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001. form	[Personally Identifiable Information] [partial] (1 page)	06/19/1996	b(6)
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COLLECTION:

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

FOLDER TITLE:

Chron Files: Monday, October 28, 1996

2019-0774-S

rs3335

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

Argue letter
Classified by N. S. [unclear]
M. [unclear] / R. [unclear]
E. [unclear] / [unclear]
[unclear]

THE WHITE HOUSE
WASHINGTON

October 26, 1996

Don Argue, Ed.D.
President
National Association of Evangelicals
450 Gundersen Drive
Carol Stream, Illinois 60188

Dear Don:

Thank you for your letter concerning the establishment of the State Department's Advisory Committee on Religious Freedom Abroad. I applaud your commitment to religious liberty and value your input on these issues. I regret that we did not have more time together at the debate in New Hampshire but hope to catch up with you soon.

As you know from our conversations, I embrace the ideal of a world where people of all faiths may worship free of persecution. I join with you in your prayers for all those who suffer, including in particular individuals of Christian faith who are being singled out for punishment because of their religion. That is why my Administration is addressing this issue directly.

Over the past year, in consultation with NGOs and church groups, we have carefully considered your call for a special advisor. Given the twin goals of this effort, preventing the persecution of persons of faith and promoting reconciliation among adherents of different faiths, we concluded that an advisory committee comprising representatives of different faith communities would be the best approach.

We have worked very hard in developing the Committee membership. The Committee will be non-partisan and non-political, and Secretary Christopher is committed to seeing that the Committee remains focused and result-oriented. I will certainly keep your proposal for alternate members in mind and encourage the Committee to consult widely with experts in the religious and human rights communities.

Rec'd
You gave us
advising Budget for
Committee
The downside I can
see - would keep down the
work. Admin. of Gundersen - [unclear]

Chen

I am committed to seeing that this new advisory committee will have the means and mandate to help us more effectively redress religious persecution abroad and better understand the role of religion in conflict. I am grateful that you have agreed to participate on the Committee. Your unique perspective will be critical to its success.

Sincerely,

Bill Clinton

**NATIONAL
ASSOCIATION of
EVANGELICALS**

September 19, 1996

National Office
450 Gundersen Drive
Carol Stream, IL 60188
Phone: 630-665-0500
Fax: 630-665-8575
E-mail: NAE@nae.net
Web Site: www.nae.net

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

Don Argue, Ed.D.
President

Dear Mr. President:

Warmest greetings.

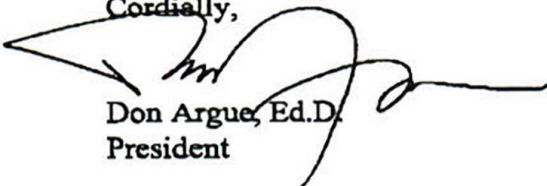
It would seem, based upon conversations with Flo McAfee and others, that your staff is moving ahead toward the appointment of an Advisory Committee on Religious Liberty to address the crisis of religious persecution. Indeed, a list of seventeen potential participants, which included my own name, was leaked. Although passionate about this issue and excited to be of service to you, I must be candid and say that there is an important matter that needs to be addressed.

As you may recall, I joined a number of leading evangelicals in writing to you on May 17, 1996, to express reservations about such an advisory committee submerged in the State Department bureaucracy. It has long been, and remains, our belief that without a clear mandate this kind of advisory committee will not succeed in altering governmental policies. Moreover, any committee itself must consist of representation from the community most significantly impacted by growing religious persecution -- evangelical Christians.

I would like to suggest that one of the former Templeton Religion Award (the Nobel Prize for Religion) recipients, Bill Bright or Chuck Colson, be added to the committee. Further, I would be pleased to give you counsel on any other evangelicals you may be considering.

I want very much for this advisory committee to happen and am at your call and pleasure to meet with Ambassador Richard Schifter to share these concerns. You are in our prayers, especially during this period of conflict with Iraq. I look forward to seeing you soon.

Cordially,



Don Argue, Ed.D.
President

FAX TRANSMISSION

NATIONAL MEDIATION BOARD
1301 K STREET, N.W., SUITE 250 EAST
WASHINGTON, DC 20005
202-523-5443
FAX: 202-523-1494

96 OCT 28 19:10

To: Jennifer O'Connor
Special Assistant to the President

Date: October 24, 1996

Fax #:

Pages: 2, including this cover sheet.

From: Joyce M. Klein

Subject: SEPTA Emergency Board

COMMENTS:

Here is a copy of the official request for an emergency board from SEPTA.

Mac (Reed)

For your action

Phil Caplan

1234 Market Street
Philadelphia, PA 19107-3780
(215) 580-4000
Fax (215) 580-7328



Southeastern Pennsylvania Transportation Authority
Safety • Service • Continuous Improvement

Board Chairman
Thomas M. Hayward

Vice Chairman
Richard Voith

Stewart R. Cades
Linda K. Caracappa
Pasquale T. Deddi
Edmund Jones
Richard E. Kurtz
Karen L. Martynick
Frank G. McCartney
Jesse D. Newman
Michael J. O'Donoghue
James C. Schwartzman
Anthony M. Williams
Robert T. Wooten

General Manager
Louis J. Gambaccini

October 8, 1996

Oct 16 9 50 AM '96
NATIONAL MEDIATION
BOARD

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

Re: NMB A-12627
SEPTA/BLE

Dear President Clinton:

In accordance with Section 9A (e) of the Railway Labor Act, the Southeastern Pennsylvania Transportation Authority (SEPTA) respectfully requests that you establish a second Emergency Board to receive the parties' final offers for settlement of the dispute between SEPTA and the Brotherhood of Locomotive Engineers (BLE). Because SEPTA wishes to continue efforts toward a negotiated settlement, this request is effective November 15, 1996 and not before.

Further, SEPTA requests that this second Emergency Board be established at 12:01 a.m. EDT, November 15, 1996. SEPTA makes this request in order that the parties can continue efforts to reach a settlement using the first Emergency Board recommendations as the guideline. Should these efforts prove unsuccessful, however, the immediate creation of the second Emergency Board at the end of the statutory time period will prevent a disruption to commuter rail service and the unnecessary inconvenience to the riding public in the southeastern Pennsylvania region.

Sincerely,


Louis J. Gambaccini
General Manager

LJG/kn

cc: Kenneth Hipp, Chairman, NMB
Ronald M. Etters, General Counsel, NMB
Ronald P. McLaughlin, President, BLE

THE WHITE HOUSE
WASHINGTON

DATE: 10/24/96

TO: Phil Caplan

FROM: Elena Kagan
White House Counsel
Room 125, OEOB, x6-7901

- ☐ FYI
- ☐ Appropriate Action
- ☐ Let's Discuss
- ☐ Per Our Conversation
- ☐ Per Your Request
- ☐ Please Return
- ☐ Other

FAX TRANSMISSION

NATIONAL MEDIATION BOARD
1301 K STREET, N.W., SUITE 250 EAST
WASHINGTON, DC 20005
202-523-5443
FAX: 202-523-1494

To: Elena Kagen, Esq.
Associate Counsel to the President

Date: October 24, 1996

Fax #:

Pages: 2, including this cover sheet.

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Subject: SEPTA Emergency Board

COMMENTS:

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1234 Market Street
Philadelphia, PA 19107-3780
(215) 580-4000
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Board Chairman
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October 8, 1996

Oct 16 9 50 AM '96
NATIONAL MEDIATION
BOARD

The Honorable William J. Clinton
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Washington, D.C. 20500

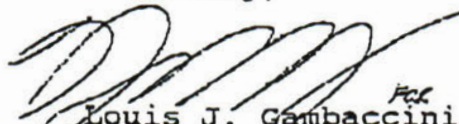
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Sincerely,


Louis J. Gambaccini
General Manager

LJG/kn

cc: Kenneth Hipp, Chairman, NMB
Ronald M. Etters, General Counsel, NMB
Ronald P. McLaughlin, President, BLE

VP → This a
wings
of course
of mine

THE WHITE HOUSE
WASHINGTON

October 26, 1996

Eugenie Sikora Askren
Number 6-D
262 Central Park West
New York, New York 10024

Dear Genie:

I loved your letter about your work and the positive impact my Administration has had on it. Your experiences epitomize the changes the Vice President and I have been working for these last four years, and I couldn't have said it better myself -- we are indeed working by your and every American's side.

Thanks, friend!

Sincerely,

Bill

Eugenie Sikora Askren
Number 6-D
262 Central Park West
New York, New York 10024

October 08, 1996

Dear Bill,

Incited by the "get government off our back" refrain of the Republicans, I came in to work a little earlier than usual because I wanted to write a bit about how the changes in the government -- brought about by your administration -- have directly affected the "life" of our very small not-for-profit corporation. First of all, let me say that since our founding in 1975, we have always had federal funding -- literally more or less. These days, I'm happy to say, it's a case of more.

Since you took office, there has been a *fundamental change in the federal vision*, from an almost agency-partisan mentality to one which -- for the first time in our more than twenty years of working with the government -- understands the importance of building community as the basis for any federally funded initiative. We have been working this year with various federal agencies including the FTA, DOT, USDA, HUD, the National Parks Service, the NEA, and the National Academy of Sciences. Though our projects vary in their implementation and their focus is shaped in function of the federal funding source, there is a coherence of goal behind the efforts, and a collegial creative spirit which we have never experienced before in our federal work. Each project has had community building as its underlying objective. For example, our FTA funded initiative called "The National Partnership for Transportation" has brought together federal, municipal, not-for profit, and foundation people to share their expertise, experience and resources in order to understand how transportation planning and decisions impact *people*. I've enclosed a copy of a page from the Partnership's "hot-off-the-presses" booklet. As you can see, it is Federico Peña's introductory letter and it expresses -- beautifully, I think -- the new spirit we've found in Washington.

There has also been a *fundamental change in the federal administrative requirements* and the way in which information about those requirements is made available to grantees. In our past experience, the publications put out by the administrative rules-writing crew were pretty much unreadable. The content was jargon heavy, the writing obscure and brittle, and the tone was mildly threatening. Then there was the physical problem of trying to decipher blurred blocks of text in publications which had been reproduced to the point of degeneration. Of course, in some cases we weren't even afforded the challenge of decoding because our repeated requests for publications never got a response. Now everything we need to educate ourselves about the administrative requirements for grants and cooperative agreements is on the Net *and* it has all been rewritten so that it is clear, clear, clear!! Information we need is available immediately and when we download and print, we can actually *read* and understand it! The tone has changed: no longer threatening but rather collaborative. Not only are we provided with a lucid explanation of the requirements, but also in some cases -- the FTA to be specific -- suggested best practices. **THIS IS GREAT!!!** The government agencies have announced in plain language that they will not substitute their judgment for that of the grantee in matters of procurement, that they expect due diligence from the grantees in fulfilling administrative requirements, and that they stand ready to *HELP* grantees meet their responsibilities. While making clear that the burden of compliance sits squarely with the grantees, the government has at the same time put itself forward as a resource and a real partner.

Anyway, all this to say that the changes brought about by your administration have reached all the way to our very small non-profit and the changes have been *wonderful* for our work, our frame of mind, and most important for our country. You *did* "get government off our backs" -- and put it by our side.

Just wanted you to know ...

Again, you did a terrific job during the debate! I look forward to October 16th.

Best, as always,

Genie

3

JERICO PEÑA

The Secretary of Transportation

Washington, D.C.

Dear Friend,

One of my highest priorities for the Department of Transportation has been to look at how transportation investments impact people. Transportation is about more than concrete, asphalt, steel and vehicles. It is about people's day-to-day lives. I am therefore delighted to share the stories from five projects generated under the leadership of Gordon Linton of the Federal Transit Administration and Rodney Slater of the Federal Highway Administration. Comprehensive community-based planning is at the heart of U.S. DOT's National Partnership for Transportation and Livable Communities, which builds on the principles embodied in the Intermodal Surface Transportation Efficiency Act.

What the stories told in this booklet—from both rural and urban areas—have in common is that they approach transportation holistically rather than as a series of individual parts. The projects are evidence of the synergy that results when planning is inclusive and cooperative.

It is encouraging to see the spirit of commitment to positive change and renewal in communities all over America. In the years ahead, through the partnership, that includes not only transit and highways but also communities and businesses, I want to do everything in our power to foster that positive spirit.

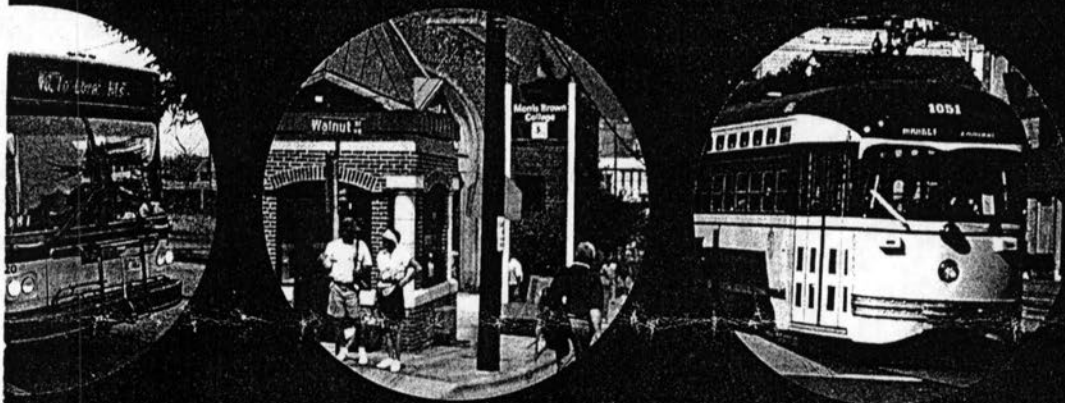
Sincerely,



Federico Peña

October 1, 1996

3



Acknowledgements:

U.S. Department of Transportation:

Janette Sadik-Khan Deputy Administrator, Federal Transit Administration

Gloria Jeff Associate Administrator for Policy, Federal Highway Administration

John Horsley Deputy Assistant Secretary for Governmental Affairs

Project Director: Wendy Feuer

Design: Halle Design

Editor: Todd W. Bressi

Additional support for this booklet provided by:

Project for Public Spaces and The Surdna Foundation.

Portions of this booklet have been excerpted from the following forthcoming publication:

The Role of Transit in Creating Livable Metropolitan Communities

(TCRP H-4D) by Project for Public Spaces, Inc. Available in late 1996 through:
Transportation Research Board, Box 289, Washington, D.C. 20055

October, 1996

✓ Here we
are!

← This has been
a great partner-
ship.

THE WHITE HOUSE
WASHINGTON

36 OCT 25 P5:59

October 25, 1996

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STRETT & ANNE HAWLEY

SUBJECT: SCHEDULING DECISIONS

CC: EVELYN LIEBERMAN

ACCEPT

Date of Event:

Description of Event:

10/27/96

Announcement of Women's Initiatives, Rose Garden

10/29/96

DNC Concert, Washington, DC

10/30/96

Interview With Linda Ellerbee For *Lifetime TV*

This interview will be handled as a 5 minute "pull aside" after the women's event in Ypsilanti, MI which *Lifetime TV* will be filming.

11/1/96

"Get Out the Vote" Phone Interviews With Radio Talk Show Hosts Tom Joyner, Donnie Simpson and Mary Mason

Nov. tbd

Adoption Event With the First Lady, Washington DC

Dec. tbd

Brief Meeting & Photo With Chinese Defense Minister Chi Haotian

Will only P!
not return message

PENDING

Date of Event:

Description of Event:

11/6/96

South Lawn Event Upon Your Return From Little Rock

This would enable you to thank the White House staff, the Re-Elect staff and the DNC staff.

11/8/96

Interview With David Brinkley of ABC News

This interview would air during Mr. Brinkley's last appearance on "This Week."

12/7/96

Army-Navy Football Game

12/11/96

Speech to the Democratic Leadership Council, Washington, DC

Dec. - Jan.

Welcome New Class of White House Fellows

REGRET

Date of Event:

Description of Event:

10/25/96 - 11/4/96

Interview With Brian Lamb of CSPAN

10/28/96

Speech to Chicago Business Leaders

It is likely that this group will be folded into another event already taking place.

10/28/96 - 10/29/96

Speech to the International Association of Chiefs of Police, Phoenix, AZ

You will not be in Phoenix until the evening of Oct. 30, after the conference has ended. You will be doing a video for this group.

10/30/96

Why not?

Rose Garden Ceremony For Teens Against Drugs (TAG)

Dec. 18 - Jan 15.

United Cerebral Palsy Award For Outstanding
Achievement, New York City

**Due to the tremendous demands on your
schedule in December (Christmas schedule) and
in the beginning of January, it would be
difficult for you to travel to NYC for this. We
would like to do a video if you agree. We will
also try to send a surrogate.**

10-26-96

Continued From Page 1

Suburbs' Soccer Moms, Fleeing the G.O.P., Are Much Sought

A By CAREY GOLDBERG

PASADENA, Calif., Oct. 3 — If the catch phrase that emerged from the Republican sweep in the 1994 elections was "angry white men," then what will it be this election season? "Anxious white women," suggested Karen Hasse Ball, a mother of two who lives with her husband, children, dog and two cats on a leafy street in this Los Angeles suburb and casts her vote based on concerns about her children's future.

In fact, the white suburban women like Ms. Hasse Ball who are fast becoming the most sought-after voters of the campaign season are already known in campaign circles by a different name that is only now gaining currency: soccer moms.

But she was right that she and her comrades in the minivan brigades are politically hot. By breaking with their traditional Republican leanings and spurning Bob Dole in striking numbers, according to early polls, they have become a central focus of campaigners and pollsters who consider them part of the swing vote, without which Mr. Dole cannot win the Presidency.

"The campaigns are both trying to target and appeal to this group," said Susan Carroll, a senior research associate at the Center for the American Woman and Politics at Rutgers University. "And what's making it very tough for the Dole campaign is that the Clinton campaign seems to be going after these women equally aggressively."

The latest New York Times/CBS News Poll, conducted in early Sep-

tember, found that support for President Clinton among married white suburban women appeared to have jumped dramatically since 1992. In a comparable poll in September 1992, 48 percent of them preferred Mr. Bush while 27 percent preferred Mr. Clinton. This year, only 39 percent favor Mr. Dole while 49 percent prefer Mr. Clinton, for a shift of 22 percentage points in Mr. Clinton's favor.

In interviews around the country this week, white suburban married women who plan to vote for Mr. Clinton gave many reasons for their choice, but they all seemed to boil down to a perception that Mr. Dole is from Mars and Mr. Clinton is from Venus.

Mr. Clinton and the social welfare programs he supports appealed more to the women voters' compassion for the unfortunate and feelings of "there but for the grace of God," they said, while Mr. Dole's arguments that the tax cut he is proposing would benefit all families struck less of a chord.

"Men tend to vote with their pocketbooks," said Robin Smith, an insurance executive and father of three stopping in to the La Salle High School here for a parent-teacher conference, "and women..."

"...vote with their hearts," finished his wife, Leslie.

But it is far from that simple.

At an evening mah-jongg game in a suburb of Lincoln, Neb., the five players — all married white women — listed an array of issues that concerned them most and that President Clinton seemed better on, like abortion, health care reform, gun control, improved public education and paid leave for family caregivers. But Michelle Carr, 38 and a Democrat who voted for George Bush in 1992, said she would nonetheless vote for Mr. Dole — reluctantly — because she could not trust Mr. Clinton. Like several other women interviewed, she said that neither candidate seemed right but that she would vote for Mr. Dole because "we need some tax relief in this household."

In Richmond, Mary W. Alexander, a mother of two from the suburb of Mechanicsville who teaches learning-disabled children, expressed a similar lack of enthusiasm for both candidates but leaned the other way.

"I was really for Bush, so there was a reason to vote for him," she said as she sat on a folding lawn chair and — a literal soccer mom — watched her son play for the Chickahominy Chargers. "Dole is not a very appealing candidate. A lot of women I teach with feel the same way: Clinton is the lesser of two evils."

Mr. Clinton, she added, "does seem to care."

That sense of caring appears to count tremendously for women who say their political approaches have altered since they had children.

"You think where the country's

going to be in 10 years," Ms. Alexander said. "You aren't so me-centered. Before, I thought how it was for me — taxes, Social Security, balancing the budget. Now I'm thinking about them — drugs, education, medical reform. You get that mom focus."

Their husbands, many women said, tend to remain more concerned about economic issues, pushing for lower taxes and trusting in their own earning ability rather than supporting more of a social safety net in case they should fall.

When they discuss politics, the men in their lives also tend to see things more in black and white, they said, whereas they, like President Clinton, have a more consensus-building style.

"Dollars and cents," said Gay Koty, a school nurse, mother of four and typical Bush-to-Clinton shifter from Somerville, Mass., of her husband's way of thinking about politics.

'Anxious white women' may spell doom for Dole's candidacy.

"Nuts and bolts. Meat and potatoes."

Those differences are longstanding, but some pollsters and analysts say the shift in the soccer moms' vote is accentuated because of women's reaction to the cuts effected by the Republican Congress.

The breakaway moms also reflect the mounting political independence of women who have been out in the workplace for many years now, said Celinda Lake, a Democratic pollster. Her suggestion for the 1996 catch phrase was "energized white women" because "they're not particularly angry but they are empowered."

The Republican assessment of the importance of the soccer moms shows in the campaign's open wooing of them recently; campaigners say Mr. Dole's message does jibe with the moms' concerns, but it has not been effectively communicated yet.

"We just need to do a better job of talking their language," said Linda DiVall, a Republican pollster.

Another Republican pollster, Charles F. Rund, cautioned that there had often been a radical, last-minute change in voting gaps between the sexes with the approach of Election Day.

For the soccer mom contingent, 11th-hour changes would be for one obvious reason: their lives are so hectic many barely have time to think about eating, let alone voting.

"Moms will listen at the last minute," said Linda C. Baber, who was in Richmond this week planning a slumber party for 10 9-year-old girls for the eldest of her three children. "I need a quick summary."

THE NEW YORK TIMES

SUNDAY, OCTOBER 6, 1996

THE PRESIDENT HAS BEEN

10-26-96

(P)

The Iraqi Example

Saddam Has Thrived Under Sanctions While Innocent Civilians Suffer

By Yasmine Bahrani

MY MOTHER told me that her sister in Baghdad needs an eye operation. Ordinarily, that would be routine family news—you hear it and hope for the best. But this time I scrambled to find someone traveling to Iraq who would be willing to deliver cash to my aunt because, without a lot of it, she'll never get her operation. My aunt is a librarian. She had begged my mother to please not let her go blind because reading is the only pleasure she has left.

In Iraq, economic sanctions are working well—if inflicting harm on the Iraqi population is the goal. If the goal is to damage or overthrow Saddam Hussein, then they aren't doing their job.

For six years, since the U.N. Security Council imposed an embargo prohibiting U.N. members from buying or selling most goods in Iraq as punishment for its invasion of Kuwait, ordinary Iraqis have watched their lives deteriorate dramatically. Medicine, once readily available to the average person, has become a luxury that must be bought at a high price or with a bribe. (While the sanctions do not apply to food and medicine, Iraq has no money to buy them since it cannot sell oil.) Water is not clean, electricity is intermittent, so it's risky to store food in refrigerators; most people now ride bicycles since cars cannot be repaired for lack of spare parts; there are no pencils or paper for schoolchildren—or anyone else. If a person needs an official document, they must find a blank sheet of paper and bring it with them to the relevant government office.

And worst of all, people are going hungry. Gamal Abou Ali of Human Rights Watch says the population has been on a semi-starvation diet: "There have been continued nutritional diseases which are basically indicative of severe malnutrition."

Yasmine Bahrani is a Washington Post copy editor.

For the past two years, there had been one glimmer of hope: negotiations with the U.N. to allow the Iraqi government to sell \$2 billion worth of oil every six months and use the funds to buy food and humanitarian supplies. That just-signed deal was suspended after Saddam Hussein's troops retook the north by intervening in the Kurdish civil war there. The agreement may now be on hold indefinitely, and Iraqis feel only exhaustion.

At the time of the Persian Gulf war in early 1991, President Bush said: "We have no argument with the Iraqi people." President Clinton has repeated that sentiment. But those still living in Iraq have a hard time believing that the United States is not targeting them. Because no matter what our stated goals, it appears we have succeeded in a war against Saddam Hussein. Civilians are in dire straits while the tyrant who was our original target is not only not suffering, but is now arguably stronger than he was at the end of the war. He has just reestablished his authority over the north of Iraq and he has eliminated nearly all his opposition.

While the once middle class Iraqi can barely survive, the ruling class Baathist party members have access to everything. Saddam Hussein and his inner circle are becoming richer because they control the black market and thus can import the food and medicine they need—and charge outrageous prices for what they choose to sell. The price of a bag of sugar now equals a civil servant's salary of two weeks.

A July report from the U.N. Food and Agriculture Organization said grain production was down 30 percent from last year. It predicted shortages for both people and livestock. A report from the same organization last year said four million Iraqis were destitute including 2.4 million children under five and about 600,000 pregnant women or nursing mothers. The report also said that 70 percent of the population did not have enough money to buy food. A family's monthly government rations of rice, flour and tea are only enough for 10 days.

Iraq's currency, the dinar, has become practically worthless, but for those with money it takes literally all day to find affordable food. A young friend of my family's says that each morning she straps her baby on her back and rides her bicycle from one end of the city to the other, looking for food and comparing prices.

Two close family friends were paying for groceries recently when a well-dressed man took their grocery bag and began walking away. Startled, one friend said, "Excuse me, I believe that is my bag." The gentleman looked at him and said, "I know, but please, my family has not had decent food in eight months. Here is my business card, when the sanctions are lifted, I will pay you back."

People all over Iraq are desperately selling everything to Saddam's minions. Two of my mother's sisters have sold all their furniture and now sleep on the floor. Another of her sisters has sold her carpets, furniture—even her wedding band—to buy food for her three teenagers.

Those with fewer possessions to start with are more desperate. The Associated Press reported last year on dozens of cases of Iraqis selling their body parts for transplants. It said that 35 Palestinians from the West Bank had bought kidneys from live donors. Macabre as it sounds, selling kidneys is not unheard of in poor countries. But until six years ago, Iraq was arguably a rich country with a high standard of living. Any Iraqi had access to free medical care. Now he has access to little or none.

Hospitals require patients to bring their own bed sheets and families must provide food. Doctors do their best with minimal supplies, though because of sanctions forbidding business mail, they must do without such important materials as trade journals. Without the New England Journal of Medicine or the British Lancet, for instance, they are increasingly out of touch with important changes that have occurred in the medical field over the past six years.

Local U.S. post offices have told Iraqi Americans that it is possible to send personal mail—if it weighs less than 12 ounces. That means my

mother can only send her sisters one small bottle of Tylenol at a time. A young man in Toronto mailed Zantac, an ulcer medication, to his mother in Baghdad because he could find no one to deliver it in person. The pills were crushed on the way. Grateful to have the medicine in any form, she has put the powdered pills in a cup and takes a little spoonful each day.

Nearly every Iraqi family in exile is desperately trying to send cash to their relatives. A family member in the West sends maybe \$200; a relative in Baghdad takes the sum and distributes it, giving \$10 to each household of other relatives. It is not a comfortable living, but it helps. Travelers to Iraq who would ordinarily take gifts such as blue jeans and sneakers are now carrying lentils and vitamins. I can only wonder what happens to those who do not have anyone outside. Perhaps they're the ones for whom selling a kidney becomes an option.

It is naive to believe that the sanctions will remove Saddam Hussein. For six years so-called experts have claimed that the suffering of the Iraqi people was his fault and would soon topple his weakened government. For six years he has been laughing while the Iraqi people feel forgotten by a world that gives tacit approval to their slow death. The Iraqis now believe only that it is their fate to suffer and so are preparing for a hard winter.

The Washington Post

SUNDAY, OCTOBER 6, 1996

Barry/Sally

15 Nov. 1996
I got the sales from every Iraqi American in

BC

Health Care
- with
California
96 election
to C. Greening

Stakes High as California Debates Ballot Issues to Rein In H.M.O.'s

A1

By ROBERT PEAR

Continued From Page A1

LOS ANGELES, Sept. 29 — When Californians lament "the casualty of the day," they are not referring to victims of gang violence, drug abuse or reckless driving. Rather, they are referring to people injured or mistreated by health maintenance organizations.

Nurses and consumer groups have disseminated many horror stories to support their demands for stricter state regulation of H.M.O.'s, as proposed in two measures on the ballot this November. Just as California led the nation in developing H.M.O.'s and other forms of managed care, it is now demonstrating the reaction that may set in when consumers conclude that the quality of care has been eroded by the pursuit of profits.

The two ballot questions here have set off a roaring debate about managed care and the techniques it uses to control costs, a debate simmering in other states where H.M.O. enrollment has soared.

The proposals strike at the heart of managed care, banning practices that H.M.O.'s have used or been accused of using to control costs. They would, for example, outlaw bonuses and other financial incentives for doctors to withhold treatment, prohibit H.M.O.'s from limiting what doctors may tell patients and require H.M.O.'s to disclose all written criteria for the denial of care.

Hospital and H.M.O. executives say the proposals would cripple the industry, raise costs to consumers, taxpayers and employers and freeze in place the inefficiencies of the current health care system, without providing insurance coverage for more people.

Health care remains a potent issue two years after the demise of President Clinton's plan to guarantee coverage for all Americans. The number of people without health insurance continues to grow, and consumers are raising more and more questions about the quality of services, especially in managed care plans.

Democrats are attacking Republi-

can plans to trim growth in Medicare spending, and Republicans, harking back to the Clinton plan, assert that Mr. Clinton would increase Government interference in health care markets if he is re-elected.

Indeed, the campaign against the California proposals is being managed by the same political consulting firm that helped kill Mr. Clinton's health plan in 1994 with the "Harry and Louise" television commercials, made for the Health Insurance Association of America.

The firm, Goddard-Claussen/First Tuesday, is based in Sacramento, Calif., and has an office in Washington.

Ralph Nader, a nurses' group, labor unions and others who support the health care initiatives say they are needed to counter the greed of an industry that rewards doctors who limit care and worries more about stockholders than patients.

Linda D. Ross of Yucaipa, Calif., says her mother died in an H.M.O. hospital emergency room after waiting six and a half hours for treatment she never received. Kathy Yamada Olsen of Chula Vista, Calif., says her 6-year-old son became blind and partly paralyzed because H.M.O. doctors denied him an \$800 CAT scan that could have prevented brain damage through early detection of an infected, swollen area in the front of his brain.

Ms. Ross and Mrs. Olsen are leading a statewide campaign for one of the initiatives, Proposition 216, which was written by the California Nurses Association and Harvey J. Rosenfield, a 44-year-old consumer advocate who shook up the state's insurance industry with a successful 1988 initiative to roll back auto insurance rates.

A similar, simpler proposal to protect H.M.O. patients was put on the ballot this year by consumer groups, the Service Employees International Union and a doctors' group, the California Physicians Alliance.

The battle here is of interest beyond the borders of California. With more than 60 million Americans now in H.M.O.'s and 90 million in other forms of managed care, the industry is facing closer scrutiny than ever before.

"It's like living in a fish bowl," said Dr. Francis J. Crosson Jr., associate medical director of Kaiser Permanente in Northern California. Kaiser, the nation's largest H.M.O., has 7.4 million members, including 4.8 million in California.

Thirteen million Californians,

slightly more than half of those with health insurance, are now in H.M.O.'s, and enrollment has been growing by more than 500,000 a year, an average of 1,300 a day, for a decade.

Asked whether the shift to managed care was inevitable, Mr. Rosenfield said: "What's inevitable is a massive rebellion. I don't know that we'll ever go back to fee-for-service medicine, but the commercialization of health care won't sweep the nation without a backlash such as you see in California, to restore the values of healing to the health care system."

Sharp divisions on questions that are being raised nationwide.

H.M.O. executives have not challenged the "casualty of the day" accounts. But Dr. Arthur M. Southam, president of Health Net and chairman of the California Association of H.M.O.'s, said, "It's frustrating to hear the work of an entire industry boiled down to a few sad stories about individuals."

In Oregon, a ballot measure would go even further and outlaw a method of compensation often used by H.M.O.'s to pay doctors. A family doctor or internist typically receives a fixed amount of money for supervising and coordinating all the care

Continued on Page B9, Column 1

1/2

the sale or conversion of a nonprofit health care business to a profit-making enterprise and on "excessive compensation," defined as the distribution of stock to a health care executive who already owns more than \$2 million worth of company stock. The new revenue would be used to pay for regulation of the health care industry and for public health services including emergency care and immunizations.

An H.M.O. could not increase premiums or other charges unless it filed a detailed justification with state authorities. H.M.O.'s, hospitals and other health care businesses with more than 150 employees would have to disclose their tax returns and all data used to assess the quality of care. Consumers could file suit to enforce any of the new requirements, and an independent watchdog group would be established to represent consumers in such proceedings.

"These proposals are a direct slap in the face of the managed care industry," said Michael G. Shuchter, a health insurance analyst at the California Department of Aging. "They are very well motivated, but they go too far."

Mr. Dauner of the hospital association said, "The new taxes and staffing standards would lock in the status quo at a time when only 60 percent of California's hospital beds are occupied and the number of beds is declining, from 90,000 in 1985 to 78,000 today and a projected 59,300 in 2005."

Maureen O'Haren, chief lobbyist at the California Association of H.M.O.'s, said, "The taxes will stop streamlining and consolidation in the health care system, which is occurring as a result of employers' demands to keep costs down." And Steven R. Zarkin, senior vice president of Kaiser Permanente, which is planning to close a hospital in Oakland, Calif., said the taxes "fly in the face of reality."

But Kit Costello, president of the California Nurses Association, defended the taxes as "greed fees on an industry that creates profits by denying care to patients." Nurses and consumer advocates say H.M.O.'s and hospitals have reduced the quality of care by replacing registered nurses with lower-paid, lower-skilled "patient care technicians" who also prepare meals and perform house-keeping chores.

Health care executives describe the proposal for "staffing standards" as a job protection measure for nurses.

The California Medical Association, which represents 38,000 doctors, has taken a neutral stand on the two

ballot measures. Some doctors are deeply troubled by the practices of H.M.O.'s, but others have a big personal and financial stake in managed care.

Dr. John C. Lewin, executive vice president of the association, said: "America has a lot to learn from what's happening in California. Fifty-five percent of the doctors here get most of their compensation from H.M.O.'s, and they've been very,

very frustrated with a lot of H.M.O. behavior in California, where managed care companies often put business and profits ahead of patients."

Dr. Lewin said doctors supported the basic principles of the two ballot initiatives, but feared that some of the specific proposals could lead to "an increase in regulation, bureaucracy and lawsuits — a lot more government without a lot more patient protection."

that a patient needs. The doctor receives the same amount, regardless of the amount of service provided to the patient.

The purpose of the Oregon proposal is stated in its preamble: to protect patients from "unscrupulous practices which reward health care providers for withholding standard patient care." But H.M.O.'s say that the state should not tell them how to pay doctors and that in any event doctors who receive a flat payment each month take better care of patients because they emphasize preventive services not covered by traditional insurance.

A coalition of H.M.O.'s, hospitals, insurers and other businesses is leading the opposition to this year's health care initiatives in California. A co-chairman of the coalition, C. Duane Dauner, who is president of the state hospital association, the California Healthcare Association, said: "The sponsors of these proposals have accurately read the tea leaves about people's attitudes toward managed care. They have capitalized on public disenchantment with some practices of H.M.O.'s."

Under Proposition 216, the state would set detailed standards for the number of doctors and nurses employed by hospitals and nursing homes. H.M.O.'s and insurance companies could not deny payment for services recommended by a doctor unless they arranged for a second opinion and physical examination of the patient by another doctor.

The measure would establish four new taxes, on the elimination of hospital beds, on mergers and acquisitions in the health care industry, on

Sunday, October 20, 1996

THE DECATUR DAILY

Founded February 26, 1912

Barrett C. Shelton Jr., Publisher

Tom Wright, Executive Editor
Doug Mendenhall, Managing Editor
Regina Wright, State Editor
Scott Morris, City Editor
Richard McCann, News Editor

Past Publishers

William R. Shelton, 1912-1924
Barrett C. Shelton, 1924-1984

Re-elect Clinton

Democrats have nation moving

Bob Dole has a problem identifying with voters as the nation chugs toward the Nov. 5 general election. Superficially, the problem is his age; in reality it is that the Republican Party and its presidential candidate are not pushing the right buttons this year. They are not offering leadership.

Mr. Dole, the former Senate leader and Kansas senator, is 73. He's seen by young voters, those 30 and under, as being their grandparents' candidate. But the senior set, according to public opinion polls, isn't voting for him either.

The age factor, Mr. Dole's inability to look and sound presidential, and the fallout from the congressional elections of two years ago are causing him trouble with voters.

Mr. Dole can't connect with younger voters. They don't buy the Republican conspiracy theory that the federal government is their enemy. The Republican revolution of 1994 that appealed to many voters has been a disappointment.

Members of Newt Gingrich's House army were so brutal in their attack on government that many voters were frightened and offended.

Few people of any age accept the 15 percent tax cut proposed by Mr. Dole because they think it is impossible to cut revenue and still balance the budget while meeting other government obligations. A majority of Americans wants the budget balanced first.

By contrast, President Bill Clinton looks better as the campaign goes along. Republicans haven't made a persuasive case for change. The nation is at peace, more people are working than ever, the economy grows almost every month, violent crime has receded.

The nation is moving toward change in health care. Welfare loafers and cheats are going to be put to work. Life is pretty good for most voters in 1996.

Mr. Clinton's greatest strength is the issue Republicans have tried to make into a presidential weakness. They say that he changes his stands too often, that he lacks true convictions. But remember that independent candidate Ross Perot polled 20 million votes in 1992 by campaigning against government gridlock. The president has managed to avoid that on many major issues.

Welfare is one example. When he



File photo

President Clinton

couldn't pass his welfare reform package, he adopted the GOP version.

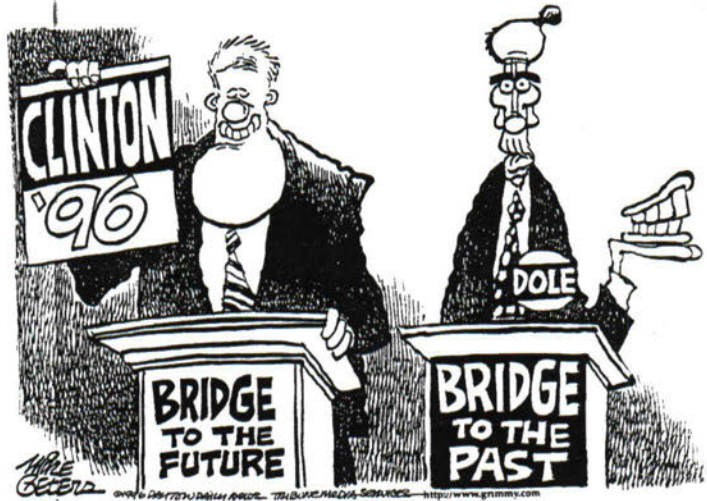
Politics has been defined as "the art of the possible." It means that the way things usually get done in government is through compromise that accommodates more than one point of view and protects groups' interests.

Republicans use the nickname "Slick Willie" derisively to mean that President Clinton can't be trusted. We think it has higher meaning. We think it connotes the ability of an extremely bright, young world leader who doesn't get locked into one set of solutions when he deals with problems.

He proved he could work with a Democratically controlled Congress during his first two years in office, then proved he could be even more effective in working with a Republican Congress the other two years.

A president is not king. He's the nation's chief executive officer who provides leadership. President Clinton and Vice President Al Gore, both Southerners, have given the nation good leadership. They deserve another term if for no other reason than that Republicans have failed to make a case for why Bob Dole should be president.

THE DAILY recommends the re-election of President Clinton and Vice President Al Gore.



A loo isn't worth a good U.S. flush

"Pull the string that drops out of the ceiling," I shouted to Regina after she'd been fiddling with a Scottish shower for five minutes and couldn't get hot water.

"I did," she said, "and the light came on."

"Pull the other one and the water will get hot," I shouted back from a room in a bed and breakfast home somewhere deep in the heart of Scotland where heat is as scarce as grits at breakfast.

The Scots don't get it when it comes to bathroom facilities. They will even rent you a room without a bath and toilet if you are not careful.

"It's just different," I tried to calm Regina when she refused to shampoo and longed

for the shower head of home that is as comfortable and predictable as a pair of year-old athletic shoes.

"You are right. Cold is different," she said when her allotment of hot water finished spilling from an Alpine-high shower, in drops that fell so slowly you could almost count them.

"You think you've got trouble," I said. "Just try being 6-2 and looking in the mirror to shave."

We never found a bathroom mirror higher than 5 feet. Nor did we find bath cloths. "They are unsanitary," your host may sniff, if you have the bad manners to inquire.

Forget using a hair dryer in the bathroom. It's against the law. But you can plug in an "electric shaver." You hunt a wall plug and sit on the floor to dry hair electrically.

Staying at bed and breakfast establishments — private homes — is a great way to experience a local culture, and much less expensive than putting up at hotels. But you pay a bathroom price if you are on the

move. Each bathroom has its quirks, two operate the same.

By the time you think you've figured how to flush and get hot water, you're on the road in search of a new town, bed and breakfast, a new experience.

New toilets in Scotland work no better than old ones, but they all flush eventually.

Here, we are accustomed to depressing the lever and hearing the reassuring rushing water. Over there you play a guessing game. "I can flush in two tries," I told Regina. "I bet you it takes four," she countered.

What the Scots lack in loo facilities they make up in hospitality and breakfasts. In the kind we stopped eating year after year when nutritionists convinced us that eggs and huge slices of pork every morning will kill you.

"I'm going home, turn up the heat, get into my own shower and stay there a week," Regina said on our last night vacation after exploring Scotland's northern England for two weeks.

"Me too," I said. "I may not even use the mail and telephone calls first."



Tom Wright
Executive Editor
OF THE DAILY

Candidates say little about health care

SAN DIEGO — On the morning of the final presidential debate of 1996, the top-of-Page 1 headlines and news stories in The San Diego Union-Tribune were on affirmative action, presidential ethics and the "crossroads" in the medical system.

During the Wednesday night debate, the nation heard a great deal from President Clinton and Republican challenger Bob Dole on the first topic and from Dole on the second. It heard much less from them on the final one, which likely will have the largest direct impact on the people of this area and the nation. Despite two well-phrased questions about the subject, Clinton offered few solutions that measure up to the scope of the problem — and Dole virtually none.

The story in the local paper reported that a giant Tennessee-based, for-profit hospital chain called Columbia/HCA Healthcare Corp. was poised to take control of "about 40 percent of the region's medical care" by buying out one local, nonprofit group with six hospitals and by taking over manage-

If this were an isolated phenomenon, it might be of concern only to people on this sunny coast. But comparable developments are taking place across the country, including my hometown of Arlington, Va., where the community hospital is joining the very same health care corporation. Since the collapse of the Clinton health care plan in 1994, a vast consolidation has been taking place in the private marketplace, raising the question of how consumer interests will be protected from these medical trusts.

When a health care worker raised these problems at the Wednesday night town-meeting debate here, Clinton said he favored federal legislation to prevent managed care companies from imposing a "gag rule" on doctors that would deny patients information about more effective, but more expensive, treatments. Dole said that fee-for-service medicine must not be eliminated, but did not explain how the family doctor was to be preserved. As for managed care, he said, "You're going to have to watch it." Thanks a lot.

The problems of the insured are one thing, but there is also a growing problem of people without insurance — an issue the candidates are reluctant to face.

The American Hospital Association recently released a study it commissioned on this issue. Based on the trends in the last 10 years, which saw the number of un-

passed Congress this year and which guarantee portability of health insurance people changing jobs.

But the Lewin study points out the impact of this (Kennedy-Kassebaum) legislation is likely to be small since 45 states had already enacted similar legislation in 1995. Any gains it brings, the study will be more than offset by employers dumping retirees and dependents on company plans and requiring workers to pay higher deductibles and copayments.

On all of these matters, the candidates are largely silent. They endorsed a health care commission — always a conundrum — to wrestle with the looming bankruptcy of Medicare. And when most Jim Lehrer asked them directly at the debate in Hartford, "What do you think should be done about the health care system?" they went back to talking about the Kennedy-Kassebaum bill and the way it is supposed to perform.

Clinton said here that he'd like another million youngsters added to Medicaid rolls. Dole had made a suggestion in Hartford, saying that there are a lot of uninsured people in this country, particularly children, that should be covered and suggesting that one way it was to "expand Medicaid." The federal budget, of course, projected large



David S. Broder

10-27-96

*Do me
a favor
to call
Casellas
on this*

(H) **Casellas update on the EEOC.** The Commission has had success addressing the challenges identified in the December 1992 Transition Team Report on the EEOC. They reduced the backlog by 30% over last year's high of 111,000 private sector discrimination complaints; implemented mediation-based ADR; obtained over \$250 million in monetary benefits for victims of discrimination through administrative and judicial enforcement; facilitated voluntary compliance through public education; and improved employee morale. Congress recognized this progress by increasing the EEOC's FY97 appropriation.

*Someone needs
to call Hall & tell
him that they
are trying to help*

Lake follow-up on proposed move of Wright-Patterson AFB computer systems. Rep. Tony Hall mentioned in your October 10 visit to Dayton, Ohio that the senior Air Force Commander at the base was preparing to transfer computer support systems to Montgomery, Alabama. The proposal would involve transferring 443 DOD employees, and Rep. Hall fears it could lead to the loss of 5,000-10,000 private sector computer contractor support jobs in Dayton. The Air Force says there is no pending decision on such a transfer. Rather, they are conducting a study of how to achieve greater efficiency in their communication systems. The rumored transfer is one option, but no decision will be made "for quite a while."

*Need
to reply
right*

Letter from Bob Denham, CEO, Salomon, Inc. Via Laura Tyson. Bob is one of three CEOs appointed by you to the American Business Advisory Council. His letter details a recent meeting with Australian Prime Minister Howard and their discussion of the American and Australian labor markets and entitlement systems, APEC, and the upcoming privatization of the Australian state telephone company.

(K) **Clips.** Wendy Smith forwards clips on a Republicans for Clinton rally in Hampshire, and favorable editorials from papers in a variety of states including Tennessee, West Virginia and Florida.

JIM DORSKIND:

Please coordinate
the reply.

We also received the following items:

*Need
to call
King
Hussein*

Letter to King of Jordan. On October 19, we executed a letter to King Hussein on your behalf regarding Peace Corps volunteers. Mark Gearan plans to hand deliver the letter which expresses your pleasure that our governments will sign an agreement making it possible for Peace Corps volunteers to serve in Jordan.

10-27-96

THE WHITE HOUSE
WASHINGTON

October 21, 1996

96 OCT 23
A 8:13

MEMORANDUM TO THE PRESIDENT

FROM: LAURA D'ANDREA TYSON 

RE: LETTER FROM ROBERT E. DENHAM

Bob Denham, Chairman and CEO of Salomon Inc., and one of three CEOs appointed by you to the American Business Advisory Council (ABAC) to APEC, asked me to pass along the attached letter to you.

In the letter, Bob details his recent meeting with Australian Prime Minister Howard and their comparative discussion of the American and Australian labor markets and entitlement systems, APEC, the upcoming privatization of the Australian state telephone company and your prospects in the November election.

cc: Laura Tyson

SALOMON INC

SEVEN WORLD TRADE CENTER, NEW YORK, NEW YORK 10048 212 783-6535

Robert E. Denham
Chairman and
Chief Executive Officer

October 11, 1996

The President
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. President:

In connection with your upcoming visit to Australia, I thought you may be interested in my observations of my meeting with Prime Minister Howard on September 25th in Sydney.

The Prime Minister began the meeting by asking about the probability of your reelection. I assured him that reelection was as close to certain as anything can be in U.S. national politics. He made it clear that he is very focused on his meeting with you.

We talked about his perception of the Australian economy as being burdened by a relatively inflexible labor market. For many years, in the post-World War II boom, Australia's products were in so much global demand that Australia could afford to add more and more social burdens to payrolls (health, retirement, etc.), could afford measures making termination of employees difficult, and could afford a high minimum wage. With a much more competitive global economy, Australia's current combination of labor market policies makes it harder for Australia to compete, and causes Australia to be burdened with a high (8.8% when we talked, down to 8.7% per the figures reported today) rate of unemployment. He is very envious of the more flexible labor markets in the United States, which he believes allow the U.S. to operate at a much higher employment level and allow the U.S. economy to adjust much more rapidly to changes in monetary policy. One of his principal objectives is to move Australia more in the direction of flexible, U.S.-style labor markets.

We talked about entitlements and their impact on the long-term U.S. budget picture. He is currently facing significant issues regarding the cost of the national health system. He showed me a book he is reading by Robert J. Samuelson (The Good Life and its Discontents - The American Dream in the Age of Entitlement 1945-1995) and recommended it.

The President
October 11, 1996
Page 2

He brought up the subject of APEC, noting that he believes that the engagement of business will be critical to making APEC successful and that he was meeting that day with the Australian representatives to the APEC Business Advisory Council. He views APEC as an important part of the network linking Australia not only to Asia but also to the United States.

He also talked about the upcoming privatization of the state telephone company (Telstra) and its importance to achieving his government's goals for making enterprise more efficient. The Telstra privatization is, of course, a subject of great interest to any U.S. investment banker.

The Prime Minister noted that he would be speaking at a dinner Salomon Brothers is hosting in Sydney in honor of the 50th Anniversary of the American Fulbright program, and said he was looking forward to meeting Harriet Fulbright, who is being brought to Australia by Monash University as its guest. His speech, which was delivered this evening in Australia, was on the theme of "renewal" of the U.S./Australia alliance, quoting Samuel Johnson "Friends must always work hard on their friendship", and speaking excitedly about your upcoming visit.

I am looking forward to your proving me right in the election prediction I gave the Prime Minister and I hope you have a good meeting.

Sincerely,

A handwritten signature in dark ink, appearing to be 'R. Denham', with a long horizontal flourish extending to the right.

Robert E. Denham

RED:pb

JIM DORSKIND:

THE PRESIDENT HAS SEEN

Please coordinate
the reply.

10-27-96

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We also received the following items:

Letter to King of Jordan. On October 19, we executed a letter to King Hussein on your behalf regarding Peace Corps volunteers. Mark Gearan plans to hand deliver the letter which expresses your pleasure that our governments will sign an agreement making it possible for Peace Corps volunteers to serve in Jordan.

THE PRESIDENT HAS SEEN

10-27-96

6963

THE WHITE HOUSE

WASHINGTON

October 22, 1996

96 OCT 22 P 6: 39

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE 

SUBJECT: Proposed Wright-Patterson AFB Computer Systems Move

In an October 10 visit to Dayton, Ohio, Representative Tony Hall mentioned that the senior Air Force Commander at Wright-Patterson AFB, General Henry Viccellio, was preparing to transfer computer support systems to Montgomery, Alabama. This proposal would potentially involve transferring 443 DoD employees. Congressman Hall fears it could also lead to the loss of 5,000-10,000 private sector computer contractor support jobs in the Dayton community.

The Air Force informs us that there is no pending decision on transferring Air Force computer support systems to Alabama. The Air Force is currently conducting a broad examination of its communication and information management structures and is seeking ways to reorganize to achieve greater efficiencies. As part of this streamlining effort, General Viccellio directed his staff to study ways to consolidate computer support -- and one option is to move systems to Alabama where the majority of Air Force information management capabilities currently reside.

The Air Force has not yet developed a timeline for completing the restructuring study, but when it is completed, decisions will be made at the Secretary of the Air Force/Chief of Staff of the Air Force level, not by General Viccellio at Wright-Patterson. At any rate, Rudy DeLeon has assured us no decision will be made "for quite a while."

We will communicate this information to the Congressman's staff.

cc: Tony Lake

cc: Vice President
Chief of Staff

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96 OCT 25 P2:18

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, DC 20507

October 7, 1996

Office of
the Chairman

The Honorable William J. Clinton
The President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

I have just completed my second year as Chairman and wanted to give you an update on our success in addressing the challenges identified in the December, 1992 Transition Team Report about the EEOC. Our new approach to civil rights enforcement and efforts at reinvention have been largely successful:

- we have brought the backlog down by 30% from last year's high of over 111,000 private sector discrimination complaints;
- we implemented mediation-based alternative dispute resolution as part of our new private sector enforcement procedures;
- we have obtained monetary benefits for victims of discrimination through administrative and judicial enforcement in excess of \$250 million;
- we have facilitated voluntary compliance by issuing much needed and well-received policy guidance on the laws we enforce and by expanding our public outreach, education and technical assistance; and,
- we so transformed our internal relationships and improved employee morale that we earned a Hammer of Reinvention for labor-management partnership.

Congress recognized our progress by increasing our FY97 appropriation. These many accomplishments during this era of diminished resources are a testament to our dedicated staff, to the relationships we have forged with our many and diverse public stakeholders, and to the Administration's support.

Sincerely,

Gilbert F. Casellas
Chairman

10-27-96

THE WHITE HOUSE

WASHINGTON

October 26, 1996

MEMORANDUM FOR THE PRESIDENT:

FROM: HELEN HOWELL *HH*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

- (A) **Panetta summary of resolution of major domestic funding and language issues in FY 1997 Omnibus Appropriations Bill.** The enacted total gross FY 1997 discretionary budget authority is estimated by OMB at \$505.1 billion, compared to \$497.8 billion in FY 1996 and to your FY 1997 request of \$502.2 billion. Non-discretionary spending is \$239.3 billion compared to a FY 1996 figure of \$233.8 billion. The highlights of the addbacks include: \$1.4 billion for COPS, level with FY 1996, keeping us on target for 100,000 cops; \$30 million for drug courts, twice the FY 1996 level; overall education funding of \$26.3 billion compared to the request for \$25.5 billion and the FY 1996 level of \$23.2 billion; \$385 million for international population planning, \$29 million over FY 1996 and without objectionable Mexico City language included in the House bill; and, \$75 million for the Boston Harbor, \$35 million over the FY 1997 VA-HUD Appropriations bill, and \$25 million over FY 1996.
- (B) **Rasco status report on waivers.** The Administration has approved 79 welfare waivers in 43 states, 43 food stamp waivers in 35 states, 13 statewide Medicaid waivers in 13 states, and 2 child welfare waivers in 2 states. Carol's memo includes a chart of the 50 states and all the various waivers. She reminds you about the welfare bill's grandfather clause for waivers granted before the law was signed, allowing states to continue waiver programs with time limits and work participation rates different from those required by the new law. HHS has told States that all programs should comply with the law's provisions on time limits and work participation rates, and made it clear that, otherwise, Congress will act to limit the grandfather clause provision, and the Administration would support that action.
- (C) **Stiglitz/Munnell memo on revision of Displaced Worker Survey (DWS) results.** The latest DWS showed a significant decline in job displacement between 1991-93 and 1993-95. A subsequent examination of the data by BLS, however, has found the results less encouraging. Displacement among workers who had been on their jobs 3 years or more fell somewhat, while displacement among all workers was roughly unchanged.

10-27-96

THE WHITE HOUSE

WASHINGTON

96 OCT 22 P 6:18

October 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Carol H. Rasco *CH Rasco*

SUBJECT: Waiver Status Report

You had asked for a report on the number of waivers approved by this Administration in four categories. Attached is a chart that lays out this information.

In sum, we have approved:

- o 79 welfare waivers in 43 states
- o 43 food stamp waivers in 35 states
- o 13 state-wide Medicaid waivers in 13 states
- o 2 child welfare waivers in 2 states

Not all of these waivers have been implemented by the states; some plans put forth by Governors and approved by HHS are still awaiting state legislative approval.

Welfare: As you know, the intersection between the welfare waivers and the new welfare reform law is complex. The law includes a grandfather clause for waivers granted before the law was signed, allowing states to continue to operate waiver programs with time limits and work requirements that vary from the terms of the new law. HHS has told the states, however, that the Administration believes that all state programs should comply with the law's provisions on time limits and work participation rates. HHS also told states that, if they do not follow the new law, Congress will almost certainly act to limit the grandfathering provision, and we would support this action.

Food Stamps: Almost all food stamp waivers are part of a larger welfare reform waiver package (although not all welfare waivers affect food stamps).

Medicaid: Included in the Medicaid category are only major state-wide reform demonstrations. In addition to these, HCFA has granted hundreds of other, more minor waivers, waiver renewals, and waiver modifications. These include "freedom of choice" waivers, which let states experiment with managed care; "home and community based services" waivers, which let states serve people with disabilities in communities instead of institutions; and research waivers that cover only part of a state or are not comprehensive in nature.

cc: Rasco

Child Welfare: Child welfare waivers were first authorized by Congress at the end of 1994. Congress created a new special waiver authority (section 1130) for HHS to allow up to 10 states to conduct cost-neutral demonstrations, with waivers of IV-B and IV-E allowed.

After HHS issued guidelines, 14 states applied. Minnesota since dropped out. States that have applied are: Oregon, Delaware, D.C., North Carolina, Georgia, Ohio, New York, Indiana, Illinois, California, Michigan, West Virginia, and Maryland. HHS required all applicants to produce a cost-neutral plan.

Delaware and Illinois have been approved. Three more -- Ohio, North Carolina, and Oregon -- may be approved in the coming weeks. As part of our review of the overall child welfare system, we are working with HHS on how the remaining waivers can best be utilized for testing various ideas.

cc: Leon Panetta

WAIVER STATUS CHART

STATE	Welfare	Food Stamps	Medicaid imminent	Child Welfare
Alabama		1		
Alaska				
Arizona	1	1		
Arkansas	1			
California	6	1		
Colorado	1	1		
Connecticut	2	1		
Delaware	1	1	1	1
D.C.	1			
Florida	3	1	1	
Georgia	2	1		
Hawaii	2		1	
Idaho	1			
Illinois	4	1	1	1
Indiana	2	1		
Iowa	2	1		
Kansas	1	1		
Kentucky			1	
Louisiana	1			
Maine	1	1		
Maryland	2	2		
Massachusetts	1	1	1	
Michigan	2	1		
Minnesota	4	1	1	
Mississippi	3	1		
Missouri	1	1		
Montana	1	1		
Nebraska	1	1		
Nevada				
New Hampshire	1	1		
New Jersey				
New Mexico				
New York	1	1		
North Carolina	2	2		
North Dakota	2	1		
Ohio	3	3	1	
Oklahoma	2		1	
Oregon	2	1	1	
Pennsylvania	1	1		
Rhode Island			1	
South Carolina	2	2		
South Dakota	1	1		
Tennessee	1		1	
Texas	2	1		
Utah	2	1		
Vermont	1	1	1	
Virginia	2	3		
Washington	1			
West Virginia	1			
Wisconsin	3	2		
Wyoming	2			
Total	79 (43 states)	43 (35 states)	13	2

10-27-96

- (D) **Lake memo on chemical weapons and the Gulf War.** In June, DOD announced that on March 4, 1991, shortly after the Gulf War ended, U.S. troops destroyed chemical weapons at the Khamisiyah ammunition depot, without knowing at the time. Since then, DOD has determined that U.S. forces were involved in a second chemical weapons demolition on March 10, 1991 and possibly a third on March 12, 1991. DOD is sending out notification letters to 21,000 troops who were in the vicinity of Khamisiyah between March 4 and 15, 1991 telling recipients where to call if they have health problems they believe are related to their Gulf War service. DOD is also launching new scientific research aimed at better understanding the potential health effects of exposure to low levels of chemical agents. At the White House, we are bringing into the NSC a two-star Coast Guard admiral to coordinate and oversee the agencies' work on the issue.
- cc: M. A. (E) **Sec. Glickman memo on farm income forecasts.** Net farm income -- the annual value of agricultural production after accounting for production costs, including depreciation -- is estimated to be \$51 billion in 1996, a record high, and 46% above the 1995 level. Farm cash receipts in 1996, at \$200 billion, will be 8% higher than a year ago, also a new record high (although the cattle receipts will be the lowest in the 1990's). Sec. Glickman believes that the Administration can take credit for a number of factors that have contributed to the record high income level. The Administration has improved the financial situation of farmers by following sound monetary and fiscal policies, pursuing more flexible agricultural programs, and expanding exports of agricultural products.
- (F) **Panetta/David Fein follow-up on gaming dispute between Interior and Native American tribes in Wisconsin.** The litigation challenges Interior's decision to reject the tribes' application to place 55-acres of land at the St. Croix Meadows Greyhound Track in Hudson, Wisconsin in trust for gaming purposes. In their lawsuit, the applicants sought to supplement the administrative record to show that political pressure led the Secretary to reject the gaming proposal. They wanted to depose Administration officials based on newspaper reports that lobbyists representing tribes that did not want the project approved had communicated with White House officials prior to Interior's decision. The District Court denied the request to go beyond the administrative record, and the plaintiffs' motion to reconsider is still pending.
- (G) **Silverman memo on Sec. Pena's Youngstown announcement.** On October 22, Sec. Pena announced that the FAA would fund development of the Youngstown-Warren airport. The announcement was well received by local officials and the community, and got great coverage in the local media. Steve forwards clips FYI.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250
(202) 720-3631

THE PRESIDENT HAS SEEN

10-27-96

MEMORANDUM

Date: October 15, 1996

To: Kris Balderston
From: Martha Phipps
RE: Memo to the President

Could you please make sure that the attached memo gets to the President? Also, it has some information that should probably be shared with others.

Thanks.

cc: Mark Penn



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

INFORMATIONAL MEMORANDUM FOR PRESIDENT CLINTON

FROM: SECRETARY GLICKMAN

SUBJECT: Farm Income Forecasts

96 OCT 22 P12: 11:00

The Department of Agriculture recently released several noteworthy indicators of the aggregate financial performance of the U.S. farm economy. Net farm income is estimated to be \$51 billion in 1996, a record high. Net farm income is the annual value of agricultural production after accounting for all production costs, including depreciation. The 1996 net farm income estimate is 46 percent above the 1995 level and 5 percent above the previous record high set in 1994. Farm cash receipts in 1996, at \$200 billion, will be 8 percent higher than a year ago, and a new record high, although cattle receipts will be the lowest in the 1990's.

Other financial indicators also reveal the underlying strength of the farm economy. Net cash income of farmers—cash revenues minus cash expenses—are expected to be the second highest ever in 1996. The value of farm assets at the end of 1996 is expected to exceed \$1 billion, up 4.2 percent from 1995. Total farm debt is rising, but slowly, so farm debt will remain manageable and decline relative to assets.

While the increase in net farm income is due, in part, to the high grain prices this year and producer payments under the new Farm Bill, I believe this Administration can take credit for a number of factors that have contributed to the record high income level:

- The Clinton Administration has improved the financial situation of family farmers by following sound monetary and fiscal policies that have kept interest rates and inflation at low levels.
- The Clinton Administration has improved the ability of family farmers to increase their income by pursuing more flexible agricultural programs. During the 1996 Farm Bill debate, the Administration successfully argued for increased planting flexibility for farmers. Under the new Farm Bill, farmers can choose to plant those crops that will provide the greatest return without foregoing farm program payments. This will permit farmers to reap the benefits of an expanding world market.
- The Clinton Administration has enhanced farm prices and the incomes of family farmers by expanding exports of agricultural products. This Administration has opened new markets for agricultural producers by negotiating new trade agreements, and we are using whatever measures are available to ensure that existing trade agreements are met, such as using the World Trade Organization to pry open the European Union market to U.S. beef. For FY 1996, U.S. agricultural exports are estimated at a record \$60 billion, up 60 percent from just five years ago. While U.S. agricultural exports are projected to decline slightly to \$58 billion in FY 1997, this would still be the second highest export level ever.

10-27-96

THE WHITE HOUSE

WASHINGTON

October 26, 1996

MEMORANDUM FOR THE PRESIDENT:

FROM: HELEN HOWELL *Howell*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

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- (B) **Rasco status report on waivers.** The Administration has approved 79 welfare waivers in 43 states, 43 food stamp waivers in 35 states, 13 statewide Medicaid waivers in 13 states, and 2 child welfare waivers in 2 states. Carol's memo includes a chart of the 50 states and all the various waivers. She reminds you about the welfare bill's grandfather clause for waivers granted before the law was signed, allowing states to continue waiver programs with time limits and work participation rates different from those required by the new law. HHS has told States that all programs should comply with the law's provisions on time limits and work participation rates, and made it clear that, otherwise, Congress will act to limit the grandfather clause provision, and the Administration would support that action.
- (C) **Stiglitz/Munnell memo on revision of Displaced Worker Survey (DWS) results.** The latest DWS showed a significant decline in job displacement between 1991-93 and 1993-95. A subsequent examination of the data by BLS, however, has found the results less encouraging. Displacement among workers who had been on their jobs 3 years or more fell somewhat, while displacement among all workers was roughly unchanged.



THE CHAIRMAN

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

THE PRESIDENT HAS SEEN

10-27-96

96 OCT 25 P 5 : 46

October 25, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: JOSEPH STIGLITZ
ALICIA MUNNELL
JESaum

SUBJECT: Revision of Displaced Workers Survey Results

The August release of the latest Displaced Worker Survey (DWS) showed that job displacement declined significantly between 1991-93 and 1993-95. A subsequent examination of the data by the BLS, however, has found that the results are less encouraging. Displacement among workers who had been on their jobs 3 years or more fell somewhat, while displacement among all workers was roughly unchanged.

BLS's Revision

THE ORIGINAL CALCULATION. The DWS is a biannual supplement to the Current Population Survey (CPS). The total number of Americans who have been displaced is estimated based on the number of CPS respondents who have been displaced. Historically, the BLS has ignored the fact that a very small number of CPS respondents simply refuse to answer the questions regarding job displacement. In the 1996 survey, however, the fraction of people who refused to answer rose several times to roughly 10 percent. If none of the nonrespondents are counted as displaced, as has been the BLS's practice in the past, the population estimate of the number of displaced workers is significantly understated.

THE REVISION. BLS subsequently decided to assume that a representative share of the nonrespondents were displaced. When this assumption is implemented, the number of workers displaced is estimated to be roughly constant between 1991-93 and 1993-95 while the number of workers displaced with 3 or more years of job tenure (called "long-tenure workers") fell by almost 400,000. In the earlier release the level of displacement was reported to have fallen by about 600,000 overall and 700,000 for long-tenure workers.

cc: Stiglitz
Munnell

Responses to Revised Estimates

- 1) **The rate of job loss among long-tenure workers has declined somewhat.** Figure 1 displays an estimate of the displacement rate for long-tenure workers. It shows that this rate is relatively high, but that it did fall between 1991-93 and 1993-95. Not only did the number of long-tenure displaced workers decline somewhat, but employment grew, explaining the declining rate. Displacement among long-tenure workers is the appropriate group upon which to focus because the costs of displacement are much greater for them.
- 2) **Other evidence indicates that job loss has been declining.** Initial claims for unemployment insurance (UI) benefits has gone down from 484,000 per week in the first quarter of 1991 to 331,000 per week in the third quarter of 1996, as shown in Figure 2. The fact that initial claims for UI come from administrative data strengthens their validity.
- 3) **Results of the Survey may not be valid.** The fact that five times the number of respondents refused to answer the questions from the DWS should lead one to wonder about the validity of the results. For instance, if workers who did not experience a job loss were bored with the survey, they might have refused to continue. Workers who have experienced a job loss may have found it to be a poignant period in their lives and may have been more likely to want to answer these questions. If this were the case, the revision made by the BLS would overestimate the number of job losers.
- 4) **Many of the statistics reported in the release are largely unaffected by the higher nonresponse rate and these have greater credibility.** For instance, reemployment rates for workers who were displaced have increased. This is consistent with the shift in displacement towards more educated workers who appear to be more resilient to such a job loss. It reiterates the importance of stressing education and training as a way to improve the productivity of the economy and protect workers from labor market shocks.

Attachments

Figure 1
Long-Tenure Displaced Workers as a
Percent of Total Employment

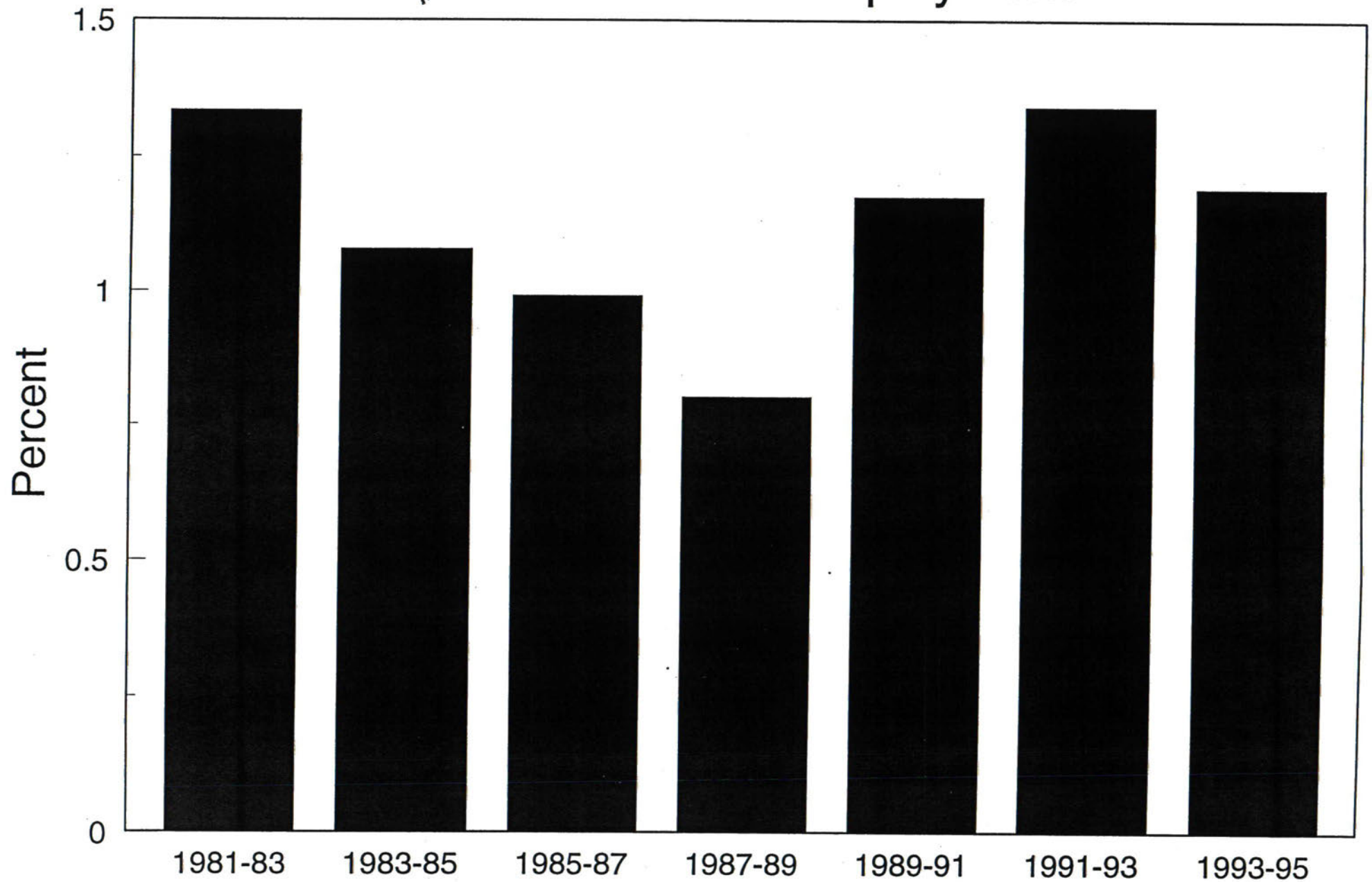
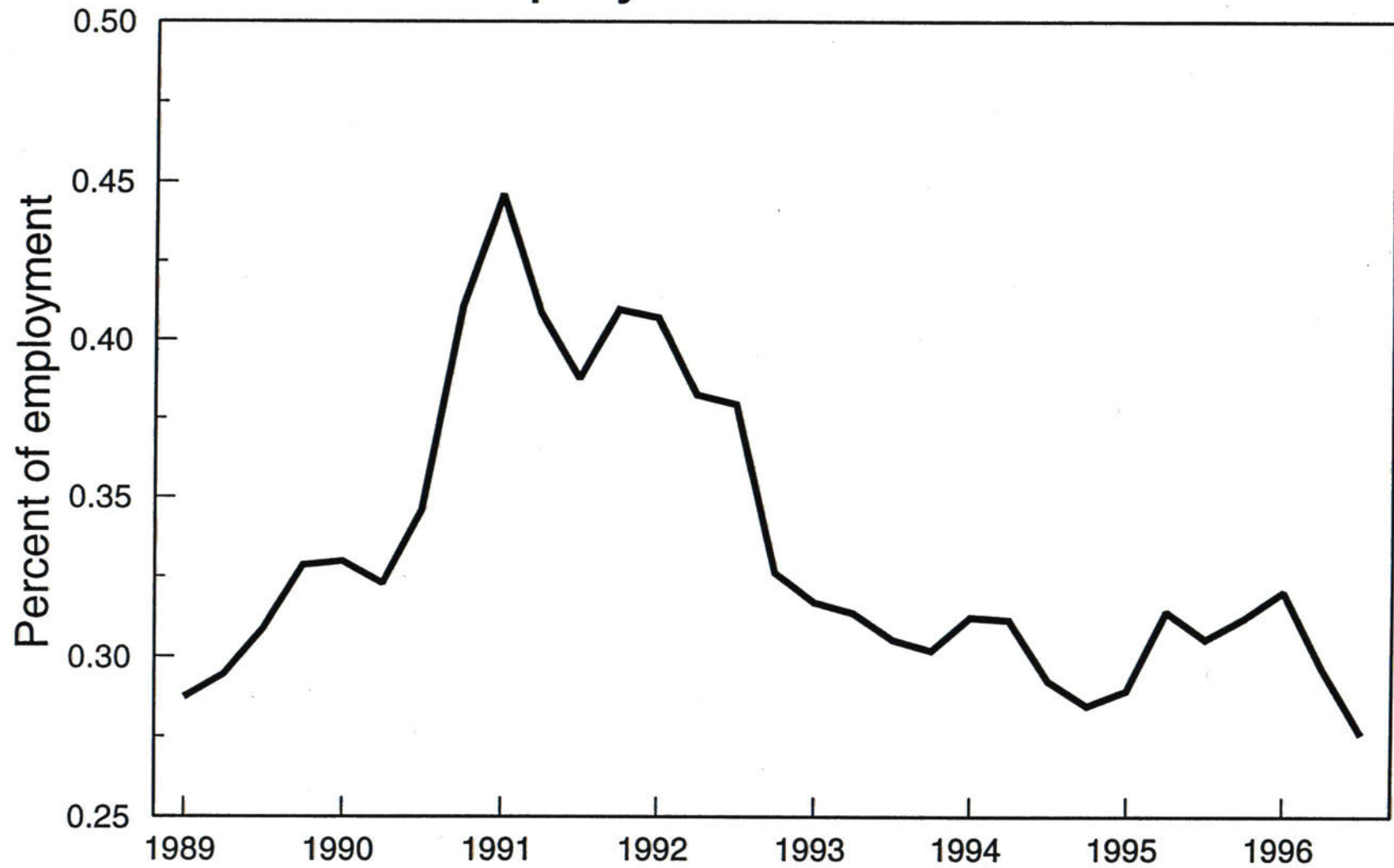


Figure 2

Initial Unemployment Insurance Claims



10-27-96

THE WHITE HOUSE

WASHINGTON

October 26, 1996

MEMORANDUM FOR THE PRESIDENT:

FROM: HELEN HOWELL *HLH*

SUBJECT: Recent Information Items

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OCT 24 11:35
THE PRESIDENT HAS SEEN
10-27-96

THE WHITE HOUSE
WASHINGTON

October 21, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: LEON E. PANETTA
Chief of Staff 

SUBJECT: Summaries of the Resolution of Major Funding
and Language Issues in the FY 1997 Omnibus
Appropriations Bill

Attached are summaries of the resolution of major domestic funding and language issues in the Fiscal Year 1997 omnibus appropriations bill.

Counting emergency funding, the enacted total gross FY 1997 discretionary budget authority (not reducing the totals by the amount of the receipts from the spectrum auction included in the omnibus bill) is informally estimated by OMB at about \$505.1 billion.

This compares to total FY 1996 discretionary appropriations of \$497.8 billion and to your FY 1997 request of \$502.2 billion, according to OMB estimates.

For non-defense discretionary spending, the total enacted FY 1997 level is about \$239.3 billion, compared to a total FY 1996 figure of approximately \$233.8 billion.

cc: Panetta

HIGHLIGHTS OF ADDBACKS IN THE FY 97 OMNIBUS APPROPRIATIONS BILL

Commerce, Justice, State appropriations:

COPS: \$1.4 billion, no earmarks, level with FY 1996. This keeps us on a path to 100,000 cops.

ATP: \$225 million, \$4 million over FY 1996. The restrictions on new grants were removed.

Drug Courts: \$30 million, substantially above the level the Republicans offered to us initially, and twice the FY 1996 level.

International organizations/UN: \$892 million, equal to last year's level, and substantially above previous Republican offers. (The report requires payment of the full assessment to UN and a few other organizations; the bill is still short of the needs of other organizations by about \$100 million.)

Peacekeeping: \$352 million; includes \$20 million in funding for possible activities in Africa, especially in Burundi, and permits payment of all known FY 1997 costs, plus \$50 million for arrears from past years.

Legal Services: \$283 million, \$5 million over FY 1996 and \$33 million over the FY 1997 House-passed level.

Department of Defense appropriations:

Dual Use Applications Program (DOD) (formerly known as TRP): \$185 million, \$100 million over both the initial Republican offer during budget negotiations and the amount authorized in the just-enacted FY 1997 defense authorization bill.

Foreign Operations appropriations:

International narcotics and crime: the omnibus bill fully funds the request for these activities (within the State Department).

International population planning: \$385 million, \$29 million over FY 1996 and without the objectionable Mexico City language included in the House bill and the draft conference report.

AID: the draft conference report on foreign operations had rescinded \$140 million from AID to stay within the subcommittee's allocation. At the Administration's insistence, the enacted omnibus appropriations bill eliminated that cut.

International Development Assoc: we insisted on a level of \$700 million and achieved it. This is equal to the FY 1996 funding

and far above the initial House-passed FY 1997 level of \$525 million.

Interior and Related Agencies appropriations:

Interior Dept and related Native American programs: although below the request, the funding for DOI is about \$155 million over FY 1996. Funding for Native American programs in both DOI and other agencies is \$96 million over FY 1996.

National Endowments: in the negotiations, we sought to fund NEA and NEH each at \$110 million. The Congress agreed to increase funding for NEH to \$110 million, an increase over the House and Senate levels of \$104 and \$99 million respectively and level with its FY 1996 funding. The Republicans refused to provide an increase for NEA, however, leaving it at the \$99 million level that it received in FY 1996 and in the House and Senate bills.

Labor, HHS, Education and Related Agencies appropriations:

Department of Education: overall funding in the omnibus bill is \$26.3 billion, compared to the request of \$25.5 billion and FY 1996 funding of \$23.2 billion. In aggregate, the enacted bill is \$3.6 billion above the House-passed bill.

Among the key programs funded at or over the request are: GOALS 2000 (which the House had terminated), School-to-Work, Title I Education for the Disadvantaged, Charter Schools, Safe and Drug Free Schools, bilingual and migrant education, special education, vocational and adult education, Pell Grants (the maximum grant level was increased from \$2470 in FY 1996 to \$2700), work study, other student aid (SEOG, SSIG, Perkins), and Star Schools. The Education Technology program received \$267 million; while this was below the request of \$325 million, this level is far above the FY 1996 level of \$48 million.

HHS: overall funding in the omnibus bill is \$31.3 billion, compared to the request of \$31.4 billion, and the FY 1996 level of \$30.2 billion.

Among the key programs funded at or over the request level are: Ryan White, family planning, Violence Against Women, HIV Prevention, NIH, SAMHSA, Head Start, LIHEAP, welfare reform related services, child welfare services, and aging services programs.

Labor Dept: overall funding in the omnibus bill is \$10.3 billion, compared to a request of \$10.8 billion and an FY 1996 level of \$9.7 billion.

Among the key programs funded at or over the request are: summer jobs, dislocated workers, school-to-work, one-stop career

centers, and community service employment for older Americans. While we did not get the request level for key labor enforcement accounts (Pension and Welfare Benefit Administration, OSHA, Mine Safety, and Employment Standards Administration salaries and expenses accounts), we did get an increase in each over the levels in both the House and Senate bills and over the FY 1996 enacted levels. This is also true with respect to the funding provided for NLRB's salaries and expenses account.

Transportation appropriations:

Federal Aviation Administration: the enacted FY 1997 Transportation appropriations bill fell short of the request level for FAA operations by \$29 million. We insisted that the Congress reach the request level, and they did so in the omnibus bill by providing \$29 million for FAA operations and for safety-related acquisition.

Alameda Corridor program: this was funded at the level we sought in the omnibus bill.

Federal Railroad Administration: the omnibus bill includes an additional \$83 million for the FRA that we did not formally seek as part of the negotiations, but that we supported. It includes \$60 million for Northeast Corridor electrification, and \$22.5 million to continue four routes that Amtrak recently announced it would cancel. Those routes are: Desert Wind (Salt Lake City to LA); Pioneer (Denver through Wyoming to eastern Oregon); Texas Eagle (Chicago through Arkansas to San Antonio); and part of the Lake Shore Limited (Albany NY to Boston). The funding provided is estimated to be sufficient for only six months unless states provide supplemental resources.

Treasury, Postal appropriations:

Treasury Department: there were severe cuts in the Department's budget in both the House and Senate bills. In talks on the omnibus bill, we sought to reach the FY 1996 funding level for the Department; we received a level very slightly below it, significantly over the original House and Senate levels.

Taggants: the bill includes our requested level of funding for Treasury to contract with the National Academy of Sciences for a study of black and smokeless powder taggants; the study is authorized in the Commerce, Justice, State portion of the bill.

VA-HUD appropriations:

Community Development Financial Institutions (CDFI): in the omnibus bill, the Congress provided an increase of \$5 million over the \$45 million in the enacted FY 1997 VA-HUD bill. The

total funding level of \$50 million is also \$5 million over the FY 1996 enacted level, although considerably below the request.

EPA: overall funding in the omnibus and FY 1997 VA-HUD bills combined is \$6.8 billion, compared to a request of \$7.0 billion and an FY 1996 level of \$6.5 billion. In negotiations on the omnibus we asked for an additional \$84 million for EPA over the FY 1997 VA-HUD bill (in addition to the Boston Harbor addback). We received \$42 million, for studies and other work related to the safe drinking water and pesticides laws, and for the Climate Change Action Plan. In addition, the omnibus bill includes \$10.2 million for EPA for pesticides data collection that we had requested for USDA.

Boston Harbor: in the omnibus appropriations bill, the Congress provided an increase of \$35 million over the \$40 million enacted in the FY 1997 VA-HUD appropriations bill. The \$75 million total funding level is \$25 million over the FY 1996 enacted level, but below the request level of \$100 million.

GLOBE: the omnibus bill includes funding for GLOBE in NASA at the level we sought and in Commerce at \$6 million, \$1 million less than we sought. It did not provide the requested \$1 million in EPA. The NASA and EPA parts of GLOBE had both been zeroed out in the enacted FY 1997 VA-HUD appropriations bill, and the Commerce part had been zeroed out in the draft conference report for Commerce, Justice and State appropriations.

Office of Consumer Affairs: the Office was zeroed out in the enacted FY 1997 VA-HUD bill, but resuscitated at just slightly below the request level in the omnibus bill.

Anti-terrorism appropriations:

We requested approximately \$1.2 billion, and we received about \$1.1 billion. Almost half of the difference is due to technical differences in the budgetary treatment of the CALEA request for DOJ wiretapping activities. The balance of the difference is largely made up of small reductions to individual items.

FY 1996 anti-drug supplemental and FY 1997 anti-drug funding appropriations:

On September 7, 1996, the President called on the congressional leadership to fully fund his request for anti-drug efforts. Although the House and Senate bills were originally about \$400 million dollars below the President's request, Congress responded to the President's call, and the final FY 1997 appropriation was essentially equal to the request level of \$15.2 billion. (The FY 1996 enacted level was \$13.8.)

A portion of the total FY 1997 anti-drug appropriation includes funding for the President's FY 1996 anti-drug supplemental request. Last year, the Congress promised to fully fund the \$250 million FY 1996 anti-drug request in the FY 1997 bills, and we pressed the Congress to fulfill its commitment. The omnibus bill funds about \$198 million of the \$250 million, plus an additional \$108 million that was not requested, but that we can support. The bill includes a \$61 million discretionary fund that will allow funding of some of the items not funded directly.

Among the key programs funded at or over the request are: Safe and Drug Free Schools, Substance Abuse and Mental Health Services Administration (SAMHSA), High Intensity Drug Trafficking Areas, DEA and Defense anti-drug activities. The Congress also doubled funding for the Drug Courts program over the FY 1996 level, although it fell far short of the request level.

Firefighting appropriations: the omnibus bill includes \$650 million in emergency firefighting funding, exceeding the \$400 million requested for USDA and DOI.

Hurricane Fran/Hortense appropriations: the omnibus bill includes \$397 million in FY 1997 appropriations, compared to the request of \$291 million. Most of the increase is for SBA disaster loans.

Resolution of Major Appropriations Language Issues:

Commerce/Justice/State:

- ATP: language restricting use of funds for continuation grants only, thus prohibiting new awards, was DROPPED.
- COPS earmarking: DROPPED (an additional \$20 million was provided for the Police Corps program on top of the \$1.4 billion for the COPS program).
- Antique firearms: DROPPED. The draft conference report would have eliminated control over the importation of certain inexpensive firearms, such as M-1 weapons, that would be very attractive to criminals.
- ABM treaty: MODIFIED to a reporting requirement. The House-passed language would have prohibited funding for the development for any amendments to the ABM Treaty unless the President certified that they would be submitted to the Senate for its advice and consent, thereby raising serious policy and constitutional issues.
- Taggants: language INCLUDED that provides for the study of black and smokeless powders and new prevention technologies.
- Census: DROPPED objectionable report language prohibiting sampling for the 2000 Census.
- State and local drug testing of prisoners and parolees: the bill INCLUDES the Administration's proposed legislation, requiring such testing as a condition of receiving state and local prison grants.
- Health benefits for officers injured in the line of duty: the enacted bill would reduce both COPS and local law enforcement block grants by 10% if grantees do not provide such benefits to officers who retire or are separated as a result of such injury. Congress and the Administration agreed to apply this restriction only to the local law enforcement grant program, and the White House succeeded in getting a correction bill through the Congress on the last day of the session to make this change in the enacted omnibus bill.
- Oklahoma City Bombing: the omnibus bill allows DOJ to use up to \$500,000 to facilitate victims' participation in, and observation of, trial proceedings.

Foreign Operations:

- Population planning: Mexico City provisions DROPPED. The funding level for family planning is lower than the request but above the FY 1996 level. The bill provides for monthly "metering" of the funds and delays availability until July 1, 1997. The funds could be made available on March 1, 1997, if the President submits a finding by

February 1, 1997, that the delayed availability is harmful to the program and the Congress adopts a joint resolution of approval under expedited procedures by February 28, 1997.

- KEDO: cap raised to \$25 million request.
- MedBank: authorization language ADDED. No funding.
- Jerusalem: bill language mandating that U.S. publications refer to Jerusalem as the capital of Israel DROPPED. Report MODIFIED to "should" instead of "shall."
- NIS assistance earmarks: earmarks RETAINED despite Administration efforts in omnibus negotiations to remove or modify them.
- Int'l Development Assoc: MODIFIED objectionable language relating to the procurement restrictions on the Interim Trust Fund.
- Burma sanctions: MODIFIED objectionable language relating to Burma sanctions. As drafted, language will effectively allow sufficient time for U.S. consultation with allies before taking any actions. The bill does not mandate a timetable for the imposition of sanctions.
- NATO Enlargement -- INCLUDES the NATO Enlargement Facilitation Act, which designates Poland, Hungary and the Czech Republic as eligible to receive assistance preparatory to their entry into NATO; designates Slovenia as eligible for such aid 90 days after enactment unless the President certifies that it does not meet eligibility criteria; and requires the President to designate other Central and East European nations as eligible for such aid if eligibility criteria are met in the future.
- Export-Import Bank Chairman: MODIFIED funding restriction to provide that incumbent Chairman's pay cannot be funded after July 20, 1997, when existing appointment expires. Previous proposals had provided no funding for the Chairman's expenses before his term expired or had cut his pay to the GS 1 level.
- Ronald Reagan Federal Building: language prohibiting use of FY 1997 funds for AID move DELETED.

Interior:

- Tongass: DROPPED objectionable rider delaying Tongass Land Management Plan release until certification by GAO that it complied with two natural resource laws.
- Repeal of salvage timber rider: no repeal enacted. However, the part of the FY 1995 timber rider relating to "old-growth" timber, involving the so-called "section 318 sales," expired on September 30, 1996,

and the salvage provisions of the rider expire on December 31, 1996. CEQ and others continue to work hard to see that the salvage provisions are managed properly.

- Sale of Elwha River Dams to Washington State: MODIFIED an objectionable rider overturning a 1992 agreement between federal, state, tribal and local entities for the removal of two old dams in Olympic National Park. The modified language requires that existing environmental and other requirements be met by Washington State if it removes the dams.
- Pennsylvania Ave. re-design restrictions: DROPPED.
- Tribal tax collection (Istook amendment): DROPPED objectionable language prohibiting any new lands from being taken into trust unless the tribe had a binding agreement with the state to collect state and local taxes on sales to non-tribal members by retail outlets on tribal lands.
- BIA funding formula: DROPPED objectionable language converting BIA funding for block grants.
- Gaming: DROPPED an objectionable Senate rider prohibiting the development of regulations for review or approval of certain new Indian gaming compacts in the absence of a tribal-state compact; INCLUDED a rider on Indian gaming in Rhode Island.
- Alaska: MODIFIED objectionable language relating to subsistence fishing so that immediate concerns addressed; MODIFIED objectionable language amending rules governing use of funds appropriated for southeast Alaska in FY 1996 to ensure funds could not be used for lobbying; DROPPED objectionable Senate provision declaring an Alaskan entity a tribe for purposes of all Federal Indian programs.
- Mt. Graham/red squirrel: DROPPED House language reiterating objectionable language enacted in FY 1996.
- Energy efficiency standards: DROPPED House language that would have impeded issuance of energy efficiency standards by DOE.

Labor/HHS/Education:

- JTPA transfer: authority to allow up to a 20 percent transfer by local service delivery areas between JTPA adult training and dislocated worker assistance programs, if approved by the Governor, ADOPTED, as requested. (The House bill had allowed unlimited transfers, and the Senate bill had allowed up to a 50 percent transfer.)

- NLRB jurisdictional thresholds: objectionable language DELETED. The rider would have adjusted for inflation the statutory thresholds (established in 1959) for determining NLRB's jurisdiction.
- Prisoners/aliens: provisions relating to the application of the Fair Labor Standards Act to prisoners and prohibiting the enforcement of back pay for illegal aliens were DROPPED.
- NLRB single location bargaining units: objectionable language RETAINED. It prohibits NLRB from promulgating any single location bargaining unit rule. Under NLRB's draft rule, sites more than one mile apart, meeting certain other criteria, could be organized individually. The issue is relevant for industries with many individual outlets within a small geographic area, such as fast food companies. This rider was included in the FY 1996 law. Although the inclusion of the provision last year was essentially meaningless because the rule was not ready, its inclusion again in this year's bill is expected to result in a real delay in any final rule.
- Educational assistance to undocumented aliens: DELETED language that might have been construed to deny access to public elementary and secondary education to undocumented children.
- Direct loan administration: the Administration received the full amount requested, \$491 million, to manage the direct and guaranteed loan programs, despite efforts in the House and Senate to cap the amount as a way of limiting the growth of the President's direct lending initiative. In addition, the House and Senate proposed to continue four limitations on the Secretary's flexibility to manage both programs that were enacted in FY 1996. We were able to get the prohibition on advertising direct lending sunsetted as of January 1, 1997. The remaining provisions were continued but pose no significant problems in program administration.
- Sally Mae/Connie Lee Privatization: INCLUDED, with proceeds going to the District of Columbia for emergency school repairs.

Treasury/Postal:

- IRS – Tax Systems Modernization "fencing" language: MODIFIED substantially.
- Taggants Black and Smokeless Powder Prohibition: DELETED prohibition. Study authorized in Commerce, Justice, State portion of the omnibus bill.
- Death benefit for Federal civilian employees who die as a result of injuries in the line of duty: INCLUDED as requested.
- Buyouts: government-wide provision INCLUDED, with language allowing retirement-eligible persons to participate.

- Unions/mailling lists: objectionable language RETAINED. It prohibits funds from being used to disclose federal employees' home addresses to labor unions unless authorized by the employee or ordered by a court.
- Political appointees: language limiting number to 2,300 DROPPED.
- Electronic benefits transfer: requested language INCLUDED to allow Treasury to proceed with implementation of EBT plan for federal cash and food stamp beneficiaries, notwithstanding a recent court decision reversing part of the Department's plan.
- Domestic violence/gun ban: MODIFIED and acceptable. This is the Lautenberg provision extending Brady bill provisions to those who have been convicted of acts of domestic violence.
- Gun-free school zones: the bill reinstates the gun-free school zones law that made possession of a firearm in a school zone unlawful. The provision is designed to address constitutional issues raised by the Supreme Court when it invalidated an earlier version of this law.
- FBI Files: the bill contains language prohibiting the Executive Office of the President from requesting background investigation files from the FBI unless the affected individual has given written consent within the last six months and within the same administration or unless there are extraordinary circumstances involving national security.
- FSLIC Resolution/Winstar: requested language INCLUDED that will allow the United States to adequately defend against claims relating to a recent Supreme Court decision finding the government potentially liable to certain savings and loans for breach of contract claims under the savings and loan bail-out legislation of 1989.
- White House Travel Office: INCLUDED language providing payment of up to \$500,000 in legal fees and costs for Travel Office employees. The enacted language, unlike the House language, would prohibit reimbursement for fees or costs relating to any congressional hearing or investigation.

Other:

Besides carrying the BIF/SAIF, spectrum auction, and immigration legislation, the omnibus bill INCLUDES the following items:

- legislation creating additional wilderness areas in Oregon;
- legislation authorizing \$143 million each for FY's 1998-2000 for the Federal share of ecosystem enhancement in California's San Francisco Bay-San Joaquin Delta region. The authorization takes effect when California

passes a bond initiative to fund its share. The funding would be in addition to baseline funding for environmental protection and restoration in the area;

- a provision clarifying the application of the effective date in the 1994 crime bill to sexual offender cases;
- language broadening existing statutory definitions of child pornography, increasing penalties, and protecting government officials from liability as a result of searches and seizures made in connection with child pornography investigations;
- a reauthorization and reform of certain SBA programs, particularly the section 504 business development loan guarantee program;
- a provision removing the FY 1997 deficit reduction balances from the "pay-as-you-go" scorecard (approximately \$6.3 billion) as an offset for the spending in the bill; and
- legislation extending the authority for compensation of travel and per diem expenses for the independent counsel and staff.



96 OCT 26 P2:06

FAX TRANSMITTAL SHEET

To: President Clinton
C/O J. SchroederFAX #: (202) 456-1647From: James DunnFAX #: (202) 544-2094Date: 10/23/96Number of pages including this sheet: 6

Notes:

Current information regarding the fate
of Kurdish Christians.

Please do all you can to help.

To NSC
for action
yes ☒
no ☐

FAX

Date 10/22/96

Number of pages including cover sheet

TO: James Dunn
BJCPA

Phone

Fax Phone 202/544-2094

FROM: Keith Parks
Cooperative Baptist
Fellowship

Phone 770/455-7379

Fax Phone 770/451-9587

CC:

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

James, See if you can get this before the President and other key players. CFK is the organization that Robert and Ron Anderson led. They are two of our missionaries. Thanks.
Keith

CAUGHT BETWEEN IRAQ AND A HARD PLACE

by Bill Frelick, Senior Policy Analyst
U.S. Committee for Refugees

Saeed Mustafa works in northern Iraq, a driver for an American humanitarian organization, Concern for Kids (CFK). One of the thousands of local staff of Operation Provide Comfort trapped in northern Iraq since the collapse of the Kurdish "safety zone," Saeed should have been out of the country by now. He should have been protected by the U.S. government, which contracted with private American organizations to deliver humanitarian aid and which pledged to the Kurdish people in 1991 that they would be protected inside Iraq if they agreed not to flee to Turkey.

Instead, Saeed was left in northern Iraq after the Americans pulled out. Recently, Saeed was dragged from a CFK landcruiser in Dohuk by three Arabic-speaking men (Kurdish is spoken among the Kurds of northern Iraq). They beat and stabbed him, tied him up, shoved him back in the vehicle, and set it on fire. When he regained consciousness in the hospital, Saeed reported what had happened to the local police. The Dohuk Governor, connected to the Kurdish Democratic Party (KDP), the faction that invited Saddam's Hussein's forces into the safe zone to oust a rival faction, issued an "official" report of the incident, saying that Saeed was attempting suicide by beating and stabbing himself, tying himself up, and setting fire to his vehicle. Saeed was then arrested for having made the report public.

This is not an isolated incident. A local driver for the International Catholic Migration Commission was recently shot in the head while driving one of the vehicles with an ICMC logo emblazoned on the side. Armed men have interrogated ICMC staff and confiscated their radio, computer, and a truck. The

00

authorities cursed at the ICMC staff who reported these incidents. ICMC's Kurdish staff members are now in hiding.

These people, and thousands of others who worked for American and European humanitarian organizations, are living in fear for their lives. To its credit, the U.S. government has evacuated persons in northern Iraq who were directly employed by the U.S. government. Last weekend, it also began evacuating members of the Iraqi National Congress, a political opposition group that had been supported, in part, with CIA funding. But it appears to have drawn the line there, making a distinction between direct and indirect recipients of U.S. government funding.

The distinction is meaningless in northern Iraq. No one there knows—or cares—whether the American organization that employed you was a U.S. government agency or a private one operating with or without a U.S. government contract. It is guilt by any association. In issuing one of his periodic, and meaningless, amnesties, Saddam Hussein specifically excluded all persons working for Western humanitarian organizations. He made no distinction between governmental and nongovernmental agencies. Nor can aid workers escape to Iran, which surpasses only Saddam in its implacable suspicion of anyone associated with the United States. Turkey, as well, has closed its borders to Kurdish refugees, except to allow quick transit for those hand picked by the United States for evacuation to the U.S. base on Guam Island.

Why should the United States feel responsible? In 1991, we made a bargain with the Kurds. At that time, as Saddam's troops were advancing on them, and hundreds of thousands of would-be refugees clamored to get out, clinging to the sides of mountains along the Turkish border, we gave Turkey the green light to refuse them entry. This violated two of the fundamental rights

enshrined in the Universal Declaration of Human Rights—the right to flee (Article 13) and the right to seek asylum from persecution outside one's country (Article 14). We justified this policy by telling the Kurds that we would protect them inside Iraq. This promise was not made to only a few people working for the U.S. government. It was made to all those under threat who otherwise would have crossed the border to safety.

With the collapse of the safe haven, the Kurds are fleeing again. And, again, there is no exit, no way out. This time, however, there is not even a promise of protection.

If we can't keep our promise to the Kurds, we must keep our commitment to the Universal Declaration of Human Rights. We must at least allow those Kurds who are in most jeopardy to escape from Iraq. This involves using our influence with the Turkish government and our European allies to keep Turkey's border open for those seeking temporary asylum (and to convince those with influence with Iran to convince it to do the same). To convince Turkey to do so means a commitment to support them financially, so that they will not be left bearing the burden alone. Most Kurds should be able to return to Iraq eventually. However, there surely will be those who will not be able to return home, foremost among them the persons associated with the U.S. relief effort. In conjunction with our allies, we must assure Turkey that the international community will act responsibly, including, as appropriate, by resettling into the United States those persons with American connections who can't go home, and by having our Operation Provide Comfort allies make the same commitment for the Kurds who worked for them. It appears that we can no longer provide comfort to the Kurds of northern Iraq. Let us endeavor, however, to provide an avenue of escape to prevent their murder.

REPRINT

The New York Times

OF-ED SATURDAY, SEPTEMBER 21, 1991

Don't Forsake the Kurdish Refugees

By Bob DeVecchi
and Bill Frellick

The collapse of the safe haven in northern Iraq has once again left the Kurds facing betrayal and peril. Although the United States has evacuated more than 2,000 people directly associated with the American Government, its moral obligations in the region are not over. There are still others whose lives are in danger, including tens of thousands of Kurdish refugees and hundreds of Kurdish employees of private humanitarian groups.

In 1991, in the wake of the Gulf war, the international community, led by the United States, made a promise to the people of northern Iraq: If you stay and do not cross into Turkey, we will protect you. The promise was not only humanitarian. It also protected the international community, which did not want to deal with a large flow of refugees.

The Kurds stayed and, yet, they have contributed to their precarious situation. They succumbed to infighting and allowed themselves to be manipulated by outside powers willing to play one faction off another. But blaming the victim is too easy. Was the safe haven ever truly safe?

Bob DeVecchi is president of the International Rescue Committee. Bill Frellick is a policy analyst with the U.S. Committee for Refugees.

Already, Iraqi agents have hunted down and killed at least 100 people in Erbil. We have reports that hundreds more have been arrested and taken to Baghdad. The United Nations High Commissioner for Refugees estimates that 40,000 refugees have crossed into Iran, and says that thousands more are gathered on the border. It is not clear whether they will be allowed to enter Iran. The Turkish border now appears to be closed tight.

What is the responsibility of the United States and its European partners? Now that safety inside Iraq can no longer be assured, the United States cannot wash its hands of the tragedy as if it was a Kurdish problem alone. The allied coalition must adhere to basic principles of refugee protection.

The United States must prevail on Turkey to allow its refugees for temporary asylum; the rest of the international community must put pressure on Iran to do the same thing. True, this creates a potential danger for Turkey, which faces tensions with its own Kurdish separatists. It is up to the United States and its allies to assure the Turks that the problem is temporary and that they will not have to pay — politically or financially — for assisting the refugees.

We must also be prepared to share the human burden. Most refugees, if properly assisted, should be able to stay in Turkey or Iran until the danger subsides. Others, however, will never be able to return to Iraq. First, there are about 1,500 individuals and their families either employed by the American Government or by groups providing humanitarian assistance (and associated with the United States) in northern Iraq. Although an amnesty declared by Saddam Hussein can be trusted, his most recent amnesty for Kurds specifically excludes those working for relief organizations, a chilling prospect indeed.

Second, members of the Iraqi National Congress, an umbrella opposition group reportedly supported in part by the Central Intelligence Agency, are in extreme danger. Many of their ranks have already been arrested or killed. The remaining members — about 150 of them — are holed up inside Iraq near the Turkish border. For both groups, resettlement in the United States and other countries should be considered.

For other refugees who may be in danger as well, it is imperative that we not break the promise of asylum, a fundamental human right for victims of persecution.

The U.S. leaves
thousands in
the lurch.

1717 MASSACHUSETTS AVENUE, N.W., SUITE 701

WASHINGTON, DC 20036

Tel: (202) 547-3507

Fax: (202) 547-3418

To ~~NSC~~

for action

yes ☒

no ☐



Staff Sec

Shimon Peres OCT 26 P2:06

September 19, 1996

Dear Mr. President,
Dear friend,

Two years ago, The Hebrew University of Jerusalem approached me with a proposal to establish an academic institute that would be dedicated to developing practical applications of peace treaties and to enhancing our understanding of the role of contemporary diplomacy.

I have decided to undertake this project. A team I worked with in the process that led to the Oslo Accords has joined me in this endeavor and we are now in the process of establishing the "Shimon Peres Institute for Peace", affiliated with the Hebrew University.

Governmental initiatives are invaluable and can not be replaced by academics. The objective of the institute, however, is what I believe to be the 'missing link' - translating the formal peace treaties into tangible benefits for the peoples of the Middle East.

The institute will work to make peace conceivable to people for whom formal peace treaties appear distant, and no more than passive promises. Peace is agreed upon between governments, but we have a responsibility to carry out the promise to those who have committed themselves to preparing for a future of hope and conciliation instead of battles and war.

The emerging institute is aimed toward, tomorrow's peace, as it will undertake four main areas of activity (in research, projects and study):

- 1) Economic cooperation and development through the convening of experts from international institutions and governmental, academic, and private companies.*
- 2) Use of modern information technology in the service of peace.*
- 3) People-to-People interaction and education toward peace.*
- 4) Designing a cooperative model for continuous conflict resolution (the Oslo Model).*

While projects are underway, the institute will continue to conduct intensive research on the various issues. Among our central concerns is the necessity of educating and broadening the awareness of today's younger generation - in Israel, the region, and the entire world - towards an appreciation of Peace and all its implications.



Shimon Peres

- 2 -

I am convinced that this challenging undertaking will grow into a valuable enterprise that will contribute to the stabilization and solidification of peace in region, creating practical applications to overcome future obstacles and fostering new partnerships and opportunities that will benefit the region and its inhabitants.

Human energy and vitality are this region's most valuable resources. Our peoples will be the primary beneficiaries of peace, and in time, they will also be its most enthusiastic initiators. Peace will come to be perceived as essential in all political systems.

I very much hope that we may count on your personal support and input towards attaining these far-reaching goals. It is my honor to ask that you agree to join the International Board of Directors of the Shimon Peres Institute for Peace, taking your seat among distinguished colleagues from the political, business and academic communities.

I look forward to hearing from you and cooperating with you in our efforts.

Sincerely,

Shimon Peres

*Hon. WILLIAM J. CLINTON
President of the United States
White House
Washington D.C.*

Cazenovia College

Founded 1824

October 23, 1996

96 OCT 26 P 1: 56

Office of the Staff Secretary

Director, Correspondence and Presidential Messages
The White House
Washington, D.C. 20500

To the Director:

I am a professor of history and government here at Cazenovia College. Recently, I spent a day off teaching my son's third grade class, and my other son's kindergarten class, about "The President." As part of that lesson, each member of the third grade class wrote a letter to President Clinton, and the Kindergarten class composed one large letter to the president.

I enclose those letters, as well as the name and address of the two classes for you to possibly forward to the president.

I am in hopes that your good office will be able to respond to these two classes, no matter how pro-forma. I also know that they would appreciate, if possible, a photograph of the president.

Those two addresses:

Mrs. Elizabeth Van Wie's
Third Grade Class
Bolivar Road School
Chittenango, NY 13037

Mrs. Nadine Hayes'
Kindergarten Class
Lake Street Elementary School
Chittenango, NY 13037

I am grateful to you for your valuable time, particularly during this busy political season. But I guarantee you--the children will beam if "President Clinton answers their letter."

Again, I thank you.

Sincerely,



John Robert Greene, Ph.D.
Distinguished Professor, History and Government
Special Assistant to the President, Archival Development

Phone: 315-655-9446 ext. 229
Fax: 315-655-2190
E-Mail: GREENE@cazcollege.edu



Cazenovia, NY 13035

To Dorshind
for reply?

yes. ✓

no. —

MRS. ELIZABETH VAN WIE'S
THIRD GRADE CLASS
BOLIVAR ROAD SCHOOL
CHITTENANGO, N.Y.
13037

Name TJ GREENE
Home Address 107 Boyd Ave.
Chittanooga NY 13037

Hon. Bill Clinton
President of the United States
1600 Pennsylvania Avenue
Washington, D.C. 20500

ATTN: Office of Presidential Correspondence

ATTN: OFF

ATTN: Office of Presidential

ATTN:

1600 Pennsylvania Avenue
Washington, D.C. 20500
ATTN: Office of Presidential Correspondence

MRS. NADINE HAYES'
KINDERGARTEN CLASS
LAKE STREET ELEMENTARY SCHOOL
CHITTENANGO, N.Y.

13037

OCT 25 9:57

October 23, 1996

Hand Delivered

The Honorable William Jefferson Clinton
President of the United States of America
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

I suspect that the Wall Street Journal is not your favorite source of information and opinion, but they did have an excellent review of the conditions surrounding our policies with Azerbaijan. This review is consistent with an earlier letter that I have sent to you on the subject.

If our hopes are realized and the American people choose you to serve a historic second term, it is my hope that solving this inconsistency in our foreign policy will be one of the many accomplishments that we will all look forward to.

All the best to you and your family.

Sincerely,



David Walters
President

DW:mt

Attachments

10-25-96

Phil -
This came in from Harold Ickes.
Send to Dorskind for reply?

Yes ☒

No ☐

Coordinate w/ USC? *yes*

C.

Eyes on the Prize

Azerbaijan's Oil Helps Explain Intense Interest Of U.S., Other Nations

Russia, Iran Vie for Influence, While President Aliyev Is Fiercely Independent

Is the Caspian Sea a Lake?

By BARRY NEWMAN

Staff Reporter of THE WALL STREET JOURNAL
BAKU, Azerbaijan — Wouldn't it be easier for Americans to pay attention to all the obscure quarrels going on around the world if the reasons to care about them were more obvious? If Burundi bordered on Russia, for instance, or Bosnia on Iran. Or, better yet, if Burundi and Bosnia both sat on seas of oil.

If that helps arouse any interest, glance at this country:

Azerbaijan is having a little squabble with Armenia. In eight years, it has cost 25,000 lives and displaced a million people. On today's slaughter-scale, that's average. On the why-do-we-care index, though, Azerbaijan ranks higher. Russia pokes at it from across the Caucasus in the north; Iran prods it from the south. And off its coast, under the Caspian Sea, lies what is known as a "supergiant" oil field.

"That's the most important thing to keep in mind," says an American working in Baku. "There's a prize here."

Oil in Abundance

For the West, Azerbaijan's prize is another wellspring of oil beyond the stormy Persian Gulf. For Western oil companies, it potentially means an \$8 billion investment, 30 years of production and \$100 billion in revenues. But for Azerbaijan itself, which gets to keep 80% of the profits, the prize is a thing no country skewered between Russia and Iran can easily hope to hang onto: independence.

Here is one more thing worth knowing about Azerbaijan: It is mulishly autonomous. Both Russia and Iran see it as part of their natural spheres of influence. For them, dominating Azerbaijan means holding sway over an oil source only Western technology can develop. Yet, of all the states once fused into the Soviet Union, this is the only one—outside the Baltics—that won't let Russian troops camp on its soil or guard its borders. And though it once looked as if Iran might export militant Islam to Azerbaijan, Azerbaijan's easygoing secularism now seems more likely to filter into Iran.

Oil makes this country an object of desire; oil investment from the West is giving it the strength to keep nearby molesters at bay. But don't think Azerbaijan wants Western entanglements, either. Russia and Iran have been tripping over each other—and themselves—groping for footholds here. The U.S., while trying to pilot Azerbaijan clear of the other two, hasn't done much better.

Azerbaijan is playing everyone off against everyone else. Its president, Heydar Aliyev, is an artful 73-year-old who once ran the local KGB. He wants nothing less than his country's complete freedom, with himself completely in charge.

"Aliyev will stay as president to the end of his life," says his foreign-policy adviser, Vafa Gulizade. "He has made Azerbaijan a stable country. We are fully independent — from Moscow, from Washington, from Teheran. Independence is our main principle. Nobody is able to change it."

Though not for lack of trying.

Russia and Persia first split Azerbaijan between them more than 150 years ago; 16 million Azeris live in Iran today, more than twice the population of Azerbaijan proper. Baku's oil began bubbling up late in the last century, luring the oil barons of the day: the Rothschilds, the Nobels and others. Germany exhausted itself reaching for Azeri oil in World War I. Hitler thought he had it in World War II, until Stalin snatched it away.

In 1988, Azerbaijan staged a preview of the Soviet Union's last act. Armenians who live in its high-country enclave of Nagorno Karabakh rose up to demand unification with Armenia. Pogroms against Armenians followed, as did the birth of an Azerbaijani nationalist movement and, after the Soviet crackup, a war.

On the ground, the Armenians won. Since a tenuous truce in 1994, they have occupied 20% of Azerbaijan's territory and kept 15% of its people from their homes. But Azerbaijan still has its oil.

Boom and Bust

The tableau that comes of this magnifies all the ups and downs of familiar post-Communist gyrations. Azerbaijan today is a country in the throes of a boom and a bust at the same time. A car traveling out of Baku crosses black swamps of oily goo and forests of the spindly derricks that gave forth 2% of Soviet oil. A few miles south stands the operations camp of the consortium that will soon pull rigs into deep Caspian waters for the first time. It is led by British Petroleum and half-owned by Americans: Amoco, Exxon, Pennzoil and Unocal. The camp's trailers stand in perfect rows. A walk-in freezer purrs behind them, next to the gym.

Vidadey Mamedov and Gabil Mehrale sit in the cafeteria, drinking juice. They



Heydar Aliyev

One Vital Thing About Azerbaijan: Oil

Continued From First Page

are welders, at work rebuilding an offshore drilling rig the Soviets bought in Finland and then allowed to fall apart.

"Everything's fine here," Mr. Mehrali says. His partner grins: "The place is excellent. This kind of company we never saw." What differs most from the state company where they used to work? "The salary," Mr. Mehrali says. "It buys my family enough to eat."

One more difference: The oil bosses let these Azerbaijanis out to visit their families only once every two weeks. Discipline is the point, and a sign of progress. But Azerbaijan has other camps people aren't allowed to leave.

A three-hour drive inland leads to a cotton field near the city of Sabirabad, and one of those other camps. It has no cafeteria, no gym. Its mud-brick huts house 12,000 Azerbaijanis roused by Armenians out of villages around Nagorno Karabakh. They have been stuck in this spot for three years. Azerbaijan's boom means nothing to them beyond a tomato-supply deal with Baku's Hyatt Hotel.

"I'm a technician," Rabab Huseynov says. "I build pipelines. There is no work of that kind here." He stands beside a reed fence with his next-door neighbor, Hatira Abasova. "They feed us on promises," she says. "Wait. Wait. We can't wait. The children can't wait."

"It's interminable," Mr. Huseynov says, and she says, "Tell us the date! When can we go home?"

She could ask the Russians.

Lingering Russia

When its empire fell, the standard supposition was that Russia would clear out of the Caucasus, leaving Turkey and Iran to vie over Azerbaijan's choice of Islamic style. But Turkey never quite came and Russia didn't go. Georgia accepted Russian troops. Armenia signed up for a military alliance. Azerbaijan, the stubborn one, has taken a whipping ever since.

In ways undeclared but unabashed, Russia has backed the Armenian cause in Nagorno Karabakh. It arranged a ceasefire, then pushed its own soldiers as peacekeepers. Azerbaijan refuses them, so there are no peacekeepers and no peace. Russia's hand has been sensed, too, in Azerbaijan's political spasms: the ouster of a first president, then coups and coup plots against Mr. Aliyev. To stop gunrunning on the road to Chechnya, Russia also shut its border with Azerbaijan; that served to cut Azerbaijan's supply lines and has killed its economy. "Russia has only one objective," says a Western diplomat here. "To reassert its role as the dominant power in Azerbaijan."

Oil is Russia's big stick. If Azerbaijan pipes all its oil to market via Russia, it becomes a puppet on a Russian stage. If the oil finds other ways out, Azerbaijan breaks free. One disused Soviet pipeline heads north already, through Chechnya, partly explaining why Russians with empire blues fought so hard to win a war there. The Western consortium has de-

cided to allow a first trickle of early production to pass through it soon. But the triumph will be temporary. In the wider oil war, Russia's imperialists are tripping over their own capitalists.

The Caspian Lake

When the consortium deal gelled two years ago, a privatized Russian oil company, Lukoil, gladly took a 10% share. That galled Russian nationalists, who evidently prefer no oil at all to a flow Russia can't control. The Foreign Ministry in Moscow responded to the consortium's formation with a legalism that might yet capsize the project. The Caspian, it said, is a lake, not a sea, and thus belongs to all the countries around it; Azerbaijan has no unilateral right to draw boundaries and let outsiders drill for oil.

"The Caspian's unsettled status means Lukoil and all other oil companies are



taking a high commercial risk," says Alexander Blokhin, Russia's silver-bearded ambassador to Baku. He smiles behind a small desk in a small room of his embassy, still lodged at the Intourist Hotel here. He genially holds out the threat to challenge the project in court. "Honestly," he says, "Russia has no evil will in Azerbaijan. These people are our neighbors."

But Lukoil's capitalists are more neighborly. They just opened Baku's first modern gas station: attendants in clean red jumpsuits, signs in English, and a line of cars trailing down the street.

The station manager, Mirfalah Djabbarov, has a desk bigger than the ambassador's. He sits keeping an eye on a computer that makes sure customers get exactly what they pay for. "Our model," Mr. Djabbarov says, "is to work honestly and not to cheat people."

Depending on Yeltsin

Which Russian model prevails here—commercial or magisterial—will depend on how (or whether) President Boris Yeltsin governs in his second term. But if Russia's tactics have achieved anything so far, it has been to steer Azerbaijan in the direction of Iran. With the Russian border blocked, everything the country needs comes from the south. Each day, hundreds of Iranian trucks raise dust clouds in Baku

parking fields. Every shop and stall stacks their wares. In return, Iranian tank trucks carry south some of the oil still pumped from old Soviet wells.

"We are their lifeline," says a political officer at Iran's embassy here. The ambassador, Alireza Bikhdeli, an Azeri himself, puts it more gently. "We approach them as neighbors," he says. "We feel we can help our Azeri brothers."

And, strangely enough, help Azerbaijan's enemies. In a twist that befits this region's geopolitical knots, Iran feels brotherly toward Christian Armenians, too. Armenians also suffer from blockades—by Turkey and Azerbaijan. Iran's truckers toss them lifelines. On Nagorno Karabakh, Iran tilts toward the Armenian side. In debating the legalities of the Caspian carve-up, it sides with Russia.

Spurning Iran

Why? Because independent Azerbaijan won't join Iran's camp, either. Having tried to propagate Islam here with little luck, Iran now worries about a seepage of Azerbaijan's Soviet-stained culture southward into its own territory. Azerbaijan, moreover, has pointedly frozen Iran out of the Western consortium and the Caspian oil rush. It spurns Iran as obstinately as it does Russia.

An attitude like that might be expected to send this country skipping into the arms of the U.S. It hasn't done so, partly because America's policy here is also a clutter of incongruities. It aims to prop up the Yeltsin regime, commiserate with Armenia, isolate Iran, champion Azerbaijan's independence—and keep its eyes on the prize in the Caspian. And to do it all quietly.

"We've had quite a few successes you never heard about," says a former staff member of the U.S. National Security Council, "because if you heard about them, they would backfire."

Behind the scenes, the U.S. has tried to pry the Nagorno Karabakh peace talks out of Russia's grip. Quietly, it also passed the word to Azerbaijan that Iran wouldn't be welcome in the oil consortium. The U.S. spoke up once. It demanded that oil initially leave Azerbaijan for world markets not only through the existing pipeline across Chechnya to a Russian port on the Black Sea, but also in a second pipeline to be extended across Georgia to a Georgian Black Sea port. President Clinton phoned President Aliyev and talked that over for 25 minutes. Mr. Aliyev went along.

U.S. Hands Tied

Yet American policy baffles Azerbaijanis in other ways. A law on U.S. books since 1992 takes a rare swipe at a friendly country: It bars U.S. humanitarian aid from any contact with Azerbaijan's government. Congress passed the law as punishment for Azerbaijan's blockade of Armenia. But the aid agencies say it handcuffs them, and the State Department says so, too.

Millions of dollars in U.S. aid has arrived anyway, yet in a country that remains very socialist, agencies can't rent state trucks, buy blankets from state mills

or hire state doctors. Nor can U.S. officials offer advice on the democratic process something Azerbaijanis have trouble with already.

"America is in a shameful position," says Mr. Gulizade, the adviser. "Azerbaijan has opened the doors to the Caspian. It has attracted Americans to these resources of oil. Why don't you cancel the law? Azerbaijanis cannot understand."

What Azerbaijan's rulers do understand by now is that they are best keeping everyone at arm's length—and balance. Having first snubbed Iran, government has now let it join a new concession that doesn't include any U.S. partners. Iran, in gratitude, has torn down its support for Russia's claim to the Caspian is legally a lake.

Thwarting Russia

Azerbaijan's president is even better manipulating Russians. A Brezhnev protégé, Mr. Aliyev was put out to pasture Mikhail Gorbachev. He cheered the 1991 Soviet coup attempt, and earned Mr. Yeltsin's lasting scorn. Coming to power in 1993, he let Azerbaijan join the Russian-dominated Commonwealth of Independent States, but then turned around and rejected Russian pleas for military bases. "He still has eyes and ears in the system," a U.S. analyst says, "enough to get a whiff of what's coming."

Mr. Aliyev is still watching his back. Russian-provoked coups; he suppresses opponents, censors the press. With Western oil companies on his side, he seems to have all the leverage. But that is where could go wrong.

An oil bonanza isn't an absolute certainty for Azerbaijan. The Western consortium decorates its maps with cartoon flames labeled "conflagrations." Oil conflagrations don't mix. In production contracts, escape clauses abound. If things go wrong, the companies can still drop the whole project. They aren't due to make a decision on permanent pipeline routes for the region until June. "We're pacing investment here," says Art McHaffie, consortium vice president from Moscow. The project's first phase is costing over \$530 million. It has been known as "the experiment."

Azeri Options

If the experiment succeeds, Azerbaijan could use its bounty to thrash Armenia and entrench autocracy. Or it could pursue peace and encourage democracy. Most Azerbaijanis would select option two.

"My father was a friend to Armenia and Russians," says Toma, an Azeri born in Baku. "All the nationalities surround us." She sits at her dining table with her husband, Makud. He is an Azeri who immigrated from Iran. He works at a radio station; she teaches music. Their friend Tatyana, another music teacher, has coffee for tea. She is a Russian, also born here.

"In Moscow, Armenians and Azeris work well together," Tatyana says. "The war arose from nothing. A political decision."

"When it ends," Toma says, "we can be a country like Sweden or Switzerland. Everything will be well."

She offers Makud a cookie. "I can drink here," he says. "I can walk with a woman."

WALTERS POWER
INTERNATIONAL

April 15, 1996

The Honorable William Jefferson Clinton
President of the United States of America
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

It was good to see you in Oklahoma City. Rhonda and I appreciate your and Hillary's best wishes in respect to my "close call". After Ron's funeral I left Washington to continue the trip that I was to have started with Secretary Brown in Croatia. My first stop was Baku, Azerbaijan.

Although I was in Baku to investigate power generation opportunities what I found in my many conversations with business leaders, officials and citizens was a striking inconsistency in our foreign policy. Like most Americans the Nagorno-Karabakh conflict was unknown to me. I am now convinced that if Americans knew what I, our foreign policy experts and a few lobbyist know that they would insist on a more fair and balanced position by the United States.

I met with President Haydar Aliyev for two hours on Saturday, April 13th. I must say that his independence and strength are impressive. However the level of disappointment on his part with the U.S. was evident. He points out that almost one half of one of the worlds largest oil production consortiums is owned by U.S. firms, that he has routed one of the pipelines from these vast reserves outside of Russian controlled areas at the request of the U.S., that he excluded Iran from the consortium and later excluded the French at the encouragement of the U.S. President Aliyev maintains that he has been a faithful ally to the United States and all he has seen from the U.S. is a continuation of extremely unbalanced treatment of his country compared to Armenia as evidenced by the continued existence of Section 907 of the Freedom Support Act.

His most recent disappointment is that he says Strobe Talbot indicated that the Russian Nuclear Summit would in some way deal with the U.S. / Russian position on the conflict and that he would be consulted prior to the meeting. As of the end of business on April 13 he told me he had heard nothing.

The U.S embassy in Baku tells me that Armenia is second only to Israel in the receipt of per capita U.S. aid. Yet Armenia with the support of 30,000 Russian soldiers has occupied 20 % of Azerbaijan creating 1,000,000 displaced persons , many living a terrible existence. I explained to President Aliyev that it is well known that you do not support Section 907 and that President Bush didn't support Section 907 when he signed the bill.

(Unfortunately President Aliyev didn't realize that President Bush rather than you signed the legislation until I mentioned it).

Mr. President in light of the rapidly increasing U.S. economic interest in Azerbaijan, in light of their historic first challenge to the Soviets in 1989, in light of Azerbaijan's apparent strategic importance to the U.S. for energy reserves, in light of the substantial pressure from Iran and Russian on Azerbaijan to fall in line on everything from relations with Israel to stopping U.S. domination of foreign investment the imbalance in our position between Azerbaijan and Armenia borders on being absurd. This is not of your doing but frankly President Aliyev and Azerbaijan need more of your and your able foreign policy team's attention.

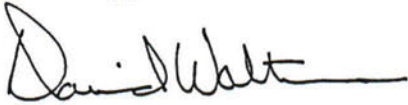
President Aliyev should be invited to come to the U.S. for appropriate meetings including a meeting with you. Properly structured I believe the occasion would result in Azerbaijan demonstrating their strong interest in a peaceful solution to the conflict. President Aliyev did not tell me this but I have reason to believe that it may be possible for President Aliyev to lift the blockade of Armenia as a result of his visit to Washington, at least temporarily. He has already made clear his willingness to establish Nagorno-Karabakh as an autonomous region for the 100,000 Armenians who live there, guarantee its security and establish an access to Armenia in return for the simple withdrawal of forces from the 20% of his country that is today occupied by Armenia so that the 1,000,000 displaced Azeris can return to their homes. I think it is also possible to have as part of the settlement of this conflict an agreement to build one of the pipelines from the Caspian reserves through Armenia bringing prosperity to Armenia and the isolated Azerbaijan enclave of Nakhichevan.

I do not believe that such an action by your administration presents a substantial policy or political risk. The U.S. would have to be prepared to certify and act on the Wilson Amendment for humanitarian aid as President Aliyev cannot politically continue to make concessions without some results. Hopefully the granting of humanitarian aid for 1,000,000 displaced persons would not be perceived as an extreme cost of our contribution to peace in the region.

Mr. President I am a businessman and no longer a politician but I do know when government policy is wrong and when it is right. I believe our governments position in regards to Azerbaijan is wrong. I encourage you to ask your foreign policy team to redouble their efforts to strengthen our relationship with a remarkably strong ally in a very troubled and important region of our globe.

You have my very best wishes and my continuing offer to assist you in any way you ask.

Sincerely,

A handwritten signature in black ink, appearing to read "David Walters", with a long horizontal flourish extending to the right.

David Walters
President

10-27-96

THE WHITE HOUSE

WASHINGTON

96 OCT 26 P2:59

OCTOBER 25, 1996

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

cc: Rahm Emanuel

showed get out before election

CRIME/DRUGS: We prepared the material for the radio address on our victims record. My guess is that we will receive the standard radio address coverage.

I have asked ATF to produce a report on certified gun dealers. The report will show that since the President's 1993 Executive Order on gun dealer standards, the Brady Bill, and the 1994 Crime Bill, there has been a dramatic reduction in the fly by night gun dealers.

Let's know should keep pushing

As a follow up to the President's directives on drug testing, I have been working with Justice on the guidelines they are preparing for states on the prison drug testing program. These guidelines should be ready within the next thirty days. I have also begun working with ONDCP on the drug testing for driver licensees directive.

IMMIGRATION: INS is prepared with two announcements for this week. The first announcement will be our record deportation numbers for 1996 (67,000) and the grants for reimbursing states for incarcerating illegal immigrants. I am having a little trouble with Justice in preparing the reimbursement grants. I may need your help in moving up the timetable.

As I explained to you, this will be a very rough week as it pertains to our naturalization process. The GOP is trying to show that we allowed criminals to become citizens. The FBI and Justice Department are turning over the files on Monday. Congressman Zeliff is holding hearings in California on Wednesday.

I have asked INS to prepare a memo explaining how the process works and our best arguments to counter the GOP charges.

ELECTION: I believe that the President's schedule for the closing days should better reflect our priorities. We are traveling to states we will not win and missing markets in states we need to win. The travel schedule should reflect that this election is an affirmation of President Clinton's agenda rather than some political tactic.

In my view it is more important to hit the Akron, Toledo, Rock Island, and Saginaw ~~of this world~~ than two days in Texas. Our goal is 50% and no less than 380 electoral votes. This election should not and can not become interpreted as Newt Gingrich and Bob Dole were unpopular and ran bad campaigns.

I have attached a memo from Peter Hart. I had asked him for his thoughts on a Wall Street Journal poll, and I think you will find it interesting.

THE PRESIDENT HAS SEEN

10-27-96

THE WHITE HOUSE
WASHINGTON

96 OCT 25 8:01

October 25, 1996

cc: Kitty Higgins
Leon Panetta
Evelyn Lieberman

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Summary of Cabinet Weekly Reports
October 18 - November 1, 1996

DEPARTMENT OF TREASURY

- **Special Cities Project:** Next week, Under Secretary Kelly and ATF Director Magaw will travel to Gary and Indianapolis, IN, to determine how ATF and other Treasury bureaus might aid in Attorney General Reno's Special Cities Project. The project involves an increased focus on nine cities with a population of over 100,000 where violent crime increased annually in each of the last three years.
- **Iranian Nuclear Components Seizures:** Customs, State, and the Nuclear Regulatory Commission assisted Greek Cypriot officials in conducting an inspection this month which prevented the delivery of nuclear components to Iran. During the inspection, law enforcement officials discovered and stopped \$40 million of nuclear reactor components which were marked as electrical equipment spare parts.
- **Portugal Counterfeit Currency:** Recently, the Portuguese National Police, assisted by the U.S. Secret Service, arrested five Portuguese citizens and seized \$2 million in counterfeit U.S. currency.
- **Haiti IMF Approval:** On October 18, the IMF formally approved a program making \$131 million available to Haiti over the next three years. On November 5, the first of two semiannual installments of \$44 million will be made available. Loan approval follows passage by Haiti's Parliament of two key reform bills that had been required by the IMF prior to the provision of funding.
- **Press Activities:** Secretary Rubin will participate in the following events:
 - October 25 - Editorial board meeting with The *Boston Globe*.
 - October 28 - Editorial board meeting with the *Oregonian*.
 - October 28 - Interview with print reporters at the Sperling Lunch.

DEPARTMENT OF JUSTICE

- **Line Item Veto:** National Treasury Employees Union, et al. v. U.S., (D.C. Cir.; D.D.C.). A few hours after you signed the Line Item Veto Act, a government employees' union, its president, and two of its members filed a suit seeking to enjoin operation of the legislation. Focusing on the Act's provisions allowing you to "cancel" discretionary appropriations, the complaint alleged that it violates the Presentment and Appropriation Clauses of the Constitution, as well as the doctrine of separation of powers. Despite the fact that the legislation does not take effect until January 1, 1997, the plaintiffs claimed to be immediately injured because they will have to redirect their lobbying efforts. Oral argument is set for October 25.
- **Religious Freedom Act:** On October 15, in City of Boerne, TX v. Flores, [S. Ct.; 5th Cir.; W.D. Tx.] the Catholic Archdiocese of San Antonio, TX, sued the City of Boerne, TX, over the City's denial of a construction permit to expand the St. Peter's Catholic Church due to the church's status as a historical landmark. The Archdiocese argued that this denial violates the Religious Freedom Restoration Act (RFRA). Boerne argued, in response, that RFRA is unconstitutional. DOJ intervened to defend the constitutionality of RFRA. On March 13, 1995, the district court ruled that RFRA is unconstitutional. On January 23, the Fifth Circuit reversed. The City filed a petition for *certiorari*. On October 15, the Supreme Court granted *certiorari*. Accordingly, the City's opening brief is now due November 29.
- **Don't Ask, Don't Tell:** On October 21, in Thomasson v. Perry, [S. Ct.; 4th Cir.; E.D. Va.], the Supreme Court denied *certiorari* to Thomasson, a Navy lieutenant, who was ordered discharged pursuant to statutory policy, as a result of his letter to four admirals revealing his homosexuality. The action challenging the new policy is on equal protection and First Amendment grounds. Both the district court and the *en banc* Fourth Circuit sustained the statute. The court of appeals' decision was the first appellate decision on the new policy.
- **CO Disability Case:** On October 10, the district court granted the DOJ's motion for summary judgment on liability in U.S. v. City and County of Denver, CO et al., (D. Col.), marking the first decision in a case brought by DOJ under Title I of the Americans with Disabilities Act alleging a pattern and practice of discrimination against disabled individuals by an employer.

- **OH Police Discrimination:** On October 11, DOJ sent a Data Request and Summary of Complaints to the Columbus, OH, Police Department regarding 12 administrative complaints alleging discrimination by Columbus police officers against African-American city residents. DOJ's review of the complaints is being conducted pursuant to Title VI of the 1964 Civil Rights Act and the Omnibus Crime Control and Safe Streets Act of 1968. The complaints allege misconduct involving discriminatory stops, searches, arrests, and use of force, and the use of racial epithets.
- **CA Police Employee Discrimination:** On October 15, in U.S. v. Torrance, CA et al., (C.D. Cal.), the court entered a decree settling DOJ's claim that the Torrance Police Department maintained a hostile work environment for black employees. The settlement agreement provides for all the relief the U.S. would have sought had this claim been tried, plus it covers forms of harassment that were not encompassed in our complaint, e.g., sexual harassment, harassment based on disability, religion, etc.
- **GA Redistricting:** On October 15, DOJ withdrew objections interposed in March of this year under Section 5 of the Voting Rights Act to the most recent GA House and Senate redistricting plans.
- **Chesapeake Bay Clean Up:** U.S. v. Smithfield Foods, Inc., Smithfield Packing Co., and Gwaltney of Smithfield, Ltd. (E.D. Va.). DOJ sent a demand letter this week to Smithfield Foods seeking approximately \$3 million in penalties, injunctive relief from the Smithfield companies and threatening a maximum penalty of up to \$125 million if the company does not settle. The demand letter is based on five years of unlawful discharges from a meat packing complex into the Pagan River, which feeds into the Chesapeake Bay. VA has also sued over these violations but is seeking a much lower penalty. Company officials and officials from VA are claiming that the lawsuit is driven by a dispute between EPA and VA over the Commonwealth's alleged lax enforcement efforts.
- **FL Rohypnol Ring:** In the last year, a Schedule I tranquilizer, known as Rohypnol, has received widespread attention for its use in numerous rapes, some of which have ended in death. On October 10, after a seven-month investigation, DEA Miami and the Metro Dade Police Department arrested seven members of a Rohypnol ring on state and federal charges; five people are still at large. Recent legislation has stiffened penalties for Rohypnol possession and distribution.

- **CA Narcotics Trafficking Case:** On October 10, in the Southern District of CA, Enrique Avalos-Barriga was found guilty of one count of conspiring to import and possess at least 969 kilograms of cocaine with the intent to distribute and being the principal administrator of a continuing criminal enterprise. Avalos-Barriga was the primary lieutenant for the Mexican narcotics trafficking organization headed by Joaquin Guzman-Loera. During the course of the investigation, U.S. enforcement officers seized approximately 700 kilograms of cocaine and \$700,000 belonging to the Guzman-Loera organization. A \$9.6 million preliminary forfeiture order was entered against Avalos-Barriga.
- **Suspected Nazi Persecutors:** On October 16, two German tourists attempted to enter the U. S. under the terms of the visa waiver program were stopped at airports in Boston, MA, and Philadelphia, PA, and returned to Germany. Both tourists are believed to have been involved in WWII-era Nazi persecution.
- **CSX-Conrail Merger:** On November 19, the House Transportation and Infrastructure Committee has scheduled a hearing on the proposed merger of the CSX and Conrail freight rail operations to examine its effect on rail service and employment.
- **Attorney General's Schedule:** On October 28, Attorney General Reno will address the IACP Annual Conference (Chiefs of Police) in Phoenix, AZ.
- **Press Activities:** The *New York Times* is working on a story about Senator Dole's inaccurate comments at the debate that U.S. Attorney Bersin is sending drug smugglers back to Mexico. The *New York Times Magazine* will run a profile piece on INS Commissioner Doris Meissner on Sunday. The *Washington Post* is working on a piece on the use of the military to fight drugs. CNN is doing a story on swapping lands with mining companies.
- **FOIA Requests:** The *Los Angeles Times* has requested copies of all DEA reports filed in the mid-1980's from Central America by Celerino Castillo III that concern allegations of drug-smuggling and alleged drug flight by persons associated with the CIA-backed contra forces in Nicaragua.

DEPARTMENT OF COMMERCE

- **Transatlantic Business Dialogue:** ITA is preparing for the November 8-9 Transatlantic Business Dialogue Chicago conference. Thirty-eight U.S. CEOs have been confirmed. As many as 35 European executives are expected. Over 200 people are likely to attend. Secretary Kantor will be co-chairing the conference with Ford CEO Alex Trotman, retired Philips CEO Jan Timmer, Sir Leon Brittan, and European Commissioner Martin Bangemann.
- **The following indicators will be released during the next two weeks:**

Gross Domestic Product (3rd Q - advance)	October 30
New One-Family Houses Sold and For Sale (September)	October 30
Personal Income and Outlays (September)	October 31
Manufacturers' Shipments, Inventories, and Orders (September)	November 1
Value of New Construction Put in Place (September)	November 4
Housing Completions (September)	November 5
State Personal Income (2nd Q)	November 7
Wholesale Trade (September)	November 8
- **Cairo Economic Summit:** Despite the tense political climate in the Middle East, it appears that the Cairo Economic Summit will be held as planned from November 12-14. Secretary Kantor and Under Secretary Eizenstat are expected to attend.
- **Helms-Burton:** On October 25 - November 1, Under Secretary Eizenstat will travel to Paris, Amsterdam, Rome, the Hague, Stockholm, Copenhagen, and Brussels as your special representative for the promotion of democracy in Cuba. He will meet with high level government, business, and NGO officials to discuss concrete steps to expedite the democratization of Cuba.
- **China WTO Accession:** Last week, bilateral talks with China were held at USTR regarding China's bid to accede to the WTO. The talks covered a broad range of issues, but notably excluded the controversial issue of trade remedies. The Chinese displayed a willingness to engage in meaningful discussions on most of these issues, with the significant exception of industrial policies and subsidies. China informed Commerce that it would agree to a "standstill" agreement requested by the U.S., which would commit China to observe a moratorium on WTO-inconsistent measures. The two sides are currently working out how and when to announce this agreement. On October 22-23, bilateral talks continued in Beijing, and will be followed by further bilateral talks next week in Geneva. On October 30, the WTO Working Party on China accession will meet.

- **WA Commencement Settlements:** On October 10, Under Secretary Baker announced proposed natural resource damage assessment (NRDA) settlements with Tacoma, WA, and the WA Department of Natural Resources (WDNR). The NRDA claims were brought by the Commencement Bay natural resource trustees, consisting of NOAA, DOI, the WA Department of Ecology, the Puyallup Tribe of Indians, and the Muckleshoot Indian Tribe. The announcement took place at one of five proposed habitat restoration projects that are the centerpiece of the settlement agreement with Tacoma. WDNR is agreeing among other things to make three parcels of state-owned aquatic lands available for additional restoration projects. The two agreements will now be made available for public review and comment under a two-stage public review.
- **CA Wetlands:** The Office of Ocean Resources Conservation and Assessment's (ORCA) HAZMAT Division and other natural resource trustees, recently reached a formal settlement with responsible parties to restore and enhance wetlands in a wildlife refuge in San Pablo Bay to compensate for injuries at the United Heckathorn waste site. The site has been a major source of DDT to San Francisco Bay since the mid-1940s.

DEPARTMENT OF LABOR

✓
2/20
• **Silicosis:** On October 31, Secretary Reich will announce an effort to eliminate silicosis. Sixty years ago, former Secretary of Labor Frances Perkins highlighted silicosis -- a disabling, irreversible lung disease caused by overexposure to crystalline silica. The disease -- which kills more than 250 American highway construction workers, miners, sandblasters, shipyard workers and foundry workers each year -- is completely preventable. The silicosis prevention campaign will include informational material, a video on silicosis, a toll-free telephone number for workers and employers with questions about silicosis, and a conference on best practices for silicosis prevention.

- **Canadian Auto Workers:** On October 22, the Canadian Auto Workers (CAW) and General Motors reached a tentative agreement on a three-year contract covering some 26,000 workers at the company's plants in Canada. The CAW local union officers approved the agreement later that day. On October 23, members voted to ratify the agreement. The company has not indicated when it will reopen its plants. By the time the tentative agreement in Canada was announced, the strike had resulted in the idling of nearly 20,000 workers at G.M.'s plants in the U.S. and Mexico, with the large majority of the layoffs occurring at U.S. locations. Partial shutdowns have occurred at four U.S. assembly plants, and the Hamtramck, MI, plant was completely idled.

- **Ireland Conference on Education and Training:** On October 24-26, Assistant Secretary of Labor for Employment and Training Barnicle will host the second Northern Ireland Workshop on Education, Employment and Training. The workshop was initiated at the request of former-Senator George Mitchell, the Special Advisor For Economic Initiatives in Ireland. The goal is to share information on methods of educating and training a highly-skilled workforce.
- **Baseball:** On October 18-23, meetings were held for negotiators of major league baseball players and owners to finalize a tentative agreement developed in late August. There still is no indication of when an owners' meeting will be called to vote on an agreement. Ratification by management requires approval of three-fourths of the 28 teams.
- **Secretary's Schedule:** Secretary Reich will participate in the following events:
October 28 - Press roundtable to discuss health care for retirees.
October 29 - Events with Karen McCarthy in Kansas City, MO.
October 30 - Events with Senator Harkin in IA.
- **Employment Report:** On November 1, Secretary Reich will release the national employment and unemployment report for the month of October.

DEPARTMENT OF TRANSPORTATION

- **TWA Crash:** On October 18, the FAA arranged a briefing for the NTSB on tests examining the persistence of explosives residue in seawater. Studies found that after only a few hours most explosives residues are removed because they dissolved in the water. These experiments have implications for interpreting explosives trace detections made in the course of investigating the cause of the plane's destruction.
- **Grand Canyon Overflights:** On October 21, the FAA announced an extension of the comment period on the notice of proposed rulemaking on Special Flight Rules in the Vicinity of Grand Canyon National Park until November 14, as directed by Congress. The comment period for the companion draft environmental assessment was also extended until November 18.
- **CSX/Conrail Railroad Merger:** On October 23, Norfolk Southern bid \$1 billion more than CSX for Conrail. Last week, CSX Corporation and Conrail announced their intention to merge, which would produce the largest rail system in the East, with almost 30,000 miles of track and \$14 billion in annual revenues. DOT is reviewing the potential merger's impact on competition, rail passenger service, and the overall structure of the railroad industry.

- **U.S./U.K. Aviation:** On November 4, DOT has agreed to resume discussions with the British in Washington, D.C. DOT has determined that renewed negotiations on a liberal aviation agreement are likely to be productive. A follow-up plenary negotiating session is expected in London either the week of November 11 or November 18.
- **Air Bag Victims:** On October 23, NHTSA Administrator Martinez and other senior DOT officials met with the families of children who have been victims of air bag related fatalities. The family members asked for the posting of warning labels in cars and trucks that state that air bags can kill children even when properly buckled, and for a letter from manufacturers sent to owners of all vehicles cautioning of the hazards of air bags to children. NHTSA is moving to address the problem associated with air bags and children.
- **Delta Flight 554:** The FAA participated in the NTSB on-scene activities following a landing accident at LaGuardia Airport in Flushing, NY. On October 19, Delta Flight 554 crashed due to poor weather, causing minor injuries and substantial damage to the airplane and some approach lighting structures. There has been recent press attention to the fact that FAA has been trying to install TDWR radar to detect windshear at the airport for several years and has been blocked by Senator D'Amato and other members of the congressional delegation.
- **Cocaine Seizure:** On October 17, the Coast Guard Cutter *Monhegan*, with the U.S. Customs Service, Puerto Rico Air National Guard, and Forces United for Rapid Action, seized 31 bales of cocaine weighing approximately 2,635 lbs. from a fast boat north of the U.S. Virgin Islands.
- **Ecuadorian Cocaine Seizure:** The Ecuadorian fishing vessel *Don Celso* was boarded by a USCG Law Enforcement Detachment (LEDET) from the cruiser *USS Ticonderoga* in the Pacific Ocean approximately 225 miles south of Panama. 16,000 lbs of cocaine were found in the ship's holds. This massive seizure has confirmed, once again, that huge shiploads of cocaine are being pushed up the Pacific coast of Central America for transshipment through Mexico en route to the U.S. The Honduran fishing vessel *Oyster* with 5,000 lbs of cocaine was detected in the same region in August 1996.

UNITED STATES TRADE REPRESENTATIVE

- **WTO Costa Rican Imports Report:** This week, the U.S. expects a WTO dispute settlement panel to issue a report finding that the U.S. violated its obligations under the WTO Agreement on Textiles and Clothing when Commerce acted to limit imports of underwear from Costa Rica. On October 25, the report will be issued only to the U.S. and Costa Rica, and will be circulated to all other WTO members until November 8. The U.S. will have to decide prior to November 28 whether to appeal the panel findings to the WTO Appellate Body.
- **Japan Insurance:** This week, Japanese and U.S. negotiators have agreed to resume talks in mid-November on U.S. access to the Japanese insurance market. On November 15, Ambassador Shapiro will meet Eisuke Sakakibara, Director General of the Japan Finance Ministry's International Finance Bureau, in San Francisco, CA, in an effort to reach a settlement before the end of the year.
- **ME Potatoes:** Next week, at the request of Congressman Baldacci and Senator Snowe, USTR and USDA are sending a team to Bangor, ME, to meet with representatives of the ME potato board. The team plans to explain the options available to the ME potato industry, which has been concerned with imports of Canadian potatoes. This meeting serves as a follow-up to a USTR/USDA trip to Presque Island, ME, in late September.

FEDERAL MANAGEMENT EMERGENCY AGENCY

- **Disaster Activities:** On October 23, two Emergency Declarations were declared: in MA due to flooding, and CA due to fires. On October 24, you declared an emergency in ME due to severe weather. Preliminary Damage Assessments are being conducted in LA in the Parishes of Jefferson and Lafourche to assess damage caused by Tropical Storm Josephine. On October 25, Director Witt traveled to MA and ME.
- **CA Fires:** On October 23, you signed an Emergency Declaration for CA. A preliminary damage assessments will be conducted as soon as the danger is gone. The declaration will provide federal funds for temporary housing for individuals, as well as providing 75 percent of the eligible costs for debris removal and emergency services related to the wildfires. FEMA continues to maintain close contact with the CA Office of Emergency Services to offer technical assistance. On October 26, Director Witt will travel to CA.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Childhood Immunization:** Because of your Childhood Immunization Initiative and extraordinary efforts of public health officials and citizens, *Haemophilus influenzae type b* (Hib) disease has become a rare disease. Hib cases declined 96 percent from 41 cases per 100,000 population to 1.6 cases per 100,000 in 1995. Before a vaccine became widely available, Hib disease was the most common cause of bacterial meningitis among children in the U.S., striking 1 in 200 children during the first 5 years of life. *Need to get out*
- **Medicare HMO Suit:** On October 17, the U.S. District Court for the District of AZ, in a nationwide class action by Medicare HMO enrollees, ruled against HHS for failing to insure that HMOs provide all Medicare covered benefits and afford enrollees proper appeal rights. While federal law grants HMO Medicare beneficiaries the right to contest service denials, the judge concluded that much speedier hearings are required and that certain specific processes must be implemented. DOJ will appeal the decision based on the flawed legal basis of the ruling. HCFA's HMO unit is reviewing HHS's regulations on hearings and appeals to make them more consumer friendly and to insure their widespread implementation.
- **OR and NC Child Welfare Waiver:** Next week, a press release will be issued announcing the approval of demonstration projects to improve child protection services in OR and NC. These will be the third and fourth waivers approved by the Administration allowing states to undertake innovations in their child welfare programs.
- **MD Medicaid Reform Waiver:** On October 28, HHS may announce that MD will win approval for a comprehensive Medicaid reform demonstration project allowing the state to enroll most beneficiaries in managed care plans. *Greg*
- **Family Violence Law:** On October 25, Secretary Shalala wrote each governor to encourage states to adopt strong programs to ensure that their welfare-to-work programs are responsive to the needs of battered women. In addition to the guidance that was provided to states as they developed their Temporary Assistance for Needy Families (TANF) plans, Secretary Shalala is offering specific, technical assistance to states as they work to implement the Family Violence provisions of the welfare law.

- **Welfare Recipients Alcohol and Drug Use:** In the November issue of the *American Journal of Public Health*, researchers from the National Institute on Alcohol Abuse and Alcoholism will report that the proportions of welfare recipients using, abusing, or dependent on alcohol or illicit drugs are consistent with proportions of both the adult U.S. population and adults who do not receive welfare.
- **Breast Cancer Web Site:** On October 27, HHS will announce that the National Action Plan on Breast Cancer (NAPBC) is "on line." The NAPBC Web Site will serve as a source of information for all persons interested or involved in making progress against breast cancer. The Web Site gives consumers, researchers, and health care professionals access to current breast cancer information and informs them about NAPBC activities.
-  **Seniors Managed Care Initiative:** On October 28, HHS will announce a joint initiative between HCFA and the Agency for Health Care Policy Research to help Medicare beneficiaries enrolled in managed care plans select high quality plans and services. HCFA and the Agency for Health Care Policy Research have developed a questionnaire that will give seniors information rating plans on important issues such as access to care.
- **Thalidomide.** On November 7-8, an FDA Advisory will discuss the investigational use of and possible eventual approval of thalidomide as a treatment for certain specified diseases. Thalidomide has been used in this country in clinical trials for investigational purposes on a number of serious and life-threatening diseases, such as leprosy, multiple sclerosis and various AIDS-related conditions such as AIDS-associated wasting syndrome. The drug, which poses potential adverse effects on fetal development and on an individual patient's nervous and immune systems, has never been approved for use in the U.S. Use of thalidomide requires appropriate medical supervision and informed consent, which are not usually available outside carefully monitored clinical trials.
- **Secretary's Schedule:** Secretary Shalala will participate in the following events:
 October 25 - Events with Julia Carson in IN.
 October 26 - Events with Connie McBurney in IA. Events with Congressman Kildee in MI.
 October 28 - Events with former Congressman Stickland in OH.
 October 29 - Events in ME and WI.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Home Improvement:** On October 25, Secretary Cisneros was in Los Angeles, CA, to announce the expansion of FHA's loan program to help more families finance the renovation of their homes. FHA's Section 203(k) loan program allows homeowners to purchase or refinance a home and include in the mortgage the cost of making any needed repairs or improvements.
- **Secretary's Schedule:** Secretary Cisneros will participate in the following events:
 - October 24 - Events in Santa Cruz, CA.
 - October 26 - Events in Santa Barbara, CA.
 - October 27 - Events in Yakima, WA.
 - October 28 - Mortgage Bankers Association Annual Convention in San Francisco, CA.
 - October 31 - Events in TX.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Mexican Demand Reduction Papers:** Draft white papers on demand reduction, prepared for the U.S./Mexico High Level Contact Group, have been circulated through the interagency process, revised, and provided to the government of Mexico. Mexico has also provided demand reduction white papers, which are being circulated for comment through the interagency process.
- **MO Red Ribbon Week Rally:** On October 25, Director McCaffrey joined with the leadership of the National Family Partnership and 2,000 elementary school students for a Red Ribbon Week rally and press conference in St. Louis, MO. The red ribbon, which pays tribute to slain DEA agent Enrique Camarena, symbolizes unity against the illegal use of drugs and is worn each year during ribbon week as a symbol of renewed commitment to a healthy and drug-free life.
- **CA Proposition 215 and AZ Proposition 200:** On October 29-30, Director McCaffrey will visit Los Angeles, San Diego, San Jose, CA, and Phoenix, AZ in an effort to educate CA and AZ citizens on the negative impacts these two ballot initiatives will have on the National Drug Control Strategy. Proposition 215 is an attempt to legalize marijuana under the guise of "compassionate use," Proposition 200 is an effort to legalize prescriptive use of Schedule I drugs such as heroin, LSD, amphetamines, and marijuana, which have no medicinal value. If 40 million people vote for these initiatives, it will seriously undermine a national drug control strategy and established science-based medical practices.

DEPARTMENT OF INTERIOR

- **WY Resource Advisory Council:** Secretary Babbitt and Governor Geringer cannot agree on one appointment to the WY Resource Advisory Council (RAC). All 15 members of the WY RAC are up for reappointment or replacement. Secretary Babbitt and Governor Geringer agreed to reappoint 13 of the 15 members and to replace another member due to a vacancy. Secretary Babbitt wants to replace the remaining member to balance the RAC. Governor Geringer refuses to accept any additional changes to the RAC. On October 22, Governor Geringer announced that he will invite all 15 members to join an RAC under WY State authority. Senate candidate Kathy Karpan knows of the impasse and supports Secretary Babbitt's decision to replace the remaining member. Several of the RAC members have also been quoted as disagreeing with Governor Geringer's tactics.
- **AK Lease Sale Update:** Governor Knowles' staff met with DOI officials this week to discuss the development of a leasing program in the National Petroleum Reserve in AK (NPRA) and lease sale 149 in Cook Inlet. Governor Knowles may be interested in establishing a task force regarding the leasing program on the NPRA.
- **Miccosukee Tribe Housing Agreement:** DOI reached a tentative agreement with the Miccosukee Indian Tribe on a partial settlement of their pending housing litigation that was the subject of a *Washington Post* article several weeks ago. The Miccosukees reside on 333 acres in Everglades National Park. They sought permission to construct 65 houses on this land. After more than a year of unsuccessful efforts to reach agreement on the location of the homes, the Tribe filed suit in Federal Court in Miami, FL. The tentative agreement allows the Tribe to build 30 homes to meet their immediate needs. On October 26, Secretary Babbitt will be at a signing ceremony with the Tribe in Miami, FL.
- **CA Fire Visit:** Secretary Babbitt toured the fire damage in Carlsbad and Malibu, CA. *CNN* covered his visit, as did the San Diego and Orange County newspapers and several local television stations. Governor Wilson also toured the area via helicopter.

✓ **UT Monument Update:** This week, BLM announced the appointment of Jer. Meredith as interim manager for the Monument. The appointment was well received by Governor Leavitt's office, the congressional delegation, and the Utah Association of Counties. Meredith is a UT native and currently the manager of BLM's Cedar City District, which has jurisdiction over the monument area. Congressman Orton announced an agreement with DOI to provide \$200,000 in planning assistance funds to Southern UT counties in FY97. An initial meeting with representatives of the Andalex coal company was productive, and in the next few weeks we expect to have further discussions with the company regarding a potential exchange for its coal reserves in the Monument area.

- **Secretary's Schedule:** Secretary Babbitt will participate in the following events:
October 26 - Events with Congresswoman Slaughter in Rochester, NY.
October 28 - Events in OK with Darrel Roberts.
October 28 - Event in MN with Mary Reeder.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **New Home Loan Servicing Program:** On October 25, Secretary Glickman joined Congressmen Costello, Durbin, and Gephardt in St. Louis, MO, to announce the modernization of USDA home servicing loans for 625,000 borrowers.
- **Housing Programs Funding:** Although Congress authorized \$1 billion for USDA's Single Family Housing direct loan program, only \$585 million is available, the result of interest rates higher than those projected in the FY97 budget request. Similarly, the home improvement loan program, which was slated to receive \$35 million, will receive only \$28 million. USDA is working to address this issue.

✓ **FL Wetlands Project:** On November 2, Secretary Glickman will announce a major wetlands restoration project near Orlando, FL, in partnership with the state. USDA will provide \$26 million under the Wetlands Reserve Program to return 13,000 acres to wetlands. The project seeks to restore Lake Apopka to a fishable, swimmable condition.

• **China's Poultry Ban:** On October 30, USDA and Chinese officials will meet to sort out misunderstandings that led to China's recent ban of live and poultry meat from 10 states. Although trade reports indicate that there has not been a slowdown in U.S. poultry exports to China following the ban, there is a sense of urgency to quickly find a solution. Chinese officials have informed USDA that they would not enforce the poultry ban pending the outcome of this meeting. China has banned imports of poultry from AR, FL, MD, MN, NJ, NY, NC, TX, UT, and WI, citing concerns about the alleged presence of avian influenza. Highly pathogenic avian influenza has not been known to occur in U.S. poultry since the successful

conclusion of an eradication program against the disease in 1983-84. There has been a lot of media/press attention to this issue.

- **Secretary's Schedule:** Secretary Glickman will attend the following events:
 - October 25 - Dedicate new loan servicing program for home borrowers. The *St. Louis Post Dispatch* editorial board meeting. Events with Congressman Durbin and Jay Hoffman in Collinsville and Springfield, IL.
 - October 29 - Food safety event with Congressman Torricelli in Sayerfield, NJ. He may also do outreach in the Jewish community.
 - October 30 - Events with Congressman Holden and Ruth Rudy in Higgins, Redding, and State College, PA.
 - October 31 - Meet with LA Agriculture Commissioner Bob Odom to discuss LA's recent brucellosis-free status with Francis Thompson and Mary Landrieu.
 - November 1 - Events with Marion Berry and Vic Snyder in AR.
 - November 2 - Events with Jim Davis in Tampa, FL. Events with Jewish community in Boca Raton, FL.
 - November 13 - Lead the U.S. delegation to the World Food Summit. Meet with European Union Agriculture Commissioner Franz Fischler and other agriculture trade ministers.

DEPARTMENT OF EDUCATION

- **VA School Disability Case:** The Fourth Circuit granted VA's petition for rehearing *en banc* in the VA appeal of Secretary Riley's decision that requires VA to provide a free and appropriate education to all children with disabilities under the Individuals with Disabilities Education Act, including children who are long-term suspended or expelled for behavior not related to their disabilities. A panel of the Fourth Circuit has upheld Secretary Riley's decision.
- **Secretary's Schedule:** Secretary Riley will participate in the following events:
 - October 25 - Events with Senator Harkin and Leonard Boswell in IA.
 - October 26 - Events with John Tierney and Senator Kerry in MA.
 - October 27 - Events with Congressman Torricelli in NJ.
 - October 28 - Events with Nora Bredes in NY.
 - October 31 - Events with Senator Kerry in MA.
 - November 2 - Events with Ted Strickland in OH.

VETERANS AFFAIRS

- **Inspector General Travel Report:** Since August 16, Inspector General Merriman has conducted a review of the travel of a sample of VA non-career appointees, including Secretary Brown and Assistant Secretary for Congressional Affairs Scott. This is in response to Congressman Riggs' request for an IG investigation of VA's handling of travel issues relating to Secretary Brown's participation in political events and to House Government Reform and Oversight Committee majority staff urging VA's IG to conduct a broader investigation.
- **Soldier's Bone Marrow Transplant:** Next week, a news conference will be held for Air Force Cadet Brian Bauman, who is recuperating from a bone marrow transplant conducted at the VA Medical Center in Seattle, WA. Cadet Bauman is Korean-born and was adopted by a MN couple when he was 3 years old. He had difficulty finding a donor when he was diagnosed with leukemia, resulting in a nationwide search in South Korea until a suitable donor was found. Cadet Bauman expects to return to the Air Force Academy in the fall of 1997. The *Today Show* has requested that he appear to discuss his surgery and recuperation.

OFFICE OF PERSONNEL MANAGEMENT

- **Plum Book Data:** OPM is finalizing the data that will be transmitted to the House Committee on Government Reform and Oversight for inclusion in the 1996 version of the Plum Book, a listing of jobs held by political appointees. The data has been verified by the agencies and will be provided in a camera-ready format to expedite the Government Printing Office's publication process. The Committee's target for publication is November 6.
- **Director's Schedule:** On October 25-November 5, Director King will travel to MA for events with Senator Kerry.

GENERAL SERVICES ADMINISTRATION

- **800 Number:** In January, in accord with the Vice President's and your commitment to improving service to the American people, SSA launched a major initiative to improve its toll-free, 800 number telephone service. This initiative included adding more teleservice personnel to handle calls during peak periods and utilization of state of the art technology. Since January, nine out of every ten callers reached the 800 number within five minutes. In addition, for the full fiscal year, more calls were handled, 48 million, than in any prior fiscal year. Finally, survey results show that over 90 percent of callers give positive ratings to SSA's 800 number telephone service.

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



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

THE PRESIDENT HAS SEEN

10-27-96

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October 25, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY *ready for*

cc: Katie McGinty

CC: LEON PANETTA

RE: CEQ WEEKLY REPORT

WEST COAST COHO SALMON

The National Marine Fisheries Service (NMFS) is under federal court order to decide and announce this Friday whether it will list three regional populations of Pacific coastal coho salmon under the Endangered Species Act (ESA).

Based on available science, NMFS has determined that it must list the "central California" coho population as "threatened." The range of that population includes the coastal rivers and streams in the area roughly from Santa Cruz north to the Mendocino area. It does not include Central Valley watersheds.

NMFS has determined that it lacks adequate information to know whether to list the two other coho populations, whose ranges lie to the north, covering all coastal drainages in California, Oregon, and Washington from Mendocino to the tip of the Olympic Peninsula. NMFS intends to advise the court in San Francisco on Friday that it will list the central California population as threatened now, but will seek a six-month extension of the court's deadline to decide what to do with the two northern populations.

The coho listing issue has been prominent in west coast news for the last year or so and will be widely covered in regional media Friday and over the weekend. NMFS is preparing various briefing materials and events. The major event will be a NMFS press conference in San Francisco on Friday.

Environmental and fishing groups in California and Oregon want NMFS to list all three populations under the ESA, and have told CEQ and others that they will be extremely unhappy if the Administration fails to act to help the fish. Among other matters, the environmental groups believe that listing Northern California coho will increase leverage to stop logging in the Headwaters tract of old-growth redwoods.

Agricultural, forest industry, and land development interests are concerned that new listings may pose new restrictions on their activities.

Governor John Kitzhaber (D-OR) has organized an aggressive planning effort for fish conservation in Oregon's coastal streams and has asked NMFS not to list any of the Oregon stocks in order to allow the state planning effort to proceed. We would expect Governor Pete Wilson (R-CA) and the resource industries to attack the decision to list the central California population, but to support grudgingly the request for a deferral in listing the northern populations. Governor Kitzhaber will support NMFS' approach.

The environmental and fishing groups will grudgingly endorse the decision to list the central California population, but will complain that the fish should have been listed as "endangered" and will strongly criticize the request to defer listing of the northern populations. They will ask the court to reject NMFS' request for a six-month extension. If the judge approves NMFS' approach, no new restrictions would come into play for at least 60 days.

In conclusion, NMFS appears to be working to make the best of the unhappy situation they confront. They are obliged to respond to the court order and believe that the judge is hostile to the government. The scientific information on the southernmost coho population is unequivocally dire and a request for a deferral in listing that population could not be justified on scientific grounds. Information on the northern populations is less clear, but NMFS is trying to use the available information to retain flexibility to work with the states on voluntary conservation measures. Constituencies and stakeholders are divided and cannot be reconciled to support any one approach.

THE PRESIDENT'S COUNCIL ON SUSTAINABLE DEVELOPMENT

John
In a speech in Kalamazoo, Michigan just prior to the convention, you said that "We've got to build a bridge to the 21st century that enables us to grow the economy and protect the environment at the same time." The report that the President's Council on Sustainable Development (PCSD) delivered to you last March is the blueprint for making that happen. *** The PCSD met last week in Washington for discussions that will form the basis of a status report to you in December on the implementation of its recommendations. It is safe to say that the new report will provide considerable evidence that in communities, in businesses, and in government concrete actions are being taken to realize the goal that you articulated in Kalamazoo.

TONGASS NATIONAL FOREST

An editorial from the Anchorage Daily News, dated October 20, 1996, reinforces the wisdom of our recent negotiations with Senator Frank Murkowski (R-AK) over the fate of the outstanding long term timber contract on the Tongass National Forest. The editorial points to the culpability of the timber company in violating environmental laws, Senator Murkowski's sorry efforts in trying to defend the company, and the need to focus on finding alternative economic opportunities for southeast Alaska. I have attached the editorial for your review.

CALIFORNIA TIMBER SALES

We met with the Department of Agriculture representative earlier this week to discuss a number of controversial timber rider sales scheduled to be offered in California for the remainder of the year. The Department of Agriculture is directing the Forest Service to reevaluate all such sales to meet your direction that they comply with environmental laws and existing forest plans to the extent allowed under the timber rider.

CADDO LAKE INSTITUTE

CEQ participated with the Army in dedicating 1500 acres of the closed Longhorn Army Ammunition Plant (TX) to the new Caddo Lake Institute. The Institute is the vision of Don Henley who wants to educate the children of this east Texas region in ways to build sustainable economies while protecting their special natural resources. Don Henley is putting up a significant amount of his own money and CEQ has been helping facilitate the transfer of property from Army to the Caddo Lake Institute. The Secretary of the Army has been extremely helpful in cutting through red tape to ensure that this transfer was done quickly and smoothly. Senator Phil Gramm (R-TX) has opposed the transfer, but the remainder of the Texas congressional delegation has been either openly supportive or refused to take a public position.

10-27-96

Send this article to Chris Jennings - I think about a proposal on this for the future -

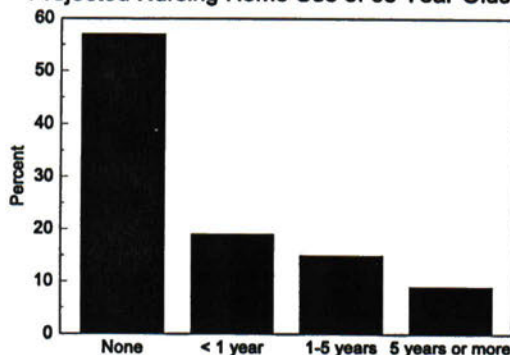
ARTICLE

Insurance for Long-Term Nursing Home Care

Insurance is particularly desirable for events that are rare but expensive. The need for long-term nursing home care is such an event. Yet the market for private nursing home insurance is underdeveloped. (Private care policies also cover home care but the focus of this article is nursing home care.)

Rare but expensive events. A majority of persons reaching age 65 can expect never to receive care in a nursing home. Of the rest, most are likely to stay a relatively short time. Just 24 percent of those reaching age 65 can expect to spend more than

Projected Nursing Home Use of 65 Year-Olds



a year in a nursing home and only 9 percent will spend more than 5 years (see chart).

With the cost of skilled nursing home care averaging \$36,000 per year and rising over time, a lengthy stay can be extremely expensive. Some of this cost covers normal living expenses that would be incurred anyway. But, even so, the incremental costs of nursing home care are high.

A limited private insurance market. In 1994, just 3 percent of nursing home expenditures were paid by private insurance. By contrast, 39 percent were paid out-of-pocket or from other private funds and 58 percent were paid by government, the vast majority through Medicaid. Several factors account for the limited importance of private long-term care insurance.

- **Medicaid.** Medicaid pays the expenses of persons who have no financial assets or who spend down their assets after entering a nursing home. To the extent that people think government will pick up the tab, they have less incentive either to engage in precautionary saving or to purchase insurance for long-term care.
- **Expense.** Premiums for private insurance are relatively high. One reason is that the vast majority of long-term care policies are individual rather than group policies, and individual policies have higher administrative costs. Another is that those purchasing long-term care insurance, especially when they are older, may be less healthy than others their age, and this will be reflected in premiums. Finally, premiums will be higher to the extent that people with insurance use nursing home care in situations when it is not appropriate.
- **Desire to live with family members.** Many disabled elderly persons are currently cared for by family members. Elderly persons who consider nursing homes less

desirable than living with family might not be interested in purchasing insurance that reduces out-of-pocket nursing home expenses if this makes their families less willing to care for them (as evidence suggests).

Analysis. A limited private insurance market means most people reaching age 65 remain vulnerable to catastrophic nursing home costs that could substantially erode their assets. It also means Medicaid outlays are larger than they would be if the private insurance market were more extensive. Medicaid outlays are also higher to the extent that seniors needing long-term care have an incentive to find ways to transfer assets to family members rather than spend them down before becoming eligible for the program.

Policy implications. If government wanted more people to purchase long-term care insurance, it could require universal coverage, either directly through Medicare or indirectly by mandating that individuals purchase private insurance (ideally at a young age and possibly through their employers). Alternatively, government could create greater incentives for people to buy insurance within the current voluntary system.

Tax provisions in the Kennedy-Kassebaum law provide some incentives to purchase insurance. But more might be needed, including some protection for insurance companies against risks related to general increases in costs due to technology or government policy. Allowing more asset protection—perhaps by exempting individuals covered by private insurance plans from having to spend down their assets before qualifying for Medicaid—might further encourage individuals to buy insurance. Provisions in the Omnibus Budget and Reconciliation Act of 1993, however, limited most states' ability to do this. The cost of providing sufficient incentives to achieve desirable levels of voluntary purchases could be high. But a universal coverage approach might also be expensive, especially if the resulting increase in nursing home use was large.

Conclusion. Unless people can be encouraged to put aside more money for nursing home expenses, the aging of the baby boom is likely to put an increasing burden on the Medicaid system—and thus on the finances of the Federal Government and the states—for the foreseeable future. And to the extent that more Medicaid funds are needed to support the elderly, less will be available to provide health care for children and the disabled.

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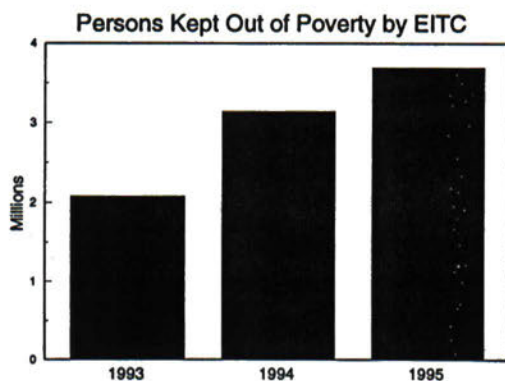
cc: Nini Page
to Baer, DeRus

CURRENT DEVELOPMENT

Earned Income Tax Credit Effective in Reducing Poverty

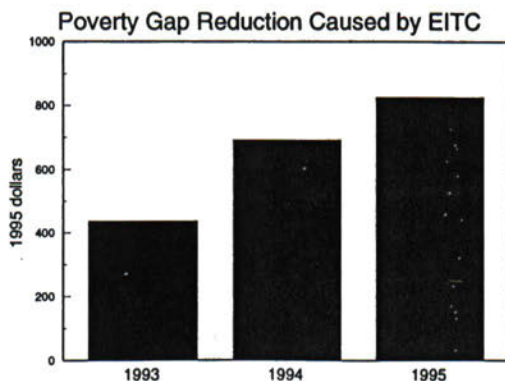
The Earned Income Tax Credit (EITC) has a well-deserved reputation for reducing poverty among working families. The recently released income and poverty statistics provide further evidence to support this view.

Background. The EITC was first enacted in 1975 and has been gradually expanded since then. Changes enacted in 1993 were particularly large.



Low-income working families with two children could claim a maximum tax credit of 19.5 percent in 1993, 30 percent in 1994, 36 percent in 1995, and 40 percent this year. The maximum credit expanded from about \$1,500 in 1993 to about \$3,500 in 1996. Tax credits paid out increased from \$16 billion to \$25 billion between 1993 and 1995.

Analysis. The expansion of the EITC has had a striking impact on poverty. The number of individuals kept out of poverty almost doubled between 1993 and 1995 (see upper chart). EITC payments are not included in income for purposes of calculating the official poverty rate. But with the EITC included, 2 million people in 1993 and almost 4 million people in 1995 would have been moved above the poverty threshold. The poverty rate would have been reduced by 0.8 percentage point in 1993 and 1.4 percentage points in 1995 if EITC payments were included in income.



An alternative measure of the benefits of the EITC is its impact on the "poverty gap," which is the difference between the actual income of families in poverty and the poverty threshold level of income. Again, the EITC has become increasingly effective, reducing the poverty gap by \$437 per family in 1993 and \$826 per family in 1995 (see lower chart).

cc: Baer
M. Penn

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WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

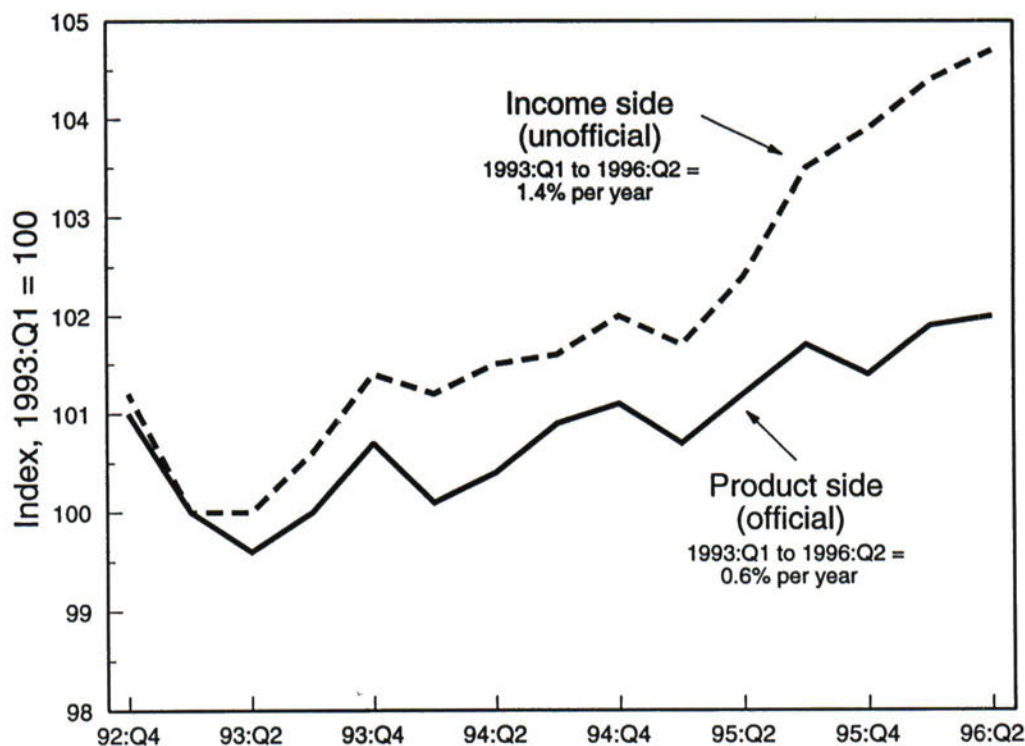
Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

October 25, 1996

cc: Joe Stiglitz

CHART OF THE WEEK

Recent Productivity Growth



Based on official data, productivity growth appears quite sluggish over the past 4 years. But as noted elsewhere in this *Weekly Economic Briefing*, productivity growth may well be stronger than the official measure. Conceptually, product-side GDP, which is used to compute productivity, should equal income earned (see *Weekly Economic Briefing*, May 17, 1996). But the two measures currently differ by a large and as-yet-unresolved "statistical discrepancy," with income apparently growing faster than product. Until recently, productivity was estimated using the income side rather than the product side.

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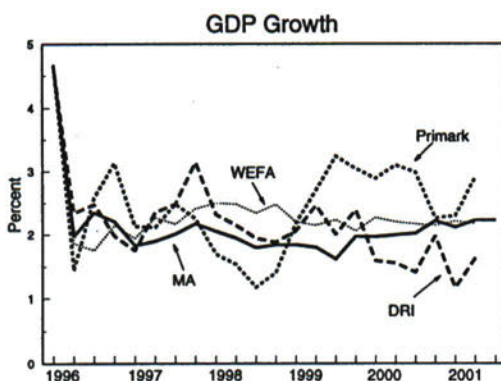
"I've decided to outsource my emotional needs."

CURRENT DEVELOPMENT

Forecasts Show Bright Economic Outlook

The cyclical outlook for the U.S. economy is better than it was in the 1960s, according to one prominent participant at a conference of forecasters held at the CEA last week. Other participants agreed that the U.S. economic outlook is very good.

Continuing expansion. Most of the forecasters reported no cyclical excesses of the sort that might lead to significant weakness, and none expected a recession between now and 2001 (see chart). The forecasters' outlook on inflation was also sanguine, with annualized growth in the chain-type GDP price index expected to rise a bit to between 2.5 and 3 percent by early next year, and then remain between about 2 and 3 percent thereafter.



Trend productivity. The forecasters generally saw trend productivity growing a bit faster than 1 percent per year, about twice the official rate recently. They noted that current data may understate actual gains in productivity to the extent that GDP growth is understated (see Chart of the Week).

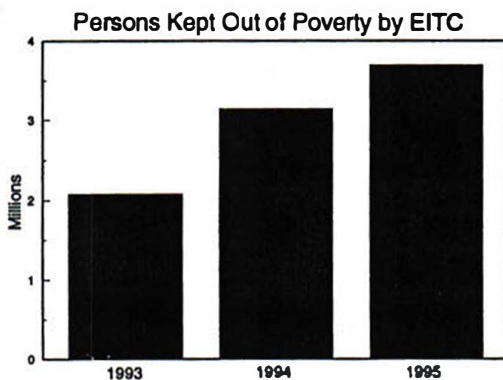
Risks? Forecasters emphasize the most likely outcome. The unanticipated shocks that typically cause recessions cannot be incorporated into their forecasts. Other analysis, however, points to about a 2 percent chance that a recession will start in any given month of an expansion. Thus, as a purely statistical matter, the odds of a recession next year are about 1-in-4, and the odds of one at some point in the next 4 years are better than even. Given the current strength of the economy, however, and the lack of rising inflation or inventory imbalances, the probability of recession may be lower than this statistical average would suggest.

10-27-96

cc: Tim Page
to Baer, AlperinCURRENT DEVELOPMENT**Earned Income Tax Credit Effective in Reducing Poverty**

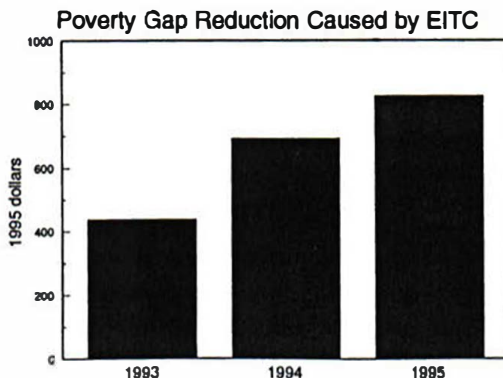
The Earned Income Tax Credit (EITC) has a well-deserved reputation for reducing poverty among working families. The recently released income and poverty statistics provide further evidence to support this view.

Background. The EITC was first enacted in 1975 and has been gradually expanded since then. Changes



enacted in 1993 were particularly large. Low-income working families with two children could claim a maximum tax credit of 19.5 percent in 1993, 30 percent in 1994, 36 percent in 1995, and 40 percent this year. The maximum credit expanded from about \$1,500 in 1993 to about \$3,500 in 1996. Tax credits paid out increased from \$16 billion to \$25 billion between 1993 and 1995.

Analysis. The expansion of the EITC has had a striking impact on poverty. The number of individuals kept out of poverty almost doubled between 1993 and 1995 (see upper chart). EITC payments are not included in income for purposes of calculating the official poverty rate. But with the EITC included, 2 million people in 1993 and almost 4 million people in 1995 would have been moved above the poverty threshold. The poverty rate would have been reduced by 0.8 percentage point in 1993 and 1.4 percentage points in 1995 if EITC payments were included in income.



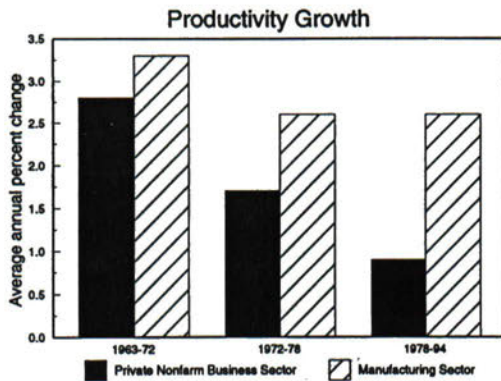
An alternative measure of the benefits of the EITC is its impact on the "poverty gap," which is the difference between the actual income of families in poverty and the poverty threshold level of income. Again, the EITC has become increasingly effective, reducing the poverty gap by \$437 per family in 1993 and \$826 per family in 1995 (see lower chart).

cc: Baer
M. Penn

SPECIAL ANALYSIS

Are Services a Drag on Productivity?

Problems with measurement may produce a misleading picture of productivity growth in the different sectors of the economy.



Trends. The slowdown in productivity growth that began in the early 1970s appears to be concentrated outside manufacturing. Although growth in output per hour in the nonfarm business sector as a whole has fallen, growth in manufacturing has remained relatively strong (see chart). Services are widely viewed as a drag on productivity growth. But it is hard to determine whether growth in service sector productivity is truly low or merely poorly measured.

Measurement issues. Productivity is calculated by dividing a measure of output by a measure of labor input for the sector in question. But it is often hard to measure output in many service industries. As a result, important innovations in the service sector—including the introduction of ATMs in banking, the spread of 24-hour convenience stores in retailing, and the development of new surgical procedures in medicine—are only imperfectly reflected in the aggregate productivity statistics. Yet detailed studies of selected individual service industries often support the popular perception of substantial innovation.

Banking provides an example. Bureau of Labor Statistics estimates show more than 2 percent per year growth in productivity, based on detailed efforts to quantify output. But banking industry output is estimated differently in aggregate estimates of output and productivity. Indeed, growth in real output in banking and other financial services is assumed roughly equal to the increase in hours worked in the industry, so that growth in labor productivity is roughly zero by assumption.

Impact on aggregate productivity. Some of the mismeasurement of productivity in services merely creates offsetting biases elsewhere, with little net impact on the estimate of aggregate productivity. For example, any underestimate of productivity in services that are intermediate inputs into manufacturing would result in an offsetting overestimate of manufacturing productivity. The issue of biased output and productivity measurement remains important, however, because services represent over half the output used to calculate aggregate productivity.

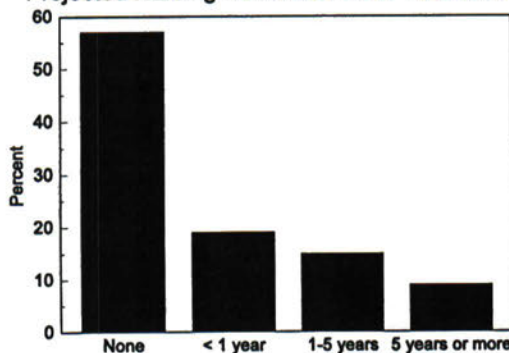
10-27-96

ARTICLE**Insurance for Long-Term Nursing Home Care**

Insurance is particularly desirable for events that are rare but expensive. The need for long-term nursing home care is such an event. Yet the market for private nursing home insurance is underdeveloped. (Private care policies also cover home care but the focus of this article is nursing home care.)

Rare but expensive events. A majority of persons reaching age 65 can expect never to receive care in a nursing home. Of the rest, most are likely to stay a relatively short time. Just 24 percent of those reaching age 65 can expect to spend more than

Projected Nursing Home Use of 65 Year-Olds



a year in a nursing home and only 9 percent will spend more than 5 years (see chart).

With the cost of skilled nursing home care averaging \$36,000 per year and rising over time, a lengthy stay can be extremely expensive. Some of this cost covers normal living expenses that would be incurred anyway. But, even so, the incremental costs of nursing home care are high.

A limited private insurance market. In 1994, just 3 percent of nursing home expenditures were paid by private insurance. By contrast, 39 percent were paid out-of-pocket or from other private funds and 58 percent were paid by government, the vast majority through Medicaid. Several factors account for the limited importance of private long-term care insurance.

- **Medicaid.** Medicaid pays the expenses of persons who have no financial assets or who spend down their assets after entering a nursing home. To the extent that people think government will pick up the tab, they have less incentive either to engage in precautionary saving or to purchase insurance for long-term care.
- **Expense.** Premiums for private insurance are relatively high. One reason is that the vast majority of long-term care policies are individual rather than group policies, and individual policies have higher administrative costs. Another is that those purchasing long-term care insurance, especially when they are older, may be less healthy than others their age, and this will be reflected in premiums. Finally, premiums will be higher to the extent that people with insurance use nursing home care in situations when it is not appropriate.
- **Desire to live with family members.** Many disabled elderly persons are currently cared for by family members. Elderly persons who consider nursing homes less

cc: Chris Jennings

Send this article to Chris Jennings - turned to him about a proposal on this for the future -

desirable than living with family might not be interested in purchasing insurance that reduces out-of-pocket nursing home expenses if this makes their families less willing to care for them (as evidence suggests).

Analysis. A limited private insurance market means most people reaching age 65 remain vulnerable to catastrophic nursing home costs that could substantially erode their assets. It also means Medicaid outlays are larger than they would be if the private insurance market were more extensive. Medicaid outlays are also higher to the extent that seniors needing long-term care have an incentive to find ways to transfer assets to family members rather than spend them down before becoming eligible for the program.

Policy implications. If government wanted more people to purchase long-term care insurance, it could require universal coverage, either directly through Medicare or indirectly by mandating that individuals purchase private insurance (ideally at a young age and possibly through their employers). Alternatively, government could create greater incentives for people to buy insurance within the current voluntary system.

Tax provisions in the Kennedy-Kassebaum law provide some incentives to purchase insurance. But more might be needed, including some protection for insurance companies against risks related to general increases in costs due to technology or government policy. Allowing more asset protection—perhaps by exempting individuals covered by private insurance plans from having to spend down their assets before qualifying for Medicaid—might further encourage individuals to buy insurance. Provisions in the Omnibus Budget and Reconciliation Act of 1993, however, limited most states' ability to do this. The cost of providing sufficient incentives to achieve desirable levels of voluntary purchases could be high. But a universal coverage approach might also be expensive, especially if the resulting increase in nursing home use was large.

Conclusion. Unless people can be encouraged to put aside more money for nursing home expenses, the aging of the baby boom is likely to put an increasing burden on the Medicaid system—and thus on the finances of the Federal Government and the states—for the foreseeable future. And to the extent that more Medicaid funds are needed to support the elderly, less will be available to provide health care for children and the disabled.

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Council on Competitiveness Finds U.S. Economy to Be Strong. Indicators of strength in the U.S. economy rose sharply over the past decade, according to a new report by the Council on Competitiveness. Key gains include strong U.S. net job creation, which has exceeded that of all other G-7 countries combined. Budget deficit reduction has lowered real interest rates and stimulated growth, and the U.S. deficit is now lower as a percentage of GDP than in any other G-7 economy. The United States has increased its global market share and continues to lead the world in per capita GDP. The study cautions that long-term vulnerabilities remain. Although the United States currently leads in absolute R&D spending, longer-horizon R&D investment is falling as a percentage of GDP. Further improvements in education will be necessary to enhance the skills and abilities of the future U.S. workforce in order to improve productivity and continue to raise living standards. Additionally, increased wage inequality and a low saving rate threaten future competitiveness.

Bigger Gifts by Fewer Givers. Charitable giving by households increased nearly 4 percent in real (inflation-adjusted) terms between 1993 and 1995, according to a recent study. But the increase did not result from an increase in the number of donors. Only 69 percent of households—the lowest percentage since the survey began nearly a decade ago—chose to give. The average contribution among giving households increased 10 percent in real terms over the 2-year period, as many middle-class and affluent households boosted their giving levels. Almost 90 percent of households with incomes above \$100,000 made charitable contributions in 1995, averaging 3.4 percent of their incomes. The survey indicates that the charitable deduction is a major factor in giving. Among givers, those who itemize deductions on their income tax returns contribute a substantially higher percentage of their income to charity than those who do not, and the gap in giving between itemizers and non-itemizers has been growing over the survey years.

Many Uninsured Lack Adequate Health Care. According to a recent survey, over half of the 37 million adults who lack health insurance have trouble obtaining or paying for medical care. Most of those who reported they had trouble getting care also said they suffered “serious” physical or mental health problems, or severe damage to household finances as a result. Many did not obtain health care at all. Although it is widely thought that the uninsured have ready access to charity care, only 37 percent of the uninsured who reported having trouble paying medical bills received free or reduced-price care. Indeed, more people were referred to collection agencies than received such care. The authors report the problem was not necessarily doctors’ turning people away. Rather, individuals often felt they should pay for their care and simply did not seek medical attention when they could not afford it.

INTERNATIONAL ROUNDUP

Western Businesses Rank World's Riskiest Markets. A recent survey of more than 2,500 American and British multinationals found Russia to be the world's riskiest market. Venezuela, Mexico, Pakistan, and Brazil occupied the next 4 places, while China, Indonesia, the Philippines, Turkey, and India garnered places 6 through 10. The study combined traditional country risk assessments like credit agency ratings and macroeconomic and political risk studies, with a host of other factors that affect risk. These factors include levels of local and national corruption, bureaucratic delays, problems caused by the absence of legal frameworks, and extremist activity and threats to assets and executives. According to the authors of the study, many surveyed companies entered emerging markets where they had no experience, no contacts, and little understanding of the risks they faced.

Mexico Launches Project to Increase Financial Flows to the Rural Poor. With the help of a \$30 million loan from the World Bank, the Mexican government has set up a \$103 million rural finance project that will provide rural farmers, merchants, traders, and artisans access to credit from the formal financial sector. Access to credit plays a fundamental role in combating poverty and promoting private sector development. One of the main barriers faced by the poor when they try to get credit from established financial institutions is lack of assets to offer as collateral. But even when they do have small plots of land that could be used to guarantee a loan, the poor often live in localities too small to support a formal financial institution. The project's central idea—establishing very small branches of private banks in rural communities—has been relatively successful in Indonesia and Thailand. The project also aims to assist the development of financial institutions, mechanisms, and skills in rural areas, in order to foster the growth of the private sector.

South American Trade Pact Found to Protect Regional Inefficiencies. The Mercosur trade area of Argentina, Brazil, Paraguay, and Uruguay—set up to stimulate trade among its members—may, in fact, be an artificial world of economic growth, where inefficient industries are protected behind trade barriers, according to a recent study by a World Bank economist. Although intra-Mercosur trade has grown rapidly—from \$4.2 billion in 1990 to \$12.3 billion in 1994, the fastest-growing exports have been transportation equipment and other capital-intensive goods, which members have not been able to export competitively to outside markets. Mercosur's protective trade barriers are also hurting countries with more efficient producers. The automobile industry is cited as a prime example, with foreign automakers facing high import tariffs and quotas. The study is unusually frank in its public criticism of member countries, but its results accord with the World Bank's general opinion that global free trade is generally more beneficial than regional trading pacts.

RELEASES THIS WEEK

Advance Durable Orders

****Embargoed until 8:30 a.m., Friday, October 25, 1996****

Advance estimates show that new orders for durable goods rose 4.6 percent in September, following a decrease of 3.5 percent in August.

MAJOR RELEASES NEXT WEEK

Employment Cost Index (Tuesday)
Consumer Confidence—Conference Board (Tuesday)
Gross Domestic Product (Wednesday)
NAPM Report on Business (Friday)
Leading Indicators (Friday)
Employment (Friday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1995	1995:4	1996:1	1996:2
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	1.3	0.3	2.0	4.7
GDP chain-type price index	5.3	2.5	2.1	2.3	2.2
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.5	0.3	-1.1	1.8	0.5
Real compensation per hour:					
Using CPI	0.6	1.4	1.6	0.0	-0.1
Using NFB deflator	1.3	2.1	2.8	2.0	1.6
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.2	10.2	10.4	10.3
Residential investment	4.5	4.0	4.0	4.1	4.2
Exports	8.2	11.1	11.4	11.3	11.3
Imports	9.2	12.4	12.3	12.5	12.6
Personal saving	5.1	3.4	3.8	3.6	3.2
Federal surplus	-2.7	-2.2	-2.1	-2.1	-1.7
	1970- 1993	1995	July 1996	Aug. 1996	Sept. 1996
Unemployment Rate	6.7**	5.6**	5.4	5.1	5.2
Payroll employment (thousands)					
increase per month			235	257	-40
increase since Jan. 1993					10465
Inflation (percent per period)					
CPI	5.8	2.5	0.3	0.1	0.3
PPI-Finished goods	5.0	2.3	0.0	0.3	0.2

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

New or revised data in **boldface**.

FINANCIAL STATISTICS

	1994	1995	Aug. 1996	Sept. 1996	Oct. 24, 1996
Dow-Jones Industrial Average	3794	4494	5686	5804	5992
Interest Rates					
3-month T-bill	4.25	5.49	5.05	5.09	5.00
10-year T-bond	7.09	6.57	6.64	6.83	6.57
Mortgage rate, 30-year fixed	8.35	7.95	8.00	8.23	7.86
Prime rate	7.15	8.83	8.25	8.25	8.25

INTERNATIONAL STATISTICS

Exchange Rates	Current level Oct. 24, 1996	Percent Change from Week ago	Year ago
Deutschemark-Dollar	1.522	-1.4	9.7
Yen-Dollar	112.8	.6	12.7
Multilateral \$ (Mar. 1973=100)	87.78	-.9	5.3

International Comparisons	Real GDP growth (last 4 quarters)	Unemployment rate	CPI inflation (last 12 months)
United States	2.7 (Q2)	5.2 (Sept)	3.0 (Sept)
Canada	1.2 (Q2)	9.4 (Aug)	1.4 (Aug)
Japan	3.9 (Q2)	3.4 (Aug)	0.2 (Aug)
France	0.5 (Q2)	12.2 (Jul)	1.6 (Aug)
Germany	1.1 (Q2)	7.2 (Aug)	1.4 (Aug)
Italy	0.7 (Q2)	11.9 (Jul)	3.4 (Aug)
United Kingdom	2.2 (Q2)	8.1 (Aug)	2.2 (Aug)

EXECUTIVE OFFICE OF THE PRESIDENT

03-Oct-1996 07:38pm

TO: Andrew Friendly
FROM: William White
Office of Public Liaison
CC: Lee A. Satterfield
Diana M. Fortuna
SUBJECT: POTUS MTG With Snider Family - Longview, TX

Per our conversation yesterday. I spoke with Mrs. Lana Snider and talked to her about the recently signed VA/HUD Bill which will have a tremendous benefit to her family. (Lana's husband Steve Snider is a Vietnam Vet and they have an 11 year old daughter named Emily who was born with spina bifida.)

The legislation contains an amendment (which will go into effect 01/01/97) that will enable the Veteran's Administration to now provide health care benefits and rehabilitative training to all children of Vietnam veterans who are born with spina bifida. The President proposed this legislation last August because of the significant evidence that Vietnam Vets exposed to Agent Orange have a high risk of having children born with spina bifida.

*Proposed talking point: "I am proud to have signed legislation that supports families of Vietnam Veterans exposed to Agent Orange by extending health care benefits to their children born with spina bifida. This landmark legislation is the first time in history that children of veterans will be compensated for their disability resulting from their parents' military service to their country."

Call if you were looking for something else.

10 128196

Todd -
Send to Don for reply?
Yes ✓
No _____

Should we also send copy to Don Baer?
Yes ✓
No _____

C.

THE PRESIDENT HAS SEEN
10-26-96
THE WHITE HOUSE
WASHINGTON

10/9/96

Nancy - I Mr. President

The President met the
Snider family on the ropeline
in Longview, TX and asked me
to have somebody follow up
to explain the benefits of the
new law that he had signed regarding
Vietnam vets and Spina bifida.
Bill White of OPL talked with
them as the enclosed memo
states.

UH

- Andrew

Good - I sent some letters
to them - keep in mind list of other
special people affected by our work - Don't know?

10-27-96

96 OCT 25 P7:05

MEMORANDUM FOR PRESIDENT CLINTON

FROM:

ROBERT RUBIN *RSR*
LAURA TYSON *LT*

SUBJECT:

Tax Proposals from Former Representative Neal Smith

*Need reply within
Saying if
he suggests
them -**Summary*

We are responding to your request for an evaluation of several tax proposals suggested by former Representative Neal Smith that are intended to help small businesses and individuals. The proposals would (1) provide tax relief for small corporations by raising the amount of taxable income that is subject to the 25 percent tax rate; (2) expand tax benefits for health insurance by permitting individuals that are not self employed to deduct 100 percent of health insurance premiums for plans that are not employer provided, employees to deduct their share of premiums for plans provided by their employer, and self-employed individuals to deduct 100 percent of health insurance premiums; (3) adjust for inflation the basis of property held more than two years for determining capital gains; and (4) provide depreciation rates that match the reduction in value of the capital assets.

Following our detailed analysis of these proposals, we have identified a number of substantive problems concerning distributional inequities, increased complexity and excessive costs. As a result, we believe that these proposals are not warranted. Our rationale is described below:

- The proposed change in the corporate income tax rate structure would allow high income investors to use the corporate form of business organization to shelter income, because corporate income would be taxed at a significantly lower rate than a comparable amount of individual income.
- The proposed expansion of tax benefits for health insurance will eliminate the present income tax advantage for employers to provide health benefits. This may create an incentive for businesses to reduce the provision of employer-provided health insurance as part of a compensation package and increase the number of uninsured and the cost of insurance.
- Indexing capital gains would result in large long-run revenue costs, would be very complicated, and, absent indexing other parts of the tax system, would create substantial opportunities for new tax shelters. Moreover, there is little evidence that this proposal would increase either individual saving or investment in productive

10/28/96

Todd -

Should we send to Tyson to prepare
reply?

Yes

no

TO *OKS*to prepare reply &
clear with Tyson. *TS*

assets. Since capital gains are already tax favored, the Administration has favored targeted capital gains reductions, rather than broad capital gains tax rate cuts.

- Matching depreciation rates with the actual reduction in the value of assets would require very detailed depreciation schedules that list each type of asset used by business. Recent Congressional action has moved in the opposition direction -- toward simplification of depreciation provisions by limiting the number of asset categories and methods. For many assets the depreciable life specified in the tax code is shorter than the economically useful life of the asset and the depreciation deductions allowed are more accelerated than the actual decline in asset value. If the proposal were implemented correctly, it would likely increase taxes for some businesses and cut taxes for others.
- The revenue loss for three of these proposals (excluding the depreciation proposal) would be \$107 billion for FY 1997 - 2002 and \$232 billion for FY 1997 - 2006. These revenue losses would require offsetting revenue increases if they were to be enacted.

We also felt it was important to remind you that your Administration has developed a strong record of support for targeted tax incentives and tax relief for smaller businesses. Among these provisions in the 1996 legislation are: an increase in the health insurance deduction for the self-employed from 25 percent to 80 percent by 2006; an increase in the amount of investment that a small business can deduct in the year the investment is made, rather than having to recover the cost of the investment over time through depreciation allowances, from \$17,500 to \$25,000 by 2003; S corporation reform; and pension simplification for small businesses. In addition in 1993, your Administration supported an increase in the amount of investment a small business can deduct (expense) from \$10,000 to \$17,500, and a capital gains tax cut targeted at investment in small businesses. The Administration has also proposed small business estate tax relief and a 10 percent small business tax credit for employer-provided educational assistance. The Internal Revenue Service has proposed, and is on the verge of finalizing, a check-the-box classification system that will simplify tax reporting for many small businesses.

ATTACHMENT

Discussion of Former Representative Neal Smith's Tax Proposals

Proposal 1

Under present law, a 15 percent rate is assessed on corporate taxable income up to \$50,000; a 25 percent rate on corporate taxable income between \$50,000 and \$75,000; higher rates (34, 35, 38, and 39 percent) on corporate taxable income between \$75,000 and \$18,333,333; and a flat 35 percent on corporate taxable income above \$18,333,333. Under the proposal, the 25 percent corporate income tax bracket would be expanded to include taxable income between \$75,000 and \$300,000.

The proposed change in the corporate rate structure is intended to provide relief for small corporations from double taxation -- corporate income is currently taxed at both the company level and at the individual level as dividends and capital gains. However, the proposal in fact would allow high income investors in closely held businesses to use the corporate form to shelter income because corporate income would be taxed at a significantly lower rate than a comparable amount of individual income. Under present law, businesses may choose to establish a Subchapter S corporation or a limited liability company to obtain the benefit of limiting personal financial liability for business activities, while subjecting the income earned to only one level of tax at the individual level. Moreover, the Treasury Department's proposed new check-the-box regulations and the increased availability of the limited liability form of organization will soon make it much easier for small businesses to enjoy the limited liability benefits of incorporation without being subject to the corporate income tax.

Proposal 2

Under present law, employers deduct health insurance premiums and employees do not include these benefits in taxable income, either for income or employment tax purposes. Self-employed individuals may deduct 30 percent of their premiums from taxable income. The percentage of deductible premiums will increase gradually to reach 80 percent in 2006. The proposal would permit individuals that are not self employed to deduct 100 percent of health insurance premiums for plans that are not employer provided, employees to deduct their share of premiums for plans provided by their employer, and self-employed individuals to deduct 100 percent of health insurance premiums.

Expanding tax preferences to health benefits not provided by an employer will eliminate the income tax advantage for employers to provide health benefits. Although employer-provided health insurance would still maintain tax preferences from employment taxes and large employers would benefit from being able to pool risks over a large group of individuals, the proposal is likely to cause further attrition in the number of employees that are covered by

employer-provided benefits.

If employers drop coverage, employees would have to pay the portion of the premium formerly paid by the employer. While in the long run employees generally "pay for" these employer-provided benefits through reduced cash wages, in the short run employers may not increase cash wages enough for families to be able to afford their premiums. More importantly, many employees may not be able to join risk pools of the quality they had with their employer. Some healthy employees may choose not to buy insurance, leaving other employees in higher cost risk pools and facing higher premiums. Other low-income employees may not choose to buy health insurance because of other pressing financial needs. More individuals are likely to be uninsured causing more pressure on the system as uncompensated care increases. As hospital and doctors try to pass these uncompensated costs onto the smaller pool of the insured, premiums could increase again causing more employees to drop coverage. The proposal also could increase the cost of insurance because group purchases help hold down administrative costs, compared to individual purchases of health insurance.

Proposal 3

Under present law, gains from the sale of appreciated property are included in income, but are taxed at a maximum rate of 28 percent. In computing this capital gain, there is no adjustment in the cost or other basis in the property for inflation. Under the proposal, the basis of property held more than two years would be indexed to adjust for inflation.

While many investors and economists believe that in principle indexing capital gains for inflation is appropriate, there are practical considerations that work against this approach. First, indexing capital gains would be a larger revenue loser in the long-run than other forms of capital gains tax cuts. Taxpayers could choose to sell only those assets with low appreciation that would have little or no taxable gain while continuing to hold the faster appreciating assets on which the most tax would be due. Second, while it seems simple enough, indexing basis would be very complicated in practice in such cases as mutual funds with reinvested dividends, real estate with improvements made over a period of years, and pass-through entities such as partnerships. Third, introducing inflation indexing for capital gain without indexing other parts of the tax system would lead to a mismatch of income and deductions, even at a theoretical level. Such a mismatch would exacerbate opportunities for taxpayers to exploit the resulting inconsistencies in the tax law to reduce their taxes, such as by borrowing and deducting nominal interest to purchase an asset with inflation adjusted income.

In general, the Administration has supported targeted capital gains tax reductions. The two main ones are: (1) the 50 percent exclusion for capital gains from the sale of certain small business stock for initial buyers of the stock who hold it for at least 5 years which was proposed by the Administration and enacted in 1993, and (2) the recently announced

exclusion of up to \$500,000 of capital gains from the sale of principal residences.

Proposal 4

Under present law, a taxpayer is allowed to recover the cost or other basis of property through annual depreciation allowances during the property's useful life that are based upon specified recovery periods and methods. Under the proposal, depreciation rates would match the reduction in the value of the capital assets so that income derived from depreciable assets would be measured correctly. However, it is not clear how this conceptual ideal would be implemented in practice, because the proposal does not provide specific depreciation rates. For that reason, we have not estimated the revenue effect of this proposal. Even if the proposal's aggregate revenue effect were small, however, it would likely create substantial losers, as well as winners, if implemented correctly because present depreciation schedules may provide allowances that are more, or less, generous than the proposal.

Congressman Smith argues that the tax depreciation allowances for trucks, automobiles, buildings, and numerous other assets do not currently fully compensate for their loss in value over time, and that this causes small businesses to incur extra expense by renting, rather than owning, their vehicles and buildings. He believes this leasing behavior reduces tax revenue so that his proposal would be a revenue raiser. This analysis is flawed. Deductions for lease payments are matched, dollar for dollar, by income inclusions by lessors. Furthermore, lessors currently deduct the depreciation allowances that would otherwise be deducted by the lessees if they owned the property, and the value of these tax deductions is already reflected in the lease terms. If depreciation allowances were accelerated, the tax savings would be reflected in the lease terms, and there would not be a large reduction in the proportion of assets that are leased. Therefore, any acceleration of depreciation allowances for a given set of assets would lose, not gain, revenue.

Revenue Effects

Revenue Effect of Former Rep. N. Smith's Tax Proposals (\$ billions)		
Proposal:	FY 1997-2002	FY 1997-2006
Expand the 25% corporate income tax bracket	11.8	22.0
Provide 100% deduction for health insurance premiums	90.0	193.0
Index the basis of property held more than 2 years	5.2	17.0
Total	107.0	232.0

96 OCT 25 P 6 : 17

MR. WILLIAM J. CLINTON, US PRESIDENT
OFFICE OF THE PRESIDENT
THE WHITE HOUSE
WASHINGTON, DC 20500

23 OCTOBER 1996

SUBJECT: NEW US CITIZEN'S VOTER'S REGISTRATION ID

Dear Mr. Clinton:

The main reason why I'm writing this letter is to ask for your help. Enclosed is a xeroxed copy of my naturalization paper and US Passport, which I have sent twice to the local district denying my registration, their reason being the address that I am using says I am not a US Citizen. How could someone deny my right to vote at this 1996 ELECTION? Both democrats, my husband and I would like to see the beginning of the century with the most hardworking US PRESIDENT BILL CLINTON w/ AL GORE and staff!

I was born in the Islands of the PHILIPPINES, but emigrated to California in July 1976. Years had gone by so quickly that in 1994, I applied to become a Naturalized US Citizen. I understood the backlog in the INS' processing office that it took sometime before I took my oath on June 19, 1996. As I came out of the Los Angeles Convention Center amidst the heat of the crowd and summer breeze, I immediately registered to vote and presented my brand new certificate. I even kept the little stub Registration No. 59 AL 255668 to make sure I will be eligible to vote this year. I was born and raised a DEMOCRAT by heart, by blood and my soul will stand by the DEMOCRATS.

To date, I have not received my VOTER'S REGISTRATION ID. PLEASE do not let our local office deny me of my RIGHT TO VOTE for YOU.

Thank you for your time.

Sincerely,

Levita Leus Scharein

Levita Leus Scharein
1525 Aviation Blvd, #116
Redondo Beach, CA 90278
Home Phone: (310)370-0788
Work Phone: (310)370-8869

10/25
To Donald to
handle
(Agency Liaison)
yes no
ASAP

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. form	[Personally Identifiable Information] [partial] (1 page)	06/19/1996	b(6)

COLLECTION:

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

FOLDER TITLE:

Chron Files: Monday, October 28, 1996

2019-0774-S

rs3335

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

UNITED STATES OF AMERICA

DEPARTMENT OF JUSTICE



No. 22637922

DEPARTMENT OF JUSTICE

Personal description of holder
as of date of naturalization:

INS Registration No. A92 050 064

Date of birth: (b)(6)

I certify that the description given is true, and that the photograph affixed
hereto is a likeness of me.

Sex: FEMALE

Levita Leus Scharein
(Complete and true signature of holder)

Height: 5 feet 02 inches

Marital status: MARRIED

Be it known that, pursuant to an application filed with the Attorney General

Country of former nationality:

at: LOS ANGELES, CA

PHILIPPINES

The Attorney General having found that:



LEVITA LEUS SCHAREIN

then residing in the United States, intends to reside in the United States when so
required by the Naturalization Laws of the United States, and had in all other
respects complied with the applicable provisions of such naturalization laws and was
entitled to be admitted to citizenship, such person having taken the oath of allegiance
in a ceremony conducted by the

U.S. DISTRICT COURT
FOR THE CENTRAL DIST. OF CALIFORNIA

at: LOS ANGELES, CA

on: JUNE 19, 1996

that such person is admitted as a citizen of the United States of America.

IT IS PUNISHABLE BY U S LAW TO COPY,
PRINT OR PHOTOGRAPH THIS CERTIFICATE,
WITHOUT LAWFUL AUTHORITY.

Haris Meisner
Commissioner of Immigration and Naturalization

DEPARTMENT OF JUSTICE



FACTS FOR NEW CITIZENS ABOUT REGISTRATION AND VOTING

REGISTRATION FORM RECEIPT

ATTENTION VOTER:

If you do not mail your form personally, have this receipt signed by the person who takes it from you and keep it until you receive your Voter Notification Card. This receipt will be used to investigate any cases in which that person does not mail or deliver the form to the County Clerk or Registrar of Voters within the time limit required by law.

FOR ELECTIONS INFORMATION CONTACT:

YOUR LOCAL COUNTY CLERK
OR REGISTRAR OF VOTERS.

Person Receiving Registration
Form From Voter

SIGNATURE

Address

Telephone No. of person or organization pay-
ing for registration (if any).

()

Date

59 AL 255668



LOS ANGELES COUNTY
DEPARTMENT OF
REGISTRAR-RECORDER/COUNTY CLERK

White House
WDC 20500
(202) 456-1414

Governor
P.O. Box 1846
Taos, NM 87571
Ph. 505/758-9593
Fax: 505/758-4604



10-28-96

Send to Dorskind for reply?
Yes ☒
No ☐

October 15, 1996

Honorable William J. Clinton, President
United States of America
The White House
Washington, D.C. 20215

Dear Mr. President,

On behalf of the Taos Pueblo Tribal Council and the people of Taos Pueblo, we would like to take this opportunity to reaffirm our decision to endorse your re-election as President of the United States for a second term.

Mr. President, we strongly feel that your administration offers the Native American people of this nation a better opportunity to achieve the goals of self-determination. Your efforts to strengthen the federal trust responsibility due our people and instilling in the federal government, at all levels, the right of Native American tribes to deal with the federal government on a government to government basis is appreciated though more work is needed.

Even though our people face a myriad of problems related to lack of economic opportunities--even economic racism, lack of equal educational opportunities, deteriorating health delivery systems, threats to our natural resources, and threats to our right to exist as sovereign tribal entities, we will not, even in the face of these overwhelming adversities, give up on our attempts to build a better future for our people. Mr. President, we ask for your continued support in this endeavor.

Mr. President, we wish you a pleasant stay in the land of the Pueblo people.

May the great spirit give you the wisdom, courage and compassion as you serve this great nation of ours.

Sincerely,

David Gomez, Governor
Pueblo of Taos

Cesario T. Lujan, War Chief
Pueblo of Taos

GOVERNOR
Jacob Viarrial

SECRETARY
Linda Sarmiento

LIEUTENANT GOVERNOR
George Rivera

TREASURER
Gloria Garcia



PUEBLO OF POJOAQUE

ROUTE 11, BOX 71
SANTA FE, NEW MEXICO 87501
ADMINISTRATIVE OFFICES: (505) 435-2278

Tribal Council Resolution No. 42

SUPPORTING THE RE-ELECTION OF PRESIDENT BILL CLINTON

WHEREAS:

- [1] The Pojoaque Tribal Council is the policy-making body of the Pueblo, and
- [2] The Pojoaque Tribal Council is committed to promoting economic independence for all tribal members, and
- [3] President Bill Clinton has demonstrated his support for the Pojoaque Pueblo's employment and economic development efforts, and
- [4] Pojoaque Pueblo appreciates the President's support for tribal sovereignty and the federal assistance needed by American Indian Tribes to exercise the responsibility of tribal sovereignty.

NOW THEREFORE LET IT BE RESOLVED THAT:

The Pueblo of Pojoaque supports the re-election of President Bill Clinton and appreciates his efforts on behalf of tribal economic development and sovereignty.

CERTIFICATION

The above resolution was duly considered at a regularly scheduled meeting the Pojoaque Pueblo Tribal Council on September 19, 1996, and approved by a vote of 12 in favor and 0 against.

ATTEST:

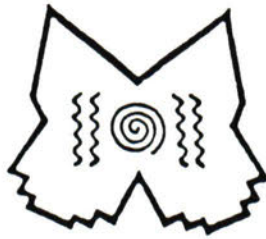
Linda S. Diaz
Linda Diaz, Secretary

APPROVED:

Jacob Viarrial
Jacob Viarrial, Governor

GOVERNOR
Jacob Viarrial

LIEUTENANT GOVERNOR
George Rivera



SECRETARY
Linda Sarmiento

TREASURER
Gloria Garcia

PUEBLO OF POJOAQUE

ROUTE 11, BOX 71
SANTA FE, NEW MEXICO 87501
ADMINISTRATIVE OFFICES: (505) 455-2278

October 12, 1996

The Honorable William Clinton
President of the United States
The White House

Dear Mr. President,

Congratulations on your pending victory. As avid supporters and contributors to your 1992 and 1996 campaigns, the Pueblo of Pojoaque and all Native Americans take great joy in your political and personal successes.

For four years we have watched you carry your struggle on behalf of human rights around the world. From Africa to Europe to the Mideast, America is the leader in advancing the right of all human beings to live in freedom. The Native Americans of New Mexico take special pride in knowing that your friend and our representative, Bill Richardson, has played a major role in protecting human rights.

Because of your great concern for human beings and native peoples worldwide, we are confident that you will aid us in our struggle in New Mexico. As federal aid dwindles and unemployment remains high in Indian country, we are faced with the struggle for our economic survival. The right to establish gaming on our land was guaranteed by the federal government through the Indian Gaming Regulatory Act. However, in New Mexico, the state fought against us for eight long years.

The tribes have continuously acted in good faith to negotiate a gaming compact with the state. We have exhausted all federal requirements and laws. It is now apparent that the U.S. Attorney, John Kelly, has joined with anti-gaming forces in New Mexico to prevent the Indians from securing economic freedom. Mr. Kelly, an appointee of your appointed Attorney General, seeks to shut down gaming. Mr. President, we look upon you as a friend of all the world's native cultures. We are asking you to protect America's natives in New Mexico. We are asking you to dismiss Mr. Kelly from his position in New Mexico.

I do not wish to embarrass you by publicly requesting Mr. Kelly's removal. But we have complied with all of the federal requirements and are still left fighting the U.S. attorney. As leader of the Pueblo of Pojoaque, I must protect and guarantee my people's survival. In order to focus national and worldwide attention to the systematic destruction of New Mexico's Native Americans, I shall soon begin a personal hunger strike. This announcement will be made locally and in Washington, D.C.

I know that the native peoples of Canada will soon be announcing their hunger strikes to focus attention on their government's indifference to the their native peoples. I also know that you, personally, have been a friend of native peoples here and abroad. But there seems to be no other way to focus attention on this unholy alliance between the federal government's representative and the anti-Indian forces in New Mexico.

Mr. President, I have undertaken only one other hunger strike. The hunger strike contributed to the defeat of long-time, anti-Indian New Mexico Governor Bruce King. Absent your intervention, I believe that a hunger strike is the only way to focus attention on the anti-Indian policies of your anti-Indian appointee.

Mr. President, please investigate the policies of Mr. Kelly. His lawsuits threaten all of us.

Sincerely,

A handwritten signature in cursive script that reads "Jacob Viarrial". The signature is fluid and written in dark ink.

Jacob Viarrial
Governor
Pueblo of Pojoaque

copy: The 20 tribal leaders of New Mexico

JIM DORSKIND:

THE PRESIDENT HAS SEEN

please coordinate
the reply.

10-27-96

(H) **Casellas update on the EEOC.** The Commission has had success addressing the challenges identified in the December 1992 Transition Team Report on the EEOC. They reduced the backlog by 30% over last year's high of 111,000 private sector discrimination complaints; implemented mediation-based ADR; obtained over \$250 million in monetary benefits for victims of discrimination through administrative and judicial enforcement; facilitated voluntary compliance through public education; and improved employee morale. Congress recognized this progress by increasing the EEOC's FY97 appropriation.

Lake follow-up on proposed move of Wright-Patterson AFB computer systems. Rep. Tony Hall mentioned in your October 10 visit to Dayton, Ohio that the senior Air Force Commander at the base was preparing to transfer computer support systems to Montgomery, Alabama. The proposal would involve transferring 443 DOD employees, and Rep. Hall fears it could lead to the loss of 5,000-10,000 private sector computer contractor support jobs in Dayton. The Air Force says there is no pending decision on such a transfer. Rather, they are conducting a study of how to achieve greater efficiency in their communication systems. The rumored transfer is one option, but no decision will be made "for quite a while."

Letter from Bob Denham, CEO, Salomon, Inc. Via Laura Tyson. Bob is one of three CEOs appointed by you to the American Business Advisory Council. His letter details a recent meeting with Australian Prime Minister Howard and their discussion of the American and Australian labor markets and entitlement systems, APEC, and the upcoming privatization of the Australian state telephone company.

(K) **Clips.** Wendy Smith forwards clips on a Republicans for Clinton rally in New Hampshire, and favorable editorials from papers in a variety of states including Tennessee, West Virginia and Florida.

We also received the following items:

Letter to King of Jordan. On October 19, we executed a letter to King Hussein on your behalf regarding Peace Corps volunteers. Mark Gearan plans to hand deliver the letter which expresses your pleasure that our governments will sign an agreement making it possible for Peace Corps volunteers to serve in Jordan.

10/28
I sent this
copy w/ the original
ltr to J. Dorskind

S.



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, DC 20507

October 7, 1996

Office of
the Chairman

The Honorable William J. Clinton
The President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

THE PRESIDENT HAS SEEN

10 27 96

96 OCT 25 P2:18

Dear Mr. President:

I have just completed my second year as Chairman and wanted to give you an update on our success in addressing the challenges identified in the December, 1992 Transition Team Report about the EEOC. Our new approach to civil rights enforcement and efforts at reinvention have been largely successful:

- we have brought the backlog down by 30% from last year's high of over 111,000 private sector discrimination complaints;
- we implemented mediation-based alternative dispute resolution as part of our new private sector enforcement procedures;
- we have obtained monetary benefits for victims of discrimination through administrative and judicial enforcement in excess of \$250 million;
- we have facilitated voluntary compliance by issuing much needed and well-received policy guidance on the laws we enforce and by expanding our public outreach, education and technical assistance; and,
- we so transformed our internal relationships and improved employee morale that we earned a Hammer of Reinvention for labor-management partnership.

Congress recognized our progress by increasing our FY97 appropriation. These many accomplishments during this era of diminished resources are a testament to our dedicated staff, to the relationships we have forged with our many and diverse public stakeholders, and to the Administration's support.

Sincerely,

Gilbert F. Casellas
Chairman

OCT 9 1996