for a conference is being considered by the Center for Continuous Quality Improvement, located at Milwaukee Area Technical College. The director of that program, former CEO Jim Rieley, attended the May conference as well.

Conference Participant Correspondence

Each conference participant has received a letter from both of us. We plan another letter this month that will update the participants on our activities and, as important, solicit their recommendations for effective programs to help citizens move from welfare to work.

"Ready List" for Site Visits by the President and Cabinet

Working with Doug Sosnik, we have compiled and forwarded to Stephanie Streett a list of suggested corporate sites that showcase the best corporate practices in the nation, for you or cabinet members to consider visiting throughout the fall. (A list of these sites is attached.)

In addition, we are working with both the Business Roundtable and the National Alliance of Business, each of which have fall meetings, to determine how the Administration can best participate in their fall conference programs.

Job Bank Partnership

We are working to expand the Labor Department's job referral program -- called America's Job Bank -- to include a public/private partnership between the government and a network of leading trade associations and private corporations. The BRT and AT&T are currently considering a joint initiative which we will try to coordinate into a more cohesive, nationwide job referral initiative available to tens of thousands of unemployed workers in search of good jobs, wherever they may be.

CONCLUSION

We have considered a range of other ideas to support your corporate citizenship initiative -- including a formal report on the Georgetown conference with directives on the next steps and the establishment of a Presidential Task Force on Corporate Citizenship. We believe it is wise to defer these and other ideas until after the election.

Ohio:

Republic Engineered Steels, Massillon OH, Russell Maier, CEO
Cinergy, Cincinnati OH, James Rogers, CEO
CIN-MADE, Cincinnati OH, Robert Frey, CEO
Procter and Gamble, John Pepper, CEO
Sherwin Williams, John Breen, CEO
BriskHeat Corporation, Richard Jacob, CEO

Michigan:

Detroit Diesel, Roger Penske
Donnelly Corporation, Dwane Baumgardner
Budd Company, Siegfried Buschmann, CEO
Kellogg Company, Arnold Langbo, CEO

Chicago:

Ameritech, Chicago, IL, Richard Notebaert CEO
Quaker Oats, Chicago, IL, William Smithburg, CEO
Sara Lee, John Bryan, CEO
Fel-Pro, Skokie IL, David Weinberg Co-CEO; Kenneth Lehman Co-CEO
United Airlines, Garry Greenwald CEO
Inland Steel, Robert Damall
Motorola, Gary Tooker
Rachel's Bus Company, Rachel Hubka, CEO

Seattle:

Boeing, Phil Condit
Optiva, David Guiliani, CEO
Starbucks, Howard Schultz, CEO

Portland, OR:

Hanna Anderson, Gund Denhart

NYC:

NYNEX, Ivan Seidenberg
Loral Corporation, Bernard Schwartz, CEO
Cooperative Home Care Products, Rick Surpin, President

Philadelphia

Rohm and Haas, Lawrence Wilson, CEO
Rosenbluth International, Hal Rosenbluth, CEO
Bethlehem Steel, Hank Barnette, CEO

Texas:

Southwest Airlines, Herb Kelleher
Lyondell Petrochemical, Robert Gower, CEO

Rhode Island:

Citizens Financial Group Inc., Lawrence Fish, CEO

Boston

Bank of Boston, Charles Gifford, CEO
Malden Mills, Aaron Fuerstein
Bright Horizons Childrens Centers, Linda Mason, President
Work Family Directions, Fran Sussner Rogers, CEO

Connecticut

General Electric, Jack Welch, CEO
Reflodite, Cecil Ursprung, CEO
Xerox Corporation, Paul Allaire

New Jersey

American Home Products, John Stafford, CEO
Allied Signal, Larry Bossidy, CEO
Johnson and Johnson, Ralph Larsen, CEO
Merck, Raymond Gilmarin, CEO

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
9-23-96

September 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: HELEN HOWELL *Hele*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

10/2/96
(A) **Tyson/Stiglitz memo on The State of Working America, 1996-97.** The Economic Policy Institute (EPI) will publish its biennial volume on wages, income, and labor markets in December. This year's volume is fairly negative, suggesting that although the economy is in transition, it is headed in a undesirable direction. The authors conclude that, "wage deterioration and increased economic insecurity will continue, absent a major shift in government and management strategies." Laura and Joe believe that the negative statements in the book may be quoted as "evidence" that the Administration's economic strategy is not working for the majority of American families. Their memo describes the major claims of the book, and provides a more balanced view of the evidence in response.

10/2/96
(B) **Rasco/Jennings memo on the Advisory Commission on Consumer Protection and Quality, and Hill actions on health initiatives you have endorsed.** Despite the misleading NY Times story about the establishment of the Commission, it has received a very positive response, including endorsements from business organizations, insurers, managed care representatives, health care providers, and consumer groups. *List is attached.* Your September 11 letter to Speaker Gingrich on consumer protection health care initiatives also achieved its desired effect. As you know, the House passed (392 to 17) a motion to instruct the VA/HUD Appropriations Conferees to accept the Senate-passed provisions that included the 48-hour post-delivery rule, the Domenici mental health parity compromise, and a VA initiative to provide treatment assistance to the children of Vietnam veterans exposed to Agent Orange who are born with spina bifida.

10/2/96
(C) **Rasco/Jennings follow-up on FEHBP reimbursement for audiologists.** Barry Freeman of the American Academy of Audiology recently asked if you would consider supporting legislation adding "audiologists" to the list of health care personnel FEHBP insurers are directed to reimburse. In the past, we have not supported bills directing FEHBP plans to reimburse specific providers, and OPM recently testified against bills mandating direct reimbursement for audiologists and acupuncturists. To take a contrary position would: 1) undermine our philosophy of allowing the market (health plans and their customers) to decide which providers can best deliver FEHBP-required services; 2) make it difficult to say no to numerous other providers who would also like to be added to a mandatory provider reimbursement list; and 3) alienate the managed care community and lend credence to their

9-23-96

THE WHITE HOUSE

WASHINGTON

96 SEP 12 P4: 46

September 12, 1996

MEMORANDUM TO THE PRESIDENT

FROM: Carol Rasco ^{CR} and Chris Jennings ^{CJ}

SUBJECT: Required FEHBP Reimbursement for Audiologists

You recently asked if we had an Administration position with regard to Federal Employee Health Benefits Program (FEHBP) reimbursement policy regarding the coverage of audiologists. Barry Freeman, of the American Academy of Audiology, asked if you would consider supporting legislation now in the Congress that adds "audiologists" to the list of health care personnel that FEHBP insurers are directed to contract out with and reimburse.

In the past, we have not supported bills to direct FEHBP plans to reimburse specific providers. OPM has recently testified against bills mandating direct reimbursement for audiologists and acupuncturists. To take a contrary position would undermine our historical philosophy of allowing the market (health plans and their customers) to decide which providers can best deliver FEHBP-required services. Probably just as important, it would set a precedence that would make it difficult to impossible to say no to numerous other providers who would also like to be added to a mandatory provider reimbursement list. And lastly, to do so would significantly alienate the business and managed care community and lend credence to their fears that we want to "micromanage" the health system.

There is no statutory or FEHBP regulatory prohibition against plans reimbursing audiologists or any other providers. Theoretically, if they are providing a service cost effectively (as audiologists believe they are) or one that is in significant demand, the market will force plans to add certain cost-effective providers to their list of covered health professionals.

Usually the market does not work fast enough from the providers' perspective. To bypass an often-times frustrating education and frequently political process with insurers, many providers have successfully worked with the Congress to explicitly name covered health professionals in the statute. While we have never supported these initiatives, it is rare for the Executive Branch to veto such legislation if it makes it all the way through the legislative process.

RECOMMENDATION: Continue to authorize OPM position of quiet opposition, but do not go out of way in disrupting the Congressional process. If legislation passes, do not oppose.

Agree _____ Disagree _____ Discuss _____

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
9-23-96

September 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: HELEN HOWELL *HeH*

SUBJECT: Recent Information Items

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- 10/25/96*
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- 10/25/96*
- (B) **Rasco/Jennings memo on the Advisory Commission on Consumer Protection and Quality, and Hill actions on health initiatives you have endorsed.** Despite the misleading NY Times story about the establishment of the Commission, it has received a very positive response, including endorsements from business organizations, insurers, managed care representatives, health care providers, and consumer groups. *List is attached.* Your September 11 letter to Speaker Gingrich on consumer protection health care initiatives also achieved its desired effect. As you know, the House passed (392 to 17) a motion to instruct the VA/HUD Appropriations Conferees to accept the Senate-passed provisions that included the 48-hour post-delivery rule, the Domenici mental health parity compromise, and a VA initiative to provide treatment assistance to the children of Vietnam veterans exposed to Agent Orange who are born with spina bifida.
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THE PRESIDENT HAS SEEN
9-23-96

96 SEP 16 P5: 18

THE WHITE HOUSE
WASHINGTON
September 16, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: LAURA D'ANDREA TYSON *LD*
JOSEPH STIGLITZ *JS*

SUBJECT: *The State of Working America, 1996-97*

The Economic Policy Institute (EPI) will publish its biennial volume on wages, incomes, and labor markets, *The State of Working America, 1996-97* in December. This year's volume is fairly negative on the recent economic experience, stating that "The labor force problems of the 1980s persist and have spread in the 1990s." The authors believe that the economy is in transition, but that it is headed in an undesirable direction. They conclude by stating "Our analysis suggests that wage deterioration and increased economic insecurity will continue, absent a major shift in government and management strategies."

We believe that the negative statements in the book may be quoted as "evidence" that the Administration's economic strategy is not working for the majority of American families. And, while the statistics may be factually correct, the interpretations provided may be quite misleading. We believe that the data tend to support a more favorable view of the recent labor market, though by no means do they suggest that all problems experienced by American workers have been solved in the past few years.

The rest of the memo describes the major claims in the book and provides what we believe to be a more balanced view of the evidence.

EPI Claim:	<i>Median male workers experienced a 6.3 percent decline in hourly wages between 1989 and 1995, consistent with wage declines in 1980s.</i>
The evidence:	Median hourly wages for male workers declined over 1989-93, but since 1993 real wages have increased slightly. (See Figure 1.)
EPI Claim:	<i>Median family income fell 5.2 percent between 1989 and 1994, implying a steady decline in living standards for average Americans.</i>
The evidence:	Median family income fell from the end of the last expansion (1989) through the early stages of the current recovery (1993) but increased 2.3 percent in 1994. (See Figure 2; data for 1995 should be available at the end of September.)

- EPI Claim:** *Income inequality has grown substantially over the past two decades.*
- The evidence:** As noted in February's Economic Report of the President, income inequality has generally increased since about 1970. However, income inequality declined a bit between 1993 and 1994. (Data for 1995 should be available at the end of September.)
- EPI Claim:** *Poverty rates have failed to respond to economic growth. . Average poverty rates were 11.6 percent in the 1970s; 13.7 percent in the 1980s; and 14.2 percent for 1989-94.*
- The evidence:** The poverty rate today is indeed higher than in the 1970s. However, the poverty rate in 1994 was 14.5 percent, a drop from the 1993 level of 15.1 percent. (See Figure 3; data for 1995 should be available at the end of September.)
- EPI Claim:** *Job displacement has increased in the 1990s, with more men in 1993 reporting job loss in the previous 3 years (15.0 percent) than was reported in 1983 (14.5 percent).*
- The evidence:** Job displacement fell between 1991-92 and 1993-94, as a percent of total employment. It is now at a level comparable to the mid-1980s expansion. (See Figure 4.)
- EPI Claim:** *Business profit rates were at a 30-year high in 1995 due to stagnant or falling wages and erosion of employer provided benefits.*
- The evidence:** Business profits as a share of GDP were indeed high in 1995, especially compared to the levels in the 1980s. However, the fraction of GDP claimed as corporate profits in 1995 is around the levels reached in the 1970s and below the levels experienced through much of the 1960s. Moreover, the share of GDP devoted to labor compensation has remained relatively constant. One reason for the increased share of corporate profits appears to be lower interest rates which reduced corporate interest payments and boosted corporate profits.
- Upcoming data:** When income and poverty data are released at the end of September, we expect to see higher median family incomes and lower poverty rates. Both outcomes would be consistent with the pattern of economic growth experienced last year. We will send you this analysis when the data become available.

Please let us know if you would like to discuss these issues further.

Figure 1

Usual Weekly Earnings for Full-time Male Workers

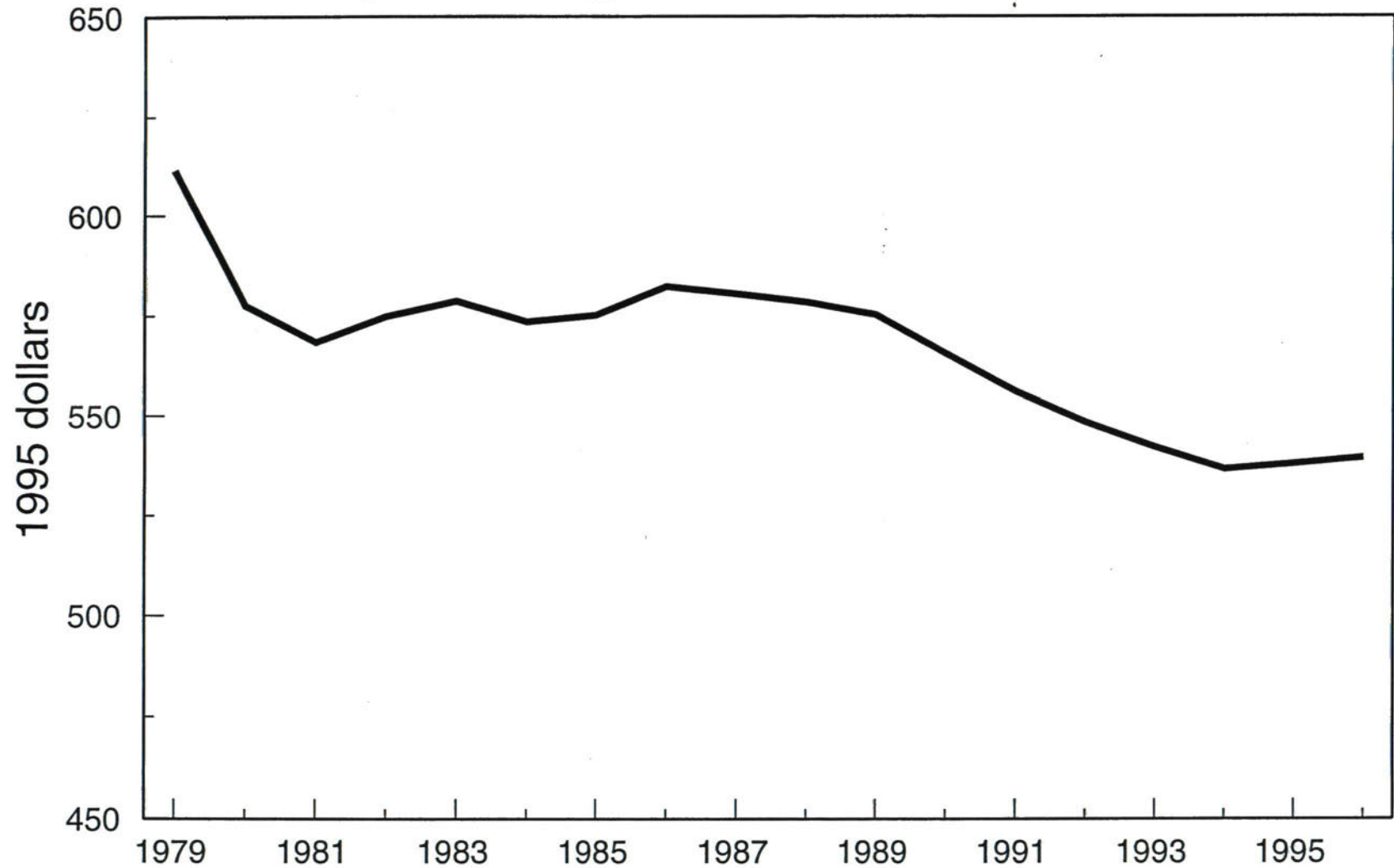


Figure 2
Median Family Income

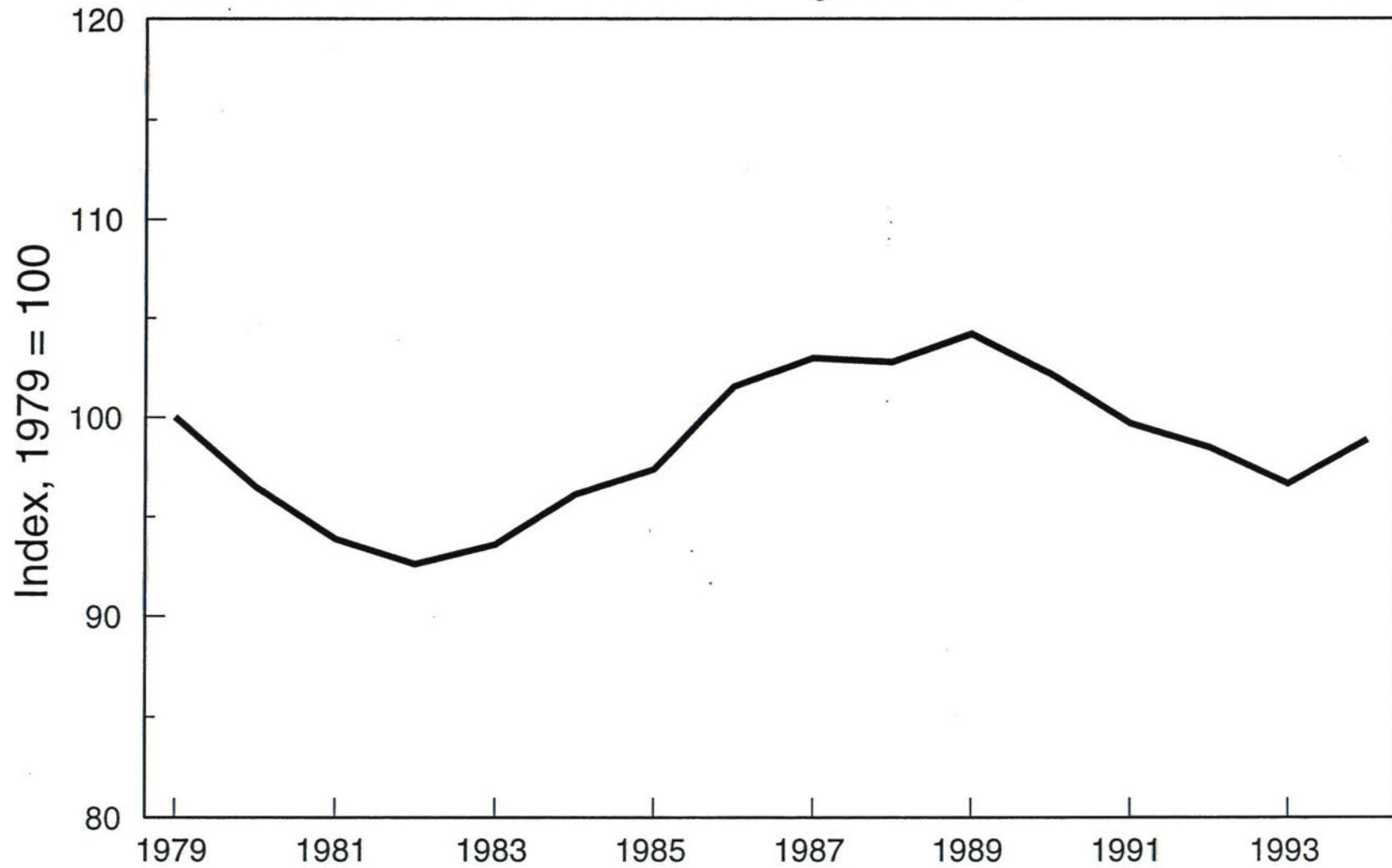


Figure 3
Poverty Rate

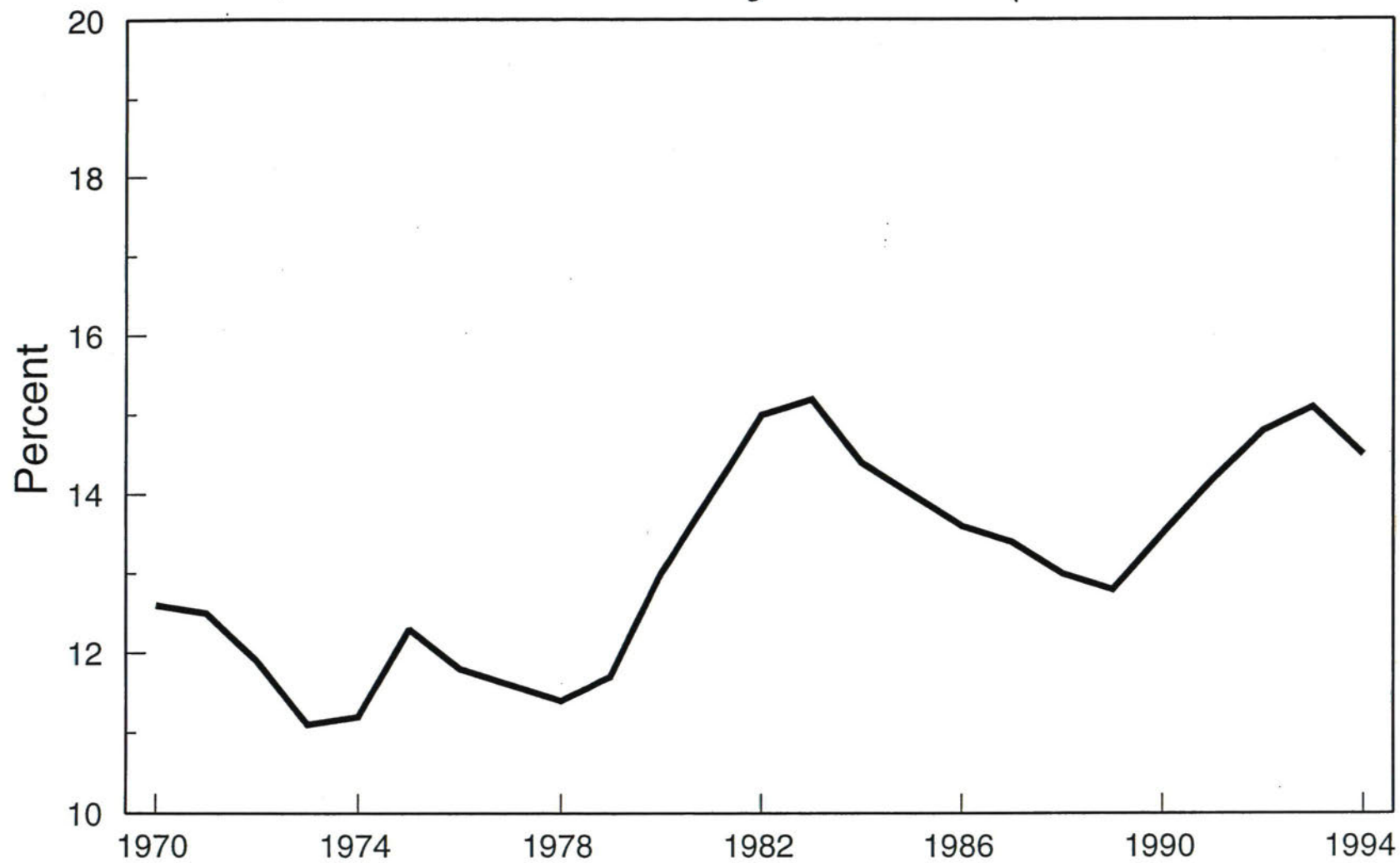
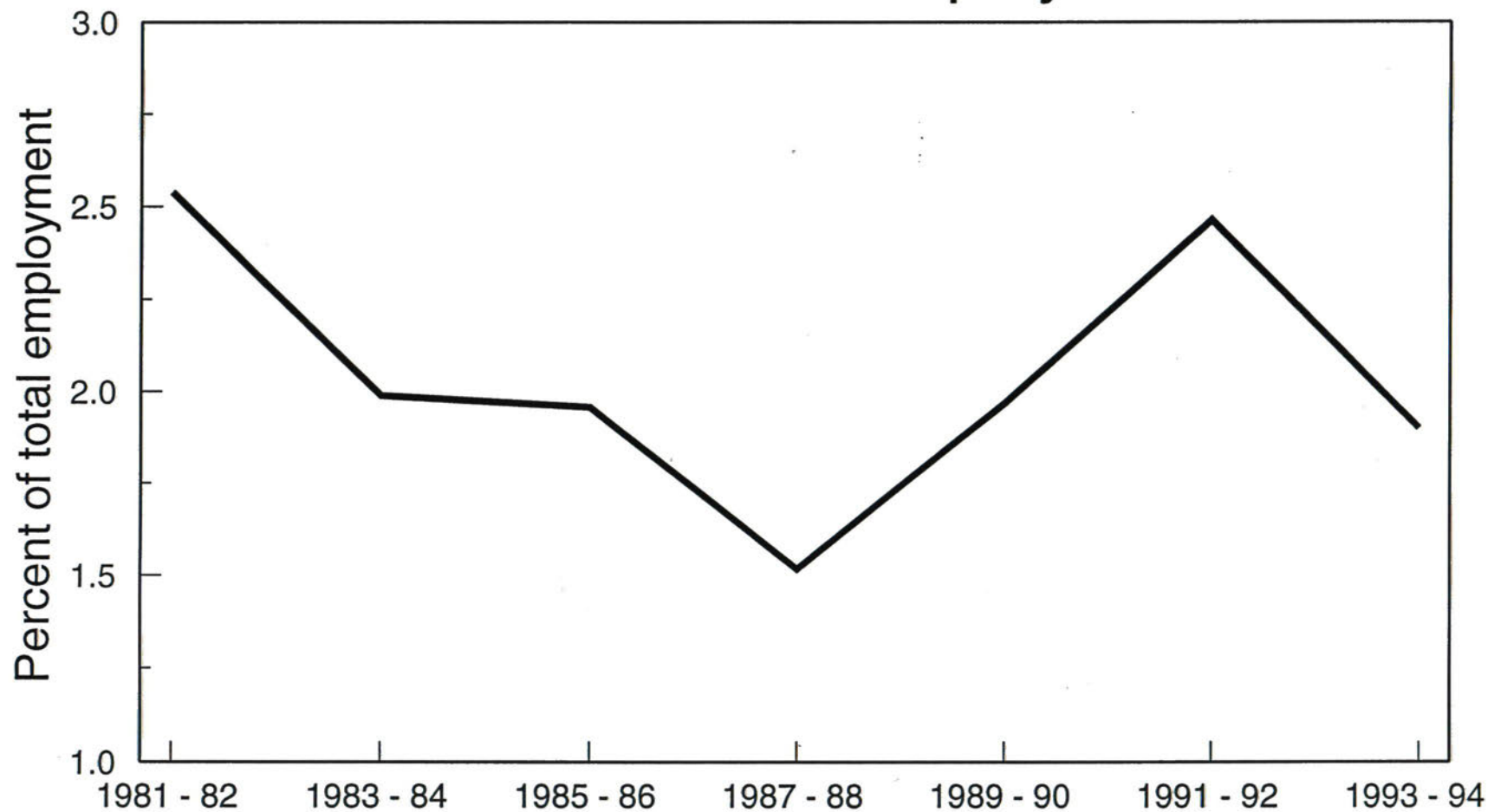


Figure 4
**Long Tenure Displaced Workers as a
Percent of Total Employment**



THE PRESIDENT HAS SEEN
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