

Chyon

—

POTUS' note --
To Bruce Reed/Rahm
Jay did the seat belt campaign didn't he?
This is worth our support & can be folded into Nat'l Service
Literary initiatives.
I need to reply to him.
Send copy to Harris Wofford



HARVARD SCHOOL OF PUBLIC HEALTH
Center for Health Communication

THE PRESIDENT HAS SEEN
1-6-97

Winsten, Ph.D., Associate Dean and Center Director

JIM DORSKIND

Please coordinate
the reply.

Original letter
sent to
Jim D.

Mobilizing Citizens to Help America's Children: "Each One, Reach One"

"The problem with [TV sitcom] 'Fresh Prince of Bel Air' was, they showed us what life's like in Bel Air, but didn't teach us how to get there." Tanya, a 16-year old African-American from a Boston inner-city neighborhood, expressed her frustration--and ambition--during a focus group discussion on youth violence prevention conducted by the Harvard School of Public Health. Tanya is smart, motivated--and going nowhere, because she lacks adequate guidance and direction at home and at school. If the right person takes her under their wing, becomes her mentor and points the way, Tanya has a good chance to escape from her current circumstances of poverty and achieve success and fulfillment as a productive citizen.

There are many others like Tanya. Millions of vulnerable children and adolescents are growing up in poverty-stricken, broken homes. Regrettably, few are receiving the benefits of mentoring from a caring, responsible adult. For example, the Big Brother/Big Sister program reaches only 70,000 young people--with 30,000 more on the waiting list.

There is solid scientific evidence that mentoring works. In a landmark study, 1000 young people on the waiting list of Big Brother/Big Sister were randomly assigned to two groups. Members of one group were assigned a mentor; members of the other group remained on the waiting list. Comparing the two groups eighteen months later, the children with mentors had sharply lower rates of drug and alcohol use, and much better school attendance rates. The strength of mentoring is that, rather than focusing on individual problems facing young people, it addresses the needs of the child as a whole.

Organizations in the mentoring field have set the ambitious goal of achieving 2 million mentors by the year 2000. To contribute to this goal, the Harvard School of Public Health proposes to launch "Each One, Reach One" in partnership with national mentoring organizations. Through this large scale media campaign, we will seek to stimulate the creation of thousands of local mentoring projects in communities across the country, sponsored by churches, synagogues, businesses, and volunteer-based organizations such as Rotary and Kiwanis Clubs. Through these local projects, hundreds of thousands of volunteers will serve as mentors and tutors to at-risk children. The projects will be conducted in partnership with public and parochial schools and after-school programs. This national initiative will enormously strengthen local civic involvement in the lives of at-risk children, helping a generation of young people like Tanya to escape from conditions of poverty and become productive citizens.

To Bruce / Rahm
Jay did the seat belt
campaign didn't he?

Plus a warm one support
can be folded into that

Library
initiation

I need
to reply
to him

Send
copy
to Harris
Wofford

sent all
copies
on 11/8/97
previously
only Reed &
Rahm
were
copied

S

"Each One, Reach One" will utilize media strategies comparable to those employed by Harvard's highly successful Designated Driver Campaign for Drunk Driving Prevention, which was launched in 1988 in collaboration with major Hollywood studios and leading television networks. During four television seasons, more than 160 prime time episodes depicted the use of designated drivers, and prime time public service announcements promoted the concept. The bottom line: 65 million Americans served as designated drivers (Roper Poll), contributing to a 30% decline in annual fatalities from drunk driving.

"Each One, Reach One" will be conducted in partnership with the communications industry, employing a combination of news, advertising and entertainment strategies to transform the mentoring movement into a "larger than life" component of our civic landscape. We also will publish a detailed guidebook to advise local organizations on how to run mentoring projects, and will promote the availability of this guidebook through television, radio, print media and the Internet. Ongoing survey research will document the growth of the mentoring movement. The ABC television network has already made a major commitment of donated air time, and Hollywood directors and producers have expressed great interest in participating.



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE PRESIDENT HAS SEEN

1-6-97

December 27, 1996

Mr. President:

I have cleared with Leon sending you the attached memorandum concerning the District of Columbia on an expedited basis. The options have been vetted by Leon, Gene, and the Principals of the D.C. Task Force. The wording of the memorandum is my responsibility. We still have time to include these proposals in the budget if you so choose.

I am looking into the tax issue as you requested.


Frank Raines

MC: HRC
VP
Rosen
Gins
Powers

~~Handwritten notes:~~
Leon ✓
Gins ✓
clay ✓
HRC ✓
BC ✓
Web, Brown-out

JAN-02-1997 19:06



THE DIRECTOR

ST THOMAS WHCA OFC
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

32506 P.09

Panetta
Bowles

THE PRESIDENT HAS SEEN

1-6-97

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Frank Raines

*I already
sent this in w/
my comments
as attached
BE*

JAN-02-1997 07:04

32506

P.009



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

THE DIRECTOR

December 27, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Franklin D. Raines 
SUBJECT: Restructuring Federal Assistance to the District of Columbia

Introduction

The principals represented on the Administration's District of Columbia Task Force are convinced that the current financial arrangements between the federal government and the District should be changed. The current approach features strict congressional controls on District taxing powers and budgets, broad District responsibilities for state, county and local functions, and a relatively static annual federal payment. This memorandum seeks your approval for a three-part strategy for restructuring the economic relationship between the federal government and the District. Although presented as a single package, the elements of this plan are separable and can be acted upon individually should you so desire.

*Can we
freely
assign
cash to
manage*

First, the strategy eliminates the current static Federal payment and replaces it with an assumption of pension liabilities; an increased Federal contribution for Medicaid, and a take over of courts and prison funding. A second element of the strategy creates an economic development initiative featuring a District-wide development corporation with capital grants and tax incentives similar to empowerment zones. Finally, Federal agencies will target increased technical assistance to the District.

Background

The status of the government in the District of Columbia has varied enormously since the federal district was carved from the states of Virginia and Maryland in 1791. (Alexandria and Arlington were later retroceded to Virginia.) The city has been governed as a federal department, a territory, and since 1974 under a limited-Home Rule charter. Under none of these arrangements has the District been able to maintain financial solvency for extended periods, if measured by the standards that are applied to other state or local governments. Three factors have led to this result. First, the District and its voters have for almost two centuries wanted an activist government providing a wide range of services and facilities. To some extent this view was necessitated by the many dependent persons who have been attracted to the nation's capital over the decades. Second, Congress and the surrounding jurisdictions have wanted to limit the ability of the District to impose taxes on federal facilities, favored organizations, and non-residents who work in the city. Finally, Congress has

exercised its constitutional right to legislate for the District to keep a close rein on the affairs of the city, either directly through appropriating locally raised funds or indirectly by serving as an appellate body for anyone dissatisfied with decisions by local officials.

The District is again in financial extremis. A financial control board has been established to guide the city back to solvency and to reform the administration of government functions. While there has been extensive debate on the reasons for the financial crisis and its solution there has been little discussion of a radical restructuring of the status of the District. You were perfectly correct to point out the in between nature of the District as not quite a city, a county or a state. We are monitoring local efforts to create a charter review process that will address a broader range of restructuring solutions.

Members of the Cabinet and other agency officials, the staff of the task force, and I have spent considerable time meeting with District officials, organizations involved with District affairs, and community leaders discussing the future of the District. We have found uniform concern about the future of the city.

We have paid close attention to recommendations that have been made by the Mayor, the City Council, the Financial Authority, and some members of Congress to rearrange some of the responsibilities of the District government. These recommendations have focused on relieving the District of the financial responsibility for certain government functions and perhaps the administrative responsibility as well. Advocates have argued that the District cannot manage certain responsibilities that have been given to the District by the federal government. They also argue that state government-type activities are too burdensome for a city to carry on its own. Functions frequently mentioned are the pension programs for police, fire fighters, teachers and judges; the mental health system (both transferred to the District government after the Home Rule government took control); prisons; Medicaid; the university, and social welfare programs that are typically run by states.

We have sought a rationale for how the federal government might respond to the request to relieve the District of certain burdensome functions. Some would have us equate the federal government to taking the role of the state government for the capital city. There is merit to this approach, but it might strip too much authority from the Home Rule government and increase federal responsibility to deliver services to local residents. Others have focused on divining the federal interest in the federal district and allocating responsibility accordingly. Under this view the Federal government might consider taking on certain law enforcement functions, but would not federalize the District Medicaid program.

We have heard other messages as well. Some in the community would have us simply increase the federal payment to support all current District government activities, and some in Congress would prefer to see the District pare its activities to equal its revenue. Delegate Norton and the Speaker favor a radical restructuring of the federal tax system in the District to provide powerful incentives for economic activity in the city to increase the attraction of the city for tax-paying residents which would eventually increase District government revenue. (Each of the non-contiguous federal territories has a special status under the federal tax code.) This memorandum does not address tax

changes but we may be drawn into a tax discussion as the Financial Authority, Brookings, and Congress finalize work now underway. *We will be*

The task force has chosen to recommend to you a series of actions to rearrange the responsibilities of the federal government and the District government. The recommended approach is a hybrid of the state functions and Federal interests models. We make this recommendation with caveats. We believe that strict conditions must be met before the Federal government takes on any current District functions to ensure that the takeover will be successful. We believe that city officials must confront the important home rule issues implicit in ceding parts of their current responsibilities. We also believe that adequate funding must be provided to enable federal agencies to carry out new responsibilities in a manner consistent with federal operations. We also believe that taking on District functions will require a major trade-off with the existing annual federal payment to the District.

In the past week I have met with the Mayor, the chairman of the Control Board, a majority of the City Council and Delegate Norton to test their willingness to agree to the tough conditions we might insist upon if we endorsed their recommendations regarding District functions. The Mayor, the Board Chairman, the Delegate and a majority of the Council agreed that they could endorse a takeover of District functions with tough conditions as long as the financial result was positive for the City. They agreed that they would express that support publicly should you choose to move in that direction.

In addition to the transfer of government functions we also make recommendations regarding economic development incentives and how federal programs can be better targeted to meet the needs of the District. A number of members of the Cabinet have expressed an interest in taking a leadership role in providing technical and other assistance to the District to help local officials do a better job with available federal funds.

The following recommendations will not resolve the governance, financial or management problems of the District. They amount to a renegotiation of the terms of limited home rule granted to the District almost a quarter of a century ago. If enacted, these proposals will give the Home Rule government a better chance to succeed. But the two century old conundrum of how the federal district should be governed will remain with us

Recommendations

Part I of this Section recommends that the Federal government directly assume certain governmental functions, such as pensions and criminal justice, in areas where it has a clear interest, capability and/or responsibility. In exchange, the existing Federal payment of \$712 million (a general purpose payment of \$660 million plus \$52 million for pensions) would end, and the Federal government would give up its right to approve the District's annual budget.

For this proposed restructuring to be successful, the District will have to take some actions that may be very difficult politically, such as, legislating higher sentences for criminals convicted in the District. For this reason, our proposal would have the Federal government assume new responsibilities only

after the District had met its obligations under a Memorandum of Understanding (MOU) that we propose be reached between the Administration, the Financial Authority, the Mayor, and the Council. Preliminary discussions with all of these parties, as well as Delegate Norton, indicate serious interest in this approach, together with a recognition that pursuing this path will require that further difficult decisions be made.

Part II of this section recommends the creation of an economic development corporation to provide the District with grant and tax-based economic development incentives.

Part III recommends the Executive Branch agencies provide more intense technical assistance in areas like education, procurement, housing, transportation, and Medicaid that can make a real difference in the District's success as a city. The agencies already have been engaged in this process quietly over the past two years. Their activities would be given a higher profile, perhaps with the involvement of the First Lady or the Vice President.

As shown on Table 1, the approach outlined here would cost the Federal Government about \$866 million in FY98, about \$154 million more than current payments to the District. Over five years, Federal costs would be \$5.7 billion, about \$2.1 billion more than the baseline. Budget savings to the District Government would be \$818 million in FY98, or \$106 million more than the current Federal payment (savings to the District exclude funding for the economic development initiative, the National Capital Infrastructure Fund, and one-time capital-improvement and construction costs at Lorton); five-year budget savings to the District would be \$4.483 billion (\$923 million more than with current payments).

The restructuring plan proposed in this memo would relieve the District of significant budget costs and administrative responsibilities, and end Congressional micromanagement of the District's budget. Such actions are necessary, but not sufficient, to make the District a safe, attractive and prosperous city. In the end, the District's success will depend on its own actions to improve the management of its resources, business climate, and quality of residential life.

I. Federal Assumption of Certain Governmental Functions

Current law requires the District to balance its \$5 billion annual budget by FY 1999. In September, Congress approved an FY 1997 budget and multi-year financial plan that reflected a consensus among the Authority, the Mayor, and the District Council. The plan provides a good start at improving the District's fiscal condition, but lacks some of the hard choices that will be needed to achieve sustainable budget balance and improve the District's long-term fiscal outlook. The District now projects its FY 1997 deficit at \$85 million. Absent further measures, this deficit will likely grow in the out-years.

The District currently must discharge its responsibilities with scarce budget and management resources and in the presence of an unusual degree of Congressional intervention. To remedy this, we

recommend that the Federal government directly assume certain governmental functions, such as pensions and criminal justice, in areas where it has a clear interest, capability and/or responsibility. In exchange, the existing Federal payment would end, and the Federal government would no longer approve the District's annual budget. Elements of this proposal could include:

Option 1: Have the Federal government take over the District's pension plans for law enforcement officers and firefighters, teachers and judges. Prior to 1979, the Federal Government was responsible for these three pension plans and financed them on a pay-as-you-go basis. In 1979, the District of Columbia Retirement Act (Act) transferred to the District responsibility for both the plans and their associated \$2.7 billion in accrued unfunded liability. The Act authorized the Federal Government to pay the District's retirement system \$52 million annually for 25 years. In 1979, the estimated present value of this payment stream was \$646 million, well below the \$2.7 billion unfunded liability.

Since 1979, the District government and participants have made contributions to the retirement system that have more than covered the costs of benefits that accrued in each year, but that have not been enough to prevent the unfunded liability from growing to its current level of about \$5.4 billion. When the Federal payments authorized by the Act end in 2004, the District will be required to cover the full cost of the remaining unfunded liability.

Under this option, the Federal government would assume both financial and administrative responsibility for these pension plans. These plans have an accrued liability of \$8.8 billion; the District government would transfer to the Federal Government or its designee \$3.4 billion in associated pension assets, leaving the Federal Government to assume the \$5.4 billion unfunded liability. The existing assets will be used first to make benefit payments. Actual Federal outlays would not be required for many years. This would be done by having the District transfer the existing assets and responsibility for plan administration to a third party trustee. Fees of the trustee would come from the earnings on the assets.

What
about
moving
up
fuel
system?

While the details of this option still must be worked out, we expect that the MOU would require that (1) the existing pension plans would close upon assumption by the Federal Government and that the District would establish new plans for its current and future employees; (2) a third-party Trustee, likely an independent contractor, be appointed to administer the plan and invest the pensions assets; (3) there be a determination of how to treat current employees who are partially vested under the old system; and (4) adequate employment records be provided by the District Government to the third-party trustee.

☒ Approve option 1

☐ Disapprove option 1

☐ Discuss

Option 2. Have the Federal government assume responsibility for parts of the District's criminal justice system. There is a long precedent for special Federal involvement in the District's

criminal justice system, including having the U.S. attorney prosecute all serious crimes in the city. Under this option, the Federal government would provide full funding for the District's Court System, take over the District's Lorton facility, and assume responsibility for setting the standard for sentences for crimes in the District and incarcerating its sentenced felons. Through these actions the Federal Government would help to improve the District's criminal justice system and thereby would enhance the effectiveness of the District as the Nation's capital.

Option 2a. Have the Federal Government fund the District Court System. Given the budget limitations under which it operates, the District Court System works well. The Department of Justice believes that the System would work better, however, if it were given adequate resources. Under this option, the Federal government would assume responsibility for funding the District Court System through the Administrative Office of the Courts (the Judiciary branch).

☒ Approve option 2a

☐ Disapprove option 2a

☐ Discuss

Option 2b: Have the Bureau of Prisons (BOP) assume responsibility for Lorton and for incarcerating the District's sentenced felons. Under this option the Federal government would take on the responsibility for incarcerating the District's sentenced felons (a responsibility that elsewhere is borne by States). DOJ believes that this option could be successful only under the following conditions: that the Federal government would set the standards for sentences for District crimes, that there be a 3-5 year phase-in period and that the DOJ's Bureau of Prisons (BOP) be given sufficient management flexibility. In addition, legislation must address issues of parole and community corrections.

immediately
on in 3-5yr?

Renovate Lorton and Provide New Facilities to House Inmates Adequately. Absorbing Lorton prisoners would increase the BOP population by roughly 10 percent. The BOP system is already seriously overcrowded in its high and medium security facilities like Lorton. Accordingly, it could absorb Lorton inmates only after Lorton had been renovated and new capacity had been constructed (partially on Lorton's extensive unused property and partially at other locations). One-time renovations at Lorton and the new prison construction would cost \$300 million in 1998 and \$900 million over 3-5 years.

- *Hiring Flexibility.* Current Lorton staff would have to reapply for positions and meet BOP standards.
- *BOP Flexibility in Absorbing District Inmates.* BOP's general goal is to house inmates as close to home as is operationally possible. However, to maintain order, to meet the security needs of inmates, and to disperse District gangs and "crews," the BOP will need the ability to transfer a significant number of inmates to BOP prisons throughout the nation. No commitments would be made regarding maximum distances from the District or the concentration of District inmates in specific Federal

prisons.

- *Sentencing Conformity.* D.C. inmates receive significantly shorter sentences than similarly situated Federal inmates, and are eligible for parole after serving only one-third of their sentences. Federal inmates generally serve 85 percent of their sentences. There are two possible approaches that could be taken to avoid tensions between similarly-situated inmates facing different sentences and parole standards. Under the first, the Federal government would accept responsibility only for those District felons sentenced and paroled in accordance with statutes and legislation applicable to Federal prisons. Alternately, the District could achieve conformity by ceding to the Federal government its sentencing authority over felons. *→ proposed*
- *Rely on Federal Community Corrections Operations.* The District's Community Corrections operations, reportedly fraught with mismanagement and employee misconduct, would be phased out. As District felons become the responsibility of BOP, they would be released through Federally controlled community corrections programs.
- *Absorb District Parole Board Functions into the U.S. Parole Commission.* The U.S. Parole Commission would be responsible for all District felons with sentences subject to provisions of parole. This would mean an extension of the U.S. Parole Commission (and its approximately 50 employees) beyond scheduled termination date (2002 unless terminated earlier by the Attorney General).
- *Use phase-in period to keep responsibility for outstanding lawsuits and court orders with the District.* A number of lawsuits are pending against the District's Department of Corrections (DOC) regarding, among other things, conditions of confinement, medical treatment and sexual harassment. There are also court-directed population caps. The District must maintain responsibility for the defense of and liability from these lawsuits. Federal liability should be based only upon actions taken after the Federal government takes responsibility for the inmates.
- *Until all of the above changes are made, Lorton will continue to have major problems, which will become Federal government problems under this plan unless a separation is maintained during the transition period. Accordingly, it is essential to appoint a receiver responsible to the Control Board to oversee the D.C. Department of Corrections during a transition period of capital construction and renovations, changes in sentencing systems, and resolution of lawsuits and court orders.*

☒ Approve option 2b

☐ Disapprove option 2b

☐ Discuss

Option 3. Decrease to 30 percent the District's share of costs associated with its Medicaid

program. Total FY98 costs for the District's Medicaid program will be roughly \$880 million. Under current law, the District will pay 50 percent of these costs, the maximum amount that any State must pay. Like many States, the District believes that the Medicaid matching rate does not take into account its high poverty rate and the health needs of its urban population. Unlike States, however, the District cannot spread the cost of an urban Medicaid program across a broader economic region.

Current law allows States to require that localities pay up to 60 percent of the non-Federal share of Medicaid expenditures. Thus, in States with a 50 percent share of Medicaid costs, localities can pay up to 30 percent of total Medicaid expenditures. Currently, 14 States, including California and New York, require local funding of at least some portion of the State's share of Medicaid payments. New York City, for example, pays 25 percent of the cost of Medicaid expenditures in the City; non-city residents subsidize roughly half of the non-Federal share of New York City's Medicaid program (note, however, that New York State does collect a portion of State revenue from the city--part of which may implicitly pay for the State contribution). The District does not have access to such State subsidies.

Under this option, the Federal Government would take on the role of both the Federal and "State" governments for the District, and pay a total of 70 percent of total Medicaid expenditures in the District (compared to the current 50 percent Federal share). Changes in the Federal share would be conditioned on the District improving the management of its Medicaid program. Other options for controlling costs and assisting the District with its Medicaid program could also be explored. This option would cost \$176 million in 1998 and approximately \$1 billion over five years.

☒ Approve option 3 ☐ Disapprove option 3 ☐ Discuss

Option 4. Ease taxpayer burdens and improve collection by having IRS collect D.C. income taxes. Having the IRS collect District income taxes benefits the District by reducing its costs and by increasing its collections through more efficient administration. It would also reduce burdens on District residents by reducing the number of forms that need to be filed. Having the IRS collect these taxes would require both new statutory authority (at both the Federal and DC level), and added budget resources for the IRS. The IRS has indicated that it is willing to assist in this way.

☒ Approve option 4 ☐ Disapprove option 4 ☐ Discuss

Option 5. Have the Federal Government make available financing for some or all of the District of Columbia accumulated deficit. This financing of \$400 to \$500 million would carry standard Treasury interest rates and would be repaid by the District over no more than ten years from District resources. The Treasury is currently financing the deficit on a short-term basis. Some means must be found to refinance those loans over a longer period of time. Charging the District standard Treasury interest rates will provide the city an incentive to refinance the loans as soon as practicable at lower tax-exempt interest rates.

☒ Approve option 5 ☐ Disapprove option 5 ☐ Discuss

Option 6. Create a National Capital Infrastructure Fund (NCIF). The NCIF would pay for infrastructure projects that benefit not only District residents, but also commuters. Eligible projects would include: 1) road and bridge capital costs (including local roads and bridges and the local match for Federal-aid road and bridge capital projects) and 2) transit capital expenses. The District would determine from the list of eligible expenditures how best to spend the funds.

The NCIF would receive funds from two sources. First, the NCIF would receive an annual appropriation from the federal surface transportation trust funds (in addition to the formula funds now going to the District). In addition, the NCIF would be authorized to accept payments from nontaxpayers (e.g., payments in lieu of taxes from universities, hospitals, nonprofit organizations and other non-taxpaying entities in the city that benefit from District services; or payments from regional entities that might wish to support infrastructure projects that provide benefits to the region).

For the period of FY98-FY02, the District plans to spend approximately \$42 million per year to support local road and bridge capital costs (including the local match for federal-aid road and bridge projects) and \$51 million per year for its share of the Washington Metropolitan Area Transit Authority's (WMATA) capital expenditures. (The District will also spend \$123 million annually for its portion of WMATA's operating expenses, however, the NCIF would not cover these costs). It should be noted that the States and Congressional authorizing committees will likely oppose funding the NCIF from the Highway Trust Fund (HTF) because it would increase the District's share of funds and enable HTF funds to be used for local roads.

☒ Approve option 6

☐ Disapprove option 6

☐ Discuss

II. An Economic Development Incentive Program

Option 7. Create an economic development program to improve the economic viability of the City. Under this option, the Administration would propose legislation to establish an economic development corporation (EDC) for the District. The EDC initially would be autonomous from both the District and the Federal government, and would operate like a public authority. The Board of the EDC would be appointed jointly by The President and the Mayor.

The EDC would formulate a strategic economic development plan for the District, and would make recommendations for the use of various financial incentives that would be provided by the Federal government. The goals of the EDC would include building local economic markets, developing strategies to link District residents to job creation, and assisting the District in fostering regional economic strategies.

We are currently developing the list of incentives that would be available to the EDG. These will require new legislation and will be similar in nature to those available in empowerment zones. In

1998, these incentives would cost \$25 million in discretionary funds, and \$60 million in tax benefits. The five year cost would be \$125 million in discretionary funds and \$260 in mandatory tax benefits.

☒ Approve option 7 ☐ Disapprove option 7 ☐ Discuss

III. Technical Assistance by Federal Departments

Option 8. Increase the intensity and raise the profile of technical assistance to the District Government (and non-profit groups, etc.) provided by Federal departments in areas like education, procurement, housing, transportation, and Medicaid that can make a real difference in the District's success as a city. The agencies have been engaged in this process quietly over the past two years. We recommend that this activity be increased in intensity and given a higher profile, perhaps even with involvement of the First Lady and the Vice President.

Examples of activities that could be undertaken are:

- The Department of Education would continue efforts to help the District account for and manage Federal and local education funds, support reform efforts to raise achievement, and help the District utilize the substantial programmatic flexibility allowed in use of Federal funds.
- The Department of Defense and OMB's Office of Federal Procurement Policy could improve the District's procurement operations.
- The Department of Transportation could provide technical assistance to improve transportation planning and management of the District's highway construction program.
- HHS could assist with the apparent major managerial and cost problems in the District's Medicaid program.
- HUD could continue its assistance in the areas of public housing and home ownership. *Homeownership*
- Labor could provide assistance in implementing its training and other programs.

The main downside from raising the profile of our activities in this area is that Federal leverage and authority in these areas will, by definition, be limited. There will be some successes and probably also some failures. On the other hand, there is a strong argument for getting credit for what we are doing. And, the added attention that the assisted areas would receive from the press and public may raise the likelihood for success over vested interests.

☒ Approve option 8 ☐ Disapprove option 8 ☐ Discuss

→ I would have seen targeted
off-set student program

Federal Budgetary Impact of DC Proposals

<u>New Federal Expenditures and Tax Benefits</u>	<u>FY 98 Impact</u>	<u>Five-Year Impact</u>
Criminal Justice (discretionary):	605	2,519
Lorton Facility operations *	176	934
Capital improvements to Lorton Facilities (one-time)	80	80
High and Medium Security Construction at Lorton	220	820
District Court System operations	129	685
Economic Development Initiative:	85	285
Discretionary spending component	25	25
Tax benefit component	60	260
Unfunded Pension Liability (mandatory):		
Annual payments to District's pension plans	337	1,863
Medicaid (mandatory):		
Decrease District's share of Medicaid payments to 30%	176	1,001
National Capital Infrastructure Fund [Non-add]	[93]	[465]
Total, Proposed Federal Resources	1,203	5,668
Discretionary Spending (see Note 1)	630	2,544
Mandatory Spending	513	2,864
Tax benefits (mandatory)	60	260
Proposed Offsets	(1,049)	(5,423)
Annual Federal payment to the District	(660)	(3,300)
Special contribution to the pension plans	(52)	(260)
Drawdown of pension assets (Mandatory)	(337)	(1,863)
Net New Federal Resources	154	245
Addendum:		
Total budget savings to the District Government (See Note 2)	818	4,483
Increase in budget savings to District Government (i.e., savings net of current Federal payments)	106	923

Note 1: Table does not include any additional resources given to IRS to administer the District income tax system.

Note 2: Budget savings to the District Government exclude the costs of capital improvements and construction at Lorton as well as the economic development initiative and the National Capital Infrastructure Fund. Also, no effects from IRS collection of DC income taxes are included.

* \$7 million is included for parole functions.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 1-6-57

TO: Raines (Frank Raines)
Lew (Jack Lew)

FROM: Staff Secretary

Any comment?

Ted

#199457



DEC 23 1996

Dear Mr. President:

I am writing to request that you include the Senior Executive Service and equivalent pay systems in the national comparability pay adjustment scheduled for January 1997.

The executive corps provides critical leadership to the federal workforce. In spite of the reductions in the career ranks, there are greater demands on the career executive leadership for reinventing government, facing challenges to manage a downsized workforce, developing a meaningful partnership with Federal employee unions and providing improved customer service.

I believe the pay adjustment is fully merited and respectfully request that they be included in the comparability pay adjustments which their subordinates will receive in January 1997.

Sincerely,

Ben L. Erdreich
Chairman

DEC 30 1996

THE PRESIDENT HAS SEEN
1-6-97

THE WHITE HOUSE
WASHINGTON

199586

January 3, 1997

RECOMMENDED TELEPHONE CALL

'97 JAN 3 PM12:50

TO: *RT*

Steve Spurrier
Head Coach
University of Florida Football Team
1996 NCAA College Football Champions

DATE AND TIME:

January 3, 4 or 5.

RECOMMENDED:

Alexis Herman (Danny Wexler)
Assistant to the President for Public Liaison

PURPOSE:

To congratulate them on winning the 1996 Championship.

BACKGROUND:

The University of Florida won its first national football championship after beating the Florida State Seminoles in the Sugar Bowl, 52 - 20. The victory avenged two of the most bitter losses in Florida history: to Florida State six weeks ago (24 - 20) and to Nebraska in the Fiesta Bowl one year ago.

On October 5, Florida beat Arkansas, 42 - 7.

TELEPHONE NUMBER:

352-332-2388

This is his home number. He should be back at home by 6pm EST today, January 3. He plans to be home throughout most of the weekend.

DATE OF SUBMISSION:

January 3, 1997

*Don. B. Allen
+ Chris Allen
up
RT*

Scheduling

THE PRESIDENT HAS SEEN
1-6-97

THE WHITE HOUSE
WASHINGTON

'96 DEC 23 AM 8:53

December 23, 1996

*See next
page*

MEMORANDUM FOR THE PRESIDENT

FROM: DONALD A. BAER AND RAHM EMANUEL

CC: LEON PANETTA AND ERSKINE BOWLES

**SUBJECT: STRATEGIC MESSAGE SCHEDULE FOR PRE- AND POST-
INAUGURAL PERIOD**

This memo presents a message strategy for January and the first week and a half after the State of the Union. We have been working closely on this with Bruce Reed, Gene Sperling, Doug Sosnik, Sylvia Matthews, Stephanie Streett and Mark Penn.

This schedule is based on several assumptions, including:

- The dialogue you conducted with the American people based on the themes of the campaign should continue;
- Presidential leadership is called for not just in Washington but also nationwide, mobilizing different sectors outside of Washington (states/localities, communities, families);
- Presidential action and outreach will stand in contrast to Congress as it deals with internal difficulties and investigations that do not address the country's central challenges;
- The drive for a balanced budget may take most of the year, so this strategy is designed to keep you in a strong position during that time, while maximizing chances for achieving a budget deal.

We see the next month and a half in three distinct periods: 1) pre-Inaugural; 2) post-Inaugural/ pre-State of the Union, and 3) post-State of the Union through the introduction of your major national legislation.

1-6-97

THE WHITE HOUSE
WASHINGTON

December 23, 1996

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I. PRE-INAUGURAL PERIOD (January 3-17)

Theme: Moving Forward, Coming Together

Your role is to unify the country going into the Inaugural and to show that, working with others, serious preparation is underway on your second-term agenda.

- | | |
|-------------------------------|---|
| Saturday, Jan. 4 | Radio Address -- Teen Pregnancy Report (Emanuel/Waldman) |
| Monday, Jan. 6 | Ecumenical Breakfast -- themes could include road-map of pre-Inaugural period and importance of working together and moving forward (Baer/Waldman) |
| Wednesday, Jan. 8 | Annual Direct Lending/student loan default rate report -- provides opportunity to call for HOPE scholarships (points up education as highest priority) (Sperling) |
| Thursday, Jan. 9 | Welfare-to-Work/CEO Meeting. Small Oval Office gathering with CEO's to begin planning (Emanuel/Reed) |
| Friday, Jan. 10 | Gulf War Illness Report (Berger) |
| Saturday, Jan. 11 | Radio Address on new crime/gun tracking study (Emanuel/Waldman) |
| Saturday-Sunday
Jan. 11-12 | Cabinet Retreat -- meet with separate policy teams to direct them on priorities and develop strategies (Higgins/Baer) |
| Tuesday, Jan. 14 | Chemical Weapons Convention-- launch new push for passage (Berger) |
| Thursday, Jan. 16 | World War II Memorial. Unveil design with Sen. Dole (possibly with Medal of Freedom) (Baer/Sosnik) |
| Friday, Jan. 17 | DC Event/Announcement. Show involvement/action on DC before Inaugural (Sperling/Raines) |
| | U.S. Conference of Mayors -- meet to call for partnership on issues (Baer/Emanuel) |

To Be Determined:

- Campaign Finance Reform. Announce DNC Chair and possible reform measures (Hille/Sosnik)

*to show in press
by Jan 17
Hille/Sosnik*

- Press plan to lay out themes and make most of pre-Inaugural build-up (McCurry)

II. INAUGURAL WEEKEND (January 18-20)

Theme: An American Journey -- Building a Bridge to the 21st Century

Saturday, Jan. 18 **Harmony** (1/18 Radio Address will emphasize Inaugural themes)
Sunday, Jan. 19 **Our Children are our Future**
Monday, Jan. 20 **Inaugural Address**

III. POST-INAUGURAL/PRE-STATE OF THE UNION (January 21-February 4)

Theme: Sharing Responsibility and Taking Action

On central issues, highlight Presidential leadership (executive action, bully pulpit) in conjunction with responsibility being taken by other sectors of society.

Tuesday, Jan. 21 Announce National Service Summit in April (perhaps with President Bush), and join other three principals on DC-based service project (Reed)

Staubach
Wednesday, Jan. 22 Highlight education reform, with travel to Chicago to promote charter schools. Issue new DoE study on what they need to succeed; possible new directive to DoE on charter schools or highlight of budgetary support for charter schools (Reed)

Thursday, Jan. 23 National Food Safety Protection Network -- major revamping of food safety provisions (Reed)

Saturday, Jan. 25 Radio Address -- possible action on Medicaid/HMO gag rule (Emanuel/Reed)

Sunday, Jan. 26 Possible Superbowl Party with bipartisan Congressional leaders (Hilley/Sosnik)

Yes to Obama
Saturday, Feb. 1 Radio Address on Dept. of Labor study about use of Family Leave (to coincide with FMLA anniversary) (Emanuel/Waldman)

Monday, Feb. 3 NGA Meeting -- call to governors to work in partnership on major issues (education, welfare, crime) (Baer/Reed)

(We need four or five more events like this during build up to SOTU.)

Wednesday, Feb. 5 **State of the Union.** Inaugural address sets out larger vision/themes;

Next Step?
Hilley and Sosnik are going to work with Emanuel

SOTU provides concrete policy agenda. (Might want governors to attend.)

IV. POST-STATE OF THE UNION (February 6-20)

Theme: National Leadership (embodied in major new legislative proposals) coupled with demonstrations of responsibility by other sectors of society

Unveil national legislation on key issues (e.g. school construction, America Reads, HOPE Scholarships, Juvenile Violence, FMLA Extension) in front of audiences showing that all sectors (states/localities, communities, families) must share responsibility. Examples:

- **HOPE Scholarships Tax Cut Bill:** In Georgia State Legislature or at University of Georgia (where HOPE Scholarships were created and are working well).
- **Juvenile Drug/Crime Bill:** In Boston (where youth crime is down) at large gathering of teenagers and parents, to talk about their responsibility to reduce drug use.
- **Family Leave Extension Bill:** At a company already helping employees to be both good parents and good workers.

V. NEXT PHASE: BULLY PULPIT/STATE LEGISLATURES/MOVING AGENDA FORWARD OUTSIDE WASHINGTON

After unveiling your national legislation and key budget proposals, you could use major speeches and meetings to mobilize all sectors of society to help meet major challenges (e.g. speaking to state legislatures to urge passage of higher school standards). This part of the strategy will be critical for the 2-3 months while budget negotiations continue. We are still developing this plan.

Yes but moved
Focus on 2 issues
only → 2nd meeting
+ move to at least 4
to cover regions
Be

THE PRESIDENT HAS SEEN

1-6-97

THE WHITE HOUSE

WASHINGTON

'97 JAN 3 PM 1:35

January 3, 1996

199592

MEMORANDUM FOR THE PRESIDENT

FROM: DONALD A. BAER *DAB*
SUBJECT: MESSAGE PLAN LAUNCH

To take full advantage for communications purposes of the Pre-Inaugural/Second Term period, Mike, Rahm and I want to get out a preview article of our strategic purpose for the next month, with enough detail of our tactics to be taken seriously. This will (1) make it clear that we have strong themes and directions driving the Inauguration/State of the Union period and shaping Second Term development, and (2) help us keep our entire operation and government in tune and on message.

It makes sense to launch this effort with a well-placed piece this Monday (January 6), to coincide with your return and the kick-off of your Pre-Inaugural schedule. This story should set the tone for overall coverage going into the Inaugural period, showing you in command with encompassing themes and objectives and a plan that the public uses to frame your accomplishments and goals.

With Mike's agreement, Rahm and I suggest we place this piece with John Harris of the Washington Post; it's the paper that makes the most sense for this kind of bulletin board posting for the rest of the press. Below is a reminder of the proposed themes and schedule highlights. To go forward with this for Sunday, we need to brief the reporter by Saturday. Erskine suggested that we get your go ahead. Please let me know if you agree with us going forward.

January 3-17 Theme: Moving the country forward and bringing it together (while showing key big work for second term of giving all the tools to succeed and helping country as community to meet challenges again).

Week of Jan. 6-12

Monday: Ecumenical breakfast (Road-map for emphasis in next few weeks of coming together to move forward on common goals, with MLK, Jr. as part of focus);
Tuesday: Gulf War Illness Report (same day as Congress opens);
Wednesday: Down day (Congress/Gingrich will absorb most of news);

- Thursday:** Education. Annual direct lending/student loan default report -- big push for HOPE scholarships; *show a meeting with students / let copy to*
- Friday:** Welfare-to-work. Meet with small group of influential CEOs (emphasizing shared responsibility of government and business);
- Sat/Sunday:** Cabinet Retreat -- Emphasis on concrete preparation for Second Term, meeting with key policy groups (domestic, economic, foreign) to work on your plans/strategy.

Week of Jan 13-19

- Monday:** Medals of Honor for Black Veterans;
- Tuesday:** Chemical Weapons Convention -- launching new push (also giving Medal of Freedom to Sec. Perry on same day);
- Wednesday:** Down day;
- Thursday:** World War II Memorial design unveiling (we hope with Senator Dole. Question remains whether to give Sen. Dole a Medal of Freedom);
- Friday:** Possible D.C. event (before the Inaugural).

Should relate to what's been done before - the Segal Medal - should be there

Weekend of Jan. 18-20

Inauguration

you should do showed announce plan for

January 21- February 4 (leading to State of the Union) -- Theme: Presidential leadership on big issues combined with responsibility of all sectors of society. (No matter what is happening in the Washington arena, you are working with the country to meet our challenges.)

- Tuesday:** Announce National Service Summit
- Wednesday:** Chicago charter schools, plus executive action
- Thursday:** National Food Safety Protection Network

(More details being developed for week of January 27)

February 5 -- State of the Union

February 6-Late February -- Theme: Continuing Presidential leadership on big issues combined with marshaling all forces (perhaps with major legislation presented in this period).

January 3, 1997

~~SECRET~~
Schedule of
but see records

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT
FROM KITTY HIGGINS, SYLVIA MATHEWS, AND JOHN PODESTA
SUBJECT: Cabinet Retreat

This memo is to elaborate on the previous memo you received regarding your Cabinet retreat next weekend. The retreat offers an opportunity to gather members of your old and new team together for an off-site meeting devoted to thoughtful analysis of your second term.

Listed below are the three major goals of the retreat:

I. Second Term Priorities

This retreat will give you an opportunity to discuss with members of your Cabinet how to set some of your most important priorities for the second term and where within some of those priorities you have the greatest opportunities. The discussions will also help chart the course for how to achieve these concrete objectives. Out of these meetings will hopefully come steps and timelines to further the policy process within the various Departments and agencies.

The attached memo lays out three core principles around which the priorities and objectives should revolve. Given the sessions will be structured along the lines of your economic conferences with speakers at the table and observers in the background. The sessions will open with short presentations by either a policy counsel head, a Cabinet member or a team consisting of both. There will be time allotted for your response and for open discussion.

II. Providing Vision to the Cabinet

A second important goal of the retreat is to provide the Cabinet with a sense of your vision for the second term and to guide the Secretaries in the running of Departments and the implementation of your priorities.

The attached three core principles, which you have articulated in many fora, provide a foundation for that vision. The challenge now is to relate those principles to concrete objectives so there is a common understanding of the priorities throughout the administration. In your remarks at dinner, we suggest you reiterate those guiding principles in order to frame the discussion.

There need to be work
as to content of
1996 spots but
Schedule of

97 JAN 3 PM 7:35

Smart
for all

Not much
to forget
Wag

Additionally, the Vice President will lead a session on "rules of the road" and REGO. This session will be for all participants and will focus on how we are no longer in an era of big government and how we must function with less money and more efficiency. The Vice President will also discuss, in the current context, the increasing importance of tools like the executive order.

III. Team Building

The third objective of the retreat is to bring together the current and former members of your Cabinet to build a sense of teamwork from the outset.

At the end of the day this meeting is part of thinking about your legacy. Historically, Presidential legacies have come in two forms: themes or principles that make a Presidential legacy e.g. a President is remembered for restoring faith in ourselves as a nation or specific actions or category of actions such as putting a man on the moon or reforming the U.S. educational system. Hopefully this retreat will provide an opportunity to discuss both forms.

PRESIDENTIAL DECISION:

Do you want to cut out a session to shorten the retreat (please see attached agenda) ?

 YES NO

If yes, which one? Please note on the annotated agenda

Attachments

Principles

Annotated Agenda

Operating Principles of the Clinton Presidency

Overall vision: Preparing America for the 21st Century

Three core objectives to meet vision (which connect our oldest values to our newest challenges)

1) **Tools to succeed:** To help provide all Americans (and families and communities) with the tools to make the most of their own lives and to mobilize them to take responsibility for fixing their own problems. (This means changing the relationship between our people and their government; government's role is neither to solve problems for people, nor to leave them alone to fend for themselves. It is to help provide opportunity for people who take responsibility for themselves.)
[Opportunity/Responsibility]

2) **Faith in our ability to work together:** To renew the confidence of the American people that we can come together as a community across the lines that divide us to solve our problems. [Community]

3) **American engagement and leadership:** Advancing America's role as the world's strongest force for peace, freedom and prosperity.

(What this word

*I must discuss this in
this way → put it
from doing - it is in seeing
ourselves as members of a
community & working together & getting
us to do confidence*

PROPOSED ANNOTATED AGENDA FOR CABINET RETREAT

Wednesday, January 8

Evening

Briefing Book - You will receive a briefing book that will outline the presentations, list some of the difficult questions around each topic, and provide talking points for your response to the presentations. Cabinet members will receive an outline of the presentation without the detailed difficult questions and issues we face. While we feel that it is important to provide some paper ahead of time, we are concerned that distribution of detailed briefing papers to that many individuals may increase the potential for leaks.

Saturday, January 11

4:00 - 5:30pm National Security/American Engagement and Leadership

During this session Sandy Berger will provide a 10 minute overview of strategic objectives followed by short (5-minute) presentations by other National Security team members. The conversation will be framed around the previously state goals of our foreign policy:

- . building a democratic and united Europe
- . building a bridge to the Asia-Pacific region
- . confronting new security challenges
- . working for peaceful change around the world
- . maintaining our military strength
- . creating a new economic architecture

(The international economic piece will be discussed in the session led by Dan Tarullo following the national security session.)

5:45 - 6:45 New Economic Architecture/Advance America's Role as the World's Strongest Nation

In this session, Dan Tarullo will lead a discussion of international economic issues, including trade and related issues such as the environment.

NOTE: These two sessions are first so that we space the arrival of people and attempt to reduce the downtime of non-participants at Camp David.

7:00 - 7:30 Rules of the Road/REGO/Faith in Ourselves as a Nation Working Together

This will be a full Cabinet Meeting with a presentation by the Vice President. As mentioned above, the Vice President will talk about how government works in an era of reduced budgeting and a divided government. He will also touch on some basics of working together, such as the importance of working with Bob Nash and the personnel process.

7:45 - 9:15 Dinner

The dinner will include everyone and you will make brief remarks on your vision, your legacy, and your priorities.

Movie available after

Sunday, January 12

Tools to Succeed/Faith in ourselves as a Nation Working Together. The Sunday sessions are a mix of issues that support these two principles. For example, the balanced budget will hopefully help restore our nation's faith in government, but it is also the framework for providing the tools (e.g. investments) for the nation to succeed.

9:00 - 9:45 Breakfast

9:45 - 10:45 Church

11:00 - 12:30 Balanced Budget/Fiscal Responsibility

- Balanced Budget
- Entitlements

Gene Sperling and the economic team will lead this session on how to look at your long term objectives for fiscal responsibility, saving, and entitlements. It is not our expectation that we will decide policy issues, but this discussion will frame the policy process to come to decisions about how to proceed on the entitlement questions.

12:30 - 1:00 Lunch

1:00 - 2:30 Education

Bruce Reed and Gene Sperling will lead this session together with members of the domestic and economic teams. Greg Simon will assist with the part of this session on education and technology. Bruce and Gene plan to do a short presentation that will frame a discussion of four different areas in education: universal advanced education, modernizing our schools, school reform, and reading. Secretary Riley will participate in the presentation.

JAN-03-1997 19:36

EXEC. SEC. TREASURY DEPT

202 622 0073 P.07/87

2:45 - 4:15 Underclass

Bruce Reed will lead this session with Gene Sperling that will include the topics of welfare and crime and drugs and focus on work. Like most of the topics, the underclass is broad ranging and encompasses many issues, but this discussion will attempt to focus on a few discrete pieces.

4:30 - 5:30 - Natural Resources and Technology

Katie McGinty and Greg Simon will each lead a 30 minute session on each of these topics.

5:45 - 6:15 - Families

This session is at the end because it is a broad cross-cutting approach to different issues. Bruce Reed, Gene Sperling, Elaine Kamarck, and Don Baer will work together on the presentation on this issue.

*Movie + Dinner that night
for those who want to stay?*

Find enough micro-solutions and we'll end macro-problems

BALTIMORE—If minnows could make merry sounds, a teeming pond would sound like this. It is 7:15 a.m., dark, cold and drizzling when, from the sidewalk in front of the winding stone steps that lead to the door of St. Ignatius Loyola Academy, the noisiness begins. It is the sound of young males boiling with an exuberance undampened by the damp, the hour or the fact that this is a day for final exams.

They come from 19 ZIP codes, some leaving home before 6 a.m., some taking three buses. They head for home at 5:15 p.m. with several hours of homework ahead. The 58 boys (49 African Americans, two Africans, four Hispanic Americans, three Caucasians) at this inner city middle school, now four years old, that offers grades six, seven and eight, begin their day with a ritual of civility. They shake hands with their 31-year-old headmaster, Jeff Sindler, and with the Rev. William Watters, S.J., 62, and with any other adult in the vestibule, looking each in the eye and saying, "Good morning." Poor enunciation is corrected.

After demolishing — but with table manners monitored — stacks of waffles, two-thirds of the boys clean the school with mops and vacuum cleaners. The other third practice public speaking. "Ebonics" — the patois of America's meanest streets — is not spoken here.

This day the boys take turns reading from newsmagazines. After each finishes, the teacher invites comments from the others, "supportive" comments first ("great eye contact"; "good level pace"), then "constructive" criticism.

The technical language describing the academy's student body is "adjudicated and at-risk youths." Forty-three of the boys come from homes with at most one parent, and many come from scarring conditions but they all come dressed neatly in the school uniform (white or blue shirt, dark tie, dark slacks, no sneakers, no exceptions).

Their seven full-time teachers —



George Will

median age, 27; pay, from \$12,000 to \$22,000, with lodging at the Academy's Xavier house — address the boys as "gentlemen." Graduates go on to some of the area's best schools, usually private

They come from 19 ZIP codes, some leaving home before 6 a.m., some taking three buses. They head for home at 5:15 p.m. with several hours of homework ahead.

schools.

Only 18 of the boys are Catholics. The rest probably never will be. The rest of America should be grateful that the church devotes scarce resources (a large building, and \$120,000 in start-up funding) to proving a nonsectarian point about religious observance as a predictor of the capacity to resist the myriad pathologies of modern metropolitan living. It is a point David Brooks makes in the current issue of *The Public Interest* concerning why religious institutions do better than secular institutions at molding character. It is not only that they have a particularly powerful sense of mission, and hence are especially demanding, but also that "they place human life in a transcendent context."

Brooks notes that, whereas in the 1960s policy intellectuals talked like economists, nowadays they talk like ministers. For example, Professor Glenn Loury, an African American economist at Boston University,

who says:

"I doubt that the cleverest economist . . . could design an incentive scheme for responsible parenting that would be as effective as the broad acceptance among men and women that they are God's stewards in the lives of their children. The best pregnancy deterrent may be to inculcate in the heart of each adolescent the belief that, as Paul wrote to the Corinthians, 'Your body is the temple of the Holy Spirit.' Therefore honor God with your body."

What is the significance of Loyola's little swarm of 58 boys in the larger scheme of things? Just this: enough micro-solutions and there will be no macro-problems.

Recently many religious organizations have been denouncing governmental reductions of welfare services. Columnist Cal Thomas notes that if each of Maryland's 5,000 places of worship became responsible for 10 welfare families, or 37 individuals, all of Maryland's caseload would be covered.

It has been said that whereas religion once was an agency for socializing people by teaching them the seriousness of what were called eternal verities, it has become just another choice of leisure activity. If so, Loyola Academy is splendidly, proudly stuck in the past and determined to remain so.

Tuition is \$5,000. The Parent-Student Handbook, noting that all students receive their education virtually free, thanks to the generosity of sponsors, says students shall write to their sponsors from time to time, because "gratitude is the hallmark of a gentleman."

The handbook says the school aims to impart to students a desire to be "competent men for others." If the language strikes contemporary sensibilities as stilted, and as a faint, quaint echo from another century, so much the worse for ours.

Write George Will, Washington Post Writer's Group, 1150 15th St. NW, Washington, D.C. 20071

Fuller *Chen*

THE PRESIDENT HAS SEEN

1-6-97

THE WHITE HOUSE

WASHINGTON

Mr. President:

LEON CALLED WITH THE FOLLOWING
INFORMATION -

11 CALIFORNIA AND IDAHO WERE DECLARED
DISASTER AREAS YESTERDAY. JAMES LEE IS
IN NEVADA TODAY, WILL MAKE A
RECOMMENDATION ABOUT A POSSIBLE VISIT
BY YOU.

12 MADELINE ALBRIGHT WANTS TO RECOMMEND
TOM PICKERING FOR THE NO. 3 POSITION AT
STATE. NO DECISION WILL BE MADE UNTIL
YOU SIGN OFF.

13 THE WHITE HOUSE GAVE THE WASHINGTON
THE BAER "ROLL OUT" MEMO AND A
POST THE BAER "ROLL OUT" MEMO AND A
BRIEFING ON YOUR TODAY ENTITLED "CLINTON"
FRONT PAGE STORY TO PUSH ROLE AS NATIONAL UNIFIER
PREPARES

[4] NEWSWEEK REPORTEDLY WILL CARRY A PAULA JONES STORY IN THIS WEEKS EDITION, SIMILAR TO THE LEGAL TIMES ARTICLE.

[5] MACK McLARTY TRIED TO REACH YOU BEFORE YOU LEFT FOR HILTON HEAD. HE HAS BEEN TALKING WITH MARY ELLEN GUINN ABOUT WORKING WITH HIM (SHE IS ALSO LOOKING AT A STATE DEPT POSITION.) IF YOU THINK IT APPROPRIATE, MACK WOULD APPRECIATE YOUR PUTTING IN A GOOD WORD ABOUT HIS OFFER WITH MARY ELLEN.

[6] ATTACHED IS A INAUGURAL MEMO FROM HAROLD -

Snca

30 December 1996

CC

'95 DEC 31 PM4:12

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4. Between Hope And History: Financial Innovations, Inc. (Mark Wiener's organization) which is the official licensee of PIC, has purchased 50,000 copies of Between Hope And History which will be sold during inaugural weekend for \$10 a copy.

5. C.D. Mark Wiener is responsible for obtaining releases from the various artists who will be performing at the inaugural in order to use their works to make a C.D. will be available shortly after the inauguration.

6. Inaugural book: It is not clear whether there is time and the financing to produce a book about inaugurations generally with particular focus on this last inaugural of the 20th century, as described in my 26 December 1996 memorandum to you. Debbie Willhite will seek Eli Segal's advice.

7. Events on the Mall: The 3 different events on the Mall (to be held in heated tents on Saturday and Sunday) are, on balance, coming together nicely according to Debbie Willhite. She reports that the technology tent is in very good shape and the children's tent will be "awesome". She has some concern about the so-called "lecture" tent, primarily because of the slowness in recruiting "named" speakers/presenters. I've asked her to talk to Harry Thomason about this because he was very enthusiastic about this particular aspect of the Mall events.

In addition, Debbie Willhite reports that various museums adjacent to the Mall are enthusiastic about the Inaugural theme and will stage events and exhibits in their respective museums that reflect the overall thematics of the inaugural.

8. Gala: Recruiting "talent" has been disconcertingly slow. Debbie Willhite has been talking with Capricia Marshall in this regard, and I very strongly urged that Debbie ring the fire alarms with Harry Thomason and Gary Smith. It will be very difficult to meet the goal for the \$3,000/per tickets unless the appropriate talent agrees to perform.

9. Inaugural balls: To date, sale of tickets has been somewhat slow for the inaugural balls, but we expect them to pick up post New Year's Day.

10. Parade: Debbie Willhite reports that the parade is coming together and the various floats are in the process of design.

11. Monday morning prayer service: I stressed to Debbie Willhite that no commitment should be made with regard to speakers, singers, format, etc. regarding the Monday morning prayer service at the Metropolitan AME Church without your prior "sign off". She understands that you want to be intimately involved in many of the decisions.

✓ In this regard, I again suggest that you consider Reverend Jesse Jackson participating in a public way in that prayer service. As you know, his daughter Santita, will sing the closing song at the noon swearing in on Monday. That notwithstanding, Rev. Jackson has long asked for a specific role in connection with one of the inaugural events, and has continued to press for such a role.

12. Budget: By my memorandum to you of last week, I think the budget for the inaugural is well in hand, but we continue to monitor it closely.

As of 30 December, of the \$25.6 million in PIC's budget to be financed from ticket revenues, \$8.5 million has been received by PIC from ticket sales.

The 1,471 \$1,000 tickets and the 2,395 \$100 Gala ticket seats are sold out.

The DC ball is 70% sold out. Craig Smith expects 5 other of the total 14 balls to be sold out by Monday 6 January.

Forty (40%) percent of the \$100 parade tickets are sold.

✓ 13. Special inaugural envelopes with stamps cancelled by several post offices: In response to your questions on my 20 December 1996 memo to you regarding cancelling stamps on 10,000 original envelopes on the day of the inauguration, Mark Wiener will undertake the cost of this. PIC, however, retains the right of all prior approval of the envelope, the stamps, etc. There will be no cost, however, to PIC.

With respect to possible downsides, apparently, these specially cancelled stamps on envelopes are very popular, and no one at PIC sees a downside.

Unless you disagree, this project will proceed.



199362

31 December 1996

'96 DEC 31 PM 4:16

MEMORANDUM TO

THE PRESIDENT

CC

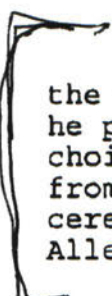
MAGGIE WILLIAMS
ANN STOCK
TIM KEATING
ANN JORDAN
TERRY MCAULIFFE

FROM

HAROLD ICKES 

RE

Proposed song to be performed by the Children
of the Gospel Choir at the swearing in
ceremonies on 20 January immediately
following the Pledge of Allegiance

 Attached is a proposed song written by Rickey Payton Sr.,
the well regarded music teacher at Sidwell Friends School, which
he proposes to be sung by the Children Of The Gospel Choir, the
choir organized and directed by Mr. Payton, made up of children
from Washington, D.C., which will perform at the swearing in
ceremonies on 20 January, directly following the Pledge of
Allegiance.

I have an audio tape which you and HRC need to listen to
next week before Mr. Payton is given the ok to proceed.


3
OK

12/31/96 To: TG Council
HRC
F-1 I
Nash

Let's Build A Bridge All Across America

Written by Rickey Payton, Sr.

© 1996

(SPOKEN)

I pledge allegiance to the flag of the United States of America
And to the republic for which it stands
One nation under god
Indivisible with liberty and justice for all.

I.

HATS OFF TO AMERICA, OUR HERO
YES, WE SALUTE AMERICA THE BEAUTIFUL
RAINBOWS OF DIFFERENT SHADES AND COLORS
I'M PROUD TO BE AN AMERICAN TODAY
OCEANS, TREES, AND PRAIRIES AROUND HER
SPACIOUS SKIES AND MOUNTAINS ABOVE HER
SING A SONG OF FREEDOM, PEACE, AND HARMONY
LET'S CELEBRATE AMERICA

II

GOD GIVE US YOUR WISDOM AND COURAGE
YOUR PROFOUND INSPIRATION, YOUR VISION
TEACH US TO LOVE ONE ANOTHER
LET'S BUILD A BRIDGE FOR ALL HUMANITY
WE OWE THIS TO OUR CHILDREN, THE FUTURE
FOR THEY'RE THE ONES TO FOLLOW BEHIND US
IT'S TIME TO COME TOGETHER FROM SEA TO SHINING SEA
YES WE ARE THE LEADERS OF THE WORLD

CHORUS

LET'S BUILD A BRIDGE ALL ACROSS AMERICA
THE HOMELAND OF THE BRAVE AND THE FREE
A RAINBOW BRIDGE ALL ACROSS AMERICA
SIDE BY SIDE, TOGETHER YOU AND ME

BRIDGE

IT'S A CELEBRATION AMERICA (AMERICA)
LIFT UP YOUR VOICES AND SING (FREEDOM)
RAISE THE TORCH OF JUSTICE AMERICA (AMERICA)
LET PEACE, LOVE, AND FREEDOM RING
LET IT RING

REPEAT CHORUS

CODA

SIDE BY SIDE, HAND IN HAND
YOU AND ME I KNOW WE CAN
BUILD A BRIDGE ACROSS THE LAND
FOR EVERY WOMAN CHILD AND MAN
A BRIDGE OF HOPE, A BRIDGE OF PEACE
SO WE CAN LIVE IN HARMONY
KEEP AMERICA
AMERICA
A GREAT AND BETTER LAND
AMERICA-----
AMERICA-----
AMERICA-----

THE PRESIDENT HAS SEEN
1-6-97

4 January 1997

MEMORANDUM TO THE PRESIDENT
THE FIRST LADY

CC LEON PANETTA
EVELYN LIEBERMAN
ERSKINE BOWLES
MAGGIE WILLIAMS
BRUCE LINDSEY
NANCY HERNREICH
CAPRICIA MARSHALL
JANA SIDLEY

FROM HAROLD ICKES (W2)
RE Issues for Inaugural

There are a number of issues that Jana Sidley, who is managing the scheduling operation for the Inaugural, has raised with me which need your decisions. Some of the decisions will affect deployment by the Secret Service.

1. Saturday evening: What events/activities do you intend to participate in on Saturday evening? While there are no official PIC events Saturday evening (other than the rehearsal of the Gala at the USAir Arena), there are a large number of parties/events taking place that evening. Without making final decisions this early on, it would be very helpful if you would begin to narrow down the range of what you will probably attend.
2. Mall Saturday and Sunday: Do either of you plan to attend any of the events on or in connection with the Mall on Saturday or Sunday?
3. Transport to and from the Gala Sunday evening: You can go to and from the Gala Sunday night either by helicopter or by car. I am told that the helo pad is only minutes away by car from the USAir Arena.

Traveling by helo "eliminates" tying up Sunday late afternoon traffic. Because of costs and other arrangements, it is recommended that you go by helo only if not more than 12 people are in your party. This will permit everyone (you and your 9 guests, security, press, etc.) to be moved by 3 helicopters. (The Vice President and Mrs. Gore will require another set of copters.)

I didn't before be of
Mounts, Lincoln Memorial

I see
can you
tell me
better

If copters are used, Marine One would leave from the South Lawn, and the other 2 (which would also take those of your guests that can't be accommodated by Marine One) would leave from the Pentagon.

Otherwise, everyone can go by a large motorcade. } *you call -*

4. Post Gala: Do you wish to meet with the performers immediately after the Gala? If so, the Service will freeze the USAir Arena and will hold everyone in the arena until after you have left, unless you intend to remain there for a specified time of at least an hour, during which people would be permitted to leave.

If you wish to meet with the performers post Gala, refreshments will have to be arranged for.

Presently no post Gala "reception" is planned for.

5. Sunday evening: Since the Gala will end at 7:30 pm, what do you wish to do that evening?

6. Cabinet: Should members of the Cabinet (incoming and outgoing) be asked to attend certain non official PIC functions as well as certain PIC functions?

Attached is the most complete list of non PIC Inaugural events. This list is updated on a daily basis. These events are in addition to the official PIC events which include:

- Mall events Saturday and Sunday
- ~~rehearsal of Gala on Saturday evening~~
- Gala Sunday evening
- Swearing in 11:30 a.m. on Monday
- Congressional lunch Monday
- parade Monday
- 14 balls Monday evening

Let's discuss.

Work on my speech

yes

new cabinet up. relevant ones & others admin. leaders moving to mall - talk to people. All women to work team to thing you want

What about going back to before reception on the lawn then after all this should be something (think)

(No) New Motorcade history on this

UPDATED 12/30

1/3/98

UNOFFICIAL EVENTS

PIC Internal Document—information subject to change

Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
	Celebration of the American Mosaic: An Ethnic Salute to the President	The National Democratic Ethnic Coordinating Committee	National Press Club	11:00am-1:00pm	TBD		Tom Albert 202.863.8000
pending	Mississippi State Society Event	Mississippi State Society	pending	pending	pending	500	
pending	Wyoming Inaugural Celebration	Wyoming State Society	pending	pending	pending	500+	Dawn Taylor 202.224.3424
01.03.97-March	Exhibit: History of Presidency	National Endowment for the Humanities	Old Post Office Pavilion		free	open	Marna Madsen 202.606.8328
01.05.97-02.25.97	Arkansas Inaugural Exhibition	The Collector Art Gallery and Restaurant	The Collector Restaurant and Art Gallery	Saturday and Sunday, 10am-10pm	free	open	William Wooby 202.232.3650
01.07.97	Peanut Butter 'n Jelly Inaugural Ball	Kids Voting USA	Capitol Hilton	11:30am-1:00pm	invitation only (DC public school students)	500+ (4th and 5th graders)	Bob Wierck, 202.789.0200 or Cynthia Dunne 602.921.3727
01.15.97-02.28.97	American Inaugural Exhibition	Bill Wooby	Washington Design Center, Art on the 7th Floor	Mon-Sat, 10am-5pm	free	open	Bill Wooby 202.232.3650
01.17.97	Solidarity 2000	Justice for All	Capitol Hyatt Regency	9:30am-12:00noon	invitation only	300+	Natalie Shear 800.833.1534

Contact: Shelly Loos

Last Updated: December 30, 1996

UNOFFICIAL EVENTS

PIC Internal Document—information subject to change

Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
01.17.97	The National Capitol Inaugural Ball to benefit the Childrens National Medical Center	The Capitol Group Inaugural Committee	Capitol Hyatt	9:00pm-1:00am	\$100.00		Rod Burke 703.697.5888
01.17.97	Dr. Martin Luther King, Jr. Memorial Concert	Washington National Cathedral and the Mobil Foundation	Washington National Cathedral		free--invitation only. Limited public seating	3400	Robert Becker 202.537.5522
01.17.97	Virginia Inaugural Celebration	Virginia State Society	Fort Meyer	6:00pm-11:00pm	\$35.00--invitation only	100	Peggy Marvin 703.256.8640
01.17.97	North Carolina State Society Inaugural Dance	North Carolina State Society	Hotel Washington	8:00pm-1:00am	\$55.00	1000	Trish Hylton 202.224.6342
01.17.97	Blue Jeans Bash	Proud Pig Productions	Mayflower Hotel		\$75.00	2000	David Pryor 202.783.2793
01.18.97	Voters for Choice Concert	Voters for Choice	Constitution Hall	8:00pm-11:00pm			for tickets, 202.432.SEAT; Linda Solomon 202.588.5200
01.18.97	Women's Inaugural Ball	National Women's Political Caucus	Omni Shorea Hotel, Regency Ballroom		\$150.00	3000	Shari Bryan or Kris Maccubbin 202.785.1100
01.18.97	Dr. Martin Luther King, Jr. Breakfast	United Negro College Fund	Washington Towers Hilton			1500	

Contact: Shelly Loos

Last Updated: December 30, 1996

UNOFFICIAL EVENTS

PIC Internal Document—information subject to change

Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
01.18.97	Pre-Inaugural Dinner	State Senator Diane Watson and CHANCE	Mayflower Hotel		free--invitation only	350	Emmett Cash, III 213.292.7948
01.18.97	Medal of Honor Recipients Banquet	Veterans of Foreign Wars	Hyatt Hotel, Capitol Hill		invitation only		Dina Wood 202.273.4817
01.18.97	<u>Black Tie and Boots Inaugural Ball</u>	Texas State Society	Washington Sheraton	7:00pm-2:00am	\$100.00	6000	Larry Meyers 202.484.2773
01.18.97	DNC Finance Luncheon		Ritz Carlton				
01.18.97	<u>Washington State Society Event</u>	Washington State Society	pending	pending	pending	pending	Annette Booth 202.224.0217
01.18.97	<u>South Carolina Presidential Inaugural Ball</u>	South Carolina State Society, Inc.	National Museum of Natural History	8:00pm-midnight	\$65.00	1000	Erica Baum 703.931.1288
01.18.97	Black Entertainment Inaugural Jam	Black Entertainment TV; (others pending--Essence Magazine, VIBE Magazine, Seagrams)	Black Entertainment TV Sound Stage	10:00pm-2:00am	\$100.00	1000	Yolanda Caraway 202.965.2810
01.18.97	Arkansas Traveler Brunch	Arkansas Travelers	Mayflower Hotel	10:00am	free--invitation only	5000	Shiela Bronfman 501.663.8600
01.18.97	<u>Florida State Society Inaugural Celebration</u>	Florida State Society	pending	pending	pending	1000	Paul Minze 301.220.9136

Contact: Shelly Lane

Last Updated: December 30, 1996

UNOFFICIAL EVENTS

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Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
01.18.97	Maine State Society Reception	Maine State Society	Rayburn Building	4:00pm-6:00pm	free	800	Howard Stevens 202.797.6316
01.18.97	Salute to Students Luncheon	College Democrats of America	B. Smiths Restaurant	noon	invitation only	300+	Nicole Reyes 202.479.5127
01.18.97	Iowa Inaugural Reception	Iowa State Society	121 Cannon Building	1:00pm-5:00pm	\$10.00	400	Ann O'Donnell 703.823.6817
01.18.97	Hot Springs High School Class Reception	✓ D.C. Support Group for Dr. Martin Luther King	Old Ebbitt Grill	3:00pm-6:00pm	free-invitation only		
01.18.97	Fashion Show and Luncheon	D.C. Support Group for Dr. Martin Luther King					
01.18.97	New Mexico Inaugural Ball	New Mexico State Society	Phoenix Park Hotel	8:00pm-12:00midnight	\$65.00	500	Kim Sais 703.924.1278
01.18.97	Medal of Honor Recipients Luncheon	Joint Chiefs of Staff	Pentagon or Sheraton National Hotel, Arlington	11:30am	invitation only		Dina C. Wood 202.273.4817
01.18.97	Arkansas Inaugural Gala	Arkansas State Society	Grand Hyatt Hotel	6:00pm-9:00pm	invitation only	5000	Glen Mahone 301.474.2133
01.18.97	Hispanic Ball		Union Station	7:00pm-1:00am	\$100.00		Lydia Torres 202.822.8880
01.18.97	Inaugural Prayer Breakfast	Rev. Ruth Ward Heflin	Washington Sheraton			300+	Mrs. Betsy Tibbs

Contact: Shelly Loos

Last Updated: December 30, 1996

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UNOFFICIAL EVENTS

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Sponsor

Location

Time

Cost

#Expected

Contact

P. 00

Date

Event

01.18.97	Arkansas Travelers Millennium Ball <i>6055</i>	Arkansas Travelers	JW Marriott	9:00pm-1:00am		300	Rose Crane 501.664.7475
01.18.97	Women's Inaugural Gala	(Lesbian Organizations)	The Galleria	8:00pm-9:00pm Reception/ 9:00pm-1:00am Gala	\$100.00-Reception/\$40.00-Gala	3000	for tickets-- 301.738.7073/ Julian Potter
01.18.97	Recognizing Our Own Breakfast Tribute	Victory Fund	Willard Inter-Continental Washington	9:00am-11:00am	\$100.00	800	for tickets 301.738.7073/ Jay Flagg 202.842.8679
01.18.97 OR 01.20.97	Idaho Inaugural Reception	Idaho State Society	pending	12 noon-4:00pm		500	Kathey Josling 202.224.6142
01.19.97	Ohio Inaugural Luncheon	Ohio State Society	National 4H Center	noon	\$25.00	500	John Foltz 301.762.5966
01.19.97	National Education Association Inaugural Reception <i>Shelly Looos</i>	NEA	pending	3:00pm-5:00pm	free--invitation only	800+	Jane Danowitz 202.222.1557
01.19.97	Arizona Inaugural Reception	Arizona State Democratic Party		4:00pm-6:00pm			
01.19.97	Indiana State Society Dinner Ball	Indiana State Society	Washington Sheraton			800+	Mike Kraft

Contact: Shelly Looos

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UNOFFICIAL EVENTS

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Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
01.19.97	Illinois Inaugural Gala	Illinois State Society and National Conference of State Societies	Grand Hyatt Washington	6:30-- Dinner; 8:00pm- 1:00am-- Ball	Dinner--\$250; Ball--\$100 after 1/10/97-- \$125.00	4000	Lee Davis 703 641.8459
01.19.97	Asian Pacific Americans Gala Ball	Cong. Asian Pacific American Caucus Institute	Capitol Hilton	6:00pm- 12:00midni ght	\$60.00	500	Leigh-Ann Miyasato 202 289.0355
01.19.97	Oregon Inaugural Ball	Oregon State Society	Capitol Hill Hyatt	8:00pm- midnight	\$75.00	600+	Paul Westbrook
01.19.97	U.S. Merchant Marine Academy Reception and Dance	U.S. Merchant Marine Academy	National Naval Medical Center Officers Club	8:00pm- 11:00pm	invitation only	500	Bruce Howie 703.938.8540
01.19.97	District of Columbia Democratic State Committee Pre-Inaugural Ball	D.C. Democratic State Committee	Loews L'Enfant Plaza Hotel	8:00pm- 1:00am	\$65.00	2000	Amanda Hatcher Lyon 202 554 8790
01.19.97	Alltel/Stephens Party	Alltel	pending	4:00pm- 6:00pm	invitation only		
01.19.97	Emily's List Inaugural Luncheon	Emily's List	Washington Hilton	12:30pm	\$125.00		Denise Fogus 202 326 1400
01.19.97	New Hampshire Reception	New Hampshire State Society	pending	pending	pending	400	Francis Bouchard 203.524.1385
01.19.97	Kentucky Inaugural Gala	Kentucky State Society	National Press Club	5:30pm- 12:00midni ght	\$100.00	500	Bonnie Tanner 703.548.9542

Contact: Shelly Loos

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UNOFFICIAL EVENTS

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Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
01.19.97	Laying of Wreath honoring Fallen War Heroes		Arlington National Cemetery	10:00am	free		Dina Wood 202.273.4817
01.19.97	Illinois Presidential Inaugural Ball	DL21C (Democratic Leadership for 21st Century)	Como Inn--Chicago	7:00pm-10:30pm	\$60.00	150	Vasyl Markus 312.832.9600
01.19.97	Coalition of Irish Immigration Centers Citizenship Awards	Coalition of Irish Immigration Centers	Columbus Room, Union Station	1:00pm-3:00pm	\$150.00		Vicky Curtain 202.429.8021
01.19.97	An Ohio Celebration	Ohio Democratic Party	Sheraton Washington Hotel, Catillion Ballroom		\$75.00	1000	Anoinette Wilson 614.221.6563
01.19.97	Nebraska Inaugural Brunch	Nebraska State Society	Army Navy Club	11:00am-2:00pm	\$25.00 in advance; \$30.00 at door	400	Renee Wessells 202.328.9107
01.19.97	National Youth Crime Town Hearings; Pre-Inaugural Youth Speak Out	City Wide Improvement & Planning Agency Project Reach 2000	The Touchdown Club	8:00am-12:00noon	invitation only	300+	William H. Mackey 215.765.5504
01.19.97	Encore! Dance	Victory Fund	Ze	9:00pm--?	\$250.00/\$100.00/\$45.00	1000	for tickets, 301.738.7073/ Jay Flagg 202.842.8679
01.20.97	West Virginia Inaugural Celebration	West Virginia State Society	National Democratic Club	8:00am-4:00pm	\$19.97	250	Cary Crayton 301.249.6066

Contact: Shelly Loos

Last Updated: December 30, 1996

UNOFFICIAL EVENTS

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Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
01.20.97	California State Society Inaugural Brunch	California State Society	Hotel Washington	12:00noon-4:00pm	\$50.00	400+	Michelle Cadette 202.887.4262
01.20.97	Environmental Inaugural Ball	Clean Fuels Foundation, Americans for Clean Energy, Clean Fuels Development Coalition, and over 60 environmental groups	Sequoia Restaurant	9:00pm-2:00am		1000	Burl Haigwood 202.508.3887
01.20.97	National Coalition for Technology in Education and Training (NCTET) Reception	Apple Computer, Inc.; GTE; THE Journal; NYNEX; ATT; Bell Atlantic; Turner Education Services; Eastman Kodak; The Learning Company; Compaq; Josten's Learning; BellSouth; Pacific Bell; Broderbund; IBM; Computer World; Morino Foundation; Softbank Expos; MCI.	Folger Shakespeare Library	6:00pm-8:00pm	invitation only	1000	Jeff Smith 202.456.6047
01.20.97	Party to honor the Blue Dog Democrats	Coalition of Blue Dog Democrats	655 15th Street, 3rd Floor	12:30pm-4:00pm	invitation only	400+	Leslie Hayes, Adrian Levy 703.556.9402
01.20.97	Arkansas State Society Inaugural Breakfast	Arkansas State Society	Russell Caucus Room	8:00am-12:00 noon	free	350	Glen Mahone 301.474.2133
01.20.97	Close-Up Inaugural Ball	Close-Up Foundation	Radisson Plaza Hotel	8:00pm-11:30pm	invitation only	4000	Eric Goldman 703.706.3300

Contact: Shelly Lons

Last Updated: December 30, 1996

UNOFFICIAL EVENTS

PIC Internal Document—information subject to change

Sponsor

Location

Time

Cost

#Expected

Contact

01.20.97	New Jersey Inaugural Reception	New Jersey State Society	Omni Shoreham Hotel	4:00pm-7:00pm	\$60.00/\$100.00 per person/couple for members; \$70.00/\$120.00 per person/couple for non-members	1000	John Pannoullo 703.455.5663
01.20.97	American Film Institute Parade Party	American Film Institute	Planet Hollywood	11:30am-2:00pm	invitation only <i>Invitation</i>	400	Leslie Hayes or Adrian Levy 703.556.9402
01.20.97	The Carolina Ball	North Carolina and South Carolina Democratic Parties	Omni Shoreham	10:00pm	\$100.00	1000	Caroline McLean McNulty 919.821.2777
01.20.97	Georgetown vs. Catholic Hockey Game	Georgetown University	Fort DuPont Rink	9:00pm	free		Brad Kent 202.874.6246
01.20.97	Inaugural Folklore Ball	Folklore Society of Greater Washington and Friday Night Dancers	Glen Echo Spanish Ballroom	8:00pm-midnight	\$10 members/\$12 non-members		Betsy Platt 202.342.8468 or 301.320.7099
01.20.97	The American Indian Inaugural Ball	American Indian Society	Hyatt Regency Crystal City Hotel	8:00pm-1:00am	\$50.00		Marissa Flannery 202.222.1506

Contact: Shelly Loos

Last Updated: December 30, 1996

UNOFFICIAL EVENTS

PIC Internal Document--information subject to change

P.13

Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
01.20.97	Salute to Heroes Veterans Inaugural Banquet and Ball	American Legion	Capitol Hilton	7:00pm Banquet; 9:00pm- 1:00am Ball		1200	American Legion 202.861.2720
01.20.97	Nevada State Society Event	Nevada State Society	pending	pending	pending	400	
01.20.97	Medal of Honor Recipients Breakfast	Reserve Officers Association		7:30am- 9:00am	invitation only		Dina Wood 202.273.4817
01.20.97	George Washington University Inaugural Ball	George Washington University	Cloyd Heck Marvin Center	8:00pm	\$45.00		Michael Shilinski 202.994.7129
01.20.97	Salute to America's Police Officers	National Association of Chiefs of Police	Sheraton Washington Hotel	7:30pm Cocktails, 8:30pm Dinner	\$200.00		Gerald S. Arenberg 202.293.9088 or 305.573.0070
01.20.97	"Let's Party, Liberally!", ADA's 1997 Inaugural Gala	Americans for Democratic Action	Washington Court Hotel	7:00pm- Midnight	\$25.00	1500	Alicia Ruppel 202.785.5988
01.20.97	Artists' Inaugural Ball	The Collector Art Gallery and Restaurant	Dupont Plaza Hotel	9:00pm- 1:00am	\$30.00 for current members of arts organization; 60.00 for non- members		BRI Wonby 202.232.3650

JAN 04 '97 08:00PM 222

Contact: Shelly Loos

Last Updated: December 30, 1996

UNOFFICIAL EVENTS

PIC Internal Document—information subject to change

Date	Event	Sponsor	Location	Time	Cost	#Expected	Contact
01.20.97	Michigan Congressional Delegation Inaugural Celebration	Michigan State Society	Museum of American History	7:00pm-12:00mid	\$100.00	3000+	Debbie Dingle/Adrian Levy 202.775.5068/703.556.9402
01.20.97	Reception honoring Don Fowler, Dick Riley and Democratic South Carolina Congressional Delegation	South Carolina Democratic Party		5:30pm-7:00pm	\$1000.00		Carol Khare 202.863.8121
01.20.97	Maryland Special Inaugural Ball	Maryland Special Inaugural Ball Committee	Foxtrappe Creole 1874	8:00pm	\$50--before 1/6; \$75--after 1/6; \$100 at door	500+	Dr. Louise Jones Johnson 410.944.3735
01.20.97	Caribbean American Regions Inaugural Dinner and Ball		Omni Shoreham, Empire Ballroom	8:00pm-4:00am	\$100.00 per person	1200	Dr. Williams 202.882.5281
01.20.97	Minnesota State Society Inaugural Reception	Minnesota State Society	Rayburn HOB	10:00am-2:00pm		200	Josie Thorpe 703.527.8527
01.20.97	Gay and Lesbian Inaugural Ball	Human Rights Campaign, National Gay and Lesbian Task Force and The Gay and Lesbian Victory Fund	Omni Shoreham Hotel	8:30pm	\$150.00	600	Christopher Speron 202.628.4160
01.22.97	Roe v. Wade Anniversary Celebration	NARAL	Mayflower Hotel	12:30pm-1:30pm	\$150.00		Lisa Collard 202.973.3025

Contact: Shelly Loos

Last Updated: December 30, 1996

De Bace

THE PRESIDENT HAS SEEN

1-6-97

Fgn

THE
REVOLUTION
OF
AMERICA.

BY

THE ABBÉ RAYNAL,

AUTHOR OF THE PHILOSOPHICAL AND POLITICAL
HISTORY OF THE ESTABLISHMENTS AND COM-
MERCE OF THE EUROPEANS IN BOTH THE INDIES.



L O N D O N :

PRINTED FOR LOCKYER DAVIS, HOLBORN.

MDCCCLXXI.

little, will be able to suffice for itself, provided that the inhabitants know how to make themselves happy by œconomy and with mediocrity.

Ye people of North America, let the example of all the nations who have gone before you, and above all that of your mother-country, serve you for instruction. Fear the affluence of gold, which brings with luxury the corruption of manners, the contempt of laws. Fear a too unequal distribution of riches, which exhibits a small number of citizens in opulence, and a great multitude of citizens in extreme poverty; whence springs the insolence of the former, and the debasement of the latter. Secure yourselves against the spirit of conquest. The tranquillity of an empire diminishes in proportion to its extension. Have arms for your defence; have none for offence. Seek competency and health in labour; prosperity in the culture of lands, and the workshops of industry; power in manners and virtue. Cause arts and sciences, which distinguish the civilised from the savage man, to flourish and abound.

Above

Above all, watch carefully over the education of your children. It is from public schools, be assured, that courageous magistrates, the capable and brave soldiers, the good fathers, the good husbands, the good brothers, the good friends, the good men. The youth are seen depraved, the nation on the decline. Let liberty have a moveable foundation in the wisdom of laws, and let it be the indestructible cement to bind your provinces. Establish no legal preference among different forms of worship. Slavery is innocent, wherever it is neither persecuted nor protected; and may continue, if it be possible, equal to the rest of the world!

F I N I

Above all, watch carefully over the education of your children. It is from public schools, be assured, that come the wise magistrates, the capable and courageous soldiers, the good fathers, the good husbands, the good brothers, the good friends, the good men. Wherever the youth are seen depraved, the nation is on the decline. Let liberty have an immoveable foundation in the wisdom of your laws, and let it be the indestructible cement to bind your provinces together. Establish no legal preference amongst the different forms of worship. Superstition is innocent, wherever it is neither persecuted nor protected; and may your duration, if it be possible, equal the duration of the world!

F I N I S.

VP RESIDENT 140-1111
1-6-97

THE WHITE HOUSE
WASHINGTON

December 23, 1996

MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: Cabinet Retreat

*See memo for
Director of Information
System to be
RC*
96 DEC 23 PM 7:48

Several members of your Cabinet have asked for the opportunity to come together with you at the beginning of your second term to discuss the legacy of the Clinton-Gore Administration, establish priorities for the next four years and develop an agenda and strategy to achieve them as an Administration and in their own departments.

To achieve those goals we are proposing a day and a half retreat at Camp David for old and new Cabinet Secretaries. The purpose of the meeting is threefold:

- 1) To provide the Cabinet with your vision to guide the Secretaries in running their Departments and in implementing yours and the Departments' priorities.
- 2) To give you an opportunity to discuss how to approach some of your most important priorities. Out of this discussion will come next steps for policy and strategic decisions with time lines and outcomes.
- 3) To bring together the current and new members of your Cabinet to build a sense of team from the beginning.

For the retreat to succeed, it is essential that the principles of your second term be set forth. Don Baer has proposed three core principles (attachment A) that can frame the discussion in the working sessions. The agenda for the retreat (attachment B) will allow for in-depth discussion on several issues that hopefully will lead to consensus on the best approaches to achieving your major goals. Agencies will be assigned to the appropriate sessions (attachment C).

A limited number of topics can be covered during the retreat. Briefing materials will be provided to guide the sessions. The chair of the appropriate policy council (NSC, NEC, DPC, CEQ) will lead each meeting with presentations by new Cabinet Secretaries. The out-going Cabinet will participate in the discussion. There clearly are dozens of foreign and domestic issues that you will confront in your second term. While these issues are too numerous to build into the agenda, the background briefing materials will address them. By limiting the topics we hope to encourage a richer discussion on possible approaches to each issue. I welcome your comments and suggestions.

Principles

Overall Purpose: To prepare America for the 21st Century (by connecting our oldest values to our newest challenges)

Three Core Goals:

- 1) **Tools to Succeed:** To change the relationship between our people and their government. Government neither solves problems for our people, nor leaves them alone to fend for themselves. Instead, it helps all Americans (and families and communities) have the tools they need to make the most of their own lives and fix their own problems.
- 2) ~~Faith in Ourselves as a Nation~~ ^{American Community:} **Working Together:** To renew the confidence of the American people that we can again solve our most difficult problems when we work together.
- 3) **American Leadership:** Advancing America's role as the world's strongest force for peace, freedom, democracy, and prosperity.

for - no more
for leadership
leadership is an
interdependent world
requires engagement

Proposed Agenda for Cabinet Retreat

Saturday, January 11, 1997

Afternoon

- National Security (90 minutes)
- International Economics (60 minutes)
- Meeting with full Cabinet (90 minutes)

Erskine Bowles
President
Vice President

Objectives
Vision, Legacy, Priorities
Rules of the Road, REGO

Evening

Dinner--All

Sunday, January 12, 1997

Morning

Breakfast, Church

Late Morning and Afternoon

- Fiscal Responsibility (90 minutes)
Health Care
Balanced Budget
Entitlements
- Education (90 minutes)
- Underclass (90 minutes)
Welfare
Crime, Drugs
- Natural Resources/Research and Technology (60 minutes)
- Families (30 minutes)

Agency Assignments

Saturday, January 11, 1997

National Security Council
 State
 Defense
 USUN
 CIA
 Treasury
 JCS
 Office of the Vice President

International Economics

Treasury
 State
 USTR
 Commerce
 USDA
 Labor
 Transportation
 CEA

Sunday, January 12, 1997

Fiscal Responsibility--Health Care/

Balanced Budget

Treasury
 Commerce
 Labor
 HHS
 USDA
 SBA
 OMB
 CEA
 VA
 SSA
 Transportation
 Energy
 EPA

Education *(see Teelen?)*

Education
 Labor
 Treasury
 Commerce
 HHS
 VA
 Justice

~~Underless~~ Welfare/Crime and Drugs

HHS
 Labor
 HUD
 USDA
 Commerce
 Treasury
 SBA
 Justice
 ONDCP
 Transportation
 SSA
 Education

Quinn / Keenan / Res Teelen
 Natural Resources/Research and Technology

Energy
 EPA
 Interior
 CEQ
 USDA
 Transportation
 Treasury
 Commerce
 HHS
 VA
 Education

Families

All

✓
Andy Seas - 1/6/97

Any interest in this?

Phil Caplan

cc: Stephanie ✓ Streett

7

THE WHITE HOUSE
WASHINGTON

To: Staff Secretary

FR: Victoria Radd

For appropriate
handling - V.

FAX NOTE

TO: The Honorable William Jefferson Clinton
President of the United States
Washington, D.C.

'97 JAN 3 AM 9:02

THROUGH: Erskine B. Bowles, Chief of Staff Designate

FROM: Karl William Viehe
General Counsel
PromstroyBank of Russia

DATE: 30 December 1996

RE: Proposed Meeting

PromstroyBank of Russia is the first Russian bank to receive approval from the Federal Reserve System and a license from the New York State Banking Commission to open a representative office in the United States. PromstroyBank is the original investment bank of the former Soviet Union. In 1991, the bank was privatized, with the state retaining less than two percent interest. As significant, while GasProm, Rosneft, Lukoil and other industrial giants are shareholders, no single shareholder holds more than two percent of the voting stock of the bank. Thus, it is broadly held and not subject to the influence of one or more dominant shareholders.

Having been the U.S. Vice chairman of the team that drafted the first modern capital markets law for Russia, working with Yegor Gaidar (then Minister of Finance and Economics) and Dimitri Toulina (then Vice chairman of the Central Bank, now Chairman of the Bank for Foreign Trade), I am pleased to see the capital markets regime beginning to mature. In the last year, two major enforcement actions by The Federal Securities Commission successfully forced major Russian companies to rescind actions that would have voided the shareholdings of foreign investors or watered-down the value of shareholdings.

In the period from 27 January through 31 January 1997, the Chairman of the Board, Yakov Dubinetsky, the First Deputy Vice Chairman of the Board, Michael N. Novikov and the Head of the Representative Office, Vladimir Sedov will be in Washington. In view of the Gore-Chernomyrdin meetings in early February and the summit planned for late March, would it be of interest to you and/or the Vice president to meet with this delegation?

Please let me know.

Best Regards!!

Karl Viehe

To: Erskine B. Bowles

From : Karl William Viehe

Pages: 1

For Information Call: Karl William Viehe

At: 202-637-9292

Fax Number : 202-637-9367

Karl William Viehe
General Counsel
PromstroyBank of Russia
Suite 620
1700 Pennsylvania Avenue, N.W.
Washington, D.C. (20006)

THE WHITE HOUSE

WASHINGTON

January 3, 1997

THE PRESIDENT HAS SEEN

1-6-97

ACTION

MEMORANDUM FOR THE PRESIDENT

'97 JAN 3 PM 5:09

FROM:

ANTHONY LAKE *AL*
JOHN HILLEY *HH*
ANNE HAWLEY *AH*
STEPHANIE STREETT *SS*

SUBJECT:

Letter to Senator Daschle

Purpose

To reply to Senator Daschle's request for a meeting.

Background

Senator Daschle participated in a CODEL visit to China, Hong Kong, Taiwan and Vietnam. He would like to meet with you to discuss his observations and your trip to Asia.

Your proposed reply thanks Daschle for his interest in Asia Pacific issues, notes the challenges we face, offers to schedule a meeting with him and offers a staff debriefing on your Asia trip.

RECOMMENDATION

That you sign the letter at Tab A.

*Sho Sa Cur*Attachments

Tab A Letter to Daschle

Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. Leader:

I am pleased you were able to participate in the Congressional delegation visit to China, Hong Kong, Taiwan and Vietnam. Each of these Asian powers will present unique challenges to us over the next several years. Of great concern to me is China, where I believe we have an opportunity to affect whether China emerges as a force for cooperation or conflict in the next century. This is one of reasons I am committed to an exchange of state visits with President Jiang, which we agreed to schedule as a result of our meeting in Manila.

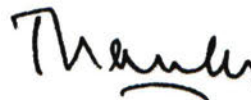
I would welcome an opportunity to meet with you to discuss not only the trip, but also our objectives in Asia over the coming months. I hope our schedules can accommodate a meeting at a convenient time in the new year. Members of the NSC staff, accompanied by staff from other agencies, would be pleased to provide a detailed briefing on my Asia trip to interested Congressional staff.

I look forward to working with you and the new Congress on Asia Pacific issues over the coming months. The challenges and opportunities in that region are immense, and we have our work cut out for us.

Sincerely,



The Honorable Thomas A. Daschle
Democratic Leader
United States Senate
Washington, D.C. 20510





United States Senate

WASHINGTON, D. C. 20510

November 26, 1996

DEC 4 PM 2:56

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

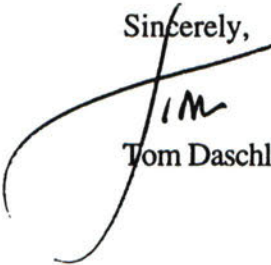
Dear Mr. President:

On behalf of myself and the other members of our congressional delegation, I would like to request an opportunity to meet with you to share our observations and input from our recent trip to Vietnam, China, Hong Kong and Taiwan. Given your recent visit to the area, we would also be interested in hearing your assessment of developments in the region.

I look forward to seeing you soon.

With best wishes, I am

Sincerely,


Tom Daschle

TAD/sm

1-6-97

Came in over our fax -

Send to Donskidj

Yes _____

No _____

C.

COMMISSIONER
CECIL WILLIAMS
AUBREY NEWMAN

TUNICA-BILOXI GAMING COMMISSION



TELEFAX MESSAGE

DATE: JANUARY 6, 1997

TOTAL NUMBER OF PAGES: 2 (INCLUDING COVER SHEET)

FAX NUMBER: 202 456 2215

TO: The Honorable William S. Clinton OFFICE: President

The White House

FROM: Cecil Williams OFFICE: Commissioner

COMMENTS:

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS LEGALLY PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED SOLELY FOR THE USE OF THE PERSONS OR ENTITIES NAMED ABOVE. IF YOU ARE NOT SUCH PERSONS OR ENTITIES, YOU ARE HEREBY NOTIFIED THAT ANY DISTRIBUTION, DISSEMINATION, OR REPRODUCTION OF THIS FACSIMILE MESSAGE IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE IMMEDIATELY CALL US AT 1-800-430-0019.

COMMISSIONER
CECIL WILLIAMS
AUBREY NEWMAN

TUNICA-BILOXI GAMING COMMISSION



January 6, 1997

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Avenue
Washington D.C.

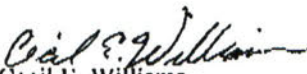
Dear President Clinton,

The Chairmanship of the National Indian Gaming Commission will soon be vacant, subsequent to the resignation of the current Chairman Harold Monteau becoming effective. In the interest of a smooth transition, we in Indian country request that you elevate present NIGC Commissioner Philip Hogan to the position of Chairman of the National Indian Gaming Commission (NIGC). Commissioner Hogan is an attorney and has accumulated an impressive array of knowledge and experience in his professional career. Commissioner Hogan is an enrolled member of the Oglala Sioux Nation.

We believe Commissioner Hogan is the best suited to oversee the NIGC, and urge you to please consider him for the Chairman of NIGC.

We urge that this matter receive your prompt attention as Indian Country needs a strong leader in the regulatory agency at this time.

Sincerely,


Cecil E. Williams
Commissioner

cc: Liz Montoya, Personnel
Rob Nash, Director of White House Personnel

JIM DORSKIND:
Please coordinate
the reply.



198217
Handwritten signature
UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

DEC 13 1996

MEMORANDUM FOR KITTY HIGGINS
Secretary of the Cabinet

'96 DEC 19 AM 10:05

FROM:

Peter Scher
Chief of Staff

A handwritten signature in dark ink, appearing to be "P. Scher", written over the printed name and title.

SUBJECT:

Four President's Export Council Reports

Attached is a memorandum to the President from the Secretary of Commerce transmitting four sets of recommendations from President's Export Council (PEC) Chairman Michael Armstrong regarding U.S. efforts to combat international bribery and corruption, U.S. trade relations with Russia, enforcing trade agreements with Japan, and improving trade relations with India. A draft acknowledgment from the President is also attached.

Attachments



198217
Total Star

UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

DEC 13 1996

MEMORANDUM FOR KITTY HIGGINS
Secretary of the Cabinet

'96 DEC 19 AM 10:05

FROM: Peter Scher
Chief of Staff

SUBJECT: Four President's Export Council Reports

Attached is a memorandum to the President from the Secretary of Commerce transmitting four sets of recommendations from President's Export Council (PEC) Chairman Michael Armstrong regarding U.S. efforts to combat international bribery and corruption, U.S. trade relations with Russia, enforcing trade agreements with Japan, and improving trade relations with India. A draft acknowledgment from the President is also attached.

Attachments

Mr. Michael Armstrong
Chairman
President's Export Council
Washington, DC 20230

Dear Mr. Armstrong:

I want to thank you for the four sets of recommendations the Export Council sent recently. I am impressed with the amount of thought and effort the members of the Council put into these projects.

Your report on combating international bribery and corruption will be useful for our anti-corruption efforts. Many of the suggestions in your report have already been adopted. Your new ideas will be carefully considered as we assess our next steps. As your report on U.S.-Russia trade relations suggest, my Administration will continue to work through the U.S.-Russia Business Development Committee, the Commerce Department, and the Office of the United States Trade Representative to improve opportunities for American businesses in Russia. I agree with your thoughts on U.S.-Japan trade; it is important to expand opportunities for American businesses overseas. I want you to know that my Administration is working hard to make sure that these agreements are monitored and fully implemented. I am pleased you have taken on the issues of enhancing trade with India. India represents a vast, largely untapped market for many American goods and services. Your report and recommendations will be very useful in our continued efforts to build on the progress already achieved.

I am grateful for the recommendations and support of the Council on these issues.

Sincerely,



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

DEC 13 1996

MEMORANDUM FOR THE PRESIDENT

DEC 19 AM 10:05

FROM: Michael Kantor
SUBJECT: Four President's Export Council Recommendations

President's Export Council (PEC) Chairman Michael Armstrong has asked me to send you the attached four sets of recommendations:

U.S. Efforts to Combat International Bribery and Corruption

The PEC believes that the United States has implemented some beneficial anticorruption initiatives but these initiatives need to be strengthened to ensure that the U.S. anticorruption philosophy is accepted by our trading partners. The PEC recommends that the United States pursue more concrete commitments and time frames from our major trading partners through multilateral institutions.

U.S.-Russia Trade Relations

The report focuses on three specific areas of trade relations with Russia: tax reform, oil and gas exploration and development, and intellectual property rights. The PEC applauds the progress which has been made thus far and offers several policy recommendations involving various activities of the Gore-Chernomyrdin Commission and the USTR.

Enforcing Trade Agreements with Japan

The PEC stresses the need to enforce the commitments which Japan has entered into under the 1993 Framework Agreement. It is crucial that Japan honor its pledges to open its markets. The report applauds the progress which has recently been made in sectors such as autos and auto parts, telecommunications and insurance.

U.S.-India Trade Relations

While the PEC believes that significant progress has been made in improving U.S. trade relations with India, it recommends that the United States take every opportunity to encourage further reform and liberalization. India's government has taken several steps toward improving its economy and liberalizing trade relations, but considerable barriers still exist.

Attachments

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

October 9, 1996

The President
The White House
Washington, DC 20500

Dear Mr. President:

At the December 1994 Summit of the Americas in Miami, the thirty-four leaders of nations in our hemisphere declared that "[e]ffective democracy requires a comprehensive attack on corruption" which they found to be "a factor of social disintegration and distortion of the economic system that undermines the legitimacy of political institutions" in the hemisphere. This declaration is laudatory. Unfortunately, however, the problem of corruption is not isolated to our hemisphere; it is truly a global issue. As such, while this letter is presented by the President's Export Council ("PEC") Subcommittee of the Americas, it reflects the views of the entire PEC.

In our July meeting with Commerce Secretary Kantor, the PEC agreed that corruption in the global marketplace is one of the most serious export challenges for U.S. industry today. U.S. firms are continually forced to compete on an uneven playing field with competitors whose laws do not prohibit, or in fact in many instances encourage, bribery of foreign government officials. For the developing nations in which many of the problems occur, corruption distorts market forces and causes misallocation of scarce financial and human resources. While public intolerance of corruption has increased over the past several years, a number of recent corruption scandals in Latin America, Europe and elsewhere show that the problem is far from resolved.

Reports of Corruption are Pervasive

A confidential 1995 report presented to Congress by the Commerce Department stated that between April of 1994 and May of 1995, more than 100 international transactions worth more than \$45 billion were believed to be tainted by bribery. The report stated that the foreign firms that offer bribes typically win about 80% of the deals. Recent studies by anti-corruption groups such as Transparency International show that corruption is a problem in markets throughout the world.

Recent Anti-Corruption Initiatives provide a First Step Towards Resolution of the Problem

The PEC recognizes that the United States has long been the global leader in the fight against international corruption and it commends these efforts. The United States first attacked the problem in its own backyard by enacting the Foreign Corrupt Practices Act of 1977. This legislation, which prohibits U.S. citizens from bribing foreign government officials, has been an effective deterrent of corrupt behavior by U.S. citizens.

More recently, the U.S. Government has made strides in efforts to convince other nations to join the fight through multilateral anti-corruption initiatives. For example, as you are aware, the Organization

for Economic Cooperation and Development ("OECD") recently adopted resolutions aimed at ending the tax deductibility of bribes paid to foreign government officials. It also resolved to consider the criminalization of such bribery in its 1997 meetings. Perhaps even more significantly, the member nations of the Organization of the American States ("OAS") this spring signed the Inter American Convention Against Corruption. This Convention requires signatories to criminalize foreign bribery, establishes a framework for cooperation on investigations and prosecutions, and encourages countries to adopt a number of "preventive measures" aimed at discouraging corruption.

In addition to the OAS Convention, countries of the Americas have taken action to combat bribery in efforts to create a Free Trade Area of the Americas ("FTAA"). FTAA working groups are developing recommendations for transparent and competitive government procurement processes, and for increased transparency in general in market access, investment regulations, and trade in goods and services.

There are a number of other anti-corruption initiatives underway of which you are no doubt aware, including multilateral initiatives of the WTO, international financial institutions, and the United Nations. There are also a number of ongoing domestic initiatives, including proposals to condition companies' access to federal government advocacy support, aid and procurement programs on establishment of appropriate anti-bribery policies and general compliance with the FCPA. In the aggregate, such initiatives send a strong message that the U.S. Government and industry are committed to eliminating bribery in international business transactions.

Stronger Actions Are Needed to Level the Playing Field in the Global Marketplace

To ensure fair and open international competition, the PEC believes that the U.S. Government's anti-corruption message should be delivered with even more force. The PEC recommends that your Administration take a leadership role and boldly tell the world: corruption is wrong, it will not be tolerated, and those who engage in it will be punished, regardless of where they are domiciled. Until our international competitors and customers hear and accept this message, and agree to abide by the same standards that U.S. companies are currently subject to, the playing field in the global marketplace will not be level.

The PEC believes that the anti-corruption initiatives mentioned above are an excellent first step for communicating the U.S. anti-corruption philosophy to the world. They need to be strengthened, however, to ensure that our message is accepted and acted upon rather than merely acknowledged by our trading partners. For instance, current initiatives do not contain concrete implementation timeframes or enforcement mechanisms to ensure that signatory nations keep the commitments that they make. The OECD resolutions on eliminating tax deductibility of bribery do not provide any target date by which member nations must enact appropriate legislation. They do not provide any consequences for those nations that fail to make promised changes. Similarly, there is a large gap between the OECD's agreement to "consider" the issue of criminalization of bribery and ensuring that appropriate legislation is enacted by each member country. While waiting for that gap to be filled, American companies lose business and high-quality jobs to foreign competitors whose governments

do not prohibit their unethical and anticompetitive behavior in the global marketplace.

The 1996 Inter-American Convention Against Corruption, while again a step in the right direction, similarly lacks any implementation or enforcement mechanism. Signatories to the Convention agree to criminalize bribery at some indefinite time in the future. The Convention is silent, however, on when member countries must implement such laws, and on how they must enforce them. The agreements made are commendable in principle, but may be completely empty in practice if they are not implemented and enforced.

Suggestions for Further Action

The PEC's position on this issue is straight-forward and simple. To survive in the global marketplace and save American jobs, American business requires aggressive and bold support from its government to end international corruption now. To accomplish this goal, we suggest the following "action items" for your Administration:

- 1) Make the fight against global corruption the highest priority of your Administration's trade initiatives.
 - Provide necessary resources to the Commerce Department, the State Department, and other government entities including the Trade Promotion Coordinating Committee to allow them to coordinate with U.S. industry on corruption issues on a real-time basis.
 - Encourage the sharing of information on corruption issues between the Government and industry to allow for a united fight on both private and public sector fronts. Confidentiality should be ensured to encourage American companies to report perceived problems. Additionally, the Government should share information with industry to the full extent possible to allow it to protect itself and properly prepare for competitions in difficult market environments.
 - To more fully address the conduct of foreign companies whose local laws do not prohibit international bribery, direct the Justice Department and the Securities and Exchange Commission to make full use of the current jurisdiction of the FCPA aimed at foreign companies listed on U.S. stock exchanges.
- 2) Use all possible diplomatic leverage to urge multilateral institutions such as the OAS, the OECD, the WTO, APEC, FTAA, and the EU to take concrete action against corruption.
 - With respect to the WTO, the United States should continue to stress the need to include on the agenda for the December 1996 meeting in Singapore discussions on anti-bribery aspects of the Procurement Code. We also support the U.S. proposal for an interim agreement on transparency in government procurement and believe it is a substantial step in the right direction.

- With respect to the FTAA, the U.S. Government should ensure that anti-corruption initiatives remain in the forefront of negotiations and become an integral part of any accord reached among member nations.
 - With respect to the EU, the United States should continue efforts in helping it reach an understanding that corruption distorts fair trade and competition within the Community and in third country markets. The recent U.S.-EU Summit declaration on trade initiatives, while encouraging in several areas, does not address explicitly plans to combat bribery and corruption in international business practices. We suggest that further summits specifically address this issue.
 - All multi-lateral agreements on corruption should include timeframes for implementation of anti-corruption regimes and proscribed penalties for failure to meet implementation goals (i.e., restriction of membership rights). On a bilateral basis, the United States should press for prosecution of bribery and corruption once criminal statutes have been enacted in other world economies.
- 3) Direct an interagency effort to work through the OECD to develop a protocol for use by all international export credit agencies under which export financing would be conditioned on adherence to anti-bribery principles.
- Action should be multilateral so that the loan requirements of U.S.-based export credit sources are not more stringent regarding this issue than their international counterparts, thus rendering U.S. companies' bids anti-competitive by comparison to bidders from other countries.
 - The United States should continue working for stringent anti-corruption measures in connection with projects funded by the World Bank and other multilateral development banks.
- 4) Make greater use of diplomatic channels to deal with corruption at its source -- with the officials of the countries where bribery occurs.
- Send a strong message to these governments that corruption undermines their political systems and legitimacy in the eyes of the global community. Ultimately, corruption deprives the people of those countries from the benefits their governments are trying to develop through expanded international trade.
 - Along the same lines, the U.S. Government should continue to highlight the anti-corruption efforts of certain of its trading partners, such as the United States Trade Representative did with respect to Singapore, New Zealand and Chile in its 1996 Annual Report on Discrimination in Foreign Government Procurement. Additionally, the Government should consider highlighting nations perceived as having the greatest

problems with corruption.

- 5) Continue to examine other ways that anti-corruption principles can be implemented by various branches of the U.S. government, and through cooperation with industry where appropriate. In such efforts, the United States especially should target the activities of foreign-based companies doing business in the United States.
 - Access to U.S. Government programs and procurements should be conditioned on companies' commitments that they adhere to anti-bribery principles.
- 6) The U.S. Government should work with and support organizations such as the International Chamber of Commerce ("ICC") and the Trans-Atlantic Business Dialogue in their efforts to combat corruption.
 - The PEC urges the Administration to support the ICC's Rules of Conduct to Combat Extortion and Bribery in Business Transactions and recent recommendations of the Trans-Atlantic Business Dialogue on criminalization of bribery and information exchange between governments.

Mr. President, the PEC recognizes that your Administration has already made significant strides in the fight against corruption and we congratulate you for those efforts. To win the fight, however, we believe that we need increased focus and intensity from all levels of the U.S. Government, starting directly with you. The PEC stands ready to assist you with this very important effort.

Sincerely,



C. Michael Armstrong
Chairman



Elizabeth Coleman
Vice Chairman

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

September 27, 1996

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

Dear Mr. President:

The Export Council applauds the Administration's efforts to improve export and investment opportunities in the former Soviet Union, particularly in the Russian Federation. The Gore-Chernomyrdin Commission ("GCC"), and particularly the GCC's Intergovernmental Business Development Committee (co-chaired by Secretary Kantor), has been instrumental in this effort and has the strong support of the business community. President Yeltsin's re-election provides a hospitable environment to continue the initiatives that the business community and the Administration have identified as central to increasing opportunities for U.S. businesses and, in turn, the development of the Russian economy. The areas of focus have not changed: tax reform, an improved environment for oil and gas exploration and development; and the protection of intellectual property rights.

Russia's cumbersome system of commercial taxation creates a substantial administrative and financial burden that deters foreign investment, stifles economic growth and dampens potential export markets for U.S. companies. While there has been improvement, more needs to be done. Most importantly, Russia has yet to adopt the draft Tax Code and other significant legislation. Given the importance of legislative action, the Council recommends that the Administration continue through the GCC Joint Commercial Tax Dialogue and the Treasury Department to encourage passage of specific tax provisions and the Tax Code. The Joint Commercial Tax Dialogue has helped the Russian government and parliament to understand the main tax-related impediments to U.S. trade and investment, and to address these concerns in regulatory amendments and the draft Tax Code. Their work should now focus on achieving passage of this very important legislation.

In addition, the U.S. should continue to provide much-needed technical assistance. Through the Tax Advisory Program, the U.S. Treasury Department has been providing advice to the Russian Ministry of Finance in drafting the new Tax Code, and, the Internal Revenue Service is conducting training programs for the Russian State Tax Service. Technical assistance is also needed in Russia's regions to help develop and enforce rational systems of local taxation.

A sector that offers substantial opportunity for U.S. businesses is the oil and gas sector. The Russian government also appreciates the importance of rehabilitating the country's oil sector, both to rebuild Russia's internal manufacturing capabilities and to provide much needed hard currency. Despite recent improvements, U.S. exports of oil equipment and services have been frustrated by an onerous tax burden, rising transportation costs, and the absence of a coherent and stable production sharing agreement ("PSA") regime.

The excessive and unstable tax regime for oil production is among the most significant problems affecting foreign oil ventures' profitability. In 1991, oil ventures paid four taxes, which were primarily profits based. This year, the number of taxes is 23. Most are based on gross receipts, absorbing as much as 50 percent of revenues and denying an adequate return on investment. Rising transportation costs and inconsistent regulatory reform inhibit access to export markets, a crucial source of revenue since domestic prices are lower than world market prices. Over the past four years, pipeline tariffs, regulated by the government, have increased transportation costs from less than 10 percent to 20 - 25 percent of crude oil prices. Moreover, access to export markets, controlled by the government, is uneven; there is no integrated set of rules defining system-user rights and responsibilities. While the Federal Energy Commission ("FEC") was created by presidential decree to address these issues, the Duma has been slow to appropriate necessary funding.

The PSA Law approved in January addresses some of these issues. For example, it contains significant tax exemptions vital to the success of oil production joint ventures. To bring these tax reforms into effect, however, current tax laws and the draft Tax Code must be amended. In addition, the PSA law is unclear in a number of significant respects which hinder large-scale investment. For example, it is necessary to clarify how access to export pipelines and the right to export 100 percent of production will be guaranteed. Also, foreign investors need

assurances that disputes will be resolved through neutral arbitration.

With the Duma reconvening in late September and the recent appointment of Pyotr Rodionov as Minister of Fuel and Energy, the Council believes this is an ideal time to re-intensify efforts to obtain the desired legislative and regulatory reform. The GCC's Oil and Gas Working Group, which has effectively communicated the problems of multinational oil ventures, should take the lead and work with the Russian government to facilitate a final PSA regime that addresses these important issues. In parallel, the U.S. Ombudsman of the GCC's Business Development Committee should ensure that the new Interministerial Working Group on Russian Oil Industry Taxation assumes an active role in tackling the remaining tax issues.

In the transportation area, the GCC's Oil and Gas Working Group and individual agencies should expand ties with the newly-formed Federal Energy Commission. While funding from the Duma will be necessary if the FEC is to achieve its important functions, U.S. technical assistance to help develop a regulatory regime for oil and gas pipelines would be invaluable in the short term. Such assistance should be coordinated with that from other multilateral organizations, including the World Bank.

A final area of significant, ongoing concern is the lack of adequate enforcement of intellectual property rights ("IPR"). IPR-related losses in Russia by United States companies are estimated to exceed \$1 billion. Russia has made efforts to improve IPR enforcement, but more is needed. For example, while the new Russian criminal code enacted in June 1996 provides for stiffer penalties for copyright, patent and trademark violations, the penalties are still insufficient to deter infringement. Similarly, several foreign companies have reported success in enforcing their trademark rights by filing unfair competition claims with the Russian Antimonopoly Committee; the Committee, however, is not expressly mandated to enforce IPR laws.

Although the Council recognizes that the Administration is addressing the IPR issue in several bilateral and multilateral contexts, it believes that the use of the Special 301 provision remains the most effective, short-term tool for achieving success in this area. Unlike certain other areas, the persistent and glaring deficiencies in Russian IPR enforcement are due more to the lack of political will than to the lack of resources. In 1995, USTR placed Russia on the "watch list" to which Russia

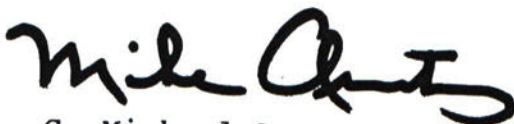
responded positively. Specifically, Russia amended its copyright law to provide for confiscation of counterfeit goods, created an interagency commission on IPR protection, and conducted several sweeps for pirated goods. More recently, Russian enforcement authorities have raided factories pirating software and announced a widespread crackdown on illegal video sales.

In December, Russia will be the subject of an "out-of-cycle" Special 301 review. At that time, the Administration could place Russia on to the "priority watch list," which would move Russia closer to a formal USTR investigation. As the Council has recommended previously, USTR should consider upgrading Russia's status to the "priority watch list" if certain enforcement measures are not adopted. These enforcement measures should include the introduction of fines stiff enough to deter IPR violations and a comprehensive program for a crackdown on trademark and copyright violations. Although Russia's recent raids against IPR piracy are a welcome sign of the government's growing commitment to enforcement, a coordinated enforcement program is needed to address the widespread IPR violations. The Council also recognizes the need for technical assistance aimed at improved IPR enforcement, and enforcement training for Russian judiciary, executive and police officials should be expanded.

In addition to the tax, energy and IPR issues discussed above, U.S. exports to Russia are also hindered by high tariff barriers, import quotas, and standards/certification barriers. The GCC Business Development Committee has been working hard to resolve specific issues affecting particular U.S. industries, such as aviation and telecommunications.

Again, we wish to reiterate our strong support for the Administration's efforts to address these challenging issues, and reaffirm our view that the focus of the last several years should continue into the new Yeltsin term.

Sincerely,



C. Michael Armstrong
Chairman



Elizabeth Coleman
Vice Chairman

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

September 27, 1996

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

Dear Mr. President:

The members of your Export Council strongly support your Administration's continued efforts to improve our bilateral trade relationship with Japan. Achieving greater market access in Japan is a difficult but enormously important task.

As you know, the 1993 Framework Agreement for a New Economic Partnership is the centerpiece of U.S. trade policy regarding Japan. The Administration has obtained significant new commitments under the Framework Agreement in key sectors such as autos and auto parts, telecommunications and insurance.

With these agreements in place, the Export Council members believe it is now time for the Administration to press hard to enforce Japan's commitments to open its market. Particularly for the initial issues that arise under the Framework agreements, it is critical that the U.S. government send a message to Japan -- and to U.S. firms and workers -- that all commitments must be honored. If the Framework Agreements are seen as hollow, our ability to achieve real market access in Japan will be seriously set back, and we risk a loss of Americans' traditional faith in free and fair trade.

Mr. President, U.S. businesses are working overtime to win new markets in Japan. With your help, we can do it.

Sincerely,



C. Michael Armstrong
Chairman



Elizabeth Coleman
Vice Chairman

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

November 13, 1996

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

Dear Mr. President:

Your Administration named India one of the "Big Emerging Markets" because India is the largest market in South Asia and it has a burgeoning middle class. While India's average annual income is quite low, an estimated 200 million Indians have annual incomes comparable to those in the United States and Canada.

Although, historically India has been one of the world's most closed and difficult business environments, the economic reforms initiated in 1990 have resulted in relaxed market restrictions and strong economic growth. This progress is significant, and the U.S. government should seek opportunities to encourage these efforts.

Despite these positive steps, U.S. firms face heightened competition from both European and ASEAN nations and remain subject to substantial barriers to open trade with India. The enclosed report summarizes the primary concerns of your Export Council with the current state of U.S. trade with India and provides specific recommendations for individual industry sectors. Some of our recommendations deal directly with U.S.-India relations, others involve changes within India itself.

Your Export Council urges the U.S. government to seek every opportunity in bilateral and multilateral consultations to encourage the changes in policy and practice recommended. The U.S. government should encourage India to measure its progress toward trade liberalization in comparison to China and other South Asian nations and not merely in terms of incremental improvements upon India's past practices. Recent initiatives by India's new government demonstrate firm resolve to liberalize trade, but the U.S. government should seize upon this moment of opportunity to accelerate progress.

Sincerely,



C. Michael Armstrong
Chairman



Elizabeth Coleman
Vice Chairman

Enclosure

THE WHITE HOUSE
WASHINGTON

January 5, 1997

THE PRESIDENT HAS SEEN

1-6-97

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN ^{PM}
HELEN HOWELL

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

*Reed
Let's discuss*

(A) **Rob Fersh memo on after-school care initiative.** Via Leon who says it is a great idea and possible proposal for your State of the Union. . Fersh suggests that the issue could take off with some strategic small investments, "an appropriate 'bully pulpit' sharing of model programs," rather than a large new federal program. He stresses the increased need for extended day care for children, especially given the strict work requirements of welfare reform. This care could be part of your "welfare to work" initiatives and would dovetail well with your literacy initiative. Fersh cites as an example, LA's BEST, a year-round, after-school program for 4500 inner city elementary school children. The program has resulted in reduced crime and enhanced school performance. *We have sent Fersh's memo to Bruce Reed.*

Reed

(B) **Ickes Inaugural memos.** 1) The *planning and budget* basically are on track: estimated revenues of \$25.6 million for Gala, parade and 14 balls; total estimated revenues of \$30.4 million and total estimated expenses \$35.7 million. As of January 2: 6,620 of the 10,839 Gala tickets sold; 9,700 of the 36,600 Parade tickets sold; approximately 30,000 of the 67,000 ball tickets sold. McAuliffe is confident ticket sales will meet projections. Gary Smith reports Gala is in better shape now at this point than four years ago. Debbie Willhite reports the parade and the mall events are in good shape with the exception of the "talkers" tent. 2) The *Inaugural and Martin Luther King's birthday* are on January 20 this year. The Inaugural will pay tribute to Dr. King by staging a musical on Sunday, January 19 in one of the two tents on the Mall about Dr. King. The musical is by Maya Angelou, et al., and opened in London several years ago. According to Ann Jordan, Mrs. King is delighted. 3) The *PIC web site* is WWW.INAUGURAL97.COM.

Reed

(C) **McCaffrey memo on response to Administration's position on Arizona and California drug initiatives.** There has been wide print and TV coverage, mostly focused on the impact on doctors who recommend or prescribe marijuana or other Schedule I drugs. Both the AMA and the California Medical Association support your call for research on marijuana's medical effectiveness. The General thinks that "it[s] essential that we remain prepared to reschedule marijuana as a Schedule II drug if the medical evidence supports a conclusion that the drug does have effective therapeutic uses."

THE PRESIDENT HAS SEEN

1-6-97

Shirley from

(D) **Letter from Eunice Kennedy Shriver.** Forwarded by Leon. Expresses her concerns in "strongest terms possible" on cut backs in SSI for poor and disabled children under the Welfare Reform Act. She "knows your options are restricted by this brutal new law" but urges you to adopt the broadest standards possible so that the fewest number of children will be removed from the SSI rolls. "Your administration should protect every disabled child that you can within the constraints that the statute imposes."

JIM DORSKIND:

Please coordinate the reply.

(E) **LA Times piece on Oregon's welfare reform efforts.** Forwarded by Rahm at your request. Headline: "Oregon in the Spotlight as Welfare Reform Laboratory; Aid Rolls Have Dropped 37% in 4 Years. Officials from Other States Flock to See What Worked, What Didn't."

2a

(F) **Letter from Arthur Levinson, CEO, Genentech.** He writes to urge you to include a permanent Research and Development Tax Credit that is fully paid for in your FY 1998 budget. The credit, which expires at the end of May 1997, is vital to companies like Genentech who are developing new biomedical and biotechnology products. Levinson notes that, "The Administration's previous budgets, which offer only rhetorical support, were, frankly, not enough." *We have sent a Leon a copy of his letter.*

JIM DORSKIND:

Please coordinate the reply.

(G) **Lader memo on Taiwan trip.** At Tony Lake's request, Phil attended USA-ROC Economic Councils meeting in mid-December in Taiwan. He met with President Lee Teng-hui and Vice President/Premier Lien Chan who were grateful for the aircraft carriers in the region last March. Both expressed concern that American efforts to improve relations with the PRC would hurt Taiwan's public and congressional support, but Phil assured them our policy toward Taiwan has not changed. Phil raised U.S. concerns about several issues that are key to our support for Taiwan's accession to the WTO. They responded with a strong commitment to trade liberalization and internal reforms and emphasized they would comply with all WTO entry requirements.

We have also received the following items:

As in reply

• **Note from Sen. Mike DeWine (R-OH).** He appreciated your radio address on child protection and promoting adoption. "I think we can work together to put the best interests of the child first."

• **Note from Rep. Mark Foley (R-FL).** He thanks you for the Holiday Ball invitation, and invites you and Erskine to play a round of golf on a Greg Norman course in his district.

• **Panetta note on call to Richard Arnold re: his budget.** Leon spoke with him and took care of the problem; no need for you to call him.

Chris Walker
Pls do
reply.