Chron

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 9/30

TO: Alan Sullivan

FROM: **Staff Secretary**

This was handed to POTUS on road.
POTUS would like to help him if possible,
but nothing beyond the normal boundaries.
Mr. Groesbeck met POTUS during 92 campaign.
Can you handle, along with DoD.? Time Sensitive
Let me know. Thanks
Phil Caplan

September 29, 1996

Mr. Andrew Friendly,

96 SEP 30 P 1 : 03

My grandfather, Max J. Groesbeck, recently contacted you in reference to my request to get an early out from the United States Army to take a federal prison job back in Oregon. He told me you would help in any way you could but needed a letter explaining the entire situation so you could look into it.

My name is Matthew Douglas Brassfield, I am currently assigned to HHC USAG Fort A.P. Hill, which is located in Bowling Green, VA. My occupational specialty, my MOS is 95B10, which is a Military Police Officer. I am working as a Traffic Accident Investigator at this time.

I am a resident of Oregon and when I was home on leave recently, in April of this year, I applied with the Federal Correctional Institution in Sheridan Oregon, for the position of Corrections Officer. On Friday, August 30, I received a call from FCI Sheridan (Wanda Foster) who stated that the position of corrections officer was available for me starting on October 28 of this year, since then the hire date has moved up to October 15.

On August 31, I talked with my Platoon Sergeant, SSG McGaffey, who stated that he backed me up and said that I needed to talk with our company commanded, CPT Morano. On September 1, I talked with CPT Morano who stated that the Army does not have a program of letting you out early to receive a job, he also said if there was then he would also back me up on letting me get out. On September 3, after the holiday, I talked with 1SG Gregory who also stated that he knew of no way of getting out early. I then contacted the Department of the Army in Washington D.C. who told me there is an Army regulation that will let you out under the conditions which I met, it is AR635-200 Par. 5-3 "Once in a lifetime opportunity."

My next step was to submit a DA Form 4187 requesting an early out from the military under AR 635-200. At that time I was told verbally by CPT Morano that he would turn down any attempt of mine to get out. I asked about getting out of Traffic Accident Investigators school, which was scheduled for September 4 through September 27, just in case I did get out so it would not cost the company of the Army in more money, and because we already had someone on post who was Investigator Qualified. He then stated that he would send me regardless.

I then sent a letter to Congressman DeFazio of Oregon and Congressman Bateman of Virginia explaining my situation and asking for any assistance in which they could give me. I also contacted their office's by phone and was told they would review my case and send a congressional letter to the Department of the Army.

On September 11 I sent another letter to my Congressmen explaining that CPT Morano had not reviewed my DA Form 4187 or signed it, and the normal procedure is to already have it gone from post. They told me they would contact Major General Boyd and explain my situation to him.

On September 18 I talked with SSG McGaffey who stated that CPT Morano did disapprove my 4187 on September 18 and said it would go to Post Headquarters where it should leave to go to Fort Belvoir on Thursday, then proceed onto the Department of the Army.

On September 20 I again talked with SSG McGaffey who told me that the 4187 left post on that day, not the 19th as it was supposed to. He stated that it would go to LTC Warner of HQ BN USAG and then to COL Brady who is Fort Belvoir's post commander. SSG McGaffey also said he was leaving for a school and said I would need to follow my 4187 through 1SG Gregory.

On September 23 I contacted 1SG Gregory who stated that I should never have contacted my congressmen and never started any of this. I asked him for LTC Warner's and COL Brady's office phone numbers so I could trace my 4187, he gave me LTC Warner's but refused to give me COL Brady's. I then contacted LTC Warners office where I talked with him directly and he told me that it had just arrived there that day and he had not had a chance to review it but already planned to "Non-concur" my request. He also told me that CPT Morano had added a letter with my 4187 recommending that if I did get out that I repay for Traffic Accident Investigators school which he would not let me out of.

I now plan to trace my 4187 down and try to handcarry it the rest or its path. I am on a tight timeline to get out as the job starts on October 15 and I would still need to clear the Army, but it is a timeline that I can make if there are no more hold-ups.

Any assistance you can give me in this situation would be much appreciated. If you need any more information from me or need to talk to me please feel free to contact me. If you need to contact the people I have been talking with in Oregon you can at this address:

Donald R. Johnson
151 West 7th Avenue, suite 400
Eugene, OR 97401
Internet: djohnso3@hr.house.gov
Phone: (503) 465-6732/(800) 944-9603
Fax: (503) 465-6458

or contact the people I have been talking with in Virginia you can at this address:

Congressman Herbert H. Bateman
4712 Southpoint Parkway
Fredricksburg, VA 22407
Phone: (703) 898-1132

Again I thank you for any help that you can give me and hope to hear from you soon,

Respectfully yours,

Matthew D Brassfield

Matthew Douglas Brasssfield
One Hopemont Place #7
Bowling Green, VA 22427
Hm. (804)633-5998
Wk. (804)633-8239

9/30/96
original Atwood
memo given to NSC
S.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 9-27

TO: Andy Sens

FROM: Staff Secretary

Any comment on
this?
Todd

cc: John Hilley

96 SEP 30 P4:37

Todd Stern —
Why not let us include
this issue in APEC
briefing book?
ADS

Agree.
Todd

9/30
1 o.20

Shall I give the
original memo to NSC?

✓ yes — no

S

186983

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

96 SEP 26 P 6 : 09

September 16, 1996

The Administrator

MEMORANDUM FOR: The President

FROM: J. Brian Atwood

SUBJECT: APEC Leaders Meeting

During the November 1996 Asia-Pacific Economic Cooperation (APEC) Leaders meeting in Manila, you may be approached by Philippine President Fidel V. Ramos on the issue of increased benefits for Filipino World War II veterans.

Recently, I had the honor of leading the Presidential Delegation to commemorate the Fiftieth Anniversary of Philippine Independence. During this visit, I had a private meeting with President Ramos who asked me to convey to you the Philippines' interest in legislation to benefit Philippine World War II veterans proposed in the U.S. House of Representatives. Currently, this legislation (H.R. 1136) is with the Subcommittee on Compensation, Pension, Insurance and Memorial Affairs. It appears unlikely this legislation will be voted on by the 104th Congress. Moreover, similar efforts have been turned aside in previous sessions of Congress.

Recommendation:

If asked, you may wish to acknowledge you are aware that President Ramos is interested in this issue. You might also indicate your willingness to review the proposed legislation, if re-introduced in the 105th Congress.

320 TWENTY-FIRST STREET, N.W., WASHINGTON, D.C. 20523 ■ PHONE: (202) 647-9620 ■ FAX: (202) 647-1770

SEP 17 1996

THE PRESIDENT HAS SEEN

9.30.96 THE WHITE HOUSE

WASHINGTON

96 SEP 30 P1:14

Only concern – US News – is fair – But US News has been far better and fairer to us than the others – shouldn't we offer it to them

BC

September 30, 1996

Memorandum for the President

From : Mike McCurry MMC
Press Secretary

Subject : Photographers

The access that we gave David Kennerly and Diana Walker leading up to the convention resulted in positive photo coverage in Newsweek and Time - particularly in the post-convention issues.

In an effort to continue this excellent photo essay coverage, we would like to provide access to Diana Walker and David Kennerly leading up to the debates in Hartford and San Diego.

We would let Diana Walker shoot this week at the White House and in Jamestown. We would propose granting Kennerly access during this week's debate prep and also leading up to the San Diego debate.

We will also have to bring a photo pool in once or twice during debate prep for daily reporting.

On a related note, we would like to grant Joe Marquette of AP access during the third week of October to move special photos out to regional papers. We hope this access will be in conjunction with an AP Reporter Roundtable which we are trying to get on the schedule during that time period.

Please let me know if you have any concerns with the above.

Thank you.

96 SEP 30 P5:11

September 30, 1996

MEMORANDUM FOR TODD STERN

FROM: JENNIFER O'CONNOR

SUBJECT: MEDALS OF HONOR

I'm guessing this is in your purview, but let me know if I need to follow up with someone else.

Congressman Nadler apparently was instrumental in securing the attached language in the Defense Authorization Bill than awards seven (7) Medals of Honor to African American World War II veterans. He, not surprisingly, wants to see when we are going to act on this language and award the medals. He wants to share in the moment. So, does the awarding of these Medals go through your office, and if so, what kind of schedule are we on to award them? If they don't go through your office, do you know who handles them?

yes - my office.
No idea on timing - that's 2 Stephanie + Ann [illegible].
Todd
9-30-96

8TH DISTRICT, NEW YORK

REPLY TO:

WASHINGTON OFFICE:
169 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-5635

DISTRICT OFFICE:
11 BEACH STREET
SUITE 610
NEW YORK, NY 10013
(212) 334-3207

DISTRICT OFFICE:
532 NEPTUNE AVENUE
BROOKLYN, NY 11224
(718) 373-3198

Congress of the United States
House of Representatives
Washington, DC 20515

INFRASTRUCTURE COMMITTEE
SUBCOMMITTEES
AVIATION
RAILROADS
JUDICIARY COMMITTEE
SUBCOMMITTEES
COMMERCIAL AND ADMINISTRATIVE LAW
COURTS AND INTELLECTUAL PROPERTY

OFFICE OF REPRESENTATIVE JERROLD NADLER

FACSIMILE COVER SHEET

* THIS DOCUMENT IS EXPRESSLY FOR THE USE OF THE ADDRESSEE *

TO: Jennifer O'Connor

FROM: DAVID LACHMANN
LEGISLATIVE DIRECTOR

COMMENTS:

WASHINGTON D.C. OFFICE PHONE NUMBER: (202) 225-5635

WASHINGTON D.C. OFFICE FAX NUMBER: (202) 225-6923

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 6

PRINTED ON RECYCLED PAPER

104TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
104–724

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

CONFERENCE REPORT

TO ACCOMPANY

H.R. 3230

JULY 30, 1996.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
26–205 WASHINGTON : 1996

... later than February 1 in each of 1998 and 1999, the Secretary shall submit to Congress a report assessing the activities under the demonstration project during the preceding year. The report submitted in 1999 shall include the Secretary's recommendation as to the advisability of continuing or expanding the authority for the project.

(e) TERMINATION.—The authority of the Secretary to carry out the demonstration project shall expire three years after the date of the enactment of this Act.

SEC. 555. EXTENSION OF MAXIMUM AGE FOR APPOINTMENT AS A CADET OR MIDSHIPMAN IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS AND THE SERVICE ACADEMIES.

(a) SENIOR RESERVE OFFICERS' TRAINING CORPS.—Sections 2107(a) and 2107a(a) of title 10, United States Code, are amended—

(1) by striking out "25 years of age" and inserting in lieu thereof "27 years of age"; and

(2) by striking out "29 years of age" and inserting in lieu thereof "30 years of age".

(b) UNITED STATES MILITARY ACADEMY.—Section 4346(a) of such title is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

(c) UNITED STATES NAVAL ACADEMY.—Section 6958(a)(1) of such title is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

(d) UNITED STATES AIR FORCE ACADEMY.—Section 9346(a) of such title is amended by striking out "twenty-second birthday" and inserting in lieu thereof "twenty-third birthday".

SEC. 556. EXPANSION OF ELIGIBILITY FOR EDUCATION BENEFITS TO INCLUDE CERTAIN RESERVE OFFICERS' TRAINING CORPS (ROTC) PARTICIPANTS.

(a) ACTIVE DUTY SERVICE.—Section 3011(c) of title 38, United States Code, is amended—

(1) by striking out "or upon completion of a program of educational assistance under section 2107 of title 10" in paragraph (2); and

(2) by adding at the end the following:

"(3) An individual who after December 31, 1976, receives a commission as an officer in the Armed Forces upon completion of a program of educational assistance under section 2107 of title 10 is not eligible for educational assistance under this section if the individual enters on active duty—

"(A) before October 1, 1996; or

"(B) after September 30, 1996, and while participating in such program received more than $2,000 for each year of such participation.".

(b) SELECTED RESERVE.—Section 3012(d) of title 38, United States Code, is amended—

(1) by striking out "or upon completion of a program of educational assistance under section 2107 of title 10" in paragraph (2); and

(2) by adding at the end the following:

"(3) An individual who after December 31, 1976, receives a commission as an officer in the Armed Forces upon completion of a program of educational assistance under section 2107 of title 10 is not eligible for educational assistance under this section if the individual enters on active duty—

"(A) before October 1, 1996; or

"(B) after September 30, 1996, and while participating in such program received more than $2,000 for each year of such participation.".

SEC. 557. COMPTROLLER GENERAL REPORT ON COST AND POLICY IMPLICATIONS OF PERMITTING UP TO FIVE PERCENT OF SERVICE ACADEMY GRADUATES TO BE ASSIGNED DIRECTLY TO RESERVE DUTY UPON GRADUATION.

(a) REPORT REQUIRED.—The Comptroller General of the United States shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report providing an analysis of the cost implications, and the policy implications, of permitting up to 5 percent of each graduating class of each of the service academies to be placed, upon graduation and commissioning, in an active status in the appropriate reserve component (without a minimum period of obligated active duty service), with a corresponding increase in the number of ROTC graduates each year who are permitted to serve on active duty upon commissioning.

(b) INFORMATION ON CURRENT ACADEMY GRADUATES IN RESERVE COMPONENTS.—The Comptroller General shall include in the report information (shown in the aggregate and separately for each of the Armed Forces and for graduates of each service academy) on—

(1) the number of academy graduates who at the time of the report are serving in an active status in a reserve component; and

(2) within the number under paragraph (1), the number for each reserve component and, of those, the number within each reserve component who are on active duty under section 12301(d) of title 10, United States Code, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components.

(c) SUBMISSION OF REPORT.—The report shall be submitted not later than six months after the date of the enactment of this Act.

(d) SERVICE ACADEMIES.—For purposes of this section, the term "service academies" means—

(1) the United States Military Academy;

(2) the United States Naval Academy; and

(3) the United States Air Force Academy.

Subtitle G—Decorations and Awards

SEC. 561. AUTHORITY FOR AWARD OF MEDAL OF HONOR TO CERTAIN AFRICAN AMERICAN SOLDIERS WHO SERVED DURING WORLD WAR II.

(a) INAPPLICABILITY OF TIME LIMITATIONS.—Notwithstanding the time limitations in section 3744(b) of title 10, United States Code, or any other time limitation, the President may award the Medal of Honor to the persons specified in subsection (b), each of whom has been found by the Secretary of the Army to have distin-

09 27 96 15:11 003

risk of his life above and beyond the call of duty while serving in the United States Army during World War II.

(b) PERSONS ELIGIBLE TO RECEIVE THE MEDAL OF HONOR.—The persons referred to in subsection (a) are the following:

(1) Vernon J. Baker, who served as a first lieutenant in the 370th Infantry Regiment, 92nd Infantry Division.

(2) Edward A. Carter, who served as a staff sergeant in the 56th Armored Infantry Battalion, Twelfth Armored Division.

(3) John R. Fox, who served as a first lieutenant in the 366th Infantry Regiment, 92nd Infantry Division.

(4) Willy F. James, Jr., who served as a private first class in the 413th Infantry Regiment, 104th Infantry Division.

(5) Ruben Rivers, who served as a staff sergeant in the 761st Tank Battalion.

(6) Charles L. Thomas, who served as a first lieutenant in the 614th Tank Destroyer Battalion.

(7) George Watson, who served as a private in the 29th Quartermaster Regiment.

(c) POSTHUMOUS AWARD.—The Medal of Honor may be awarded under this section posthumously, as provided in section 3752 of title 10, United States Code.

(d) PRIOR AWARD.—The Medal of Honor may be awarded under this section for service for which a Distinguished-Service Cross, or other award, has been awarded.

SEC. 562. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO SPECIFIED PERSONS.

(a) WAIVER OF TIME LIMITATION.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply in the case of awards of decorations as described in subsection (b), the award of each such decoration having been determined by the Secretary of the Navy to be warranted in accordance with section 1130 of title 10, United States Code.

(b) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to awards of the Distinguished Flying Cross for service during World War II as follows:

(1) FIRST AWARD.—First award, for completion of at least 20 qualifying combat missions, to the following members and former members of the Armed Forces:

Vernard V. Aiken of Wilmington, Vermont.
Ira V. Babcock of Dothan, Georgia.
George S. Barlow of Grafton, Virginia.
Earl A. Bratton of Bodega Bay, California.
Travis C. Cork of Leesburg, Florida.
Herman C. Edwards of Johns Island, South Carolina.
Norman J. Ehr of Kiel, Wisconsin.
James M. Fitzgerald of Anchorage, Alaska.
Raymond C. Gordon of Sherborn, Massachusetts.
Paul L. Hitchcock of Raleigh, North Carolina.
Harold H. Hottle of Hillsboro, Ohio.
Samuel M. Keith of Anderson, South Carolina.
Stanley J. Ksiadz of Cheektowaga, New York.
Otis Lancaster of Wyoming, Michigan.
Robert W. Lorette of Wilton, New Hampshire.
John B. McCabe of Biglerville, Pennsylvania.
James P. Merriman of Midland, Texas.
The late Michael L. Michalak, formerly of Akron, New York.
The late Edward J. Naparkowsky, formerly of Hartford, Connecticut.
Pete G. Nicora of Warren, Ohio.
Stanley J. Orlowski of Jackson, Michigan.
Raymond A. Peischl of Allentown, Pennsylvania.
A. Jerome Pfeiffer of Racine, Wisconsin.
Duane L. Rhodes of Earp, California.
Frank V. Roach of Bloomfield, New Jersey.
Arnold V. Rosekrans of Horseheads, New York.
Joseph E. Seaman, Jr. of Bordentown, New Jersey.
Richard F. Shumaker of Hilliard, Ohio.
Luther E. Thomas of Panama City, Florida.
Merton S. Ward of South Hamilton, Massachusetts.
Simon L. Webb of Magnolia, Mississippi.
Jerry W. Webster of Leander, Texas.

(2) SECOND AWARD.—Second award, for completion of at least 40 qualifying combat missions, to the following members and former members of the Armed Forces:

Arthur C. Adair of Grants Pass, Oregon.
Robert B. Carnes of West Yarmouth, Massachusetts.
Daniel K. Connors of Hampton, New Hampshire.
Glen E. Danielson of Whittier, California.
Ralph J. Deceuster of Dover, Ohio.
Albert P. Emsley of Bothell, Washington.
Urbain J. Fournier of Houma, Louisiana.
Prescott C. Jernegan of Hemet, California.
Stephen K. Johnson of Englewood, Florida.
Warren E. Johnson of Vista, California.
Elbert J. Kimble of San Francisco, California.
George W. Knauff of Monument, Colorado.
John W. Lincoln of Rockland, Massachusetts.
Alan D. Marker of Sonoma, California.
Joseph J. Oliver of White Haven, Pennsylvania.
Shefield Phelps of Seattle, Washington.
John B. Tagliapiri of St. Helena, California.
Dewilles A.H.W. Schwartz of Watertown, South Dakota.
Ray B. Stiltner of Centralia, Washington.

(3) THIRD AWARD.—Third award, for completion of at least 60 qualifying combat missions, to the following members and former members of the Armed Forces:

Glenn Bowers of Dillsburg, Pennsylvania.
Arthur C. Casey of Irving, California.
Robert J. Larsen of Gulf Breeze, Florida.
David Mendoza of McAllen, Texas.
William A. Nickerson of Portland, Oregon.
Maurice F. Smith of Sequim, Washington.

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004

(4) FOURTH AWARD.—Fourth award, for completion of at least 80 qualifying combat missions, to the following members and former members of the Armed Forces:

Robert Bair of Ontario, California.
Arvid L. Kretz of Santa Rosa, California.
George E. McClane of Cocoa Beach, Florida.
Orville R. Swick of Issaquah, Washington.

(5) FIFTH AWARD.—Fifth award, for completion of at least 100 qualifying combat missions, to the following members and former members of the Armed Forces:

William A. Baldwin of San Clemente, California.
George Bobb of Blackwood, New Jersey.
John R. Conrad of Hot Springs, Arkansas.
Herbert R. Hetrick of Roaring Springs, Pennsylvania.
William L. Wells of Cordele, Georgia.

(6) SIXTH AWARD.—Sixth award, for completion of at least 120 qualifying combat missions, to Richard L. Murray of Dallas, Texas.

SEC. 563. REPLACEMENT OF CERTAIN AMERICAN THEATER CAMPAIGN RIBBONS.

(a) REPLACEMENT RIBBONS.—The Secretary of the Army, pursuant to section 3751 of title 10, United States Code, may replace any World War II decoration known as the American Theater Campaign Ribbon that was awarded to a person listed in the order described in subsection (b).

(b) RIBBONS PROPERLY AWARDED.—Any person listed in the document titled "General Order Number 1", issued by the Third Auxiliary Surgical Group, APO 647, United States Army, dated February 1, 1943, shall be considered to have been properly awarded the American Theater Campaign Ribbon for service during World War II.

Subtitle H—Other Matters

SEC. 571. HATE CRIMES IN THE MILITARY.

(a) HUMAN RELATIONS TRAINING.—(1) The Secretary of Defense shall ensure that the Secretary of each military department conducts ongoing programs for human relations training for all members of the Armed Forces under the jurisdiction of the Secretary. Matters to be covered by such training include race relations, equal opportunity, opposition to gender discrimination, and sensitivity to "hate group" activity. Such training shall be provided during basic training (or other initial military training) and on a regular basis thereafter.

(2) The Secretary of Defense shall also ensure that unit commanders are aware of their responsibilities in ensuring that impermissible activity based upon discriminatory motives does not occur in units under their command.

(b) INFORMATION TO BE PROVIDED TO PROSPECTIVE RECRUITS.—The Secretary of Defense shall ensure that each individual preparing to enter an officer accession program or to execute an original enlistment agreement is provided information concerning the meaning of the oath of office or oath of enlistment for service in the Armed Forces in terms of the equal protection and civil liberties guarantees of the Constitution, and each such individual shall be informed that if supporting those guarantees is not possible personally for that individual, then that individual should decline to enter the Armed Forces.

(c) ANNUAL SURVEY.—(1) Section 451 of title 10, United States Code, is amended to read as follows:

"§451. Race relations, gender discrimination, and hate group activity: annual survey and report

"(a) ANNUAL SURVEY.—The Secretary of Defense shall carry out an annual survey to measure the state of racial, ethnic, and gender issues and discrimination among members of the armed forces serving on active duty and the extent (if any) of activity among such members that may be seen as so-called 'hate group' activity. The survey shall solicit information on the race relations and gender relations climate in the armed forces, including—

"(1) indicators of positive and negative trends of relations among all racial and ethnic groups and between the sexes;

"(2) the effectiveness of Department of Defense policies designed to improve race, ethnic, and gender relations; and

"(3) the effectiveness of current processes for complaints on and investigations into racial, ethnic, and gender discrimination.

"(b) IMPLEMENTING ENTITY.—The Secretary shall carry out each annual survey through the entity in the Department of Defense known as the Armed Forces Survey on Race/Ethnic Issues.

"(c) REPORTS TO CONGRESS.—Upon completion of each annual survey under subsection (a), the Secretary shall submit to Congress a report containing the results of the survey.".

(2) The item relating to such section in the table of sections at the beginning of chapter 22 of such title is amended to read as follows:

"451. Race relations, gender discrimination, and hate group activity: annual survey and report.".

SEC. 572. DISABILITY COVERAGE FOR MEMBERS GRANTED EXCESS LEAVE FOR EDUCATIONAL OR EMERGENCY PURPOSES.

(a) ELIGIBILITY FOR RETIREMENT.—Section 1201 of title 10, United States Code, is amended—

(1) by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following:

"(a) RETIREMENT.—Upon a determination by the Secretary concerned that a member described in subsection (c) is unfit to perform the duties of the member's office, grade, rank, or rating because of physical disability incurred while entitled to basic pay or while absent as described in subsection (c)(3), the Secretary may retire the member, with retired pay computed under section 1401 of this title, if the Secretary also makes the determinations with respect to the member and that disability specified in subsection (b).

"(b) REQUIRED DETERMINATIONS OF DISABILITY.—Determinations referred to in subsection (a) are determinations by the Secretary that—"; and

(2) by adding at the end the following:

The Washington Post
FRIDAY, JUNE 3, 19[illegible]

William Raspberry

Two Heroes, No Medals Of Honor

Rep. Joe DioGuardi (R-N.Y.) not only thought his bills to honor two black war heroes would be noncontroversial. He was also naive enough to imagine that the Army and the Navy might be grateful for a chance to correct what he deemed a historic "oversight."

But the services have turned down the New Yorker's attempt to grant posthumous Congressional Medals of Honor to Sgt. Henry Johnson, a World War I infantryman from Albany, and Seaman Dorrie Miller, a World War II hero from Waco, Tex.

As a result, the number of black servicemen to receive Congressional Medals of Honor for their heroism in the two world wars will remain at zero.

DioGuardi and Rep. Mickey Leland (D-Tex.), who joined him in introducing the bills to waive the time limit for granting the medals, have not accused the services of discrimination—just neglect. After all, black servicemen have won the nation's highest award for valor in all major conflicts going back to the Civil War, when 13 black soldiers were awarded the medal for their heroism in a single confrontation: the Battle of New Market Heights.

The apparently fruitless legislation cites Johnson for his actions during World War I when, as a member of a black infantry unit from New York assigned to a French division, he and another soldier were attacked by 12 Germans. Johnson, using his rifle and a knife, repelled the attack and, though wounded by gunshot and a grenade, managed to rescue his fellow soldier.

The French government honored Johnson with its highest award, the *Croix de Guerre*.

Miller was on duty at Pearl Harbor during the Japanese attack that brought the United States into World War II. "In the face of enemy strafing and bombing," the legislative proposal recounts, "Miller assisted in moving his mortally wounded captain to a place of greater safety and then returned to man a machine gun directed at the attacking Japanese air force. He did not abandon his position until ordered to do so later in the battle. Miller's actions are especially heroic due to the fact that he was a mess steward, the only duty available to blacks in the Navy at the time."

The seaman, who died two years later during a torpedo attack on his boat, was awarded the second highest honor, the Navy Cross, and a warship was later named in his honor.

But the services, while not discounting their heroism, have refused to go along with the attempts to grant Johnson and Miller the Congressional Medal.

The Navy made no official reply to congressional requests for comment on the proposed legislation, but the assistant secretary of the Army for manpower and reserve affairs cited time limitations, inadequate written records and the possibility of unfairness for the Army's refusal to support the DioGuardi bill.

"Although former Sgt. Johnson displayed great courage by his gallantry in action," Delbert L. Spurlock Jr. wrote, "the Department of the Army has consistently found it necessary to refrain from supporting the many requests received each year for exemptions from the time limitations applicable to the award of the Medal of Honor."

The law requires that recommendations for awarding the medal and descriptions of the heroism occasioning the recommendations be made within three years of the act.

"In the past, the Department of the Army has received correspondence from members of Congress and others, requesting that special consideration be given to awarding the Medal of Honor to former Sgt. Johnson for his heroic act, as racial prejudice may have been a factor in his not being recommended for the award," Spurlock wrote.

"Although no black soldier was awarded the Medal of Honor during World War I, approximately 50 black soldiers were awarded the Distinguished Service Cross, the Army's second highest award for valor in combat, for their extraordinary heroism in World War I. At this late date, it would be inappropriate to single out former Sgt. Johnson for award of the Medal of Honor and to provide preferential treatment to him over the thousands of other black soldiers who served so bravely in combat."

The Department of the Navy apparently agrees—to the outrage of DioGuardi and Leland.

Says the New York congressman, "The statute of limitations is for criminals, not for heroes."

11*

THE WHITE HOUSE
WASHINGTON

September 28, 1996
96 SEP 28 P6:16

MEMORANDUM FOR TODD STERN

FROM: NANCY SODERBERG NS

Request the attached birthday letter to Mr. Sanford Solarz be autopenned.

Thanks for your help.

9/30/96
C—
Pls. have AP'd & tell Dorskind, letter is fine & needs no editing
T

THE WHITE HOUSE

WASHINGTON

Dear Mr. Solarz:

Hillary and I wanted to join your friends and family in congratulating you on your 90th milestone birthday on November 3, 1996. We send all good wishes for your continued good health, vigor and success.

I know that you have been a strong and active Democrat all your life and that since the days in the early '40s when you spoke in behalf of Franklin Roosevelt on street corners in New York until the present, you have consistently been a voice for our Party and its programs. The Democratic Party appreciates all of your support and years of service, as do I. We are also especially grateful for the extraordinary contribution of your son, Steve, who continues to make such a difference.

Our country has prospered because of committed individuals like you. I hope that you will have the strength, fortitude and good health to continue your work and to keep making a contribution to the success and well-being of our country and our Party.

With all good wishes and happy birthday!

Sincerely,

Mr. Sanford Solarz
1900 Newkirk Avenue
Brooklyn, NY 11226

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
9-30-96

September 28, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: HELEN HOWELL

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

Make sure: [illegible] has for Debate prep

(A) Economic Policy Institute (EPI) letter criticizing the Dole economic plan. Via Leon. The letter from over 546 prominent economists, including 7 Nobel prize winners, was released September 24. Key points include: ***1)*** the Dole plan will raise the Federal deficit and lead to lower living standards; ***2)*** the plan's assumption that much of the revenue lost by reducing taxes will be offset by new revenues from additional economic growth is not credible; and, ***3)*** Dole should not repeat the "tragic mistake" of the failed supply-side gamble of the 1980s when the country suffered a "spiraling Federal deficit and a huge rise in the national debt."

also to [illegible] care

(B) Rasco/Jennings memo on decline in the Medicaid growth rate and baseline. The Medicaid baseline reductions have made a significant contribution to the decline in the 1996 Federal deficit. CBO states that, "the largest single re-estimate is a (1 year) $4 billion reduction in Medicaid outlays." Factors contributing to the decline in the Medicaid baseline include: ***1)*** increased utilization of managed care and other cost-cutting initiatives by the states; ***2)*** an improved economy and much lower inflation; and ***3)*** reduced use of "creative" Disproportionate Share and provider donation financing mechanisms by states. The reduction in expenditures has produced an aggregate Medicaid growth rate of 3% between 1995 and 1996, the lowest growth rate in over 20 years. "The fact that Medicaid's growth has slowed so rapidly is good news. It mirrors the positive news about health care inflation in the private sector you occasionally cite. However, we must be cautious about heralding it too much because it tends to undermine our criticism of the magnitude of the Republicans' Medicare cuts."

(C) Letter from environmental groups. Via Katie McGinty. The NRDC, Environmental Defense Fund, National Parks and Conservation Association, Trust for Public Land, et al. commend you for your bold action on the Utah land designation. They also express concern about anti-environmental attacks being mounted in the last 2 weeks of this Congress, e.g., as on the Omnibus Parks Bill. They urge you to announce that "you will veto any bill that includes a provision undermining our environmental laws or assailing public lands."

THE PRESIDENT HAS SEEN
9-30-96

(D) **Department of Education news advisory on "Crossroads Cafe."** Via Leon. Riley and public and private sector partners introduced this new 26-episode video series airing on PBS this fall. The situation comedy follows the lives of 6 people of various ethnic backgrounds and is the first nationally televised English instruction program. It was designed to address the learning needs of over 34 million adults with serious literacy deficiencies, and it will air weekly.

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and advise as to policy
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ask Laura + Robin to review this, cost out and advise as to policy + cost → worth interesting

UNITED STATES
DEPARTMENT OF EDUCATION
NEWS

** ADVISORY ** ** ADVISORY ** ** ADVISORY **

WHO: U.S. Secretary of Education Richard W. Riley
Assistant Secretary for Vocational and Adult Education Patricia W. McNeil
U.S. Immigration and Naturalization Service Commissioner Doris Meissner
Public Broadcasting Service (PBS) Senior Vice President Jinny Goldstein
Crossroads Cafe television series executive producer Sally Beaty
Adult learners from California, Florida and New York

WHAT: Launch *Crossroads Cafe* PBS television/video series to teach English to speakers of other languages and adults with low literacy skills

WHEN: Monday, Sept. 9, 11:30 a.m.

WHERE: Rayburn House Office Building
Carl D. Perkins Conference Room (2175)

Riley and public and private sector partners will introduce a new video series airing on PBS, to teach English and improve literacy skills. The drama-comedy series, *Crossroads Cafe*, is the first nationally televised English instruction program for at-home use. The series, consisting of 26, 25-minute long episodes depicting adults from varied cultures facing real life challenges in a restaurant setting, also may be used by learners in the classroom or for independent study. Innovative print materials with reading, writing and speaking exercises based on each episode have been developed to reinforce English language use and vocabulary.

"I am pleased to unveil this series in conjunction with International Literacy Day and the Education Department's 'America Goes Back To School' initiative," says Riley. "Education means lifelong learning and equal access for all -- including adults. *Crossroads Cafe* is a groundbreaking partnership that shows how technology can be used constructively by federal and local governments and the private sector to meet our nation's education challenges."

Crossroads Cafe is a unique public-private sector endeavor to address the learning needs of more than 34 million adults with serious literacy deficiencies by using the medium of television. Development of the series was made possible by a partnership among the state education agencies of California, Florida, Illinois and New York, that pooled Adult Education Act demonstration funds to underwrite the creation and production of the program, conduct pilot testing and spearhead its launch. The U.S. Department of Education's Office of Vocational and Adult Education funded a comprehensive instructional design evaluation of the series, and will fund an evaluation of the series' effectiveness following its four-state launch. Additional funding for the series has been provided by the U.S. Immigration and Naturalization Service, to assist non-English speakers to meet the language proficiency requirements for citizenship. INTELECOM Intelligent Communications, a California-based consortium of colleges and universities that produces educational television, developed the series, with Heinle and Heinle, educational publishers, providing the accompanying written texts. A National Academic Council, comprised of English as a second language and adult literacy professionals, guided the program's development. The series has been made available by PBS to its 350 local affiliates nationwide, and USIA/Worldnet plans to distribute the program throughout Latin America this fall.

Participants in the Sept. 9 program launch on Capitol Hill include: congressional members and staff from states piloting the program; adult education committee leaders and advocates; representatives from organizations involved in developing and implementing the series; *Crossroads Cafe* cast members Rosa (cook) and Jamal (handyman); and adult learners from states that have already participated in piloting the program. In keeping with the *Crossroads Cafe* theme, the program launch will include a boxed lunch for all participants.

CONTACT: Ivette Rodriguez (202) 401-0262

# # #

New PBS Offering is a Sitcom That Teaches Basic English
By MICHELLE MITTELSTADT
Associated Press Writer

WASHINGTON (AP) - Hoping to reach the nearly 14 million adults who lack basic English skills, four states with large immigrant populations are teaming with PBS and the federal government to launch an educational television series.

The 26-part series, called "Crossroads Cafe," is designed to teach basic English reading and writing skills in an entertaining but also informative setting. The situation comedy follows the lives of six people of various ethnic backgrounds.

It will be the first nationally televised English instruction program and will air weekly this fall on Public Broadcasting Service affiliates. The U.S. Information Agency plans to televise the series in Central and Latin America.

The states - California, New York, Florida and Illinois - and the Education Department and Immigration and Naturalization Service hope the series goes beyond TV viewers.

Videotapes of the program will be distributed to English as a Second Language education programs in the four states, classrooms, and to organizations that provide services to immigrants. Accompanying the TV series are teachers' guides, a workbook for students, and a photo guide with simple captions.

At a Capitol Hill news conference, Education Secretary Richard Riley said "Crossroads Cafe" should help reach immigrants unable to attend classes either because they are juggling jobs or can't get a babysitter or find transportation.

"It can also help 24 million other Americans who need a boost in their reading skills," Riley said, stressing the benefits of literacy. "Adults who cannot read have a hard time providing for their families, especially in these times when nearly every new job that is created requires a worker to be highly literate and skilled."

The four states' education agencies each contributed Adult Education Act funds to underwrite creation and production of "Crossroads Cafe." The INS kicked in $1 million more, said agency Commissioner Doris Meissner.

Meissner said "Crossroads Cafe" fits with her agency's effort to naturalize as many as possible of the 6 million people who are eligible for citizenship. To become a U.S. citizen, applicants must demonstrate a knowledge of English, civics and government.

"A TV series like this is just a terrific way for people who want to apply for citizenship to meet the requirements," she said in an interview.

PBS is making the series available to its 350 local affiliates nationwide.

INTRODUCING...

A New Approach To Learning English For Speakers Of Other Languages.

A Dynamic Fusion Of Television And Print.

A Television Series...

Crossroads Café is a "dramedy" — both drama and comedy — 26 compelling episodes centered around six likable characters and a neighborhood café. *Crossroads Café* is a warm, friendly spot in the city where many paths cross. It's a familiar kind of place where people similar to many ESOL learners experience the humor and pathos of everyday life, meet challenges, face obstacles, aspire, achieve...and continually learn about themselves and others as their lives intersect.

Two Video Sidebars enrich each episode: *Culture Clips,* a documentary-style segment focusing on the story's cultural issues...and *Word Play,* a colorful animated segment that demonstrates appropriate language for communicating specific types of information.

Correlated With Innovative Print Materials

The content of each episode is incorporated into two types of print materials — Photo Stories and Worktexts — which provide the reading and writing language lessons, as well as oral exercises. These materials are designed to assist learners who have varying levels of ability, encouraging them to progress at their own speed through a series of graduated learning experiences.

Photo Stories provide a condensed, pictorial tour of each episode using simple dialogue balloons and four-color photographs. The low stress, high success learning activities in this material are particularly beneficial for learners with minimal English proficiency.

Multi-level Worktexts guide students through three additional levels of learning, each one more challenging than the previous. Program coordinators need adopt only one program to accommodate students working at a variety of levels.

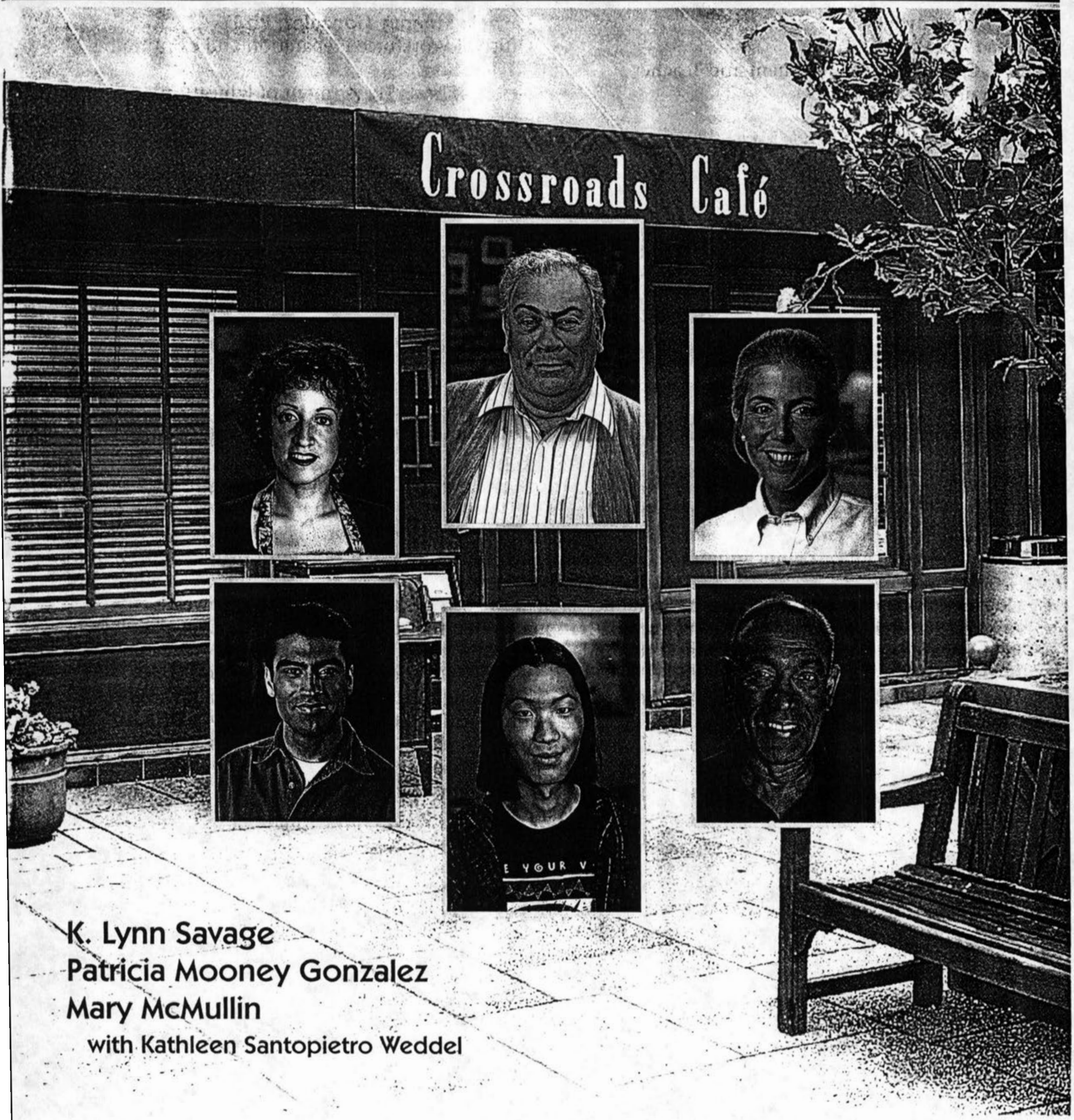
A **Teacher Resource Package** includes a *teacher guide* with a wealth of tips on how to use the program most effectively, as well as a set of reproducible masters (which are available separately). If learners wish to have a friend or relative assist them with the program, **tutor guides** are also available.

An Episodic Television Series With Closely Correlated Print Materials

An English Language Program That Teaches As It Entertains

Crossroads Café

SAMPLER



K. Lynn Savage
Patricia Mooney Gonzalez
Mary McMullin
with Kathleen Santopietro Weddel

Contents

About Crossroads Café

The *Crossroads Café English Learning Program* consists of a quality television series, available on videocassettes, closely correlated with print materials. The series is designed to teach English to adult learners working independently, with a tutor, in a distance-learning program with or without a classroom component or in a traditional classroom setting. The lively 26-episode series provides education through entertainment. It is a blend of drama and comedy that tells the story of six engaging, determined characters whose lives intersect at *Crossroads Café,* a neighborhood restaurant. Some of these characters are newcomers to the U.S., while others have families that have been here for one or many generations. During the course of the episodes, the viewer learns of the successes and the failures, joys and sadness, and the learning experiences of the owner of the café and the people who work in it. Viewers also learn about the customers, families, friends, acquaintances, and others with whom they interact, both at work and beyond the environment of the café. In addition, each half-hour episode features two brief interrupting segments that teach language and culture in a more direct mode. The *Culture Clips* are documentary-style segments that focus on issue-oriented cultural themes portrayed in the episode, such as the changing roles of marriage partners. The *Word Play* segments focus on language functions, demonstrating how to use appropriate language when communicating specific types of information.

Underlying Principles

A Flexible Multi-level Approach The *Crossroads Café* print materials are designed with activities at several graduated levels. The program meets the needs of learners at low-beginning through high-intermediate levels of English. In this way, learners can *grow* with the program by using the same texts and video series over and over as they work through the levels and gradually gain proficiency.

Context-based Language that is important to learners is determined by the situations in which they will use the language. In producing this series, the developers first identified situations in which adult learners might need English, and from these they produced the video story lines. They then wrote worktext activities to develop language skills relevant to those situations.

Self-instructional Designed for independent learners who might not have access to ESL classes, the print materials were developed to be user-friendly. Technical language is avoided. Learners are encouraged to work with someone, units end with a self-check, and answer keys are provided.

Crossroads Café

English Learning Program

K. Lynn Savage
Patricia Mooney Gonzalez
Mary McMullin
with Kathleen Santopietro Weddel

Crossroads Café is the outcome of a unique collaboration between Heinle & Heinle, the specialized language publisher, and INTELECOM, a leading producer of educational television series. The **Crossroads Café** print materials are multi-level, designed with graduated levels of challenge. Learners can "grow" with **Crossroads Café**, using the same Worktext and video series over and over as they work through the levels and gradually gain proficiency. **Crossroads Café** meets the needs of students from beginning through intermediate ESL levels.

About the lead author K. Lynn Savage is an ESL instructor with City College of San Francisco. She is recognized in the U.S. for her leadership in developing innovative publications for adult education programs: a vocational ESL textbook series, a major video series for teachers on ESL techniques, and standards for adult ESL programs. In addition to her work in the U.S., she has served as a language teacher in Japan; a materials developer for the refugee camps in South East Asia; a teacher trainer for the Peace Corps in Eastern Europe, Asia, the South Pacific, and for the United States Information Agency in Turkey and Egypt.

Photo Stories As the simplest, most basic instruction in the program, the Photo Stories are a condensed, pictorial tour of each episode using simple dialogue balloons and four-color photographs. The low-stress, high-success learning activities are especially beneficial for beginning learners.

Videos **Crossroads Café** print materials are based on 26 "dramedy" episodes featuring six engaging characters and a neighborhood restaurant. The stories portray the humor and drama of the challenges, struggles, and victories of everyday life. The series features diverse ethnicities, real-world scenarios familiar to many ESL learners, and universal social and cultural issues for family members of all ages. Two video sidebars enrich each episode: Word Play, an animated video segment that demonstrates a specific language function—for example, making a complaint; and Culture Clips, a documentary-style segment that takes a close-up look at the social and cultural issues dramatized in the story.

Multi-Level Worktexts Building on the introductory-level Photo Stories, the Worktexts provide language exercises on three additional levels—beginning-high, intermediate-low, intermediate-high—each more challenging than the previous. Exercises develop story comprehension, language skills, and higher-order thinking.

Teacher Resource Package This package consists of a teacher guide with a wealth of tips on how to enhance use of the program. Reproducible activity masters are also included. (These reproducible masters will also be available separately.)

Tutor Guide Learners can use **Crossroads Café** without a professional instructor. A tutor, if one is desired, can simply be a more English-proficient friend or family member. This guide is for tutors without professional training.

The **Crossroads Café English Learning Program** includes:

- **Photo Stories A** (Episodes 1–13) 0-8384-66087
- **Photo Stories B** (Episodes 14–26) 0-8384-66079
- **Worktext A** (Episodes 1–13) 0-8384-66125
- **Worktext B** (Episodes 14–26) 0-8384-66060
- **Teacher Resource Book A** (Episodes 1–13) 0-8384-6436X
- **Teacher Resource Book B** (Episodes 14–26) 0-8384-64343
- **Blackline Masters** (Episodes 1–26) 0-8384-6615X
- **Tutor Guide** (Episodes 1–26) 0-8384-66141
- **Videos A** (Episodes 1–13) 0-8384-64378
- **Videos B** (Episodes 14–26) 0-8384-64386
- **Videos A and B** (Episodes 1–26) 0-8384-68632
- **Video Site License** (Episodes 1–26)

Print and video materials available Spring/Summer 1996
Premieres on PBS in Fall 1996

For information regarding print materials for **Crossroads Café** please contact:

Heinle & Heinle Publishers
A Division of International Thomson Publishing
Boston, MA 02116 U.S.A.
1-800-55-ENGLISH (1-800-553-6454)
Partners in Changing the Way the World Learns English

For information regarding video licensing or purchases please contact:

INTELECOM at
1-800-LRN-BY-TV

IN-TELE-COM
INTELLIGENT TELECOMMUNICATIONS

90000
9 780838 464359

THE PRESIDENT HAS SEEN
9-30-96

96 SEP 25 P6:57

September 25, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Wendy Smith
RE: Family and Medical Leave Act Roll-Out

Please find attached a sampling of the clippings received for the nationwide roll-out on Tuesday. There is also a listing of the events held and the other media coverage received.

Good - Thanks

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9-30-96

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+ to Ann Lewis

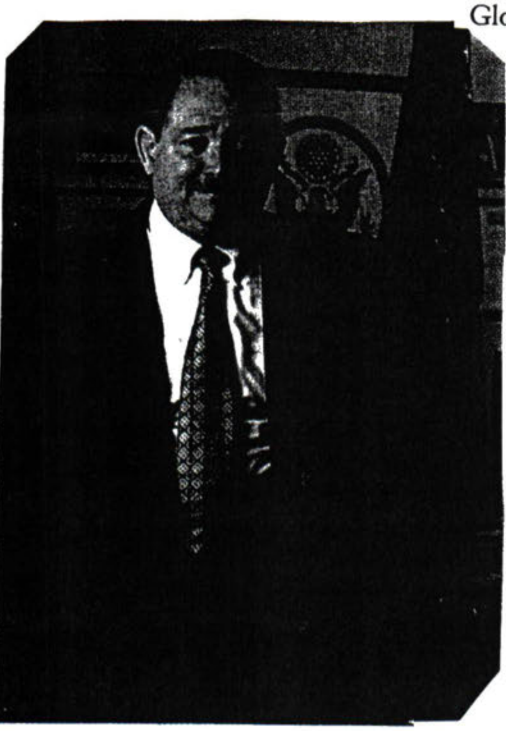
ask Laura + Rubin
to review this, cost out
and advise as to policy
+ cost → both intentions

THE PRESIDENT HAS SEEN
9-30-96

Entrepreneur
THE SMALL BUSINESS AUTHORITY ®
SEPTEMBER 1996

SPEAKING OUT

Small-business advocates go to bat for entrepreneurs.



Time for action: *The SBA's Jere Glover encourages business owners to get involved: "Ignoring government won't make it go away."*

PHOTO© PATTY BARRY LEVY

■ AN ENTREPRENEUR GOES TO WASHINGTON

Of the approximately 10,000 registered lobbyists in Washington, fewer than a dozen work full time for small business. As the Small Business Administration's Chief Counsel for Advocacy, Jere Glover is fighting for entrepreneurs.

Back in the 1980s, while building two biotechnology companies with annual sales exceeding $3 million, Glover saw firsthand how government can help or hinder small business. Both businesses had received grants from the SBA's Small Business Innovation Research Program. But he sold one of his inventions to a Canadian company because it could get product approval faster than from the U.S. Food and Drug Administration.

Working within government, Glover is the eyes and ears of small business for President Clinton. When a well-intentioned proposal creates problems for small business, Glover charges into the fray. One recent bankruptcy proposal, for instance, required companies to reorganize within 90 days of filing bankruptcy. "We found out at the last minute and got the law changed," says Glover, "because most small businesses need more than three months to reorganize successfully."

Small business stabilizes the U.S. economy. "Because there is [not a substantial] small-business sector in most other countries, they feel economic downturns more acutely," says Glover. Fostering a climate that allows entrepreneurs to start businesses—and sometimes fail—keeps our economy vibrant. "In Europe, there is a stigma to trying and failing in business," says Glover. "There is also twice as much unemployment. Many successful U.S. small-business owners have failed at least once. In America, you can bounce back, start another business and be verv successful." But this is possible only if there is an effective voice for small business.

Since one person can't be that voice all alone, Glover devoted much of last year to creating the next generation of advocates through the White House Conference on Small Business (WHCSB). As deputy chief counsel at the 1980 WHCSB and a delegate at the 1986 conference, Glover knew he wanted to make some changes for the businesspeople attending the 1995 conference. He sought greater involvement from the White House and the administration—and achieved that goal. President Clinton, Vice President Gore and four cabinet secretaries attended the conference; the president also met with delegates at the White House; and the commissioner of the IRS spent an afternoon answering delegates' questions.

(CONT)

E TWO

"Having been the deputy under Carter and having worked closely with the Reagan and Bush administrations, I can say how much difference it makes when a president is advocating for small business," says Glover. Indeed, in just 12 months, more than half the 60 final recommendations from the conference have been acted on.

Small business is a bipartisan concern, Glover contends. "Unfortunately, for many people [in government], small business is their second priority," he adds. "A lot of Democrats support small business—unless it's in conflict with labor. A lot of Republicans support small business—unless it's in conflict with big business. As a result, we're nobody's first priority." Glover aims to change that . . . one issue at a time.

REAL ESTATE ROUNDUP
PAGE 8

SPECIAL REPORT: Insurance & Employee Benefits: Pages 13-27

$1.25

San Antonio
Business Journal®

VOLUME 10, NUMBER 17 | THE ESSENTIAL BUSINESS TOOL | WEEK OF MAY 10-16, 1996

ONFERENCE AGENDA

Thursday, May 16

AM — Registration
AM — Kickoff
:15 AM — Breakout session 1
- Taxation
- Business Finance (Debt)
- Best Practices for Local Small siness Growth

:45 AM — Luncheon
- Speaker: Richard Weekley, eekley Development Co.

30 PM — Breakout session 2
- Historically Underutilized siness Issues
- Business Finance (Equity)
- Lobbying 101

PM — Keynote address
- Speaker: Gov. George W. sh

15 PM — Breakout session 3
- Taxation
- Open Forum
- The Impact of Technology w and in the 21st Century

SPOTLIGHT

Conference seeks to empower small businesses

Organizers expect about 500 people at the event

By MARK MENSHEHA

They are printers, investors and bakers.

Others are engineers, consultants and bankers.

Next week, however, these various professionals will come together at the Governor's Conference on Small Business in pursuit of one goal: enhancing the operating climate for small businesses in Texas.

"(This conference) is important because it gives small-business people a chance to be heard on what the issues are," says David Worsham, president of Ventura Business Partners, a San Antonio-based small-business development company. "Often, as small-business people, we don't take the time to make our views heard. This gives us an opportunity to be involved and participate in the process."

Organizers of the Governor's Conference say they are expecting about 500 small-business

Continued on page 36

PHOTO BY ROBERTA BARNES

Members of the organizing committee for the Governor's Conference on Small Business.

Preview:

Continued from page 35

owners and employees to converge on The Wyndham Hotel May 16 and 17 for the conference. The event is being billed as an opportunity for small-business owners to debate and assign priorities to the key issues affecting small businesses in Texas. The priorities established through the discussions will become the basis for creating a small-business agenda for the 1997 Legislative session.

While it's the small-business representatives who are at the heart of the Governor's Conference, the event also has drawn the recognition of — and response from — both federal and state elected officials.

Gov. George W. Bush is expected to attend the conference on its opening day. U.S. Sen. Kay Bailey Hutchison (R-Texas) is expected to attend the conference on its second day. Also scheduled to attend the event are numerous state senators and representatives, and members of the U.S. Small Business Administration (SBA).

According to organizers of the conference, this year's event was planned with several goals in mind.

The conference will allow small-business representatives from across the state to meet with one another to discuss successes — and difficulties — that they may be having doing business. It also will provide these small-business workers with access to the legislators that will be setting the rules for how business can be done in the future in Texas.

Furthermore, organizers are trying to give small-business owners an opportunity to communicate with some representatives of Texas' larger companies who are expected to attend the conference.

"By coming together, (attendees) can share experiences and ideas," says David Pinkus, president of Austin-based Small Business United of Texas. "That's what a conference like this does. It brings people from different businesses and different geographic regions together."

Small Business United works, in part, with state agencies on behalf of small businesses across the state.

Much of the interaction at the Governor's Conference will occur at the various meetings planned for the event. Four break-out sessions are scheduled to be held over the course of the two-day gathering. During each of these sessions, two panel discussions and one educational seminar will be held regarding issues of importance to Texas small businesses.

Conference attendees will be able to sit in on the discussion or seminar of their choice during each of the break-out sessions.

The educational seminars are scheduled to include presentations on practices for small-business growth, the impact of new technologies on small business and competitive employee benefit programs. Panel discussions are scheduled to be held on taxation, historically underutilized business issues, labor/employment issues and regulatory issues.

Nationally syndicated columnist Jane Applegate will be involved in the conference's educational session on the impact of technology on small business. She also will participate in a panel on regulatory reform. Applegate says there has never been a better time to be a small business than now. Lenders have begun to recognize small-business owners as solid credit risks, making access to capital easier for these entrepreneurs than it was several years ago, she adds.

But problems do still remain, Applegate says. Many small businesses still feel burdened by excessive paperwork in complying with state and federal operating regulations. Other small businesses are struggling to employ some of the executives from big businesses who have fallen victim to corporate layoffs.

"Small-business owners have access now to these fabulously talented corporate executives who are being laid off," Applegate says.

"Small-business owners have access now to these fabulously talented corporate executives who are being laid off."

— *Jane Applegate*

SPECIAL PUBLICATION
Small Business Week Awards

There's nothing small about revenues in the small business sector.

Delegates to White House Conference make their presence felt

By MARK MENSHEHA

Next week's Governor's Conference on Small Business could bring about a sense of *deja vu* for a group of Texas small-business owners — if everything goes according to their plans.

Among the 500 small-business owners expected to attend the statewide conference are delegates to last summer's White House Conference on Small Business. That 4-day conference in Washington, D.C., helped establish a small-business agenda for Congress, and is being regarded as one of the most successful conferences in the event's 16-year history.

Now, many of those small-business owners who attended that conference as Texas delegates are looking to contribute to the agenda for the 1997 state Legislature just as they did with the federal government's agenda last summer.

"Things can happen because of small-business interests," says Linda Valdez, executive vice president of **Regnier Valdez & Associates**, a San Antonio marketing, advertising and public relations firm. "We can make a difference, but you have to take an interest and garner some support."

Valdez was one of the 20 delegates from San Antonio who attended last summer's White House Conference. Between June 11 and June 14, nearly 2,000 U.S. small-business representatives gathered in Washington, D.C., to discuss the standing of small businesses in the nation's economy.

Texas' small-business interests were represented by 104 delegates to that conference. These delegates will be recognized for their small-business efforts at the Governor's Conference next week. They also will be given an update on the impact that their recommendations to Congress are continuing to have on federal legislation.

Clarke Mosley, chairman and chief executive officer of **Phoenix Staffing and Consulting Services** Inc., says more than half of the 104 Texas delegates to the White House Conference are expected to participate in the Governor's Conference in some form. Many of the delegates from San Antonio have been involved with the organizing committee for the conference. Other White House Conference delegates have agreed to fill positions such as moderators during the conference.

Mosley adds that delegates to White House conferences prior to last year's also have expressed an interest in being involved in the Governor's Conference.

"A lot of them are taking leadership roles that are very active," Mosley says.

Jere Glover, chief counsel of the U.S. Small Business Administration's Office of Advocacy, says about one-third of the White House Conference recommendations made last summer already have been enacted in some form by the federal government, and more action should be on the way.

"This has been our most successful conference ever," Glover says. "I knew that when President Clinton asked how we were doing on the White House (Conference) recommendations last August that these issues were not going to go away. A president had never done that before."

The Office of Advocacy traditionally has monitored the interests of small-business groups in Washington, D.C. This year, that includes following the recommendations made by the White House Conference delegates through Congress.

Glover says the regulatory reform recommendations made by the White House Conference delegates have been the most significant suggestions enacted by Congress so far. Recommendations on capital formation, human capital and community development made by the White House delegates also have had a direct impact on congressional activity this year.

Recommendations still requiring legislative activity, Glover says, are those suggestions regarding the reduction of paperwork required of small businesses and easing the tax burden on small businesses.

TAX MEMO FROM NEAL SMITH

Although most people, including both small business persons and individuals with modest investments, do not generally believe an across-the-board tax cut is good economic policy, recent well-advertised Republican promises to cut taxes across the board by 15% and "end the IRS as we know it" have resonated very favorably with those people who think Democrats do not want to make changes in the tax code. Since fear of external forces and lack of a recession are not overriding issues in 1996, the number of voters who view tax policy as a high priority this year is very significant. Proposals made so far by the President do not respond adequately to the demand.

At recent speaking engagements and conferences, I have found a favorable reception when I say, "Across the board tax cuts both increase the deficit and lock in unfair provisions in the law; but (1) tax reform which encourages investments and (2) which encourages the transfer of stale assets to someone who will use them better, reduces deficits. The first objective for any revenue we can spare is to make taxes more fair and to both reform and simplify the tax code."

Examples of tax changes which are highly favored and preferable to the Republican proposals and which would to some extent finance themselves by encouraging taxpayer behavior which would both increase jobs and increase tax revenues include the following:

(1) <u>Graduate the rates for "C" Corporations so that they reach the top bracket at $300,000 or more instead of at $75,000</u>. For liability and loan eligibility reasons, when several persons pool money to establish a business or several family members operate a business, they must set up a Chapter C Corporation. Usually some investors are not active enough in the business to justify avoiding double taxation by declaring salaries to offset profits, and, besides, they need to build equity and reduce debts. To reach the top bracket at $300,000 instead of $75,000 is calculated by the Joint Committee on Taxation as costing $17 billion over five years; but they allow no offset for changing taxpayer behavior or encouraging more new business.

The national Chamber of Commerce even opposed the present inadequate graduation when it was established in 1981 and wanted all reduction in taxes be applied to the one rate, but the overwhelming majority of delegates to the White House Small Business Conference in 1980 favored graduation as a very high priority. The conference in 1981 reduced the graduation to such a low figure in order to reduce the top rate by 1% more. It was calculated to have the same revenue impact. As Chairman of the House Small Business Committee, I and other members pushed hard for the more significant graduation, but it was reduced in conference.

(2) <u>Allow for a 100% deduction for premiums for health insurance</u>. Although the self-employed are singled out as those treated unfairly, it also includes many others who do not have employer-paid health insurance. They feel strongly about this.

(3) <u>Depreciation rates which match the reduction in value of the capital assets.</u> For example: after the depreciation period for depreciating trucks, pickups, and automobiles used in business was increased so much, the remaining basis is more than the remaining value and the number of vehicles rented instead of owned skyrocketed. Even though it costs small businesses who take good care of their vehicles more to rent, they feel they must rent in order to secure the deduction for the full cost of vehicle expenses. It not only does not make business sense to practically force taxpayers to incur extra expense by renting instead of owning, but it also increases the tax deductions for vehicles and thus reduces tax revenue. The same applies to buildings and numerous pieces of equipment which are rented only because the tax code virtually forced them to do so.

(4) <u>Index the basis on property held more than two years and sold for more than the taxpayer paid for it.</u> It simply is not fair for someone who has held some stock for one or two years to pay the same rate on a gain which contains virtually no inflation as someone who sells property held 20 years when that "gain" contains 200% inflation in the basis. Taxpayers who sell property held as a long term investment are paying taxes on "gains" which include so much inflation that the money left after taxes provides less purchasing power than they originally had when they made the investment 20 or 30 years ago. While polls show that 56% favor reducing the tax rate on capital gains, I find that an overwhelming percentage of voters (probably 90%) think indexing the basis is really the right thing to do.

The IRS calculation that indexing the basis would cost revenue does not take into account the change that would result in taxpayer behavior, and it would be very significant. There is an attorney in Des Moines who spends full time holding and dispensing money in like kind exchanges. Virtually all the properties involved have been held at least 10 years. If the basis were indexed, most of those involved would pay the tax instead of doing a like kind exchange.

Tax attorneys are confident that indexing the basis would encourage so many sales that revenue to the Treasury would increase greatly for at least three years and then level off.

There is a huge amount of property being held until death or still being held by people who are not utilizing it as it should be, in order to avoid an inordinate tax they would have to pay on the gain which mostly represents inflation and a reduction in purchasing power. This is not good for the economy. Also small businesses do not have the option they need to sell equipment and shop with cash for new equipment. It does not make economic sense to change taxpayer behavior in a way that results in stale capital, nor is it fair for someone who uses property for a long period of time to pay the same tax rate on the "gain" as someone who is juggling stocks held for one year.

In large measure these changes would finance themselves by increasing revenues while an across-the-board cut would not.

These are just some of the items I find people have in mind when they drift toward Dole because of the tax issue even though they think supply side economics is crazy. At this time they are not impressed with the tax proposals the administration has made thus far and many believe neither the Republicans nor the Democrats intend to change the code to make it more fair or make more sense.

In fact, I have not found any voters who place tax issues as a high priority in determining their vote this fall even moderately interested in either the Republican $500 credit per child or the administration's tax credit for education proposals. Hearing those proposals probably reinforce their suspicion that neither party intends to make taxes more fair and, therefore, they just as well support a 15% across-the-board cut even though it is wrong too.

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9-30-96

(D) **Department of Education news advisory on "Crossroads Cafe."** Via Leon. Riley and public and private sector partners introduced this new 26-episode video series airing on PBS this fall. The situation comedy follows the lives of 6 people of various ethnic backgrounds and is the first nationally televised English ~~instruction~~ program. ~~It was designed to address the learning needs~~ of over 34 million adults with serious literacy deficiencies, and it will air weekly.

(E) **Wendy Smith memo on Family and Medical Leave Act roll-out.** Wendy forwards clips for your review.

(F) **Articles forwarded by Jere Glover, Chief Counsel for Advocacy, SBA.** Jere forwards articles about his work for entrepreneurs at SBA and the recent Governors Conference on Small Business, as well as a memo from Neal Smith on tax changes preferable to the ~~Republican-proposed across~~ the board tax cut.

(G) **"Awash in dreams of success: N.H. women hope soap business aids climb off welfare," Boston Globe, September 16.** Via Kitty Higgins. She also forwarded this article on a NH welfare to work program to Carol Rasco and Alexis Herman.

t to Ann Lewis

ask Laura + Robin to review this, cost out and advise as to policy + cost → worth intention

THE PRESIDENT HAS SEEN
9-30-96

THE WHITE HOUSE

WASHINGTON

September 23, 1996

MEMORANDUM FOR THE PRESIDENT
THE FIRST LADY

FROM: **KITTY HIGGINS** Kitty

SUBJECT: **NH Welfare to Work Program**

The September 16th Boston Globe reported on this interesting NH welfare to work program.

cc: Carol Rasco
Alexis Herman

Awash in dreams of success

N.H. women hope soap business aids climb off welfare

GLOBE STAFF PHOTOS / JANET KNOTT

At left, Ginny Cousens, a founder of Mountain Women Soap, sniffs the new coconut scent. At right, the women who started the company and some of their backers proudly display the product. They are: (front row from left) Linda Smith, Cousens, Norma Edwards (back row from left) Alberta Gothreau, Paula Raymond, Joyce Jackson and Alex Levin. The soap made by the women is all-natural and comes in a variety of shapes and scents.

By Judith Gaines
GLOBE STAFF

CONWAY, N.H. – There were times in their lives when each of the four women thought she would never succeed at anything.

They were slow learners who had dropped out of school by the 9th or 10th grades. They were single mothers whose relationships with men had often been abusive. All had former partners or parents who were alcoholics. Two had committed petty crimes. All had tried to find work, but somehow none of the jobs ever lasted long.

The four – Paula Raymond, 39, Norma Edwards, 46, Ginny Cousens, 43, and Linda Smith, 37 – were welfare moms, with no real hope for change.

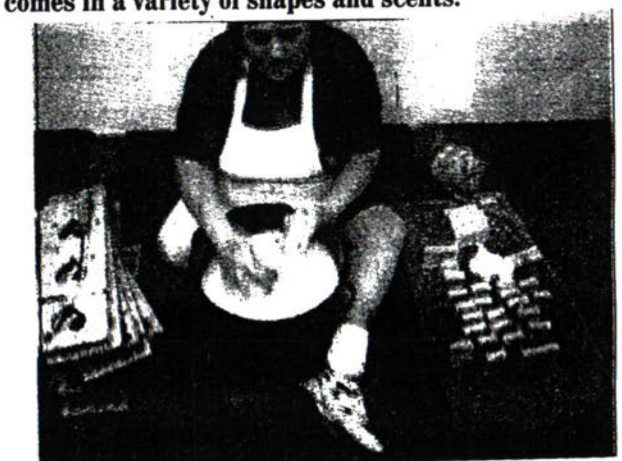
After roughly 20 years of depending on state aid, the women say they found a way to make a break. They formed their own company, Mountain Women Soap and are about to draw their first paychecks.

To date, profits have been plowed back into the business, in hopes of creating a self-sufficient firm. So the women have continued to receive welfare benefits.

But this year Mountain Women Soap will gross about $50,000, Levin said, and the women are hoping to begin receiving regular paychecks in December.

If the effort succeeds, says Alex Levin, director of the jobs program for Carroll County, then their story offers hope for thousands of others struggling to escape welfare's debilitating pull.

The women met four years ago in a course for high school equivalency diplomas. "We were all sick of being broke, sick of wondering when the next check was coming," Raymond recalled. "I felt bad about being in the



GLOBE STAFF PHOTO / JANET KNOTT

Norma Edwards, who started a company with other women on welfare, shapes bars of soap to sell.

system so long. But I didn't know what else to do."

For years, Raymond had experimented with crafts, making ornaments and wall hangings and other artsy gifts just for friends. Then one spring day in 1993, she showed her classmates a bar of soap she had made from an old family recipe.

"She was always bringing in stuff she had made. But this time some kind of lightbulb went on in people's heads," remembered Levin, who was teaching the class.

Conventional wisdom was that the women should pass their high school equivalency tests first, then move into the work force. "But I was realizing that some of them would never get their GEDs, because they were severely learning disabled," Levin said. And in rural Carroll County, there weren't many suitable jobs for people who had not finished high school.

With welfare changes looming, Levin and other social workers also worried that the women would lose their incomes.

Suddenly the whole class saw the possibility for a business that would reflect the women's skills, not cost too much money to start, and create a niche that could provide permanent employment.

So that spring the women started experimenting with small batches of soap, trying different recipes and soap-making techniques. "We were dreaming over pans of soap, thinking what it would be like to have our own business," Raymond said. "And we've stuck with it, and stuck with it, and stuck with it."

In honor of their rural roots and the White Mountains where they live, the four named their company Mountain Women Soap. They decided to produce all-natural, animal-free soaps (meaning they are made without lard, unlike most commercial soaps) in assorted shapes, scents and sizes. Raymond, Edwards and Levin share ownership of the company, and Levin, 40, became its acting chief executive.

The State of New Hampshire designated the fledgling company as a job training site, which allowed it to receive grants. Then the Kendall and Anna Ham Foundation, a nonprofit organization in Jackson, N.H., donated $1,300 for materials and packaging. "That's when we really got excited," Raymond said. "None of us had ever seen a $1,300 check."

Each of the women also invested in the company the $1,550 allowed by the state for her annual educational tuition. The New Hampshire Charitable Trust gave them $10,000. A few local individuals volunteered small donations.

Always hanging on by a shoestring, the company has been housed in an alternative bookstore, a church anteroom, the back of a karate school, a learning center, and even in Smith's apartment. A hand-lettered scrap of paper taped to the door of an old cabinet maker's shop in Conway marks its current headquarters.

Inside, the women make the soap in large baking pans, shape it in handmade wooden molds that have to sit for three days, and then package it themselves. Hearts, balls, and bars of soap sit atop tables, racks, counters and bookshelves, as coconut, jasmine, vanilla, lavender and other fragrances waft from room to room.

GLOBE STAFF PHOTO / JANET K

Joy Rowe (left), an Americorps alum who helps out the fledging company, does detail work on a heart-shaped bar of soap while Paula Raymond checks other bars for any irregularities.

State officials have given the women a deadline of next February, when they must draw a paycheck or begin searching for another full-time job. That would make continuing the soap company extremely difficult, Levin said.

To meet their deadline, the soap makers have committed themselves to a demanding schedule of retail craft shows, including one in Danvers Nov. 11, where they hope to market their products. Already they have orders from 18 customers in 18 states.

But success itself, as Levin observed, takes some getting used to.

Raymond, who never felt at ease in school and cried in fear when she learned she had to attend high school equivalency class, still feels uneasy about all the schedules and expectations.

Edwards' parents lost their home to a fire and later divorced. Both Edwards and Cousens spent much of their childhood bouncing from one foster home to the next, and never felt like they fit in anywhere.

For the reclusive Edwards, who until recently was afraid to go beyond Route 16, barely a block from her home, all the travel is daunting. Only two of the women have driver's licenses.

Cousens said she was scared and shy when she first met the other women, and self-conscious about teeth. Because New Hampsh Medicaid pays only for extracti Cousens couldn't afford the de work she needed. So she kept to self and rarely smiled.

"This job has opened me u lot," she said.

They all say that what makes job different from others the tried – and failed – in the pas their pride in a business the started themselves, and the com ment they feel to each other.

"I'm tickled to death. The j want, I got," said Edwards, plung her tatooed arms into pans of s "And it's mine."

"We're a team," Smith said. stay with it forever."

THE PRESIDENT HAS SEEN
9-30-96

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

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THE CHAIRMAN

September 24, 1996

fascinating
thanks
BC

MEMORANDUM FOR THE PRESIDENT

FROM: JOSEPH E. STIGLITZ JES

SUBJECT: Report on Economic Dialogue Meetings in China

I recently returned from a trip to China for the inaugural meeting of what I hope will become an ongoing informal dialogue on China's economic reform between the CEA and China's State Planning Commission (SPC). During the trip I met with Vice-Premier Zhu Rongji, as well as the Chairman of the SPC, the Minister of Finance and the Governor of the People's Bank (China's Fed equivalent). At their invitation, I travelled with Ambassador Jim Sasser to the seaside resort where the top Chinese leadership holds a policymaking retreat each summer. Apparently, this was the first time an American Cabinet member had been received there. (I also was honored during the trip with a dinner of live scorpions -- a first for me.)

How do you eat them?!

Bilateral Relationship

My discussions with Chinese officials were friendly in tone, constructive, and often quite lively. My visit clearly benefitted from the recent thawing of relations associated with Tony Lake's successful visit, the resolution of the intellectual property dispute, and the successful MFN vote. My visit was billed as an effort to deepen mutual understanding over economic reform, and the Chinese officials appeared to welcome a high-level visit that did not focus on negotiations. In many respects, the meeting was the message, and, as such, it was well received. Vice Premier Zhu and others appeared especially interested when I explained that the United States views China's economic growth and prosperity as a win-win proposition from which both China and the United States derive mutual benefit.

The Chinese are looking forward to a series of high-level bilateral meetings in the months ahead, including a bilateral between you and President Jiang around the edges of the APEC Leader's meeting in late November.

China's Spectacular Growth

Looking back over the past 18 years of economic reform, the results have been nothing short of spectacular: real growth has averaged 9 percent per year; per capita income has risen from \$290 to \$1200; the share of industrial output generated by state enterprises has fallen from over 75 percent to about 30 percent; foreign direct investment has flooded in at the recent rate of \$40 billion per year; and agricultural production has grown by more than one-third. The

Chinese government is rightfully proud of the stabilization program it recently introduced to curb inflation: inflation has been brought from 25 percent to under 10 percent while high levels of real growth have been maintained, and most recently foreign currency has been liberalized for trade. All the while, the government has maintained low levels of government debt and of foreign debt -- owing in large measure to a 20 percent household savings rate -- and most recently it has accumulated the third largest foreign exchange reserves in the world.

China's Goal: a Socialist Market Economy with Chinese Characteristics

China's economic reforms are loosely guided by the goal of establishing a "socialist market economy with Chinese characteristics." The core of this vision appears to be the dual objective of giving the market a dominant role in allocating resources for the purposes of efficiency while maintaining a dominant (but not exclusive) role for "public" enterprises. There is a great deal of ambiguity within this goal. For instance, while Chinese officials readily defined "public" enterprises to include those owned collectively by workers and townships, they have not fully resolved whether this group should also include enterprises owned by pension funds or jointly by stockholders. (If the latter interpretation prevails, the distinction between capitalism with American characteristics and a socialist market economy with Chinese characteristics would at best be blurred).

Chinese officials look to Japan and Korea as models in designing industrial policy to move China rapidly into increasingly sophisticated industries. The "East Asia model" involves a variety of government interventions in the market. High-level officials articulated an emphasis ~~on technology transfer~~ from the West, and a conviction that the government has an important ~~role in protecting key industries, for~~ reasons that range from protecting national defense to establishing advanced industries of the future.

Challenges Ahead

Despite China's impressive achievements, many experts believe that China faces difficult challenges ahead in maintaining growth and reform. For the most part, Chinese officials appear to have a sophisticated grasp of the problems but only a rudimentary sense of the solution on some of the tougher issues. To be fair, the same could be said regarding the meetings I had with Chinese officials shortly after the beginning of reform, in 1980 and 1981, when the major challenges were how to make the transition from a system of government dictated prices to market determined prices, and how to establish new enterprises outside of the state sector. Both of these challenges have been met, with more than 95% of prices now determined by markets, and with the state enterprises responsible for only 40 percent of employment. On future reforms -- as over the past two decades -- it appears Chinese bureaucrats will continue to favor experimentation with pilot projects at the provincial level over the adoption of untested wholesale policy reform at the national level. Many believe that the next major phase of reform is already under discussion but will not be decided until after the October 1997 Party's Congress, at which the successor to Premier Li Peng will be named.

Creation of a Social Safety Net and Modernization of State Enterprises: China currently has a very uneven social safety net. Workers at state enterprises benefit from the "iron rice bowl" system that guarantees a range of social benefits often well in excess of those provided by other countries at comparable states of development. In contrast, farmers and workers in the non-state sector have virtually no social security and unemployment insurance, and are dependent on the locality in which they were born for education and health services. This unevenness creates enormous rigidities in China's labor market, with redundant workers at state enterprises reluctant to seek work in the non-state sector and farmers reluctant to move to China's booming cities in search of work. It also renders state enterprises uncompetitive, saddled with redundant workers and high non-wage compensation costs. Indeed this is one of the main reasons that some Chinese officials (especially those responsible for meeting the deficits) are reluctant to expose state enterprises to international competition through further trade opening, such as would be entailed by membership in the World Trade Organization.

The dual functions of state enterprises suggest state subsidies in many cases should be viewed more as subsidies for the provision of social programs administered by the enterprises than as industrial subsidies.

The central government has transferred responsibility for a large proportion of the state enterprises to the provinces, perhaps in the hope that fiscal pressures at that level will force a resolution of this problem.

Creation of a Modern Financial System: In the past, China has controlled monetary policy through the direct allocation of credit to provinces and state enterprises. One of Vice Premier Zhu's proudest achievements was the creation of a somewhat independent central bank with indirect instruments for controlling credit. Nonetheless, the government still channels credit to state enterprises through the banking system. Because China's banks have traditionally allocated credit based on bureaucratic rather than profit criteria, they are saddled with large portfolios of nonperforming loans and lack the institutional and human resources to make commercial lending decisions. Nonetheless we were impressed with the quality of the personnel with whom we had contact; their sophistication and understanding of modern banking, suggests that we should not underestimate their ability to deal with this problem.

Creation of a Modern Legal Framework: Perhaps the deepest of China's remaining reform challenges is the move from a system based on relationships to a system based on legal principles and the rule of law. The Chinese government is moving -- albeit in a gradual and piecemeal manner -- to enact a series of laws and create the institutions that undergird a modern commercial system.

Agricultural Productivity: In the early years of reform, China made tremendous progress in raising agricultural productivity by decontrolling prices and moving from forced communal farming to collective and family farming. However, following the first few years of reform, productivity growth slowed considerably. Many experts assess that resuming high rates of growth in the future will require further decontrol of prices and production and moving closer to private ownership of land. Such reforms, however, conflict with the desire to keep urban food prices low (related to the Chinese bureaucracy's preoccupation with maintaining order) and the perceived need -- at the provincial level -- to achieve food self-sufficiency, which is often manifested in export bans between provinces. As with modernization of state enterprises, political constraints on further modernization of the agricultural sector also pose difficulties for trade liberalization.

Regional disparities: There are marked disparities in growth rates and levels of income among the provinces of China. Government officials are aware of the disparity, and have already instituted a number of programs that attempt to address these disparities. These involve not only the transfer of capital resources, but also of know-how and entrepreneurship.

Central Control: In a number of areas, central authorities seem to be reasserting central control. This was most notable in their efforts at creating a modern financial system, which will entail provinces losing considerable autonomy in credit creation. It is also evident in their attempts to deal with regional disparities. Many of the reforms associated with membership in the WTO should require central control. And efforts to reform the social safety net may ultimately require a greater central government role.

Stability: A strong message conveyed throughout our meetings was that the economic success of China was heavily dependent on the maintenance of political stability. As the government increasingly sees itself defined by its economic success, rather than by ideological commitments, there is likely to be continued stress on political, economic, and social policies that they perceive as maintaining that stability.

cc: The Honorable Warren Christopher
The Honorable Robert Rubin
The Honorable Anthony Lake
The Honorable Laura Tyson
The Honorable Michael (Mickey) Kantor
Ambassador Charlene Barshefsky

9/30/96

cc to

J. Klein

[This is all policy & statistics & tough talk – There should be a little value language up front, about our mothers & sisters & daughters & families before you get into the numbers & policy game.]

NATIONAL BREAST CANCER AWARENESS MONTH, 1996

- - - - - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

We can be proud of the progress that we are making in the fight against breast cancer. But there is much left to do. It remains the second leading cause of cancer deaths among American women and the leading cause of all deaths among women ages 40-55. And in 1996, some 44,300 women will die from breast cancer -- the equivalent of one woman's life lost every 12 minutes. In addition, another 184,300 women in the United States will be diagnosed with breast cancer in 1996. And every one of these diagnoses changes not only that woman's life, but also the lives of all the others who love and care for her.

We have embarked on an all-out assault to combat this threat to our Nation's women. The Federal Government has nearly doubled funding for breast cancer research, detection, and treatment since 1993, from $271 million to $476 million in the Department of Health and Human Services alone. And in response to requests from 2.6 million of our Nation's citizens, we launched the National Action Plan on Breast Cancer. This innovative public-private partnership is spearheading a national strategy to catalyze research, education, service delivery, and policy. We have also mobilized the Federal Government to join in the war against breast cancer.

[We got 2.2 million requests?]

you can "catalyze policy"?]

Our focused efforts have resulted in remarkable advances in our understanding of the causes of breast cancer. Researchers have discovered breast cancer susceptibility genes that hold the promise of new treatments and -- eventually -- prevention. We have increased the research focus on identifying environmental risk factors for breast cancer. Our country's efforts to address breast cancer mortality have reaped dramatic rewards in the 1990's. During the most recent five-year period for which data are available (1989-1993), age-adjusted mortality rates for white women fell almost 6 percent. Although mortality rates

[I don't like this – what's the number for women?]

among African American women are still increasing, the rate of increase has slowed to 1 percent, compared to 16 percent during the 1980's.

The new Mammography Quality Standards Act now ensures that every woman who obtains a mammogram to detect breast cancer in its earliest, curable, stages can be certain that facilities meet the highest quality standards for equipment and personnel. We are implementing the National Breast and Cervical Cancer Early Detection Program to make free or low-cost mammography available to medically under-served women. The First Lady launched an education campaign to inform and encourage older women to use Medicare's mammography screening benefit. And to improve early detection, we are transferring imaging technologies from the space, defense, and intelligence communities.

Breast Cancer Awareness Month is a time to assess both the toll this disease takes on our society and the progress we have made in the battle to overcome it. For those of us who have lost loved ones to breast cancer, this battle holds special urgency. One of our most powerful weapons is early detection, and I urge women to have appropriate mammograms, to perform routine self-examination, and to take advantage of the latest in preventive medical care. Armed with this commonsense approach and the promising advances in research and treatment, we can look forward with confidence to the day when breast cancer is finally eradicated.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim October 1996 as National Breast Cancer Awareness Month. I call upon government officials, businesses, communities, volunteers, educators, and all the people of the United States to celebrate the successes we have had in advancing our knowledge of breast cancer, and to reaffirm our commitment to continue to work together to fight this disease.

IN WITNESS WHEREOF, I have hereunto set my hand this day of , in the year of our Lord nineteen hundred and ninety-six, and of the Independence of the United States of America the two hundred and twenty-first.

X

Send gift? Nice crystal vase?

cc: Helen & Roberto

THE WHITE HOUSE

WASHINGTON

September 26, 1996

Jamie Leigh Ann Alexander
and Steven Elliot Tisch
14454 Sunset Boulevard
Pacific Palisades, California 90272

Dear Jamie and Steve:

As you begin your new life together, Hillary and I want to wish you the very best. Your lives will become even richer and happier because of this blessed event, and we hope the coming years will bring you lasting love, growing wisdom and great happiness.

Our thoughts and prayers are with you. God bless you both.

Sincerely,

Bill Clinton

R

CC
1. Maureen for letter
2. Scheduler to regret — BC w DL

Ms. Linda Alexander Tanana

Mr. and Mrs. Edgar Franklin Alexander

request the pleasure of your company

at the marriage of their daughter

Jamie Leigh Ann

to

Mr. Steven Elliot Tisch

Saturday, the nineteenth of October

Nineteen hundred and ninety-six

at half after five o'clock

Beaulieu Garden

Rutherford, California

Black tie