

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	To the Office of the Chief of Staff (2 pages)	02/08/1997	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 9349

FOLDER TITLE:

Chron Files: Monday, February 10, 1997

2019-0774-S

rs3353

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

THE WHITE HOUSE
WASHINGTON

February 7, 1997

MR. PRESIDENT:

Nineteen Members of Congress have written to you urging that you reinstate Rick Nuccio's SCI (Sensitive Compartmented Information) security clearance. The attached Berger/Hilley/Quinn memo recommends an approach where Jack will respond for you (to emphasize that this is a process matter, not a policy one). The response will decline to reinstate the SCI, but praise Nuccio for his work and convey our hope that he will stay in the Administration until his SCI can be reinstated.

Background. While State approved his retention of a Top Secret clearance following the Torricelli/Guatemala episode, CIA revoked SCI. DCI Deutch then created a special panel to review the case (it included John Podesta, prior to his coming back here -- he is now recused). After thorough review the panel denied Nuccio's clearance because of "serious errors of judgement" in that 1) he unilaterally disclosed a CIA source to Torricelli without authorization, and 2) when he learned Torricelli was going public, Nuccio didn't inform those who could forestall the damage of the disclosure. Deutch accepted the finding but directed that Nuccio's SCI access be reevaluated in a year.

Nuccio was deeply disappointed and continues to criticize the finding. Jack's response makes clear that he did a great job as your Special Advisor on Cuba and indicates our desire that he remain with the Administration. Nuccio will criticize Jack's response as will the 19 Members, but the matter has been carefully reviewed several times and further WH review would be extraordinary. Deutch briefed the House and Senate intelligence committees; there were no complaints and there seemed to be an acceptance that the process was fair. *Jack's letter is at TAB A for your review.*

☒ Approve approach ☐ Disapprove ☐ Discuss

Todd Stern
Phil Caplan

Chyan

THE WHITE HOUSE
WASHINGTON

January 22, 1997

2-22-11-00

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL R. BERGER 
JACK QUINN 
JOHN HILLEY 
SUBJECT: Rick Nuccio's Security Clearance

Purpose

To propose a response to congressional requests that Rick Nuccio's security clearance be reinstated.

Background

Nineteen Members of Congress have written urging you to reinstate Rick Nuccio's clearance to receive Sensitive Compartmented Information (SCI). They argue that Rick did not disclose classified information to anyone without a clearance and without a need to know, and that the CIA had failed in its obligations to keep the State Department and Congress fully informed about its role in human rights abuses in Guatemala. They also argue that lifting Rick's clearance will chill the willingness of executive branch officials to bring improper conduct to the attention of Congress.

Rick's case has attracted substantial support in the media (New York Times; 60 Minutes), and in the human rights community.

While the State Department approved Rick's retention of a Top Secret clearance, his SCI security clearance was subsequently revoked by Deputy DCI George Tenet on the recommendation of the State Department Inspector General, the CIA Security branch and the CIA General Counsel. Following that decision, DCI Deutch created a special panel to review the matter de novo. The panel included John Podesta, Former Deputy Secretary of State Ken Dam and former DOD General Counsel Terry O'Donnell.

After a thorough review, the panel unanimously recommended that Rick be denied SCI security clearance. It found two serious errors of judgment by Rick:

cc: Vice President
Chief of Staff

- That he disclosed the identity of a CIA source to Representative Torricelli without first obtaining prior authorization. While acknowledging that Torricelli sat on the House Intelligence Committee, which had been briefed on the information, the panel found that Rick did not have the right or authority to make the unilateral decision to disclose the information. They also found that Rick's action facilitated Representative Torricelli's public disclosure of the asset (by giving Torricelli a source outside the Intelligence Committee briefing).
- That when he learned that Torricelli intended to make public the asset's identity and relationship to the CIA, Rick did not inform officials who might have been able to take action to forestall the compromise of that classified information.

The panel concluded that these were "serious errors of judgment" that jeopardized the safety of the source in question and also the security and integrity of other clandestine U.S. sources and methods. They concluded that his judgment in handling SCI information was inadequate to support a determination that the grant of access to SCI information is "clearly consistent with the interests of national security." The panel also emphasized Rick's unwillingness to acknowledge that he had acted wrongly in acting unilaterally.

DCI Deutch accepted the findings of the panel. However, because of Rick's high reputation as a public servant and unquestioned loyalty to the country, he directed that the termination be effective for one year after which his access to SCI could be reevaluated (with a strong suggestion that it should be reinstated, provided Rick demonstrated appreciation of the seriousness of his security breach and the need to obtain prior approval for the disclosure of SCI.)

Rick Nuccio was deeply disappointed by the finding and is continuing to criticize it to the press and with members of Congress.

We have made clear to the press that Rick did a tremendous job here at the White House as your Special Advisor for Cuban affairs. Moreover, we are making clear to him that we would like him to remain part of the Administration, albeit for the next year in a position which does not require an SCI clearance. However, Rick's suitability for an SCI security clearance has now been carefully reviewed several times, including by a special panel. He has received more process than is usual, and White House review of the DCI's substantive determination would be extraordinary. To reinforce the point that this matter is not a

policy issue, we suggest that Jack Quinn provide a response to Congress on your behalf.

Our response will be disappointing to Rick and the Members of Congress who wrote you. On the other hand, DCI Deutch has briefed the Senate and House intelligence committees on his decision and there have been no complaints. There seems to be an acceptance of the process Deutch put in place and that the process was fair.

RECOMMENDATION

That you authorize Jack Quinn to sign the response at Tab A.

Approve _____

Disapprove _____

Attachments

- Tab A Congressional Letter for Jack Quinn's Signature
- Tab B Unclassified Version of Letter to Nuccio from Deutch
with Panel Report Attached
- Tab C Incoming Congressional and Other Correspondence

THE WHITE HOUSE
WASHINGTON

Dear Mr. McGovern:

I am responding to your recent letter to the President which urged the reinstatement of Richard Nuccio's Sensitive Compartmented Information (SCI) security clearance.

On December 5, Director of Central Intelligence John Deutch informed Mr. Nuccio that his access to SCI was denied. In doing so, Mr. Deutch relied on the report of a Special Review Panel that had been convened to advise him on the matter, and an Opinion of the Office of Legal Counsel of the Justice Department. Noting Mr. Nuccio's high reputation as a public servant and his unquestioned loyalty to this country, Mr. Deutch also directed that Mr. Nuccio be permitted to reapply for access to SCI after one year.

In reaching his decision, Director Deutch clearly went to great lengths to see that the allegations against Mr. Nuccio were fully and fairly evaluated. The Director took into account his statutory responsibility for the protection of intelligence sources and methods and the particular circumstances of Mr. Nuccio's case. We do not believe it appropriate to hinder implementation of this decision.

Mr. Nuccio has served this Administration, and his country, with distinction. The President was particularly appreciative of his work here at the White House as Special Advisor for Cuban matters. The security clearance decision is not a permanent one and does not affect his eligibility now for access to other classified information or his ability to hold a position within the Administration consistent with his security clearance. In that regard, we are discussing with Mr. Nuccio other possible positions in the government.

Sincerely,

Jack Quinn
Counsel to the President

The Honorable Jim McGovern
House of Representatives
Washington, D.C. 20515-1602

THE WHITE HOUSE
WASHINGTON

Dear Representative Ackerman:

I am responding to your recent letter to the President which urged the reinstatement of Richard Nuccio's Sensitive Compartmented Information (SCI) security clearance.

On December 5, Director of Central Intelligence John Deutch informed Mr. Nuccio that his access to SCI was denied. In doing so, Mr. Deutch relied on the report of a Special Review Panel that had been convened to advise him on the matter, and an Opinion of the Office of Legal Counsel of the Justice Department. Noting Mr. Nuccio's high reputation as a public servant and his unquestioned loyalty to this country, Mr. Deutch also directed that Mr. Nuccio be permitted to reapply for access to SCI after one year.

In reaching his decision, Director Deutch clearly went to great lengths to see that the allegations against Mr. Nuccio were fully and fairly evaluated. The Director took into account his statutory responsibility for the protection of intelligence sources and methods and the particular circumstances of Mr. Nuccio's case. We do not believe it appropriate to hinder implementation of this decision.

Mr. Nuccio has served this Administration, and his country, with distinction. The President was particularly appreciative of his work here at the White House as Special Advisor for Cuban matters. The security clearance decision is not a permanent one and does not affect his eligibility now for access to other classified information or his ability to hold a position within the Administration consistent with his security clearance. In that regard, we are discussing with Mr. Nuccio other possible positions in the government.

Sincerely,

Jack Quinn
Counsel to the President

The Honorable Gary L. Ackerman
House of Representatives
Washington, D.C. 20515-1602



THE DIRECTOR OF CENTRAL INTELLIGENCE
WASHINGTON, D.C. 20505

5 December 1996

Mr. Richard A. Nuccio
Bureau of Inter-American Affairs
Department of State
Washington, D.C. 20520

Dear Mr. Nuccio:

This letter conveys my decision on your appeal of the decision by the Deputy Director of Central Intelligence (DDCI) that you should be denied access to Sensitive Compartmented Information (SCI).

In reaching my decision, I have reviewed the Department of State Inspector General's report, the DDCI's decision noted above, the 2 December 1996 report of the Special Review Panel that I convened to advise me on this matter, and an opinion of the Office of Legal Counsel of the Department of Justice. My decision has been guided by the Special Review Panel's recommendation. I enclose a copy of the Panel's classified report and the supporting opinion of the Office of Legal Counsel for your reference. I am also enclosing redacted, unclassified copies of this letter and the Panel's report.

The National Security Act of 1947, as amended, requires me to protect intelligence sources and methods from unauthorized disclosure. In fulfilling that obligation, I have the ultimate responsibility for determining whether a given individual should be granted access to SCI. In making such determinations, the scope of my discretion is properly limited in the interests of the national security. The applicable legal authority requires that "any doubt concerning personnel having access to SCI should be resolved in favor of the national security and the access should be denied or revoked" (DCID 1/14, para. 12).

In this instance, the Special Review Panel found that you revealed classified information [REDACTED] to Congressman Torricelli without first informing your superiors of your intention to do so and obtaining their prior authorization. When you learned that Congressman Torricelli intended to make public [REDACTED]

CL BY: 2217797
CL REASON: 1.5C
DECL ON: X1
DRV FM: HUM 4-82

Mr. Richard A. Nuccio

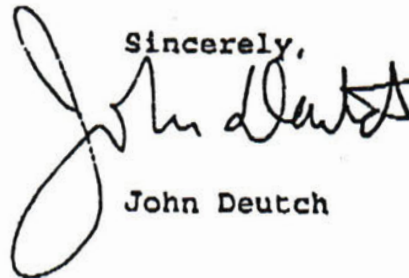
[REDACTED] which you had disclosed to him, you did not inform officials who might have been able to take action to forestall the compromise of that classified information.

These were serious errors of judgment on your part. Neither a security clearance, nor access to SCI gives an individual the right or authority to make unilateral decisions to disclose classified information to others, including to cleared Members of Congress. What you did jeopardized not only [REDACTED] but also the security and integrity of [REDACTED] US intelligence sources, methods, and activities. At a minimum, an unauthorized disclosure of classified information makes it more difficult to safeguard the interests of this country through the conduct of intelligence activities. The Special Review Panel notes, and your statements to the media reinforce, its belief that you do not understand and do not accept the restrictions that accompany access to SCI or other classified information.

As a result, I find that your judgment, discretion, and reliability in handling classified information are inadequate to permit me to grant you access to SCI consistent with my obligation to ensure that all such access determinations are clearly in the interest of national security. Accordingly, I must deny your appeal of the DDCI's decision that you be denied access to SCI.

Because of your high reputation as a public servant and your unquestioned loyalty to this country, however, I direct that you be permitted to reapply for access to SCI not sooner than one year from this date and that, if you do so, you should be granted access to SCI provided that you then meet the criteria set forth in DCID 1/14. As applied to your conduct in this matter, those criteria will require that you demonstrate your appreciation of the seriousness of this security violation and your understanding of your responsibility not to disclose sensitive classified information without the prior approval of the appropriate officials.

Sincerely,



John Deutch

Enclosures

~~SECRET~~

December 3, 1996

The Honorable John M. Deutch
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Re: Richard A. Nuccio -- Access to Sensitive
Compartmented Information

Dear Mr. Director:

In accordance with your request, the undersigned panel members have conducted an independent *de novo* review of the facts, circumstances, laws and regulations relevant to the question whether Richard A. Nuccio should have access to sensitive compartmented information ("SCI"). This letter describes the scope of our review and sets forth our findings and conclusions and our recommendation.

Scope of Review

On October 11, 1996 we were appointed as special government employees and commenced our review of materials provided by the CIA Office of General Counsel ("OGC"), including the record of the investigation conducted by the Office of the Inspector General ("OIG") of the Department of State ("DOS") in cooperation with the Office of the United States Attorney for the District of Columbia ("OUSA"), and the CIA's analysis of the results of that investigation. We also considered the written appeal of Mr. Nuccio filed in response to a statement of charges that was provided to Mr. Nuccio's attorney; various memoranda documenting CIA briefings to the House and Senate Intelligence Committees in February 1995; letters commenting favorably on Mr. Nuccio's character, reputation and integrity from two members of the House, one member of the Senate, and one colleague at DOS; relevant statutory and regulatory provisions; documents provided by the OIG; and a legal opinion provided by the Office of Legal Counsel ("OLC") of the Department of Justice ("DOJ"). In addition, we held a lengthy meeting with Mr. Nuccio and his attorney, met with representatives of the OUSA and the OIG and, at Mr. Nuccio's request, heard from a senior military officer who had worked closely with Mr. Nuccio and who served as a character reference. Considerable time was devoted to the panel work -- each panel member spent at least five full days on the review.

~~SECRET~~

~~SECRET~~

The Honorable John Deutch
December 3, 1996
Page 2

Findings and Conclusions

We find that on March 17, 1995, Mr. Nuccio disclosed [REDACTED] SCI information to Congressman Robert Torricelli and that he did so without first securing the approval of his superiors or other appropriate officials at the DOS or the approval of the CIA -- the originating agency of this information. Mr. Nuccio claims that he made this disclosure to correct previous statements made to the Congress concerning this matter. While we accept this as a motivation, we note that Mr. Nuccio was aware at the time of his disclosure that the CIA had already provided this SCI information to the House Permanent Select Committee on Intelligence on which Rep. Torricelli served. We further find that Mr. Nuccio was put on notice that Rep. Torricelli intended to publicize the information provided by Mr. Nuccio on March 17, 1995, but failed to inform his superiors or warn other DOS officials of this fact, thereby precluding the Executive Branch from taking appropriate action to forestall the compromise of this classified SCI information.

We conclude that Mr. Nuccio's failure to secure the required approvals is a violation of Executive Order 12356 (see § 4.1(d)) as well as the Foreign Affairs Manual (see 11 FAM § 418). We further conclude that Mr. Nuccio's failure to forewarn appropriate DOS officials of Rep. Torricelli's intent to publicize the information constitutes a serious violation of his duty to protect classified information and prevent its public disclosure. These failures demonstrate poor judgment, a lack of discretion and reliability, and an insensitivity to the legal requirement to safeguard sensitive national security information and to comply with the rules governing the handling and disposition of such information. They are particularly troublesome because the CIA had already disclosed the SCI information in question to the House and Senate Intelligence Committees under rules and procedures that protect the information, whereas Mr. Nuccio's unauthorized disclosure outside established Intelligence Committee channels facilitated Rep. Torricelli's public disclosure of [REDACTED] SCI information.

Regarding the charge that Mr. Nuccio failed to cooperate with the OIG investigation, we are concerned that Mr. Nuccio's positions as to whether he knew [REDACTED] as of March 17, 1995, the date on which he met with Rep. Torricelli, are inconsistent with other statements that he has made and contrary to the overwhelming weight of the evidence, including Rep. Torricelli's statement that he received [REDACTED] from Mr. Nuccio. This raises the question which we were unable to resolve as to whether Mr. Nuccio has been fully candid and cooperative in this proceeding and in the prior investigation.

With respect to the other two charges, there remain questions regarding Mr. Nuccio's possible preparation in his residence of documents containing classified information, the storage of such documents or information in unsecured facilities, and the facsimile transmission of such documents over open, unsecured telephone lines. We do not find, however, that the evidence on these matters is sufficient to support a conclusion that security violations actually occurred. Nor do we find sufficient evidence to conclude that Mr. Nuccio repeated or confirmed SCI information in his numerous telephone conversations with various members of the press during the period from March 24 to March 30, 1995.

~~SECRET~~

[d. at *4-5. We believe that the Federal Circuit's decision was clearly a correct application of the Supreme Court's decision in Egan.⁴

Mr. Nuccio's attorney argues that "Congress expressed its intent that the definition of 'prohibited personnel practices' would include 'any personnel action against an employee who discloses information to Congress.'" Nuccio Statement at 7, quoting 5 U.S.C. § 2302(b). The Department rejected this argument in the AFSE litigation. After citing the express exception for disclosure of classified information contained in subsection 2302(b)(8)(A), see note 8, supra, the Department noted that

by not including the exception for classified information in subsection 2302(b)(8)(B), which provides for disclosures to Inspectors General or the Office of Special Counsel of the Merit Systems Protection Board, Congress evidenced an intent to limit disclosures of classified information to particular Executive Branch officials with a designated need-to-know. Although Congress also stated in the whistleblower statute that "[t]his subsection shall not be construed to authorize the withholding of information from the Congress or the taking of any personnel action against an employee who discloses information to the Congress" (5 U.S.C. § 2302(b)), that provision does not confer an affirmative right to make such disclosures.

AFSE Brief at 50, n.43.

3. Executive Order 12674

The panel's question (a), see Panel Memorandum at 1, seeks our views on an argument that Mr. Nuccio's attorney makes in a footnote:

Mr. Nuccio was acting consistently with the directives of the Office of the President as expressed and documented in Executive Order No. 123674 [sic], which require every federal employee to "disclose waste, fraud, abuse and corruption to appropriate officials [sic]." While the term "appropriate officials" [sic] is undefined in the Executive Order, there is no suggestion therein that it does not include members of Congress, and in particular

⁴ In addition, even if revocation of a security clearance were to be viewed as a personnel action under the WPA, revoking a security clearance because of an unauthorized disclosure of classified information would not be a "prohibited personnel action" under the WPA. The WPA's prohibition against taking a personnel action because of a disclosure by an employee contains an express exception for disclosure of classified information. See 5 U.S.C. § 2302(b)(8)(A). See also ISOO Briefing Booklet at 72 ("The [classified information nondisclosure form] does not conflict with the 'whistleblower' statute (5 U.S.C. § 2302). The statute does not protect employees who disclose classified information without authority.").

members of oversight committees with direct interest in such abuse and corruption.

Nuccio Statement at 6, n.6.⁹

The reference here is to section 101(k) of Executive Order 12674, Principles of Ethical Conduct for Government Officers and Employees, as amended by Executive Order 12731, 55 Fed. Reg. 42547 (1990), which provides that "[e]mployees shall disclose waste, fraud, abuse, and corruption to appropriate authorities." Mr. Nuccio's attorney correctly states that the term "appropriate authorities" is not defined in Executive Order 12674. We do not question that in certain circumstances that term could include a member of a congressional oversight committee. However, we believe -- for the reasons set forth in the prior sections of this opinion -- that the question of who is an "appropriate authority" to receive classified information is governed by Executive Order 12356 and the related directives and practices. Put another way, there should be no conflict in these circumstances between the ethical conduct executive order and the classified information executive order. The latter executive order should control because it more directly and specifically addresses the subject at issue, the disclosure of classified information.

⁹ Mr. Nuccio's attorney employs the term "appropriate officials," but we will refer to the term actually used in the executive order: "appropriate authorities."

~~SECRET~~

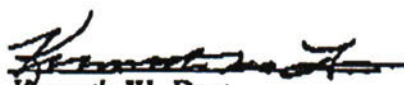
The Honorable John Deutch
December 3, 1996
Page 3

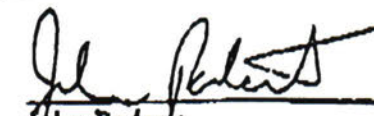
After reviewing Executive Order 12356, the Foreign Affairs Manual, and the OLC legal opinion, we conclude that Mr. Nuccio's legal defenses and claim of privilege with respect to his disclosures to Rep. Torricelli are misplaced and without legal merit. We also conclude that Mr. Nuccio's challenge to the accuracy of the OIG investigative reports and interview memoranda is not supported by the evidence.

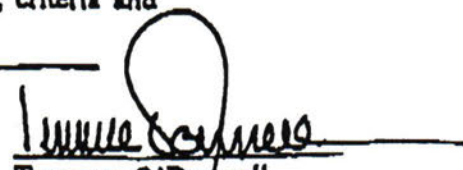
Recommendation

We are guided in our recommendation by Director of Central Intelligence Directive No. 1/14, "Personnel Security Standards and Procedures Governing Eligibility for Sensitive Compartmented Information" ("DCID 1/14"). Based on our review and our findings and conclusions, we recommend that Mr. Nuccio be denied access to SCI at this time on grounds that he does not meet the security standards under DCID 1/14 § 5.a.. Specifically, we conclude that his judgment, discretion and reliability in handling SCI information are inadequate to support a determination that he is suitable for access and that the grant of such access is "clearly consistent with the interests of national security." DCID 1/14, Annex A. We are influenced in this judgment by Mr. Nuccio's continuing view that he is merely a victim of other people's errors of judgment and bears little, if any, responsibility for the unauthorized and inaccurate public disclosure of sensitive intelligence information, by his lack of appreciation of the seriousness of the security violations which occurred, and by his insistence that he both had a right to make the disclosure without authorization and had no responsibility to adequately and accurately inform his superiors that the information was going to be publicly disclosed. In making our recommendation we are mindful that under DCID 1/14 § 12, "[a]ny doubt concerning personnel having access to SCI should be resolved in favor of the national security and the access should be denied or revoked."

We do not address Mr. Nuccio's eligibility for access to classified information other than SCI, except to note that under DCID 1/14 § 4.a., "individuals...denied access to SCI will not, solely for this reason, be considered ineligible for access to other classified information." Moreover, we wish to make it clear that based on our review there is no reason to question in any way Mr. Nuccio's loyalty to the United States or his many contributions to the national security. Finally, our recommendation is not intended to prejudice possible reconsideration of Mr. Nuccio's eligibility for SCI access at some future time consistent with the standards, criteria and adjudication guidelines of DCID 1/14.


Kenneth W. Dam
Chairman


John Podesta


Terrence O'Donnell

~~SECRET~~

DEPUTY DEMOCRATIC WHIP
COMMITTEE ON
APPROPRIATIONS
SUBCOMMITTEES:
MILITARY CONSTRUCTION
FOREIGN OPERATIONS, EXPORT FINANCING,
AND RELATED PROGRAMS

Steph
7804
Congress of the United States
House of Representatives
Washington, DC 20515-0534

ESTEBAN E. TORRES
34TH DISTRICT, CALIFORNIA

November 27, 1996

WASHINGTON OFFICE:
2368 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-0534
(202) 225-5256
DISTRICT OFFICES:
8819 WHITTIER BOULEVARD
SUITE 101
PICO RIVERA, CA 90660
(310) 895-0702
LA PUENTE, VALINDA, INDUSTRY
HACIENDA HEIGHTS AND BASSETT
(PHONE ONLY)
(818) 961-3978
MONTEBELLO, EAST LOS ANGELES
(PHONE ONLY)
(213) 720-1904

DEC 2 AM8:44

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

Dear Mr. President:

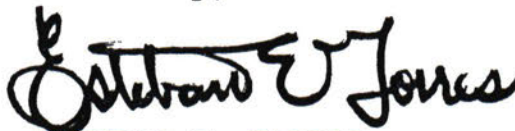
I wish to join with a number of my colleagues in Congress who have already contacted you regarding the Central Intelligence Agency's actions against one of your senior State Department officials, Mr. Richard A. Nuccio.

Though I have not always been in agreement with him on matters of policy, I have known Richard personally and professionally and believe him to be of high moral character. He has performed his duties honorably and capably as an employee of both Congress and the Executive Branch.

I concur with my colleagues who have called for the cessation of all punitive actions against Mr. Nuccio and for a reinstatement of his security clearances.

I trust you will act expeditiously on Mr. Nuccio's case.

Sincerely,



ESTEBAN E. TORRES
Member of Congress

BARNEY FRANK
4TH DISTRICT, MASSACHUSETTS

2210 RAYBURN BUILDING
WASHINGTON, DC 20515-2104
(202) 225-5931

29 CRAFTS STREET
NEWTON, MA 02158
(617) 332-3920

Congress of the United States
House of Representatives
Washington, DC

December 2, 1996

DEC 4 PM 2:55

558 PLEASANT STREET
ROOM 309
NEW BEDFORD, MA 02740
(508) 999-6462

222 MILLIKEN PLACE
THIRD FLOOR
FALL RIVER, MA 02721
(508) 674-3551

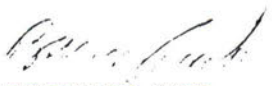
89 MAIN STREET
BRIDGEWATER, MA 02324
(508) 697-9403

7903

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

Dear Mr. President,

I note that sixteen of my colleagues have urged you to reinstate the security clearance of Richard Nuccio, who, as nearly as I can tell, stands accused of having told the truth when the CIA wanted to perpetuate inaccuracy. I join this call for reinstatement of Mr. Nuccio's security clearance. It is intolerable that an official should be punished for having acted to provide accurate information in the face of agency dishonesty. As one of those who sought information at the request of Jennifer Harbury, and was misled by the CIA, I am grateful to Mr. Nuccio and appalled at the notion that he should be punished by your administration by taking the action which he did.


BARNEY FRANK

BF/mg

BENJAMIN A. GILMAN, NEW YORK
CHAIRMAN

WILLIAM F. GOODLING, PENNSYLVANIA
JAMES A. LEACH, IOWA
TOBY ROTH, WISCONSIN
HENRY J. HYDE, ILLINOIS
DOUG BEREUTER, NEBRASKA
CHRISTOPHER H. SMITH, NEW JERSEY
DAN BURTON, INDIANA
JAN MEYERS, KANSAS
ELTON GALLEGLY, CALIFORNIA
ILEANA ROS-LENTINEN, FLORIDA
CASS BALLENGER, NORTH CAROLINA
DANA ROHRBACHER, CALIFORNIA
DONALD A. MANZULLO, ILLINOIS
EDWARD R. ROYCE, CALIFORNIA
PETER T. KING, NEW YORK
JAY KIM, CALIFORNIA
SAM BROWNBACK, KANSAS
DAVID FUNDERBURK, NORTH CAROLINA
STEVEN J. CHABOT, OHIO
MARSHALL "MARK" SANFORD, SOUTH CAROLINA
MATT SALMON, ARIZONA
AMO HOUGHTON, NEW YORK
TOM CAMPBELL, CALIFORNIA
JON FOX, PENNSYLVANIA

RICHARD J. GARON
CHIEF OF STAFF

One Hundred Fourth Congress
Congress of the United States
Committee on International Relations

House of Representatives

Washington, DC 20515

November 26, 1996

7865

LEE H. RYAN, INDIANA
RANKING DEMOCRATIC MEMBER

SAM GELDERSON, CONNECTICUT
TOM LANTOS, CALIFORNIA
ROBERT G. TORRICELLI, NEW JERSEY
HOWARD L. BERTMAN, CALIFORNIA
GARY L. ACKERMAN, NEW YORK
HARRY JOHNSTON, FLORIDA
ERIQ F.M. FALCONEVAEGA, AMERICAN SAMOA
MATTHEW G. MARTINEZ, CALIFORNIA
DONALD M. PROPPER, NEW JERSEY
ROBERT E. ANDREWS, NEW JERSEY
ROBERT MENENDEZ, NEW JERSEY
SHERROD BROWN, OHIO
CYNTHIA A. MCCINNEY, GEORGIA
ALCEE L. HASTINGS, FLORIDA
ALBERT RUSSELL WYNN, MARYLAND
JAMES P. MORAN, VIRGINIA
VICTOR O. FRIZLER, VIRGIN ISLANDS (U.S.)
CHARLIE ROSE, NORTH CAROLINA
PAT DANNER, MISSOURI
EARL HILLARD, ALABAMA
BERNARD L. VAN DUSEN
DEMOCRATIC CHIEF OF STAFF

DEC 2 1996

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

Dear Mr. President:

We write to bring to your attention the Central Intelligence Agency's actions against Richard A. Nuccio, a senior official of your Administration.

Mr. Nuccio has served with distinction as your special adviser on Cuba and as a senior policy adviser in the Department of State. He managed difficult and sensitive policy issues, and defended your positions forcefully and capably.

We have known Mr. Nuccio both in his work in the Congress and for the Executive Branch. We know him to be an honest, trustworthy, forthright, and articulate colleague. He never shied from difficult jobs. He has a reputation for loyalty to his superiors. He is not a free-lancer. When confronted with tough questions on the divisive issues he covered, he sought to be clear and forthcoming. He is a straight shooter. For these reasons, he has credibility with Members of Congress, irrespective of honest disagreements on policy issues Members have had with him.

In our view, it was these traits that led him, apparently with prior consent of senior officials of the Legislative Affairs Bureau in the State Department, to try to correct the record privately with Members of Congress whom he felt he had misled, because subsequent information proved to be more accurate than earlier information provided. Mr. Nuccio should not be penalized for doing his job to the best of his ability. We do not believe he can, or should, bear responsibility for how others with appropriate security clearances may have used information he provided in confidential conversations.

We believe that the following facts are undisputed by any evidence:

1. That Mr. Nuccio has not revealed classified information to anyone not authorized to receive it and has cooperated fully with probes of his conduct by the Departments of Justice and State, and the CIA;

The President
November 26, 1996
Page Two

2. That Mr. Nuccio admits that he provided to Congressman Robert Torricelli information about CIA misconduct in Guatemala; Mr. Torricelli was fully cleared to receive such information and had a "need to know" of such information in his position as a member of the House Select Intelligence Committee and the Committee on International Relations;

3. That your Intelligence Oversight Board (IOB) concluded in its review of CIA conduct in Guatemala that the CIA violated its statutory obligation to keep Congressional oversight committees "fully and currently informed;"

4. That the IOB further concluded that the CIA did not inform State Department officials at the embassy in Guatemala or in Washington, nor National Security Council officials, of alleged abuses by CIA assets until several years after they occurred;

5. That the IOB also learned that since 1984, several CIA assets in Guatemala were credibly alleged to have ordered, planned, or participated in serious human rights violations such as assassination, extrajudicial execution, torture, or kidnaping while they were assets – and that the CIA was contemporaneously aware of many of the allegations.

We are concerned that continued efforts to punish Mr. Nuccio on this matter will have a chilling effect on the willingness of Executive Branch employees to exercise their statutory obligation to inform the Congress of illegal or improper conduct. We, therefore, respectfully request that you direct the Departments of Justice and State and the CIA to cease all punitive actions against Mr. Nuccio and to reinstate his security clearances.

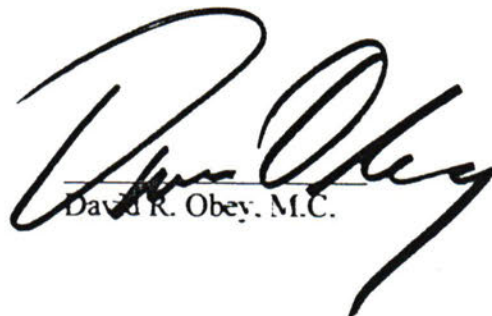
We also hope that CIA Director John Deutch takes into account our views when reviewing the decision by the CIA's panel on Mr. Nuccio's security clearances.

This case demands speedy action on your part and we will join you in pursuing it vigorously.

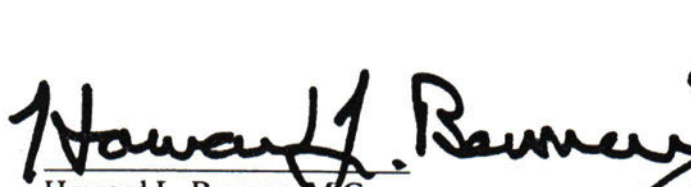
Sincerely,



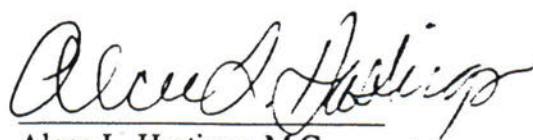
Lee H. Hamilton, M.C.

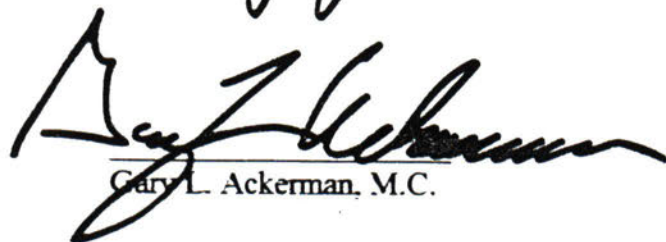


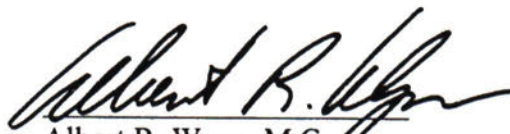
David R. Obey, M.C.

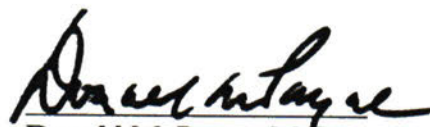

Howard L. Berman, M.C.

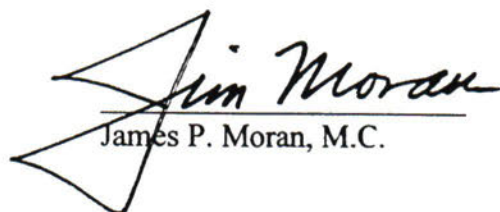

Sam Gejdenson, M.C.


Alcee L. Hastings, M.C.

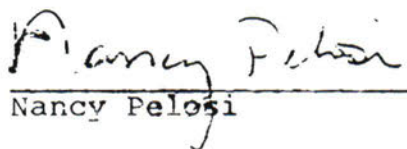

Gary L. Ackerman, M.C.

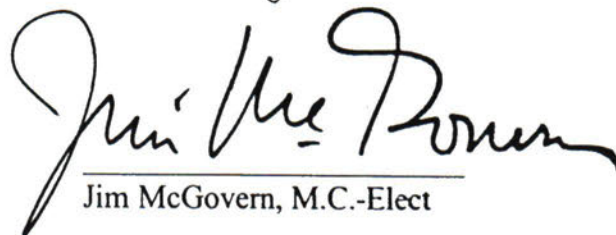

Albert R. Wynn, M.C.


Donald M. Payne, M.C.


James P. Moran, M.C.


Jose E. Serrano, M.C.


Nancy Pelosi


Jim McGovern, M.C.-Elect


Tom Lantos, M.C.

The President
November 26, 1996
Page Four

Joe Wakley

Clayton Beaman

Matthew G. Sperting

Elizabeth Anne

cc: Hon. John M. Deutch

To Bob Nash?

Yes

no

C.

Ford's Theatre

511 Tenth Street, N.W., Washington, D.C. 20004 202/638-2941 FAX 202/347-6269

January 30, 1997

Frankie Hewitt
Producing Artistic Director

Dear Mr. President:

197 FEB 10 PM 3:32

BOARD OF TRUSTEES

William F. McSweeney
Chairman

Samuel D. Chilcote, Jr.
Vice-Chairman

Mrs. Charles Wick
Vice-Chairman

Mrs. Paul Laxalt
Secretary

G. Bradford Cook
Treasurer

Hon. C. William Verity, Jr.
Chairman Emeritus

I understand that Robert G. Stanton is under consideration to be the next Director of the National Park Service. I am writing to urge your earnest consideration of him for this important post.

I have been involved with the National Park Service since 1967 when then Secretary of the Interior Stewart Udall agreed with our concept that a restored Ford's Theatre should first and foremost be utilized as a live functioning theatre (not simply a museum as was originally planned).

When I first broached the idea of live theatre to Secretary Udall his response was "Frankie, the government can't run a theatre!" My answer to him was that a private non-profit organization could be created to support and produce a theatre program for Ford's. And so, for the past 30 years the non-profit Ford's Theatre Society has provided programming in this national historic site under a co-operative agreement with the National Park Service.

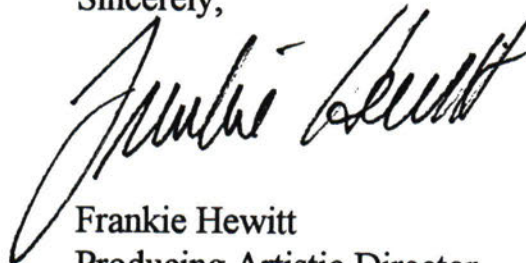
During those 30 years of working closely with folks at the National Park Service no one has been more supportive of our efforts or more understanding of the important role the performing arts play in this inner-city location than Robert Stanton. Under his guidance, the non-profit Ford's Theatre Society and the National Park Service have formed a true partnership to serve the public both locally and nationally.

Paul Berry
Kenneth M. Duberstein
Rhoda J. Glickman
Barry Gottehrer
Mrs. Fritz Hollings
Judith Richards Hope
Charles E. Long
Mrs. Trent Lott
Gerald M. Lowrie
Mrs. Charles T. Manatt
Hon. Joseph McDade
Hugh M. McIntosh
James R. Mellor
Mrs. Philip Merrill
Leslie Moonves
Robert Moshacher, Jr.
Mrs. Ervin Nutter
Mrs. Thomas P. O'Neill, Jr.
Lynda Johnson Robb
Lewis Rudin
Frederick J. Ryan, Jr.
Mrs. John M.D. Shalikashvili
Jane DeGraff Sloat
Oliver R. Sockwell
Catherine Ann Stevens
Walter J. Stewart
Deborah Szekely
Ronald H. Walker
Betsey Wright

page two

I simply cannot think of a more qualified individual to head the National Park Service at this time. Mr. Stanton combines a deep understanding of the needs of our urban citizens, along with the importance of preserving our American heritage for all people. From the Grand Tetons to the Lincoln Memorial to the Frederick Douglass house Mr. Stanton has dedicated his life to helping preserve what is best about our country and its history.

Sincerely,



Frankie Hewitt
Producing Artistic Director

The President
The White House
Washington, DC 20500

P.S. We are looking forward
to seeing you and Mrs. Clinton
here for a gala evening on
Sunday, March 2nd. Warm regards
for your support.

Send to Doriskind?

Yes ✓

No

c

For President Clinton
at the time of
his second inauguration /
Thank!

Andrew Jacobs

Thru stuff
see

WHITE HOUSE GIFT REGISTER

FEB 10 PM 3:26

GIFT INTENDED FOR

President ☒

Both/All ☐

First Lady ☐

Chelsea ☐

DONOR INFORMATION

Name: Andrew Greeley

Address: 1155 East 60th St., Chicago, IL 60637

Phone: _____

PRESENTATION

Date: 2/10/97 Event: _____

Handed to President ☐ Other Method ☒ sent to Rahm Emanuel

Gift Description: book - "White Smoke" by Andrew Greeley

Send Gift and Register to OEOB, Room 457 x7133

January 27, 1997

Bill Clinton
President of the United States
The White House
Washington, DC

Dear Mr. President:

It will take us awhile to get *Irish Whiskey* into proper formatted shape, but we'll send you a copy soon. In the meantime, I am enclosing a copy of my penultimate book, *White Smoke*; (in case you haven't read it) which is about the politics of the next papal election. I have often thought Vatican politics were worse than American politics. Recently, I have not been so sure.

It's also about whether politics Chicago style could win a papal election. I'm convinced that if one of our mutual friends, the Daley brothers (two in the parish at which I work in Chicago, all four in my summer parish in Michigan) were a Cardinal they could wire a conclave in twenty-four hours.

I'm also enclosing a copy of a paper of mine on volunteers which will appear in The American Prospect in May. It might be of some interest to you in your work on volunteering in our country.

Finally, thank you for the quote from Cardinal Bernardin in your inaugural. I miss him greatly. Not only was he my bishop for fourteen years, he was a close personal friend for a quarter century.

Cordially yours,



Andrew M. Greeley
Professor of Social Science
The University of Chicago

AMG/rw
Enclosures

THE VOLUNTEER PHENOMENON

Andrew Greeley

Tentatively Scheduled for The American Prospect

May 1997

(Fourth Draft)

“A lot of what we think of as trends aren’t trends at all. There is some sort of perceptual bias that wants to find trends.”

Douglas Erwin commenting on David Jablonski’s refutation of Cope’s Rule (which states that all evolutionary direction is from smaller to larger).

INTRODUCTION

Since the time of the Puritan divine Jonathan Edwards, Americans have lamented the decline in their society. The country, its people, and its culture are not what they used to be. Something has gone terribly wrong. All the old values are eroding. The future looks grim unless we repent.

This may or may not be solid homiletics. It is not very good social science. Massive trends with enormous, and society-shaping impact are rare. The late Robert Nisbet denied their existence. The ordinary nature of the human condition is that some phenomena move in one direction and some in another direction. Thus the metaphor "sexual revolution" suggests a change in the direction of more sexual freedom in all areas. In fact there has been an increase in premarital sex (probably because of the birth control pill) but there has not been an increase in extramarital sex.

There are doubtless trends in our society which demonstrate less civic concern, less social responsibility, less generosity. There are also, however, in the gray-tinged real world, other trends which go in the opposite direction. Any fair, not to say valid, view of American life ought to consider both phenomena.

Among the astonishing phenomena of the last decade and a half is the notable increase of volunteer service in our society. The rate of volunteering in America is higher than anywhere else in the world; and it has increased sharply in the last ten years. Moreover, since the United States is a country with very high levels of religious devotion, more than any country in the Western World save Ireland, might it be that religion promotes and re-enforces volunteering? More specifically is the much higher pro-

portion of Americans who volunteer the result of higher levels of religious practice in this country? In religious structures might one find social capital?

VOLUNTEERS AROUND THE WORLD

The European Value Study asked the following question in 1991:

“Please look carefully at the following list of voluntary organizations and say . . .

- a) Which, if any, do you belong to?
- b) Which, if any are you currently doing unpaid voluntary work for?
 - A. Social welfare services for elderly, handicapped or deprived people.
 - B. Religious or Church organizations.
 - C. Education, arts, music or cultural activities
 - D. Trade Unions
 - E. Political parties or groups
 - F. Local community action on issues like poverty, employment, house, racial equality
 - G. Third world development or human rights
 - H. Conservation, the environment, ecology
 - I. Professional associations
 - J. Youth work (e.g. scouts, guides, youth clubs etc.)¹
 - K. Sports or recreation

¹ In an earlier study (1981) items K to O were not asked. Since the wording of the question was changed in this way comparisons with the earlier data must be made cautiously.

- L. Women's groups
- M. Peace movement
- N. Animal rights
- O. Voluntary organizations concerned with health
- P. Other groups.

A summation of the number of people who volunteered for at least one activity provides a statistic for the proportion of a population currently volunteering. Figure 1 shows the proportions for sixteen countries.

The highest rate of volunteers is in the United States where 47% of the population reported that it had volunteered. This is consistent with the proportion reported Hodgkinson and Weitzman in response to a question about who had volunteered during the last year. Studies done in England and France approximate the findings of the Value Study for those two countries.

Only Canada had a rate comparable to that of the United States. Rates in three Scandinavian countries and the Netherlands were between 30% and 40% . Most of the other European countries reported rates between 20% and 30%, though the rates were lower than 20% in Portugal and Great Britain.

Men are marginally more likely to volunteer than women and those between thirty and fifty more likely to volunteer than those who are younger or older. The latter finding is replicated in Hodgkinson and Weitzman for the United States. However, they report women more likely to volunteer than men (53% to 49%). The seeming contradiction between the two studies is a result of different question wordings, the EVS

questionnaire being more likely to ask about activities that men would favor. Volunteering in the EVS sample also correlates strongly with education. Those who continued in school after they were twenty years old were twice as likely to report some kind of volunteering than those who had left school before they were twelve.

Both frequency of Church attendance and membership in Church organizations correlate strongly with voluntary service. Those who attend services once a week or more are approximately twice as likely to volunteer than those who attend rarely if ever. Moreover, while organizational membership (a sum of all secular organizational memberships) does, as one might expect, powerfully predict voluntary service, membership in a religious organization has its own significant independent effect (about which more later).

Denomination in those six countries where there are sufficiently large samples of both Catholics and Protestants to make comparisons possible has an impact only in two countries – Canada where Protestants are significantly more likely to volunteer than Catholics and Northern Ireland where the reverse is true. There are no significant differences in Britain, the United States, West Germany, and the Netherlands.

By way of summary, education, age, church attendance and organizational membership all influence the propensity to volunteer. Denomination does not influence it in countries where comparison is possible.

CHANGES IN VOLUNTARY SERVICE

Eleven of the sixteen outlets for voluntary activity were proposed in the 1981 EVS study. While the changing of the wording of the question (by adding five new items to the list) makes strict comparison across time questionable, especially on individual items, it is impossible that the new questions will not affect the total response pattern, especially because, if anything, they would be more likely to lead to a decline in positive responses to the original items. There are only three countries where statistically significant change in the proportion volunteering has occurred – Austria where there has been a seven percentage point decline and the North American countries where the proportion volunteering (as measured by the original 1981 items) has increased, by six points in Canada and ten points in the United States.

Figure 2 shows that this increase in the United States is especially pronounced among the cohorts born since 1940, each one of which has not only increased its volunteer rate over that of the last ten years but has a higher rate than its predecessor cohort did when it was in the same age position. Thus the cohort born in nineteen forties not only has almost doubled its volunteer rate in the ten year period, it is also fourteen percentage points ahead of where the nineteen thirties cohort was when it was the same age. The increase in volunteering in America has been created by the “Baby Boomers,” the “Me Generation,” and “Generation X,” all of whom, if one is to believe the popular media are inherently selfish and “uncommitted.” Moreover the increase continues because even those born during the nineteen seventies and hence at the most only twenty at the time of the 1990 survey are already twice as likely to volunteer than

those born in the nineteen sixties were ten years ago when they were in their twenties. And those born in the sixties were twice as likely to be volunteers than those born in the nineteen fifties when they were in their thirties, the prime age for voluntary service.

However, those born in the nineteen twenties also show an increase in volunteering over the last ten years. The increase then is affecting major segments of the population regardless of age. A similar phenomenon is taking place in Canada. There too the more recent cohorts account for much of the change. There too there is an increase through the eighties among those born in the nineteen twenties. Half of the change in both countries can be accounted for by a combination of changing age structure of the population and greater political and social involvement. During the eighties, then, volunteer rates remained stable in Europe and increased dramatically in North America.

WHY AMERICANS VOLUNTEER MORE

Contrary then to what one might believe from reading both Robert Bellah and Pope John Paul II, Americans do not appear to be selfish individualists when it comes to volunteering. Americans are significantly more likely to report volunteer service than citizens of thirteen of the other fourteen countries included in this analysis, Canada alone being the exception. The question then becomes whether the higher levels of religious devotion in the United States can account for the higher levels of voluntary service. Church attendance and membership in religious organizations correlate with volunteering in all the countries, (save in Ireland where church attendance does not correlate with volunteering because the atten-

dance rate is so high). Even in the countries where religious activity is not high, such as the Scandinavian countries, religious behavior still has a significant impact on voluntary service.

The protocol for considering religious influence in contemporary social analysis is that social structural variables be considered before religious ones so that whatever impact religion may have will be residual, that is, an impact that cannot be accounted for by social structure. In the analysis reported here age, sex, income and education accounted for 36% of the variety among nations in volunteer rates. Then when secular organizational membership is added 11% more of the variety is accounted for, reducing the unexplained variety to 53%. Almost half of the difference among the nations then can be accounted for by such social structural variables. If one then adds the two religious items, the unexplained variety is reduced to 15%. Thus even after the social structural variables are taken into account, 38% of the differences among the countries in propensity to volunteer is attributable to church attendance and membership in religious organizations. When these three levels of explanatory variables are taken into account, significant differences exist between the United State on the one hand and only four other countries – Britain, Northern Ireland, the Denmark and Iceland. (The multiple regression analysis reported here can be expected in tables on my web page –www.agreeley.com).

In Figure 3 we see what the rates of the various countries would be if they had the same levels of religious practices as the United State (leaving out the social structural influence. In comparing Figure 3 with Figure 1 we observe that the differences have notably diminished. Sweden Norway, and Canada are now higher than the United States. Britain con-

tinues to be substantially lower and all the other countries are six percentage points or less lower than the United States. Patently the American "advantage" in volunteering over other countries is the result of the higher levels of American religious practice.

Thus it would appear that, net of the other influences, the higher levels of religious practice in the United States and Canada make a major contribution to the higher levels of voluntary service and indeed these religious differences are a major factor in the explanation of country differences.

WHY VOLUNTEER

Motivations for volunteering differ considerably between North American and Canada on the one hand and Western Europe on the other. The former countries emphasize the idealistic and moral reasons for volunteering while the latter emphasize the more pragmatic reasons. In both cases it is altogether possible that the reasons given are the culturally fashionable rationalizations for generosity. Thus it is the allegedly pragmatic North Americans who are the idealists and the allegedly principled Europeans who are the pragmatists.

Robert Wuthnow in his important work on volunteering attempts to reconcile the high levels of such activity in the United States with the "individualism" of Americans. In fact, the data in the present analysis suggest that the real individualists are the Dutch and the Scandinavians and the real idealists or "communalists" are the North Americans. Perhaps individualism has so many different meanings that it means nothing at all.

Clearly then there are different cultural approaches to voluntary service in the sixteen countries under consideration, with Scandinavia and North America having the highest volunteer scores and the opposed motivational patterns, the former the more "idealistic" and "traditional" the latter more "pragmatic" and "social."

SECULAR VOLUNTEERING

Religious devotion and Religious group membership could be expected to influence volunteering that is church-related. Do they also influence volunteering that is not church-related. When religious volunteering is excluded, American rates(34%) fall somewhat beneath those of Canada (38%)and Sweden (38%) and are virtually equal with those of Norway (34%), Iceland (35%) and the Netherlands (33%). The American advantage in volunteering is then clearly concentrated in church-related voluntary efforts. Twenty eight percent of Americans volunteer for church-related services as do fifteen percent of the Canadians. In all other countries the rates are lower than ten percent.

However, church attendance has a positive impact on secular voluntary service as does membership in a church-related organization. The correlations between these two variables and all volunteering is .16 and .32 and between them and secular volunteering is .09 and .19. I will return to that point subsequently.

HOW MUCH IS RELIGION WORTH?

Hodgkinson and Weitzman observe that the mean number of weekly volunteer hours for an American who does volunteer is 4.2 hours. They calculate that more than fifteen billion hours of volunteer service are

offered each year. Estimating that a volunteer hour is worth \$11.58 (the average hourly wage for non-agricultural workers in 1991), suggest that the volunteer input to the economy in 1992 was a hundred and seventy six billion dollars. Since the difference between the United States and West Germany(47% versus 30%) can be explained entirely by the different religious practices in the two countries, one can say that if Americans were like the West Germans in their religious behavior, almost forty percent of that contribution or some seventy billion dollars would be lost.

HOW DOES RELIGION DO IT?

How does religion mobilize human resources for voluntary service. Can religion fairly be said to possess social capital? In this essay we will use the strict definition of social capital described by the late James Coleman in 1988.

Social capital, he tells us

is defined by its function. not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structures, and they all facilitate certain actions of actors –whether persons or corporate actors – within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain goals that in its absence would not be possible.

Unlike other forms of capital, social capital inheres in the structure of relations between actors . It is not lodged either in the actors themselves or in physical implements of production.

Social capital then exists in the actual interaction patterns of humankind. One might presume not unreasonably that if church attendance

and membership in religious organizations leads to voluntary service, the relationships in these two activities might actually generate social capital. However it is possible that some other mechanism may be at work. In the research in 1992 and 1994 by the Independent Sector questions were asked which enable one to analyze whether religious structures do produce social capital which leads to volunteer – what lead you volunteer? Two answers point to religious structures – the suggestion to volunteer was made by a religious organization or by someone the volunteer knew at his church or synagogue or temple.

In this data set 52% of Americans had volunteered and 28% of the volunteers, by far the largest proportion, volunteered for religious projects. Moreover of the volunteers, 34% said that religious structures (either organizational or interpersonal) were responsible for their volunteering. One third of the volunteers in American related their service to religious structures, Moreover a third of the purely secular volunteers (those who did not volunteer for specifically religious activities) also related their service to the influence of religious structures. Finally the patterns in the teenage sample were similar to the adult sample – thus suggesting that the volunteer phenomenon is likely to be part of American life for many years to come.

Apparently religion is able to focus idealism into projects. Two clusters of values measured “idealism” and “realism” in the adult population. 50% of those who were high on the “idealism” scale were volunteers as opposed to 39% of those who were high on the “realism scale.” Moreover more than half of the “idealists” reported religious structural influence as opposed to less than a third of the “realists.” The combination of cul-

tural values and contact with religious structures accounts for much of the volunteering effort.

The impact of religious structures on volunteering is also illustrated by the fact that Office of Education data show that students in Catholic high schools are more likely to volunteer (even net of that marvelous Catholic oxymoron – required volunteering) than students in public high schools or other private schools. Moreover UCLA data on volunteering rates in colleges show that students in Catholic colleges are more likely to volunteer than the national average.

A DECLINE IN VOLUNTEERING?

Some commentators have alleged that there has been a decline in volunteering in recent years as demonstrated by the changes in the biennial Gallup Research for the Independent Sector.

It is, however, difficult to see that trend in the IS data:

1987	45.3%
1989	54.4%
1991	51.1%
1993	47.7%
1995	48.8%

Such variations are not unusual in longitudinal studies like NORC's General Social Survey and are almost always considered to be "a float and bounce" phenomenon which does not represent change in the population. The standard technique in such cases is to pool years to determine whether there is in fact change. If one pools the studies done in the late eighties and the studies in the early nineties the rate for the 1987-89 studies 49.8%

and for the 1991-95 study is 49.2. One has to look very hard to find a trend.

The EVS data analyzed in this article demonstrate that there has been a ten percentage point increase between 1981 and 1990 from 37% to 47%. The latter figure is lower than the lowest of IS percentages. The EVS data also show strong increases in the younger cohorts. There is little reason to doubt that in the present decade approximately half of the Americans over eighteen do volunteer and that this is the highest volunteer rate in the western world. Under such circumstances, haste to proclaim a decline is unseemly.

DISCUSSION

My argument in this paper is limited. Voluntary service is a sign of generosity, civic responsibility, and ethical concern. It has increased rather than decreased since 1981. It is higher in the United States than in any other of the sixteen countries studied. The American lead over other countries is largely the result of higher levels of religious practice in this country. Religious structures generate social capital which motivates people to volunteer, especially those who already have idealistic orientations.

I do not contend that Americans are the most generous people in the world; rather I assert merely that they are the most likely to volunteer (though they are also the most likely to make voluntary financial contributions as a proportion of income too). I do not deny that in other areas of behavior Americans might lack personal or social commitment; I merely suggest that this particular commitment should not be ignored (as ABC did last year in a presentation on "The Disappearing Volunteer). I do

not contend that volunteers are the solution to all the nation's social problems; I merely argue that they make an important contribution to the easing of some problems. I do not contend that the volunteer movement is a sign of a massive transformation of American civic responsibility and an enormous improvement in their "habits of the heart;" I merely suggest that it is a sign of improvement in a particular form of (admittedly imperfect) generosity. (I do not believe there are measures available -- or ever will be available -- that can gauge "habits of the heart." There are only some measures which can gauge some "habits" and not all of them indicate a decline in generosity.)

I freely concede that this limited and gray-toned message doesn't have much homiletic value for those who would play the role of Puritan divines or of the prophets in the Jewish scriptures.

Colleagues have suggested to me that I agree with Charles Murray. I cannot imagine by what leap of the imagination they think so. It is one thing to report on the impressive volunteer phenomenon and quite another to say that it will make it possible for the government to withdraw from most of its social services. Such an assumption is absurd. Nor can I understand the charge from other colleagues that my position is "conservative." When has it become conservative merely to report facts? Or is it conservative to see both positive and negative trends in American society? Does the "liberal imagination" demand that there be nothing but negative trends?

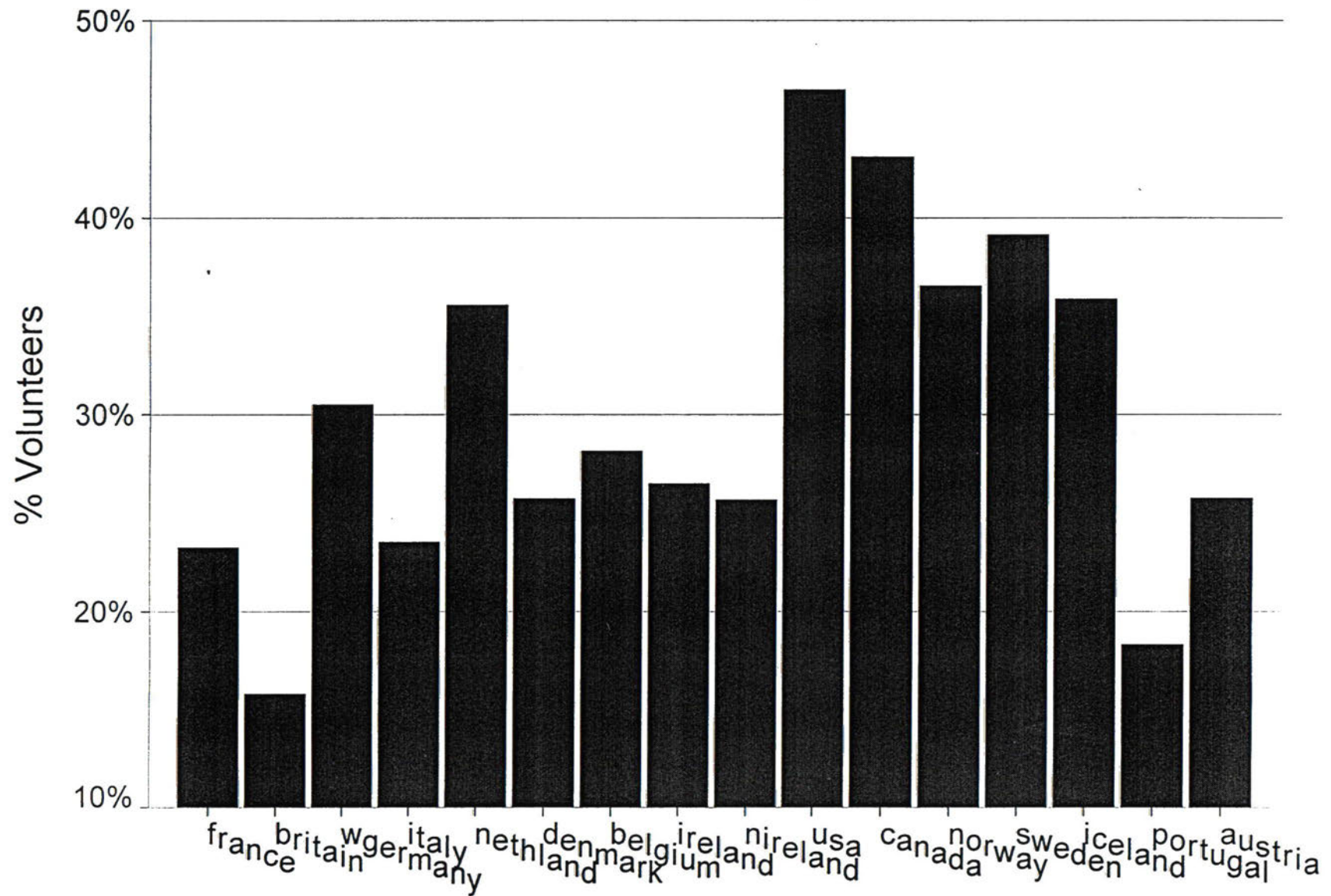
CONCLUSION

The North American countries, often dismissed as selfish and materialistic, are the most likely to have high rates of voluntary service. In substantial part these rates are accounted for by higher levels of religious practice and explained by the volunteers in "idealistic" and "moral" terms. Moreover volunteer rates increased in the North American countries in the nineteen eighties while they remained stable in Europe so that at the end of the decade they were even higher in North America than at the beginning of the decade. In both North American countries the increase occurred in most birth cohorts, especially the younger ones.

This generous, religiously-driven "*habit of the heart*" makes a major contribution to the economy and to the general welfare. It represents a powerful resource of social and economic capital.

American commentators, serious and popular, rarely note the positive role religion can and does play in American life. They see religion rather as exacerbating conflicts. They often use the term "culture wars" -- though empirical evidence is hard to find that there are such thing as culture wars (other than in the public pronouncements of some religious leaders). I would not deny that religion does produce conflicts. But it also can and does have powerful and important contributions to make to American life. There are many more religiously-motivated volunteers than there are activists engaged in culture wars. Any fair assessment of American society and culture at the present time cannot ignore that fact.

1. Volunteers by Country

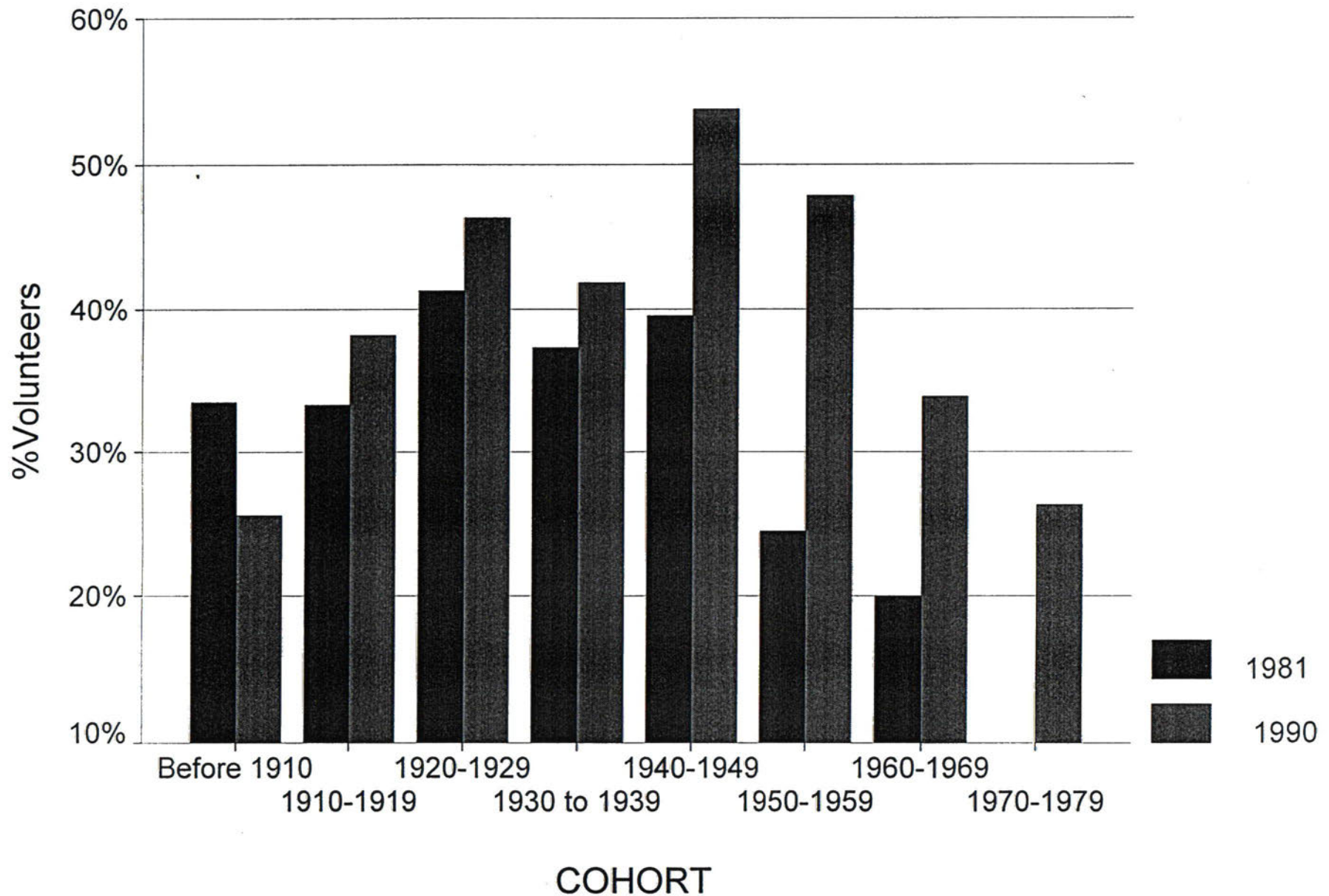


Source=European Value Study 1990

N=22,148

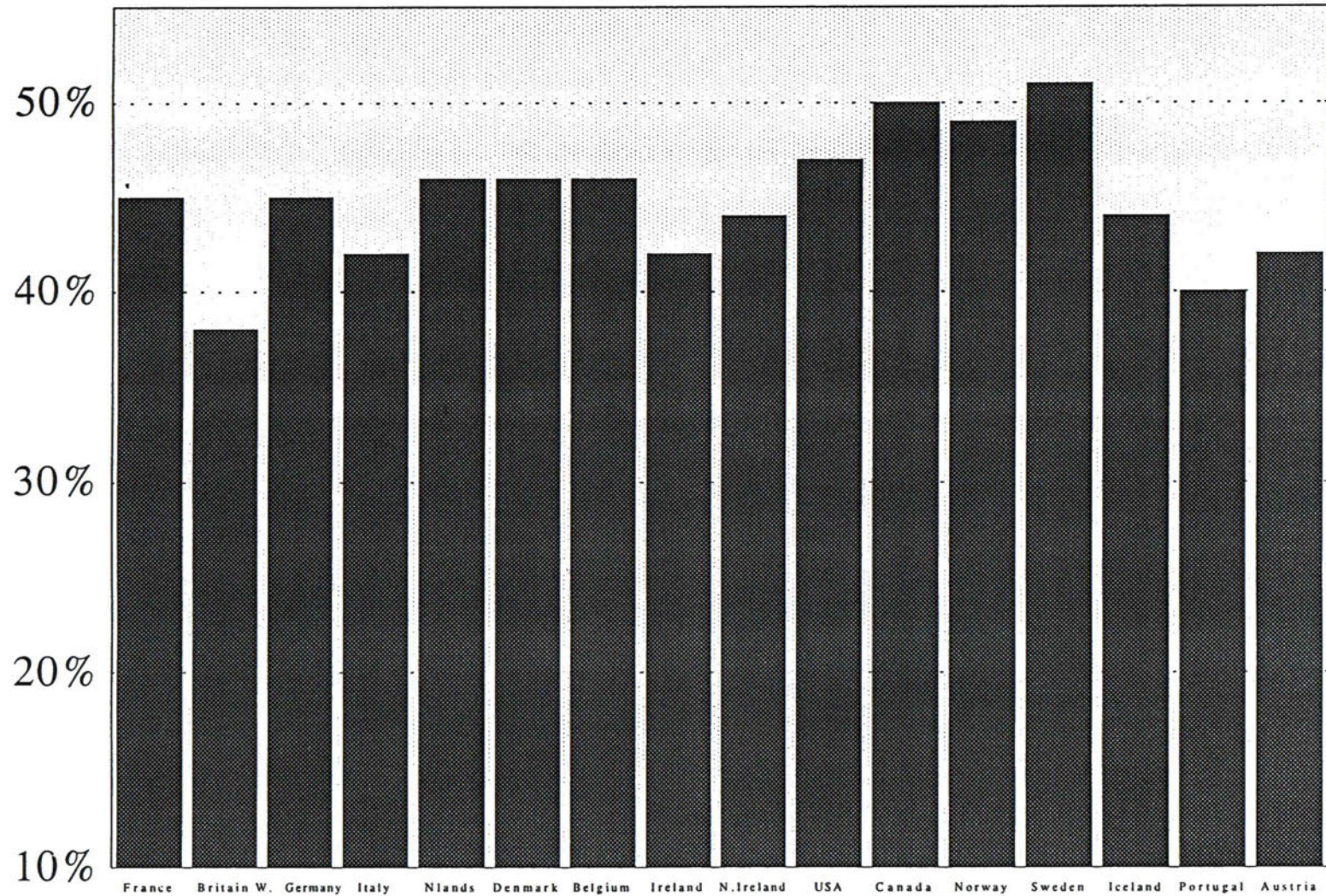
2. Volunteers by Year and Cohort

(USA)



3. Volunteer Rates in All Countries (Net of Religious Practice)

(If Religious practice was the Same as the United States)



Source European Values Study 1990
N=22,148

Formulated by
Rahm Emanuel

President
T
V

Send to Donsland?

Yes ☒

No ☐

Coord with
Pavlo

C



Handwritten: 65

97 FEB 10 PM 3:32

Donald V. Fites
Chairman

Ralph S. Larsen
Cochairman

Walter V. Shipley
Cochairman

John F. Smith, Jr.
Cochairman

1615 L Street, N.W.
Suite 1100
Washington, D.C. 20036-5610
(202) 872-1260 Fax (202) 466-3509

Samuel L. Maury
President

Patricia Hanahan Engman
Executive Director

February 5, 1997

The President
The White House
Washington, DC 20500

Dear Mr. President:

We are writing on behalf of The Business Roundtable to express our strong support for the initiative to create a Free Trade Area of the Americas (FTAA) by the year 2005.

This is a critically important undertaking that is clearly in our national interest. U.S. exports to our southern neighbors are growing at a remarkable pace, even though there are still too many trade and investment barriers in Latin America.

In 1996, U.S. exports to Latin America exceeded \$100 billion. If this trend continues, U.S. exports are estimated to rise to a staggering \$240 billion by 2010, more than the current combined U.S. exports to Europe and Japan. By breaking down foreign trade and investment barriers, the FTAA will create an opportunity for U.S. companies and their workers to exceed these estimates.

On the other hand, if the United States does not pursue the FTAA aggressively, we run the risk of being left behind as other countries aggressively pursue their own trade and investment initiatives. Both Canada and Mexico have already negotiated free trade agreements with Chile; Mercosur has admitted Chile and Bolivia as associate members and is negotiating arrangements with other countries in Latin America; and the European Union has launched its own trade initiative with Mercosur.

An FTAA will be a difficult undertaking, involving 34 countries and a wide range of trade and investment issues. The May, 1997 Fourth Ministerial in Belo Horizonte, Brazil and the real work of substantive negotiations will require a tremendous effort by government officials and the region's private sector.

The Business Roundtable is committed to working with you, other governments and our private sector colleagues in the hemisphere to ensure the FTAA initiative is a success. An important step on the road to success will be the reauthorization by the U.S. Congress of fast-track procedures. As we stated in our November 13, 1996 letter to you, the Roundtable will work with you and the Congress to secure new fast-track authority as soon as possible this year.

Sincerely,



Joseph T. Gorman
Chairman and CEO, TRW Inc.
Chairman of The Business Roundtable
International Trade and Investment Task Force



Donald V. Fites
Chairman and CEO, Caterpillar Inc.
Chairman of The Business Roundtable

JTG:DVF/lt

cc: The Vice President
The Honorable Robert E. Rubin
The Honorable Daniel Tarullo
The Honorable Charlene Barshefsky
The Honorable Thomas "Mack" McLarty
The Honorable William Daley

THE WHITE HOUSE
WASHINGTON

February 10, 1997

TO: Cheryl Mills
Elana Kagan

FR: Phil Caplan 

Please call me as soon as possible about the attached letter re:
the liver transplant matter at HHS.

Attachment:
Letter (without newspaper clips)

David M. Matter
501 UNDERCLIFF ROAD • PITTSBURGH, PENNSYLVANIA 15221

February 7, 1997

**Via Facsimile: 202.456.6703
and Federal Express**

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

Dear Mr. President:

I'm terribly sorry to add to your unbelievably crowded agenda, but we're at a critical point in the liver transplantation debate within HHS and I'm afraid if we don't act now we may forever lose the opportunity.

As you know, my letter to you on this subject last fall eventually led to three days of public hearings conducted by HHS in December. Donna Shalala promised in her response to me on your behalf to determine on the basis of the public hearings which liver allocation policies promised the best results for the patients of America and to embody that decision in a final rule for submission to OMB.

Simply stated, my fear is that because there are many more small transplant centers than large and each of them has lobbied their Congressmen and Senators in opposition to a policy change and even to HHS's intervention, the Department is beginning to get "cold feet."

After having studied this issue in great detail over the past year, there is absolutely no doubt in my mind that the position of the University of Pittsburgh Medical Center (and several other large transplant hospitals) is the correct one. Allocating livers to the sickest patients first on the widest geographic basis possible is what our national policy should be with respect to the allocation and distribution of human livers.

President William J. Clinton
February 7, 1997
Page 2

The private contractor, the United Network on Organ Sharing (UNOS), hired by HHS to operate the organ procurement and transplantation network, is by any other name a trade association controlled by small transplant centers (one center, one vote) operating largely on the basis of self-interest. If they were steel producers or communications executives sitting around the table carving-up the market, the federal government would intervene in a heartbeat. Because they are "medical professionals" HHS seems reluctant to intervene. But if it doesn't no one will, and patients will continue to suffer the consequences.

The facts, as I see them, are pretty clear. HHS has in the past essentially relinquished its oversight and regulatory responsibility with respect to organ procurement, allocation and transplantation to an industry trade group incapable of making a decision without an inherent conflict of interest. UNOS has established liver allocation rules that literally trap organs within artificial geographic boundaries, which has had two profound effects: 1) patients with liver disease who are not hospitalized and are in relatively better health often receive livers in one region when just an hour away by plane a patient lies dying in intensive care; and 2) the number of liver transplant programs has nearly doubled to 119 today, i.e. new programs can start because they know they will have a reliable and predictable supply of organs. It doesn't matter how proficient they are at transplantation or whether having such a large number of centers is an efficient and effective way to deliver health care.

Each of these centers, no matter how few transplants they do or how awful their success rates may be, have the same voice and vote in UNOS as does a major, highly proficient center that does 100 or more transplants a year. Decisions are made by majority vote, so the system will never be changed by a trade association the majority of whose memberships may be disadvantaged by a change. Meanwhile, 50-100 people die unnecessarily each year from liver disease; 2,000 patient life years are lost; and, horrifically unequal waiting times for transplant will continue.

I have enclosed copies of the five part series on organ transplantation published earlier this week in the Cleveland Plain Dealer. They are extraordinarily well-researched and a very important

President William J. Clinton
February 7, 1997
Page 3

contribution to the national debate. After reading them, I believe, any fair-minded person would conclude that the system is broken, UNOS does not represent the interests of patients very well, and the federal government has not properly performed its regulatory and oversight role. Although the articles are quite lengthy, I've included them in their entirety and have highlighted several relevant paragraphs in each for easy reference (the first such notation appears on page 11).

I don't want in any way to abuse our friendship over a substantive policy issue, but I feel so strongly about this that I just had to bring it to your attention again with a personal letter. Initially I was dragged into this debate quite reluctantly, but as time has gone on I have come to realize that it may be the most important thing I've done in my life. I'm sorry for the length of this letter and for imposing on you again, but I don't know where else to turn.

Regards,

A handwritten signature, likely of Bill Clinton, consisting of a large, stylized 'D' shape with a small '1' inside, followed by a cursive 'del'.

THE WHITE HOUSE
WASHINGTON

February 10, 1997

TO: JOHN PODESTA
GREG SIMON

FROM: HELEN HOWELL *Helen*

SUBJECT: Revised EO on Advisory Committee on High
Performance Computing and Communications,
Information Technology, and the Next
Generation Internet.

Questions have been raised as to why we are moving forward with this EO now. Please see the attached copy of Tim Newell's e-mail explaining why OSTP recommends establishing the advisory committee at this time.

Also, please note the incorporation of the information technology and Next Generation Internet components into the EO.

Please advise (ext. 6-2702).

Thanks.



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

THE DIRECTOR

February 10, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Franklin D. Raines 
Director

SUBJECT: Proposed Executive Order Entitled "Advisory Committee on High-Performance Computing and Communications, Information Technology, and the Next Generation Internet"

SUMMARY: This memorandum forwards for your consideration a proposed Executive order that was prepared by the White House Office of Science and Technology Policy. The proposed order would establish an advisory committee on high-performance computing and communications, information technology, and the Next Generation Internet.

BACKGROUND: Public Law 102-194 requires the President to establish an advisory committee on high-performance computing to provide guidance to the National High-Performance Computing Program mandated by the same law. The legislation was written by then-Senator Gore who has been a strong supporter of the program (now known as the High-Performance Computing and Communications Initiative).

The proposed order would establish the "Advisory Committee on High-Performance Computing and Communications, Information Technology, and the Next Generation Internet" ("Committee"). The Committee would consist of not more than 25 non-federal members who would be appointed by the President. The membership would include representatives of the research, education, and library communities, network providers, and from critical industries. The President would designate co-chairs from the Committee membership.

The Committee would provide advice and information on high performance computing and communications, through the Director of the Office of Science and Technology Policy, to the National Science and Technology Council. It would provide an independent assessment of: (1) the progress made in implementing the High Performance Computing and Communications ("HPCC") Program; (2) the progress in designing and implementing the Next Generation Internet initiative; (3) the need to revise the HPCC Program; and (4) whether the research and development undertaken pursuant to the HPCC Program is helping to maintain United States leadership

in advanced computing and communications technologies and their applications.

The Department of Defense would provide financial and administrative support for the Committee.

None of the affected agencies objects to the proposed Executive order.

RECOMMENDATION: I recommend that you sign the proposed Executive order.

Attachments

- - - - -

ADVISORY COMMITTEE ON HIGH-PERFORMANCE
COMPUTING AND COMMUNICATIONS, INFORMATION TECHNOLOGY,
AND THE NEXT GENERATION INTERNET

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the High-Performance Computing Act of 1991 (Public Law 102-194) ("Act"), and in order to establish an advisory committee on high-performance computing and communications, Information Technology, and the Next Generation Internet, it is hereby ordered as follows:

Section 1. Establishment. There is established the "Advisory Committee on High-Performance Computing and Communications, Information Technology, and the Next Generation Internet" ("Committee"). The Committee shall consist of not more than 25 nonfederal members appointed by the President, including representatives of the research, education, and library communities, network providers, and representatives from critical industries. The President shall designate co-chairs from among the members of the Committee.

Sec. 2. Functions. The Committee shall provide the National Science and Technology Council (NSTC), through the Director of the Office of Science and Technology Policy ("Director"), with advice and information on high-performance computing and communications, information technology, and the Next Generation Internet. The Committee shall provide an independent assessment of:

- (1) progress made in implementing the High-Performance Computing and Communications (HPCC) Program;
- (2) progress in designing and implementing the Next Generation Internet initiative;
- (3) the need to revise the HPCC Program;
- (4) balance among components of the HPCC Program;
- (5) whether the research and development undertaken pursuant to the HPCC Program is helping to maintain United States leadership in advanced computing and communications technologies and their applications; and

(6) other issues as specified by the Director.

Sec. 3. Administration. To the extent permitted by law and subject to the availability of appropriations, the Department of Defense shall provide the financial and administrative support for the Committee. Further, the Director of the National Coordination Office for Computing Information, and Communications ("Director of the NCO") shall provide such coordination and technical assistance to the Committee as the co-chairs of the Committee may request.

(a) The heads of executive agencies shall, to the extent permitted by law, provide to the Committee such information as it may require for the purpose of carrying out its functions.

(b) The co-chairs may, from time to time, invite experts to submit information to the Committee and may form subcommittees or working groups within the Committee to review specific issues.

(c) Members of the Committee shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701-5707).

Sec. 4. General. (a) Notwithstanding any other Executive order, the functions of the President under the Federal Advisory Committee Act, as amended, except that of reporting to the Congress, that are applicable to the Committee shall be performed by the Director of the NCO in accordance with guidelines that have been issued by the Administrator of General Services.

(b) The Committee shall terminate 2 years from the date of this order unless extended by the President prior to such date.

THE WHITE HOUSE,

Timothy L. Newell
02/10/97 01:54:47 PM

Record Type: Record

To: John Podesta/WHO/EOP

cc: Thomas A. Kalil/OPD/EOP, Sara M. Latham/WHO/EOP, Helen P. Howell/WHO/EOP

Subject: HPCC

In response to the question, "why are we setting up the HPCC Advisory Committee now, after ~~four~~⁵ years?"

The **official** response is that the initial HPCC program was focused narrowly on achieving higher computing and communications speeds. After achieving the basic goal of the initial HPCC program -- terraflop computing -- the Administration is transforming the HPCC program into a broader computer, communications, and information technology research initiative, which will include research into issues such as the human-computer interface, improved resilience of large-scale networks, and development of the Next Generation Internet. This expanded research agenda is critical to building the NII/GII of the 21st century, and it will be important for the Administration to have access to the the best private sector input as we move forward with this new research plan. (This expanded research agenda for HPCC is included in the FY98 budget request.)

See me for **unofficial** answer.

All considered, I recommend you agree to let this move forward, as does Kalil. The names will be well-received among the group of CEOs you met with recently, and I think that lack of action at this point will only embarrass us even more (if that's possible).

THE PRESIDENT HAS SEEN

2-7-97

197 FEB 7 PM 7:34

THE WHITE HOUSE

WASHINGTON

February 7, 1997

MEMORANDUM FOR THE PRESIDENT

**CC: ERSKINE BOWLES
SYLVIA MATHEWS
JOHN PODESTA**

FROM: DON BAER 

SUBJECT: REINER EARLY CHILDHOOD DEVELOPMENT SCRIPT

Earlier this week, Bruce, Melanne and a number of us met with Rob Reiner and his team on early childhood development. This was one in a series of meetings we have had with them about the role you and the First Lady might play in their late April television special. At this meeting, they presented us with a script (attached) they would like you and the First Lady to tape for the show. Your segment would come towards the end of the program, after many of the concepts contained in the script have been explained to viewers.

Melanne and I like this script very much, and I am told the First Lady likes it too. We are looking at production time on your schedule in early March. Please let me know if you have any questions about this approach.

FACTOID # 8 A

THINGS YOU MIGHT NOT KNOW - PRESIDENT CLINTON & THE FIRST LADY
INT. WHITE HOUSE - NIGHT

The President and First Lady are watching the show.

FIRST LADY

What are you thinking?

PRESIDENT

I was thinking back to when Chelsea was little. There were so many things that we didn't know about the first three years. And now that she's going away to college and all...

FIRST LADY

You're not sure if we did right by her?

PRESIDENT

I hope we did.

FIRST LADY

Well, let's review. Did we read to her when she was a baby?

PRESIDENT

Every night.

FIRST LADY

Did we sing to her?

PRESIDENT

You did. I played the saxophone.

FIRST LADY

That counts.

PRESIDENT

Did we give her enough physical nurturing?

FIRST LADY

I don't think we could have hugged her more if we tried.

PRESIDENT

So, her Serotonin level is...

FIRST LADY

I'm sure it's fine. Bill, back then none of us knew just how critical those first three years were, but I think we had some pretty good instincts.

(more)

FIRST LADY (cont'd)

We gave her lots of love and attention. And that's the most important thing a parent can do. I'm sure she'll be just fine.

PRESIDENT

I feel a lot better. You want to play some hearts?

FIRST LADY

After the show.

They turn back to the t.v.

SECOND VERSION

INT. HOME BASE

TOM

At the end of the show we will be giving you an 800 number which will offer both material addressing parents most asked questions as well as a directory of early childhood parenting services in your area. But before we say good night there are two more things you might not know. And here are a concerned mother and father to tell you about them.

CUT TO:

FACTOID # 8 B

THINGS YOU MIGHT NOT KNOW - PRESIDENT CLINTON & THE FIRST LADY

INT. WHITE HOUSE -- NIGHT

The President and First Lady are seated somewhere in the residence.

FIRST LADY

Thank you, Tom. You might not know that although science clearly shows us that in the course of a lifetime the vast majority of a person's growth and development takes place in the first three years, historically, we as a nation have devoted the fewest resources to that time period.

PRESIDENT

You also might not know, but this administration has pledged to change those priorities in order to give parents the tools they need to provide their children with a strong foundation in their early years. Toward that end...

(Add policy ideas
here)

CUT TO:

To HRC
cc [unclear]
[unclear]
Dr.

THE PRESIDENT HAS SEEN

2-10-97

Who's wearing the pants in the 1990s?

By Kevin Phillips

Quick: What large group of Americans, back in the '40s, '50s and '60s, beat Hitler, girdled the United States with super-highways and put the U.S. flag on the moon?

Now: What large group, in the '70s, '80s and '90s, has been dropping out of the workforce, giving up voting on Election Day and even losing ground in the violent-crime statistics?

You got it, pal: Men. The supposed stronger sex — but for how long?

This is not a pitch for Rush Limbaugh's diatribe about "feminazis" trying to take over the world. But it does provide some explanation of why men listen. Many are losing out, and they like to hear somebody else — "feminazis," Asian cheap labor, Bill Clinton or maybe even the Trilateral Commission — get the blame.

This thesis started eating at me after voter turnout in the November election was reported at just 49% of persons eligible, the lowest since 1924. My wife pointed out the larger, gender-based truth. Turnout in 1924 was low because women had just gotten the vote; the usual 60% of men balloted that year, but just two-fifths of the women.

This year's pattern is different. About 50% of women voted, but only about 48% of men did, and here's where we start get-

ting serious. There's no precise data for the 19th century, but a lower percentage of eligible men appears to have voted in 1996 than in any presidential election since the states started setting up voter registration systems around the time of the Civil War.

Male presidential election turnout, more or less in the 60% range for decades, has been sliding since the 1960s. So has the participation of adult males over 16 in the workforce, which is down from 87% in 1948 to just over 75% now. Back in June, the U.S. Labor Department reported that about 1 million men in the prime working years of 25-55 had stopped looking for a job in the past year. Many are just sitting at home.

In 1995 dollars, the weekly earnings of male wage and salary workers have been dropping even faster — from \$611 in 1979 to \$538 in 1995. A lot of the old jobs that buoyed American men in the quarter century after World War II — in the factories, in the military, in the endless corridors of giant corporations — are gone now. For older men, fading economic opportunity probably has led to lower civic participation. Many younger men, in turn, don't see or expect much on either side of the ledger.

Women, meanwhile, have been increasing their workforce participation, and their real

wages have been climbing. And now they dominate voter turnout on Election Day. Women can shrug at what many men blame: loss of manufacturing jobs to low-wage countries overseas, white-collar jobs being replaced by computers and, to an extent, affirmative action.

But what many men, myself included, have to wonder is this: Where is it all headed? Are men on a long-term socioeconomic slide?

All we have are hints, not answers. But women are steadily gaining importance in government. President Clinton just appointed the first woman as secretary of State, Madeleine Albright, partly because she's tough. Male diplomats don't seem to be.

And even the crime statistics have a gender tale to tell. The

Texas newspapers recently reported a fascinating crime binge: a gang of punks driving around Fort Worth in a blue Oldsmobile, committing 70 armed robberies. Their leader: a slender 19-year-old girl with gold earrings and a silver gun in the waistband of her sweat pants. Since 1991, according to the FBI, the number of women arrested for forcible crimes is up 28%; the number of men is down slightly.

Whatever is happening, men themselves are responsible for giving up a lot of their old decision-making role. If male voter turnout could climb back to the levels of 1932, 1952 or 1964, the big increase would come among the low-income, blue-collar, youthful and minority voters.

That would end the current unusual domination of the shrunken male electorate by middle- and upper-bracket conservatives, not a few of whom are happy to see jobs migrate and wages stagnate so that dividend checks can climb — and happy to talk about "feminazis" as a diversion.

One thing is clear. If men don't pull themselves together — if men can't pull themselves together — something else will have to turn the statistical tide. And right now, it's hard to see what that something else is.

Kevin Phillips, publisher of the American Political Report, is a member of USA TODAY's board of contributors.

USA TODAY
WEDNESDAY, FEBRUARY 5, 1997

The former secretary of state argues that major challenges lie ahead in Asia, Europe and the Gulf. The United States needs a vision of the future it seeks.

cc Baubto un



JEFFREY AARONSON - NETWORK ASPEN

THE PRESIDENT HAS SEEN

2-10-97

CHINA: This vast market is now tied to the world economy. We must establish a genuine strategic dialogue.

A World We Have Not Known

BY HENRY A. KISSINGER

TO SUGGEST THAT A NEWLY elected administration raise its sights to the kind of world the next millennium will bring may appear as a rude interruption to the near-blissful tranquillity that tends to settle in after our national elections. Events, however, develop their own momentum, which, if not mastered, becomes increasingly difficult to manage. This is a particular challenge for inherently lame-duck second-term administrations, which are always in danger of losing the capacity for implementing long-range decisions well before the end of their tenure. The key choices must be made early in the administration, especially since the period of international calm that characterized the first Clinton term is drawing to a close.

Never before have so many structural changes in the international system occurred simultaneously. Some elements are

now global—for example, economics and communications—while politics remains confined to the nation-state or is reduced

to ethnic units. To make a long-term difference, the re-elected Clinton administration must envision the world it seeks to achieve. Only in that way will it be able to establish criteria for judging where it is heading.

Let me focus on three areas likely to present the greatest challenges in the next century: Asia, the Persian Gulf, and the transatlantic region encompassing the NATO countries and the territory of the former Soviet bloc.

In Asia, China will emerge as an incipient superpower. When it reaches the per capita income of South Korea (about a third of ours), its GNP will be double that of the United States. Such an economic colossus is bound to have a major impact. China's vast market, reinforced by its growing military power, will, in the hands of

busy at Sega Gameworks, a chain of 21st-century arcades backed by Sega, Universal Studios and DreamWorks SKG. President Michael Montgomery describes it as "an alternative to discos for the young adult," which can be loosely translated as "save your quarters, bring a credit card." When the first branch opens in Seattle in March—there are 40 planned by the year 2000—its centerpiece will be Vertical Reality, an interactive game designed by Steven Spielberg in which the player's chair rises with each new skill level to a maximum height of 24 feet ... and then drops in free fall if he loses. Is it just coincidence that DreamWorks, intended to represent the future of Hollywood, is producing an arcade game before it has a movie in the theaters?

When not playing futuristic videogames, the sub-boomers can while away their idle weekends jouncing down hills on a MountainBoard, an all-terrain oversize skateboard equipped with a suspension and balloon tires. "It's the closest thing to Snowboarding without snow, way more fun than skating and much saner than road luge," raves Steve Casimiro, editor of the hip ski magazine Powder. It's part of a trend toward "hybrids and mutations" in sports, according to Joanne DeLuca, a partner in Sputnik, a youth-oriented marketing-research firm. Snowboarding, a cross between surfing and skiing, grew out of this trend and gave rise to wakeboarding, in which a short board takes the place of water skis. Ice hockey's offspring, in-line skating, gave rise in turn to in-line basketball, a very hip-hop thing to do in Manhattan's East Village. Youthful energy, when channeled into golf, has produced radical golf, a sport in which players strap one or two clubs to a backpack and set off on a quest to see who can finish a course in the fewest number of strokes and the shortest time, running from stroke to stroke and dodging their opponents' balls as they go. It's already been played a couple of times in Palo Alto, and it could be very hot sometime in the next century.

Which is about as far into the unknown as the imagination of man can extend, although it's certainly possible to conceive of a microbrewery featuring radical-golf virtual-reality simulators and 65 giant video-walls showing an interactive version of "The Prisoner of Second Avenue." In fact, someone's probably planning one right now, as part of a \$12 billion, 10,000-room resort that will re-create the entire topography of Dante's Divine Comedy and feature daily re-creations of the Normandy landings and a simulated solar eclipse every hour.

And you can guess where it will be built.

With CORIE BROWN in Los Angeles,
JOHN MCCORMICK in Chicago and
SUSAN MILLER in New York

After the Millennium...

Mountains will be higher, Americans will be older and someone else will be cleaning your house



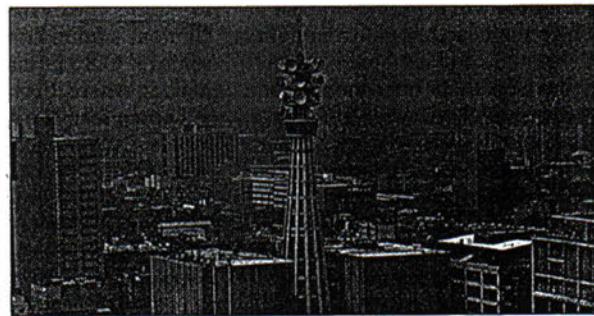
CLIMBING HIGHER: The peaks of the Himalayas will rise

☛ In 2000, the Himalayas will be more than an inch higher.

☛ In 2010, there will be 2.9 workers for every person receiving Social Security. In 1950, there were 16.6 workers for every person receiving Social Security.

☛ In 2010, a "1997 dollar" will be worth about 63 cents.

☛ By 2000, nearly 10 million U.S. households will be using a maid, housekeeper or professional cleaning service—an increase of more than 500,000 since 1996.



ENVIRONMENTAL MESS: A day of reckoning for Mexico City

☛ By 2000, your chance of contracting malignant melanoma will increase to 1 in 75. In 1935, the risk was 1 in 1,500.

☛ The annual number of births in America, which dipped below 4 million in 1994, is expected to climb again after 2000, breaking 4 million in 2008 and 4.5 million in 2018.

☛ By 2005, there will be more than 100,000 Americans aged 100 years or older.



SAFETY NET: More Social Security recipients

☛ By 2000, Mexico City will be perilously short of clean air and water.

☛ Shortly after the year 2030, the number of Americans who have died since the founding of the nation will surpass the number of living Americans.



ONE NATION, UNDERGROUND: The dead outnumber the living

☛ The number of U.S. scheduled air passengers will increase 59 percent by 2007, to more than 900 million a year.



THE NEW BOOB TUBE: Out-selling televisions by 2000?

☛ In 2000, IBM predicts hard-disk drives (in PCs) will outsell television sets.

☛ Shortly after 2020, there will be more Americans over age 65 than under age 18.

FROM TOP TO BOTTOM: ALAN KEARNEY—TONY STONE IMAGES.
ROY GUMPEL—GAMMA-LIAISON, DON SMETZER—TONY STONE IMAGES,
STEPHEN JOHNSON—TONY STONE IMAGES,
STEPHEN FERRY—GAMMA-LIAISON



PETER BLANEY—SABA

RUSSIA: Early in the new century, it will have restored its central authority—but the new structure will be far freer than communism

skillful and determined leaders, provide a vehicle for growing political influence.

But that does not mean that China will necessarily aim for hegemony. Or that American policy will lose its capacity to affect the evolution of Asia. For one thing, China's growth will not take place in a vacuum. The end of the bipolar world and the rise of other power centers—in India, Vietnam, China and South Korea—will bring about a more nationalist course in Japan. Less and less convinced that its interests inevitably parallel those of the United States, Japan will emphasize foreign and defense policy more geared to its own national perceptions.

INDIA IS EMERGING AS A MAJOR POWER, ESPECIALLY IN South and Southeast Asia. The Southeast Asian nations, from Vietnam to Myanmar (Burma) and Indonesia, will increase their cohesion. In these conditions, hegemony by any one nation can occur only if all others collapse internally or as a result of a military effort on a scale for which there is as yet no evidence and which, if it occurred, would evoke strong countervailing reactions.

There is a school of thought that proposes trying to anticipate challenges which have not yet occurred by confronting China with human-rights pressures and economic warfare. The theory is that democratization will lead to a more peaceful policy and that economic shortfalls will cut down on China's military options. Under present circumstances such a policy is certain to fail, while evoking the very dangers with which it seeks to deal. Human-rights pressures against China have failed for the past six years, partly because they reflect a number of misconceptions. China's foreign policy is not so much driven by communist ideology as by growing nationalism, which can be inflamed only by a confrontational American policy, particularly if we isolate ourselves further by bringing similar pressures on friendly countries like Indonesia. The Chinese economy is not a Stalinist planned system but a self-styled socialist market economy, with the word "market" operationally far more significant than the word "socialist." Its biggest danger is that it will overheat, not stagnate, as was the case in the

The nations bordering the Atlantic will have to get used to a far more assertive Russia. They will have to ensure that its traditional nationalism does not spill across its borders.

Soviet Union. Moreover, Chinese society is already being transformed by indigenous factors, especially the reforms introduced by Deng Xiaoping. By decentralizing decision making, they have created a kind of pluralism, if not necessarily democracy. Similarly, the impact of the one-child family on historical Chinese social patterns is likely to be profound.

Finally, there is no objective basis in Asia for military containment on the model of the Cold War. The Soviet Union's European neighbors felt threatened and were eager for visible American military support. By contrast, none of China's neighbors will be prepared to ground their policy or join an alliance based on the assumption of Chinese aggression. To be sure, they want an American presence, especially in the diplomatic and economic fields, to establish the idea that America is not indifferent to their fate. But, knowing that China is a permanent part of Asia while American commitments are likely to be episodic, they will refuse, short of a direct challenge, to base their policy on hostility to China. A confrontational American policy that is perceived as unprovoked will drive the countries of Asia away from the United

2-10-97
THE PRESIDENT HAS SEEN

States and toward both nationalism and neutralism. Of course, we must not shrink from confrontation if vital American interests or the global equilibrium are challenged. But the stakes are sufficiently high not to prompt a crisis. Chinese diplomacy is more skillful than was that of the Soviet Union; Chinese society is more cohesive, and the neighboring countries are more ambivalent about where the threat to their security lies. For the first time in its history, China is tied to the world economy and a global international system. Before turning to confrontation, a cooperative relationship must be given a chance.

For all these reasons, American policy toward Asia in the

gression and to develop common positions on unification. The new century will not be very far along before the issue of Korean unification becomes pressing, if indeed it does not happen earlier. The United States will be torn between support of the principle of self-determination and reluctance to face the implications of Northeast Asian instability. Moreover, the views of Korea's neighbors—especially China and Japan—will be highly ambivalent. These conflicting motivations are not irreconcilable. But they require a serious dialogue with all the countries concerned; to improvise a resolution after the Korean peninsula has exploded would be far too dangerous.

4. Establishing a genuine strategic dialogue with China.

American policy must not forgo the possibility of political understanding with Beijing. The two countries have a parallel interest in avoiding war in Asia, while China's disagreements with several of its neighbors are likely to be greater than the ones it has with the United States. Nor will China, for the foreseeable future, have the military strength to undertake a hegemonic policy. All this makes it worth trying to reconcile policies where possible, and to take the sting out of disagreements where it is not.

The Clinton administration's new emphasis on strategic dialogue with Beijing is to be welcomed. What is lacking is a rational basis for this policy. Is it a re-labeling of the policy of altering Chinese institutions, or does it mark a genuine shift toward attempting to reconcile perceptions on international affairs? The sudden reversal last March from near-military confrontation to the announcement of three high-level visits runs the risks of being construed as a largely tactical maneuver in China and of confusing the other capitals of Asia. The effectiveness of the dialogue will depend on its content. It needs to be based on a precise and detailed analysis of Asian trends and of

the means to distill parallel approaches or to soften the impact of disagreements.

DISCUSSIONS ABOUT THE MIDDLE EAST TEND TO focus almost exclusively on the Arab-Israeli issue. While it is demonstrably explosive, there exists an established and tested framework for dealing with it. Below the surface of the Gulf, however, lurk even more dangerous structural issues. There, states of very limited power possess the capacity to cause nearly infinite international damage. When, in 1973, the Gulf states found themselves in a position to raise oil prices by 387 percent in a three-month period, they triggered a 10-year financial and economic crisis that threatened the global economic and financial systems and undermined the governability of the industrial democracies.

Today the consequences of a crisis in the Gulf are no less omi-

• dispatches from the future... disp

A CHINESE LAND GRAB

APRIL 2, 2005 Beijing sent lightly armed police units into the Russian Far East today to protect Chinese residents whose ownership of huge tracts of Russian land made them targets of angry mobs. "China will protect its citizens, wherever they are," said President Li Peng.

Russia reacted furiously. President Aleksandr Lebed called China's police action "a creeping annexation of Russian land." He ordered his army to expel the 2 million Chinese who live in the rich but undeveloped region south of Khabarovsk (map). But it wasn't clear whether Russian troops would carry out the order. Many units of Russia's demoralized army earn most of their income by working for Chinese indus-

tries in the area.

Most of the Chinese settlers are undocumented aliens who settled in Russia's Maritime Territory to exploit its timber, fish and minerals. Local officials have been complaining for years about the growth of "Chinatowns" in the Russian Far East. And the Chinese have begun to refer to the area, only half-jokingly, as "Beihai Sheng" (North Coast province).

With Asia facing its most dangerous crisis since the Second Korean War six years ago, United Nations Secretary-General Mary Robinson



urged the Security Council to intervene. But diplomats said any action would be vetoed by three permanent members of the council: Brazil, India and China itself. In Washington, President Kasich discussed the crisis at a mid-night meeting with Secretary of State Condoleezza Rice. Sources said Washington would try to mediate the dispute through a special envoy, probably the U.S. ambassador to Japan, Al Gore.

No one knows what will happen if the Russians decide to fight. Li's control of his government is still wobbly, after last year's unpopular overthrow of former president Jiang Zemin. Li may not have enough authority, on his own, to launch an all-out war against another nuclear power. Such decisions are still approved, in private, by China's paramount leader, Deng Xiaoping, 102, who has not been seen in public in the last 11 years.

2-10-97 THE PRESIDENT HAS SEEN

next century will need to be based on the following ingredients:

1. Maintaining good relations with all the countries of the region, to give our diplomacy the greatest possible flexibility. We have no unbridgeable schisms with any of the key countries of Asia; in general, our differences with them are less than each has with its neighbors. We have no interest in dividing Asia into friendly and hostile blocs. Paradoxically, this is the best method of ensuring that we have allies in unavoidable crises.

2. Continuing the alliance with Japan as the keystone of our Asian security policy. Were it to end or even to weaken, the Japanese trend toward nationalism would be greatly accelerated. At the same time, we must be sensitive to the historic fears of the other Asian nations and conduct the alliance with Japan, in both words and actions, so that it cannot be perceived as a cover for a new wave of Japanese expansionism.

3. Strengthening the alliance with South Korea to prevent ag-

2-10-97

PETERSON—GAMMA-LIAISON



The new Clinton team has no more urgent a task than to devise a response to an explosion in the Gulf or an upheaval in Saudi Arabia

PARADE IN TEHRAN: Our problem is that the Gulf's two strongest nations are outlaws

nous. But the structure on which its stability depends is even more brittle. The two strongest nations—Iran and Iraq—are outlaw states. The United States has imposed sanctions on Iran; the international community, on Iraq. The immediate area contains only two friendly Islamic countries, Saudi Arabia and Jordan. But Saudi Arabia is going through the torments of adapting an essentially feudal society to the modernization wrought by oil resources, global communications and the spread of education. Jordan, bordering Iraq, Syria and Israel, has its hands full with its own immediate security concerns.

Turkey, though somewhat removed geographically, is central to Gulf strategy. Looking toward Iran and Iraq on one set of frontiers and toward Europe on another, Turkey has been the anchor of our Mediterranean policy. But it feels rejected by decades of American and European pressure over its policies on Cyprus and the Kurds. And there is a real danger that its fundamentalists might win a democratic election, reversing the Atatürk reforms and reorienting Turkey toward the Islamic world.

IT WILL NOT BE POSSIBLE TO SUSTAIN THE STABILITY OF the Gulf indefinitely without the effective support of Turkey. Nor will it be possible to maintain international support for the Iraqi sanctions very far into the new millennium, if indeed until then. A policy of keeping Iraq united as a potential obstacle to Iran conflicts with the goal of fostering the autonomy of the Kurds in the north and of the Shiites around Basra by means of no-fly zones and similar measures. U.S. policy has already suffered a shipwreck in the Kurdish area, and with the passage of time the inconsistencies in our position will become even more apparent.

To seek stability in the Gulf against both Iran and Iraq simultaneously, with vulnerable Saudi Arabia our only ally, is a high-risk policy. But breaking out of this dilemma is not easy. Dealing with Saddam Hussein presents insuperable problems; Iran would be the logical candidate for a rapprochement, but so far there has not been a shred of evidence that Iran is prepared to abandon its support for terrorism.

Fortunately, there are no comparable obstacles in dealing constructively with Turkey. It is high time to treat Turkey in a manner compatible with its strategic importance. There is an urgent need

for such a new emphasis before a fundamentalist victory in Turkey removes the option.

But if we can find no way to modify the building blocks in the Persian Gulf, we had better prepare ourselves for an inevitable blow-up. The new Clinton foreign-policy team has no more urgent task than to assemble the best minds it can find to devise an appropriate response to an explosion in the Gulf or an upheaval in Saudi Arabia. These are crises that cannot possibly be dealt with by improvisation.

Three events will shape transatlantic relations in the next century: the success or failure of the attempt by the European Union to constitute itself as a political entity; the rise of Russia, and the Atlantic policy of the United States.

By the beginning of the new millennium, the European currency—the Euro—will have come into existence for France, Germany, Belgium, the Netherlands and Luxembourg, with Italy and Spain joining either from the beginning or within two years. The question is less whether the founders can meet the agreed criteria for fiscal discipline than whether they will be able to maintain it afterward. There are two possibilities: that the inability to maintain fiscal discipline will set off an inflationary spiral, or that the effort to impose austerity by means of a European Central Bank will trigger a political backlash. Either of these contingencies will condemn Europe to years of discord and division and will reduce its international role.

The more favorable prospect is that the Euro succeeds and that, despite all doubts, a common fiscal and monetary policy will help overcome Europe's economic sclerosis. In that case, Europe, with its competitiveness restored, will transform the Euro into a new reserve currency as bond managers around the world use it to hedge their dollar investments. For America, this will be an unprecedented situation, which could set off economic warfare unless statesmanship on both sides of the Atlantic manages to devise new attitudes and institutions for cooperation.

The return of Russia to a major international role will be another seminal event. Early in the new century, after many ups and downs, Russia is likely to have restored its central authority. It may well be closer to the political structures favored by Pinochet or Salazar than to a Western pluralistic system—though it

will be freer than Communism. Once a legal system is established and a measure of predictability introduced, the economy should recover as well.

At that point, the nations bordering the Atlantic will have to get used to a far more assertive Russia. The task of the Atlantic Alliance will become to give Russia an opportunity to participate fully in the political constructions of the new millennium, while ensuring that its traditional nationalism does not spill across its borders.

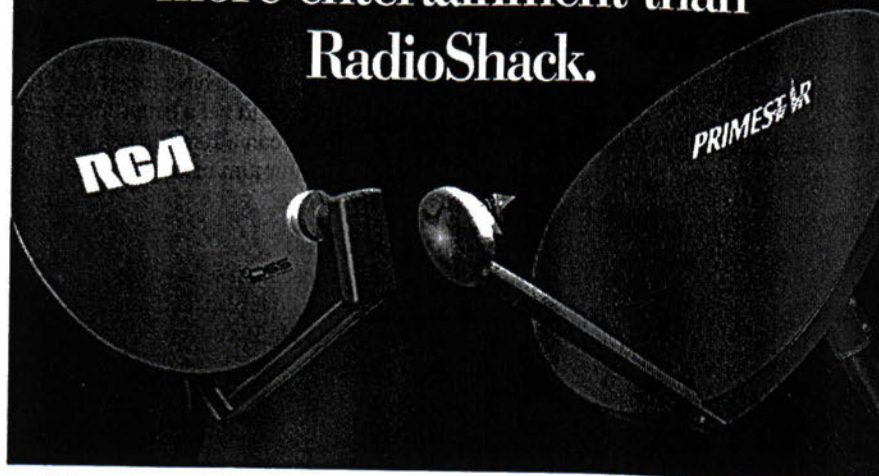
The enlargement of NATO to include the former Soviet satellites in Central Europe can provide the essential safety net for this task. At the same time a body for political cooperation embracing the key members of the Atlantic Alliance plus Russia must also be created. The appropriate forum for this is the Organization for Security and Cooperation in Europe. Charging NATO with both tasks waters down the Alliance and invites long-term Russian pressure.

Key members of the Clinton administration—whose formative experience was the Vietnam protest—consider the Cold War to have been at least partially provoked by the United States. Treating Russia as a psychological problem, they have tried to placate Moscow by enlarging NATO in a way that transforms it from military alliance into a political forum which, for all practical purposes, includes Russia. This would destroy NATO as a safety net and invite permanent Russian intrusion into the heart of Alliance decision-making.

Whatever my doubts about the suitability of economic sanctions for spreading democracy in Asia, I consider it essential to promote the democratic ideal by fostering close cooperation where it already exists, especially among the nations bordering the Atlantic and within the Western Hemisphere. Military conflict among these nations is nearly inconceivable. It is among the established democracies that we should reinforce the values and institutions we treasure. The Western Hemisphere Economic Free Trade Area proposed by President Clinton and its ultimate merging into an Atlantic Free Trade Area are crucial steps toward realizing these goals.

The American foreign policy challenge for the next millennium is different from anything in our previous experience. Heretofore we engaged ourselves internationally by dealing with problems that were seen as having a terminal date. In the period ahead our biggest challenge will be to help construct a system in which the rewards and penalties are conducive to a broader sense of global well-being. But one imperative has not changed since the days of the Cold War: a peaceful and humane international order in the next century requires firm and enlightened American leadership buttressed by bipartisan support.

This year, nobody dished out more entertainment than RadioShack.



More people got their direct-to-home satellite system from us than from anyone else.

People who wanted the viewing variety, digital picture and sound quality, and value of a mini-dish satellite system, made us America's #1 retailer of direct-to-home in 1996. Why? RadioShack had the best products, the best offers—and answers! For our store near you, call 1-800-THE-SHACK.



RadioShack.
You've got questions.
We've got answers.

THE PRESIDENT HAS SEEN

2-10-97

Truism #6



Your building

may have a health club you

don't even know about.

Opportunities to get a little exercise
are everywhere.

To learn more, call ACE at 800-529-8227.

A Public Service Message From The
American Council on Exercise®



POETRY CONTEST!

\$48,000.00

in prizes
awarded annually

Send one original poem,
20 lines or less to:

The National Library of Poetry
Suite 6282
1 Poetry Plaza
Owings Mills, MD 21117

POSSIBLE PUBLICATION

© 1997 The National Library of Poetry

MATCH POINT

When building a campfire,
clear a 5-foot area around
the pit down to the soil.

**REMEMBER, ONLY YOU CAN
PREVENT FOREST FIRES.**



A Public Service of the USDA Forest
Service and Your State Forester.



2-10-97

There Is a Balm in Chiliad

Will the crescendo toward 2000 help Clinton beat the second-term jinx?

A LONG TIME AGO, IN THE DAYS WHEN THE YOUNG MIGHT get stoned and watch 2001 and listen as *Also Sprach Zarathustra* blared in crescendo, the millennium was heavy. It was far out. It was also far off. But now, here it is—just on the other side of Bill Clinton's new term, at the end of his famous bridge. Did Dick Morris arrange this?

Perhaps it is simply more of Clinton's luck. He is the most resilient Southerner since Scarlett O'Hara. Clinton has built a career around the truth that tomorrow is another day. And in a television age, everyone forgets everything within a few minutes anyway—each discontinuous moment being rinsed clean a moment later, sins washed away in the sacrament of absolution by oblivion. But arranging to have his second term end in the year 2001 is a stroke of public relations genius. Tomorrow is another ... millennium.

The brilliance consists in this: second terms are famous for being times of dreary brownout. In music it is called *rallentando*, a gradual slackening of tempo, a winding down. Dwight Eisenhower's presidency, for example, slipped into senescence in the late '50s. The jinx falls especially on those Presidents who return to the White House on landslides—Richard Nixon, for example, who annihilated George McGovern in 1972, and then, less than two

years later, was forced to resign, a step ahead of the Senate's tar and feathers. Lyndon Johnson's great victory in 1964 over Barry Goldwater did not make L.B.J., strictly speaking, a second-term (his "first term" was the unexpired part of John Kennedy's), but the evil eye fell on him nonetheless.

Presumably Clinton, with 49% of the vote this time, is less subject to the Law of *Rallentando*. Still, experience argues against the idea of a President's even attempting a second term.

What's needed to ward off incipient *rallentando* is a big, distracting counternoise, a *Zarathustra* crescendo. No one would wish Bill Clinton to achieve exactly the second-term salvation—if that is the word—that history arranged for Franklin Roosevelt. F.D.R.'s second term represented a fairly dramatic falling off from the brisk exuberance of the first. Roosevelt tried to pack the Supreme Court, with humiliating results. The Great Depression ground on. Abroad, the international order began to disintegrate. America split bitterly over what, if anything, to do about it. All of this set the stage for F.D.R. to transcend his second term's malaise by breaking through precedent to a third term and, as history would have it, moving the drama of his presidency to a larger theater: world war.

In a sense, the millennium is Bill Clinton's larger theater; for him there is a balm in chiliad. World War II, of course, was no illusion. The millennium is a sort of hallucination—the calendar's neverland. That's all right; Bill Clinton is a magnificent illusionist.

For three years after this week's Inauguration, Clinton will play variations on the great-expectations theme inherent (however artificially) in time's odometer, the rolling toward three zeroes. Clinton's metaphor during the 1996 campaign was the "Bridge to the 21st Century." Actually, his image-and-message crew tested a number of catchphrases: "Building a Bridge to the Future," "A 21st Century Agenda" and, candidly if bathetically, "Bridge to a Second Term." All lightning bugs, no lightning.

The imagers considered invoking not just the new century but the entire new millennium. They rejected the idea as being "too grandiose, too out-of-scale." Presidents, they reasoned, can try to shape decades. To aspire to shape a millennium sounds like overreaching.

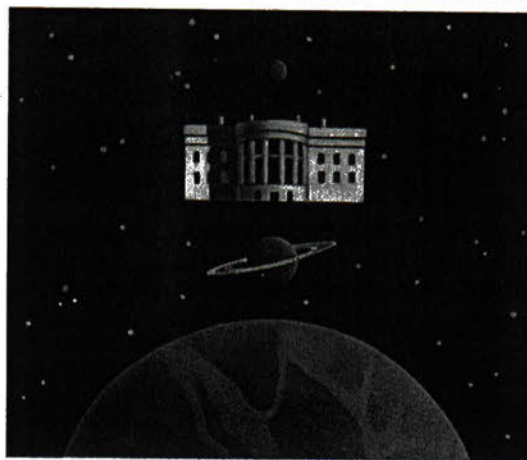
What lies on the other side of the bridge? For pessimists the new millennium is time's equivalent of those stretches of pre-Columbian ocean on which European mapmakers

wrote, "Here be monsters." Either/or: The imagination projects either apocalypse or high-tech wonders, either hell or heaven. Clinton, whose theology is politics, projects a nation going through the biggest changes since industrialization depopulated the farms 100 years ago. Once a balanced budget is in place, he thinks, the basic source of American political conflict in the past decade will have vanished. The country will be ready to search for a new cooperative, pragmatic approach to national problems.

This, of course, is virtually every President's Inaugural music. William McKinley, the stolidly worthy Ohioan who presided over the last turn of the century, made such complacent sounds. Richard Nixon's line was "Bring Us Together." He did the reverse.

The millennial either/or: Clinton's second term may achieve great things or, at the other extreme, come to the sort of squalid apocalypse that his enemies wish to call down upon him for past sins. The little foxes are in the vines.

In any case, it is certain that by the year 2001, the majority of Americans are going to be heartily sick of Bill Clinton—and of the millennium as well. Both will have been with us for an eternity.



ROBERT GOLDSTEIN FOR TIME

Balm

would to see him die

Bo

THE PRESIDENT HAS SEEN

2-10-97

CORPORATE TAXES

'96 Plan to Increase Taxes
On Business in an Encore

By JOHN M. BRODER

WASHINGTON, Feb. 6 — The Clinton Administration is looking to Wall Street and corporate America to help underwrite its proposals to cut middle-class taxes and finance higher education, a strategy that met with little success last year.

Undeterred by failures to enact many of the same provisions, the Administration issued today a lengthy list of changes in tax and accounting law intended to raise \$34.3 billion over five years and to end what the Administration called abuses of the tax code by business and wealthy individuals.

The proposal would increase taxes on multinational corporations, end the favored tax treatment of extra-long-term bonds and raise capital-gains taxes by changing the rules for computing the cost basis of securities when they are sold at a profit.

In soak-the-rich language seen nowhere else in the otherwise conciliatory budget submission, the Administration said the plan to increase taxes "cuts unwarranted corporate-tax subsidies, closes tax loopholes, improves tax compliance and adopts other revenue measures."

Wall Street revolted over those proposals last year, and the Republican chairmen of the tax-writing committees in Congress sided with their corporate constituents. The proposals never went to a vote.

This year, however, the Administration apparently hopes that Mr. Clinton's stronger political position and a new, if temporary, bipartisan ship will allow the provisions to be considered on their merits.

The tax law now "costs the Federal Treasury revenue and makes the economy less efficient," a senior Treasury Department official who

insisted on anonymity said today. The chairman of the Senate Finance Committee, Senator William V. Roth Jr., Republican of Delaware, said in an interview that he would carefully review the proposed increases. "When we feel there is abuse, we will take action," Mr. Roth said.

The largest of 36 proposals, and the only major one not carried over from last year, would change the taxation of foreign sales of multinational corporations. The law now allows American companies that do business overseas to assume for tax purposes that half their income from foreign sales is generated overseas, even if the products are wholly made in the United States. That lets com-

Rare soak-the-rich
language in a
soothing package.

panies take advantage of tax differences between the United States and other countries.

The Administration proposes to tax foreign sales based on the site of activity, which in most cases would increase exporters' United States taxes. The Administration said it expected to generate an additional \$7.9 billion in corporate taxes from the change over the next five years.

Industry is expected to fight the change, as it did when it was proposed in the tax package of 1986, said Harvey B. Morgenson, an international tax specialist at the accounting firm Ernst & Young.

"This is the sacred cow that was spared in 1986," Mr. Morgenson said. "It's very easy to attack from a technical point of view, but it's very important to U.S. multinationals and exporters. It'll be down and dirty in the trenches when it comes to enacting it."

The Administration also proposed, as it did last year, to force taxpayers to use the average purchase price of a bundle of stocks bought at different times when computing capital gains. Current law allows taxpayers to choose among three methods to compute the cost basis of stocks, in many cases lowering taxes. Officials estimated that the change would bring in an additional \$600 million a year.

The budget also attacks several maneuvers intended to delay or avoid taxes on the sales of securities like "short sales against the box" and various asset swaps.

Although unknown to most Americans, they are popular with corporate treasurers and wealthy individuals. None are projected to yield big dividends for the Treasury.

The proposed ban on certain short sales, for instance, would generate \$300 million from 1998 to 2002.

The budget plan also tries to clarify a long-standing dispute over the distinction between debt and equity, which the tax code treats differently but which have become increasingly blurred with the large volumes of bonds with maturities of more than 40 years and zero-coupon convertible debt. If the proposals are adopted, the law would treat those products as equities, rather than bonds, eliminating favorable tax treatment.

The proposal would also limit the deductibility of loan interest in direct proportion to a company's holdings of tax-free municipal securities.

The executive vice president of the Bond Market Trade Association, Michah S. Green, said, "They will simply increase the cost of capital to corporations around the country and make it more expensive for local governments to raise money."

The New York Times

FRIDAY, FEBRUARY 7, 1997

THE PRESIDENT HAS SEEN

2-10-97

Copy

By Sandra Block
USA TODAY

During his first four years in office, President Clinton stirred the wrath of several powerful business and special-interest groups. Now, he could face the wrath of the meanest interest group of all: outlet shoppers.

A tiny tax provision in the Clinton administration's massive budget plan could make it less profitable for retailers to sell their unsold goods to outlet malls and other discount stores, tax lawyers say. The provision is one of a series of proposed business tax changes aimed at offsetting Clinton's proposed tax cuts.

The proposal — shot down twice before — would affect the way companies account for goods they sell for less than it cost to make. That's not unusual for clothing and toymakers, who must cope with changing styles, says Tom Ochsenchlager, tax lobbyist for Grant Thornton. "Tickle Me Elmos might fall into this category," he says. "Somebody somewhere probably has a whole warehouse of them now."

Companies forced to sell last year's bell bottoms for \$7 a pair can recoup some of their losses by taking a deduction on their tax returns. Under current law, companies can take the write-down as soon as they ship the items to an outlet or other discount distributor, as long as they advertise the marked-down prices. But Clinton's tax plan would make them wait until the items are actually sold to take the deduction. That could prompt some companies to discard or donate unsold goods so they can take the write-down right away, says John Motley of the National Retail Federation. "That's good for charities, but it's not good for outlet shoppers."

Middle-class breaks may cost businesses

By Sandra Block
USA TODAY

President Clinton is looking to business to pay for a big part of his proposed middle-class tax breaks.

Clinton's budget plan proposes raising \$35 billion in revenue through 2002 by eliminating or changing a long list of strategies businesses use to reduce their taxes. Not surprisingly, Wall Street opposes the proposals, and Republicans don't like them either. GOP lawmakers argue that any business tax increase eventually is passed on to individuals through higher prices, fewer jobs and lower wages. Some of the most contentious proposals would:

- Eliminate 100-year bonds. The Clinton proposal would eliminate the interest deduction for bonds with a maturity of more than 40 years. Spurred by low interest rates, several big companies, including IBM, have issued 100-year bonds the past year or so. But Treasury says the securities act more like stocks than bonds and should be taxed accordingly. The proposal wouldn't affect bonds that already have been issued.

- Modify tax loss and carry-forward rules. Under current law, if a company reports a loss in a particular year, it can use the loss to offset income from the previous three years or the following 15 years. The proposal would reduce

the carry-back provision to one year and extend the carry-forward rule to 20 years. Tax lawyers say limiting the carry-back provision is unpopular because it would reduce the amount of money troubled companies could collect in tax refunds when they are facing a cash squeeze. Companies in cyclical industries and those that make large investments would be particularly hard-hit, says Clint Stretch, director of tax legislative affairs at Deloitte & Touche.

- Change the formula used to tax income from multinational companies. Now, if a U.S. manufacturer sells goods overseas, half the income from the sale of the goods is treated as U.S. income for tax purposes; the other half is eligible for a foreign tax credit. Treasury says the 50-50 rule benefits companies that export to high-tax countries and gives them a competitive advantage over companies that do all their business in the USA. Under the proposed change, Treasury would base the foreign tax credit on the percentage of their income generated from foreign sales, manufacturing and other activities.

Tom Ochsenchlager of Grant Thornton says the change would be an administrative nightmare for companies with operations around the world. "You have products manufactured in the USA, sent overseas, remanufactured in the USA, then sold to a distributor," he says. "It can get very complicated."

USA TODAY |

FRIDAY, FEBRUARY 7, 1997

At Home Abroad

ANTHONY LEWIS

Painful Truth

CAPE TOWN

South Africans thought they knew the worst about the crimes of apartheid. They did not.

In the last few days unimagined horrors have emerged from the Truth and Reconciliation Commission established as part of the country's transition to democracy. Among other things, the commission is looking into the possibility that Steven Biko was killed in 1977 not by policemen's blows, as previously thought, but by poison.

The commission's deputy chairman, Dr. Alex Boraine, told me that the poison allegedly used was one "manufactured by the country's chemical and biological warfare program." The poison is said to produce brain hemorrhages of the kind from which Steve Biko died.

The new Biko inquiry and other developments have made clear that the commission is producing what many doubted it could or would: the truth. More and more former policemen, military officers and higher-ups are coming forward to confess what they did.

But the very effectiveness of the commission in bringing out the worst is putting strains on the other half of the bargain it offers: In exchange for telling the whole truth about what they did, perpetrators of political crimes are to be given amnesty.

"The act doesn't call for repentance," Dr. Boraine said, "or for forgiveness. Amnesty is the price we pay for our political settlement and for our peace. It can be a costly price.

"Political theory, yes: amnesty is necessary and can help the country on the path to reconciliation. But when you hear the details of what someone actually did, it's hard.

"There are cases where after torturing and killing someone they burned the body to dispose of it. How? You go into the veld, start a big fire and you burn the body on one side and turn it. And at the same time you have your barbecue and your beer. Is it bestiality or barbarism or what? We went through a very dark period."

Desmond Tutu, the retired Anglican Archbishop, is the chairman of the Truth Commission. He is under medical treatment now for prostate cancer and is temporarily away. Until December he presided at hearings where details so ghastly were recited that at one point he put his head on the table and wept.

"It wasn't just the Bikos or the

Sharpevilles," Dr. Boraine said. "It was across the country. We have listened to thousands of people."

Even widows have in many cases said they want only to know what happened, not to punish the killers. But that is not a universal reaction. Mr. Biko's widow, Notsikilelo, is expected to oppose the application for amnesty by five former security policemen who say they killed him unintentionally.

If poison turns out to have been the cause of his death, I asked Dr. Boraine, how could it have been unintentional? "Those policemen may not have known" about the poison, he

South Africa's amnesty ordeal.

replied. There were many branches of the security forces involved in suppressing opposition to apartheid.

Another anti-apartheid activist, Dr. Frank Chikane, came down with a mysterious illness several times during a trip to the United States in 1989. A doctor in Wisconsin finally diagnosed it as the result of a poisonous chemical, perhaps introduced into his clothes or luggage. Dr. Chikane survived and is now a government official.

To gain amnesty, the perpetrators must convince a panel of three judges and two lawyers that their purpose was political and they are fully disclosing their role. The commission has a staff of independent investigators who check the stories, and the panel decides on amnesty after a quasi-judicial proceeding.

If amnesty is given to Steve Biko's killers, and others like them, it will be extremely painful for many. But without the carrot of amnesty, the truth would almost surely have remained hidden — corrupting the country's future.

One former cabinet member, Adriaan Vlok, who was Minister of Law and Order, has applied for amnesty. Dr. Boraine says that former President F. W. de Klerk ought to apply, despite his honorable role in the transition, because he had political responsibility in the last days of apartheid. It is the system, more than any individual, that now stands revealed for the horror it was. □

In America

BOB HERBERT

Two Real N.B.A. Heroes

Dennis Rodman and some of the other bad boys of professional sports could learn a few things from Bryan Fretwell and Brahma Denson, two youngsters who will be honored this weekend by the National Basketball Association.

Back in 1989, when Bryan was 10 years old, he began having excruciating headaches. At times he would black out. Ordinary life was put on hold for the fifth grader at Mill Plain Elementary School in Vancouver, Wash., as doctors tried to figure out what was wrong.

"I wasn't that scared in the beginning," said Bryan, in an interview this week. "But I got scared when I saw how upset my parents were. What they found was that I had a tumor that was one-fourth to one-third the size of my brain."

The tumor was malignant. "They needed to remove it right away," said Bryan. "They said I might have died within a week."

The surgery took eight hours and was a big success. Bryan recovered without having to undergo chemotherapy or radiation treatments.

"We're past the five-year point," he said, "which tells them it's not coming back."

During his long recovery period, Bryan tried to think of ways he could help other kids who were ill. As he

These teen-agers' triumphs were no slam-dunk.

put it: "Going through that makes you grow up faster. If you've been there firsthand, you hope you could do something to make it easier for someone else."

Bryan decided to help raise money for the Doernbecher Children's Hospital in Portland, Ore., where the surgery was performed. He joined a fund-raising organization at the hospital called "Kids Making Miracles." Thus far he and the other volunteers, all of them children and teenagers, have raised \$500,000. Bryan is now a co-chairman of the group and his goal is to reach \$1 million in donations by the end of 1999.

Bryan is also a participant in the N.B.A.'s TeamUp program, a recently organized effort designed to encourage youngsters to volunteer for activities that will help other youngsters. A few weeks ago he was told he would be one of a handful of TeamUp kids whose extraordinary efforts will be honored at this weekend's N.B.A. All-Star Game celebration in Cleveland.

Bryan, who is 18 now and hopes someday to be a pediatrician, boarded a flight from Vancouver to Cleveland early yesterday morning. "I'm in fine health," he said. "I have a lot to be grateful for."

Brahma Denson, who lives in Cleveland, was all but homeless a few years ago. "I was supposed to be living with my sister but she and I didn't get along," he said.

He was 14 and fascinated by guns and gangsters. "The control and power that I saw in Mafia life in the movies was very exciting to me," he said. "It seemed to me that the reason they had control was because of the guns they had, and their willingness to use them."

That contrasted, he said, with the sense of powerlessness he felt in his own life. "To have a firearm, to know that it was there and I could use it, meant that I would have power and control."

He got a gun. He dealt drugs. And inevitably he ended up in trouble with the law.

Enter a teacher-minister-engineer named Brian Register. He saw in Brahma a boy who was confused and alone but who was intelligent and had great potential.

"He had never been in a stable situation," said Mr. Register. "So I tried to help out with that."

Mr. Register enrolled Brahma in his drafting and design program at Cleveland's East Tech High School. He found Brahma a place to live. He got him an after-school job. And he took the boy to his church.

Said Brahma, who is now 17 and looking forward to college: "I came to see that the life of the streets, which I had idolized so much, always leads to the same place, which is death or jail."

Having turned his life around (it took three years and was by no means easy), Brahma, like Bryan Fretwell, felt the desire to do something that might ease the tough experiences of some of his peers. He spends a great deal of time now speaking to young people, individually and in groups, about the dangers of self-destructive behavior.

I asked him how he felt when he learned that he was being honored by the N.B.A. in a ceremony that will be televised tomorrow on several U.S. networks and in Canada.

"I felt blessed," he said. □

The New York Times

FRIDAY, FEBRUARY 7, 1997

Boraine

*We shared with
then 2 boys and
the teacher Brian Register
shared common having Register
at Summit & Service - Denson*

505
2/9

2B

we need to discuss
early next week -
need to get set of our purpose
out - do something specific on
law enforcement - maybe COP
on the side - main a person
to oversee - have ideas on that

POC

~~2B~~

THE PRESIDENT HAS SEEN

2-10-97

Clinton's D.C. Aid Plan Gives GOP an Opening

By David A. Vise
Washington Post Staff Writer

President Clinton sent his D.C. aid proposal to Congress yesterday, and Republican legislators say the door now is open for them to push ideas of their own—including some aimed at diminishing Mayor Marion Barry's power.

Some congressional Republicans are considering a proposal that would make it more difficult for Barry (D) to get reelected in 1998, should he decide to run, said sources familiar with the plan. Under that proposal, mayoral candidates would be required to win a majority of votes in party primaries, rather than a plurality, to qualify for the general election. If no candidate won a majority in the primary, a runoff of the top two vote-getters would be held.

Barry would be more vulnerable if he were forced to compete for votes in a head-to-head Democratic primary contest, sources said. In the 1994 Democratic mayoral primary, Barry received 47 percent of the vote, John Ray received 36 percent and incumbent Sharon Pratt Kelly received 13 percent.

Another idea under serious consideration would transfer many of the mayor's powers to a professional city manager. Sen. Lauch Faircloth (R-N.C.), chairman of the Senate Appropriations subcommittee on the District, has said that Clinton's plan fails to address the city's deep problems with contracting and operational issues. He is seriously considering a proposal that would shift authority over day-to-day operations from the mayor to a city manager who would report to the D.C. financial control board. The board also has been studying the idea.

See DISTRICT, B5, Col. 5

DISTRICT, From B1

"The White House bill has created the opportunity for big ideas to be discussed and proposed," said Faircloth's spokesman, Peter Hans. "That is one thing we like about it. It has opened the door."

The White House plan calls for the federal government to take over D.C. prisons, personal income tax collections and a \$4.3 billion pension shortfall and to pick up a larger share of Medicaid costs, among other things. Treasury Secretary Robert E. Rubin said yesterday that the plan also includes about \$260 million in tax incentives to spur investment. In exchange, the District would give up the annual \$660 million federal payment. Clinton administration officials say the package would save the city about \$780 million over five years.

Del. Eleanor Holmes Norton (D-D.C.), who supports the White House package, warned against any major congressional effort to alter the city's political structure, saying it would "divide the city racially" and spark an angry outcry from D.C. residents. She said District voters, not members of Congress, have the right to decide whether they want to change the structure of local government.

"Nobody should come from outside the District, particularly at this time of financial suffering, and purport to tell the District what their own form of self-government should be," Norton said. "That is an inflammatory thing to do. It is premature, and it is dangerous."

Norton also criticized the control board for studying whether the city should put a city manager at the helm. Control board Chairman Andrew F. Brimmer recently said that the board, frustrated by the Barry administration's slow pace of reform, will issue its conclusions on the matter by the end of June. He also said the board was directed to study the matter by Congress.

"No one intended for this unelected board to tell the District what form of self-government it ought to have," Norton said. "The control board hasn't figured out how to solve the management problem, so it looks like it is trying to aim for another school board type knockout. It is explosive, and I say don't do it."

Barry, who was not available for comment last night, has never been a favorite of congressional Republicans. But even some Democrats have taken an interest in examining the role of the city's mayor. Rep. James P. Moran Jr. (D-Va.), the ranking Democrat on the House Appropriations subcommittee on the District, said he is reluctant to press the city manager issue because it could be racially divisive. But Moran said he agrees with Republicans who say that D.C. residents would be better off with a city manager in charge.

"I'm a stronger advocate of a city manager form of government than they are," he said. "I have just been reluctant to go out front because it is a little unseemly to be telling D.C. how they ought to be managing their government. But I'm afraid we are going to be put in that position."

Both Faircloth and Rep. Charles H. Taylor (R-N.C.), chairman of the House Appropriations subcommittee on the District, have reviewed the city manager matter with the mayor of Charlotte, which has such a system. But Rep. Thomas M. Davis III (R-Va.), chairman of the House Government Oversight subcommittee on the District, said he is opposed to the city manager concept and might try to block efforts to change the structure of D.C. government. Nevertheless, Davis also met with Charlotte's mayor to discuss the matter and intends to invite him to testify about the city manager concept and other issues.

Davis praised the White House aid proposal and said he will hold hearings on the package this month. He also vowed to ensure that any major D.C. proposal include a plan to phase out the Lorton Correctional Comp. in Northern Virginia, something the Clinton proposal does not contain.

Norton, too, lauded the White House plan—which would relieve the city of many duties handled elsewhere by states—but said that it does not do enough to stop people and businesses from leaving the city. Norton said the hemorrhaging could be stopped by her tax-cut bill, which calls for slashing federal income taxes for D.C. residents to a flat 15 percent. The bill has the support of some Republican leaders.

But other Republicans have said that Norton's proposal is too costly. They also have said it is unfair to offer such a major tax break to D.C. residents without making it available to people who live elsewhere.

The federal budget submitted to Congress yesterday includes a request for the \$660 million federal payment to the city for the 1998 fiscal year, which begins Oct. 1. Those funds would be distributed to the District only if Congress does not approve the White House aid proposal. Norton said the city would need the cash to pay its bills if the president's package is not passed, but she expressed optimism about the plan's prospects.

"The White House plan puts us at the starting gate, and that is a giant leap forward from where we were," she said.

Staff writer Clay Chandler contributed to this report.

The Washington Post

FRIDAY, FEBRUARY 7, 1997

E. J. Dionne Jr.

Bleeding Heart Republicans

It was big news when Ralph Reed of the Christian Coalition announced the group's new Samaritan Project, which it dubbed "a bold and compassionate plan to combat poverty and restore hope."

Given the times we live in, it was not surprising that Reed's initiative was (1) immediately dismissed by Democrats as a political ploy; (2) seen generally as an effort to bolster the organization's ranks by trying to recruit African Americans; and (3) seen by staunch advocates of church-state separation as a covert way of expanding government help to Christian churches.

Now, let's stipulate that Reed is a politician and knows that the image of the Christian Coalition is in need of burnishing. Let's further stipulate that

*They have some
ideas worth
considering about
poverty, community
and government's
role.*

a significant part of his "new" agenda is really just a repackaging of old conservative ideas, such as school vouchers and "empowerment zones." Given the Christian Coalition's record, a certain skepticism about its new approach is in order.

But pause for a moment to look at what is happening among a larger group of conservative Republicans, including Sens. Dan Coats of Indiana and John Ashcroft of Missouri, and Reps. Jim Talent of Missouri, J.C. Watts of Oklahoma and John Kasich of Ohio, among others. Reed's initiative is not a solo act.

These congressional conservatives have formed what they call "the Renewal Alliance," whose purpose is to take seriously the problems of the inner-city and rural poor and to propose their own programs—yes, government programs—to do something about them.

Talent, in an interview, put the group's perspective this way: "We need a kind of synthesis. It's real clear that what the liberals have done in cities not only hasn't worked but has, in many cases, been destructive. . . . Conservatives need to accept that the government can effectively do certain things in these areas and that we've got to take advantage of whatever outposts are available."

THE PRESIDENT HAS SEEN

2-10-97

By "outposts," Talent, Coats and their allies mean those vibrant community and neighborhood groups, often organized around churches, that do remarkable things to fight crime and drug addiction, reduce teen pregnancy and help poor kids stay in school and learn. They also mean struggling two-parent families that hold themselves together against all odds.

Coats, speaking over the phone from Indiana recently, said his passion for these voluntary groups comes not from despair but from hope. "I've seen what these groups are doing," he said.

The different members of this alliance have different areas of emphasis. Ashcroft has pushed federal legislation to allow more federal funds to flow through church groups. Coats is sympathetic, but says he worries about the potential "corrupting" influence of federal money on the churches. He prefers a "charity tax credit," a \$500 credit that individuals would be able to take for contributions to organizations that devote at least 75 percent of their expenses to programs for the poor.

Democrats will like some of the Renewal Alliance's ideas. The alliance would use federal money to expand mentoring programs, and it wants to encourage welfare recipients to save money by reducing penalties against welfare checks when recipients put money in the bank. Other parts of the plan, such as school vouchers, are more controversial, and even the charity tax credit idea raises problems. It would cost an estimated \$44.8 billion over five years, and it's still not clear how much of that money would get to the poorest inner-city areas.

And despite Talent's arguments, many of the much-derided "liberal programs" have achieved their goals with considerable efficiency: Social Security, for example, has slashed the poverty rate among the elderly poor; Medicaid has delivered health services the poor would not have received otherwise. And the new welfare bill, by cutting the federal commitment to the poor, will only add pressures on the private organizations already doing heroic work. That's why so many church groups opposed it.

But it would be a terrible thing if the efforts of these conservatives to rethink their approach to government, poverty and the inner city were simply dismissed as some new gloss on an old right-wing agenda. Here at least is a group of Republicans willing to say, as Talent put it, that "it's inhumane not to help people who live in these areas."

There is much chatter in Washington about "bipartisanship" and civility. Perhaps the best place to start a serious dialogue across the usual dividing lines is around the question of poverty and community. Why not a unique Washington experiment of taking people at their word? This would put everybody's stated good intentions, including Ralph Reed's, to the test. What could be wrong with that?

Reed
I think we
should look
into this group
with the
Post

The Washington Post

FRIDAY, FEBRUARY 7, 1997

HRC

THE PRESIDENT HAS SEEN

2-10-97

JUDY MANN

A Champion of Breast Cancer Patients

Kristen Zarfos, who was saluted by President Clinton in his State of the Union address, is a Connecticut surgeon who became outraged at the refusal of health maintenance organizations to pay for overnight stays for patients who had undergone mastectomies.

Last May, she sent a questionnaire to 225 of her patients, most of whom had had mastectomies, to get their thoughts on the matter, and she was flooded with long replies within days. "They were angry and outraged at the thought that their needs would be ignored by the HMOs. They talked about the pain, the [fluid] drains and, more importantly, the emotional and psychological aspects. They needed the time in the hospital to regroup while they were waiting for the results of the lymph node biopsies that would tell them their prognosis, whether they would have chemotherapy and where their life is going. They said it's an opportunity to gain strength so they could be strong for their families.

"I couldn't turn deaf ears on the women who had experienced this."

She contacted Rep. Rosa L. DeLauro (D-Conn.). DeLauro is a survivor of ovarian cancer, and she knows exactly what a cancer diagnosis does to a person. "She laid this out to me and I was outraged," DeLauro said.

The result is the Breast Cancer Patient Protection Act of 1997, which now has more than 100 co-sponsors, including John D. Dingell (D-Mich.) and Marge Roukema (R-N.J.). The bill would require insurers to cover a minimum of 48 hours of hospitalization for mastectomies and 24 hours for lymph node excision, a procedure that involves cutting into the underarm.

"You are coping with the fact you have cancer, coping with your own mortality, and then to be told you can be there 24 hours or less time, when you are in mental and physical pain, it's incredible," DeLauro said. "Let's try building some opportunity for professional care."

Luther Gray Jr., chief of surgery at Sibley Memorial Hospital, whose practice is at least a third patients with breast problems, said the 24-hour and 48-hour stays are appropriate for these procedures. Drains are usually involved with lymph node removal, he said.

"There is enough discomfort and enough to do in terms of learning how to manage the drains that a

24-hour stay is very reasonable." The current pressure on doctors to send patients home quickly, he said, "treats the bottom line and not the patient."

Mastectomy patients also need time to learn to manage drains, he said, especially after "an operation that psychologically takes a lot of getting over."

"Women vary in their reaction, but I can say all women go through the same process. There is a grieving. There is some point where it's going to hit and they are going to cry and grieve, and they have to get through it. You are dealing with cancer, and that's scary. And the removal of a breast—which psychologically is a very stressful thing, too."

Most patients who have implant reconstruction begun at the same time as the mastectomy are in for at least three days, he said, because the reconstruction involves considerably more pain, and patients need pain management such as a morphine drip.

Zarfos tells of one patient who was in the hospital and fell on the way to the bathroom. Had she been home, her husband would not have known even how to pick her up without disturbing the drains. Zarfos talked to a woman last week who was sent home the same day after a mastectomy and reconstruction and was overwhelmed by pain that night. A year later, "she is still traumatized by being sent home. This is a very functional, articulate woman. She was in tears describing to me that how horrible that night was."

"The complexity of breast cancer is so enormous, and it's trivialized by HMOs assuming a woman can have a breast removed and go home a few hours later and get on with things like nothing had happened."

"In the last few weeks, it really has hit me that this surgery leaves an indelible scar on women emotionally, physically and psychologically. If women can't receive the care they need in the immediate diagnostic and treatment period, that scar may or may not heal."

Zarfos, 43, was raised in Smithburg, Md., and graduated from Hood College in Frederick. She is her family's first doctor. I asked her Wednesday how it felt to be recognized by the president. "I felt incredibly honored as the voice of women with breast cancer," she replied. "I felt elated that the complex issues they faced were acknowledged last night. What a privilege it's been for me to be the voice of these women. This issue needed to be heard." Indeed it did, and it still does.

It's a privilege to have her be our voice.

The Washington Post

FRIDAY, FEBRUARY 7, 1997

Grus
how do we
answer this?
BS

THE PRESIDENT HAS SEEN

2-10-97

Clinton's New Tack

Budget Seeks to Raise U.S. Living Standards And Reduce Inequality

To Do So, It Emphasizes Education, the Deficit; But Can It Really Work?

Tax Cuts for Middle Class

By DAVID WESSEL

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — With the nation at peace and the economy expanding, President Clinton's new budget gives him a chance to attack some underlying, long-run economic problems: a disappointingly slow rise of living standards and a widening gap between the well-off and the poor.

Yet there are ample reasons to question how far the Clinton plan would go in solving those two fundamental problems.

Mr. Clinton's tax package ignores most competing theories about how tax changes

Looking for Balance

President Clinton's fiscal 1998 budget represents his opening bid in this year's effort to balance the budget by 2002. In related coverage, Medicare/Medicaid proposals are viewed skeptically by both sides, while big business and investors are primary targets for raising revenue.

On another front, the welfare package is drawing GOP fire and has advocates fretting. Articles on pages A3, A12, A13 and A20. In related matters:

- Tax breaks are aimed mainly at middle-class families with kids. Page B1.
- Capital-gains plan helps home sellers, but outlook is less clear for investors. Your Money Matters, Page C1.

affect growth or equality. It is derided by the supply-side right for not reducing marginal tax rates, which they say affect incentives to work, save and invest. It rejects advice from moderates who want to refashion the tax code to encourage savings. And it ignores liberals who want to redistribute more income to the poor.

Instead, Mr. Clinton's tax-cut proposals aim squarely at middle-class families with children and annual income between \$30,000 and \$75,000, courting those swing voters but doing little to achieve his goals of more growth and more equity.

On the spending side, the new budget rejects the prescription that Mr. Clinton himself offered four years ago: accelerating economic growth by increasing government "investment" in roads, bridges, technology and research. Because of the balanced-budget imperative and his reluctance to squeeze popular benefit programs, he has largely abandoned that strategy.

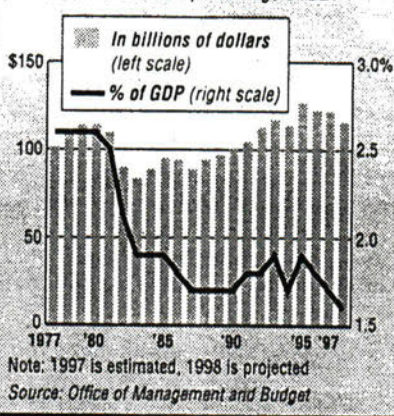
Federal Investment Falling

A table in the back of budget books that the Government Printing Office distributed yesterday tells the tale: Federal investment in civilian capital and infrastructure, education, research and development is falling in inflation-adjusted terms. As a share of gross domestic product, the nation's output of goods and services, public investment has been flat since President Reagan left office, and now it is declining. If Congress embraced Mr. Clinton's budget in its entirety, nondefense investment would run 1.6% of GDP next year, less than at any time in the past 35 years.

What's left is a strategy that relies on two things: Another round of deficit reduc-

Going Down

Federal investment in nondefense physical capital, education and research, in billions of 1992 dollars and as a percentage of GDP



tion and a souped-up federal commitment to education, ranging from the Head Start preschool program to vouchers for worker training. This recipe is surprisingly similar to that of his predecessor, President Bush, who also negotiated a bipartisan deficit-reduction pact and thumped the presidential lectern on behalf of better schools. The only thing missing is a capital-gains tax cut, and Mr. Clinton has made clear that he would accept one in a bipartisan deal.

"Politics is the art of the possible," says Robert Reich, until recently secretary of labor. "There's a serious question whether, given the current composition of Congress, the president could be more ambitious than he has been."

The budget, of course, isn't the president's only economic-policy statement. Despite misgivings within his own party, for instance, Mr. Clinton promotes expanded foreign trade — exports and imports — as one way to raise American living standards. And his economic advisers argue that, unlike past Democrats, this president seeks economically efficient approaches to regulation, such as auctioning off certain

Please Turn to Page A13, Column 1

Continued From First Page

broadcast licenses or expanding competition in telecommunications.

The Clinton budget does offer one coherent argument for useful government action, in this era of fiscal discipline, to spur growth and arrest the widening inequality that marks the past two decades. That, Mr. Clinton proclaims, is more and better education. "Education is a critical national-security issue for our future, and politics must stop at the schoolhouse door," he said in his State of the Union address this week.

The emphasis on education has much popular appeal, as public-opinion polls demonstrate consistently. It also has a solid intellectual foundation. The only lasting way to foster economic growth and rapidly rising living standards is to increase the rate of productivity growth. As officially measured, productivity has risen about 1.1% annually for the past 25 years; earlier, between 1960 and 1973, it increased 2.9% annually. Economists can't fully explain the slowdown and some say the statistics overstate it. But they generally agree that more and better education would help improve productivity. The more educated the work force, the greater the value of goods and services it produces per hour of labor.

"Symbolically, this is the piece of the growth agenda on which the greatest emphasis is being placed," says Joseph Stiglitz, the president's chief economist. "Increasingly, this is where our productivity is coming from."

Administration economists add that expanded access to education also may rein in a trend toward greater disparity between well-paid and poorly paid jobs. Education and training should help many low-skilled, low-wage workers climb the economic ladder. And if the supply of educated workers rises and the numbers of the less skilled drop, the wage gap between them should narrow, the economists say. Indeed, that may be happening already, as argued in the Economic Report of the President to be released Monday.

Although Mr. Clinton does dangle new tax breaks to encourage employers to hire low-skilled workers, his budget largely recites first-term accomplishments to show his commitment to reducing inequality, such as the expansion of the earned-income tax credit for the working poor and the increase in the minimum wage. But education, says Deputy Treasury Secretary Lawrence Summers, has the potential to both enlarge the nation's economic pie and help slice it more equitably than at present—at a time when overt government policies that take from the affluent and give to the poor are out of favor.

Strategy Widely Hailed

Even critics of specific Clinton proposals say he's on the right track. "The intention to focus on education is a good one," says John Taylor, a Stanford University economist who advised Robert Dole in the presidential race. Mr. Taylor would greatly prefer less emphasis on how much money the government spends and more on charter schools and unlimited school choice, an approach that Mr. Clinton and his allies in the teachers' unions stoutly resist. Says Murray Weidenbaum of Washington University in St. Louis, who served as one of Mr. Reagan's economic advisers: "The idea of expanding the concept of tax-favored investment to include investment in people is a neat idea."

Mr. Clinton's new education "crusade" goes beyond rhetoric. For most domestic programs, he proposes spending that falls short of compensating for inflation, but advocates steady increases in outlays on education. About \$38.6 billion of his five-year, \$16 billion tax cut would help middle-class families with college-tuition bills, and he would spend an extra \$1.7 billion on

THE PRESIDENT HAS SEEN

2-10-97

THE WALL STREET JOURNAL

FRIDAY, FEBRUARY 7, 1997

1/2

FRIDAY, FEBRUARY 7, 1997

Pell grants, which help poor families pay for tuition. The maximum annual grant would rise to \$3,000 from \$2,700.

But these measures will increase economic growth and restrain inequality *only* if they actually send more young people to college. The White House estimates 12 million middle-class people would claim either the \$1,500-a-year tax credit available for up to two years of college or the \$10,000-a-year tax deduction for tuition. But it concedes that many people from middle-class families — defined for this purpose as having annual income as high as \$100,000 — would enter college anyhow. Administration economists say they don't know how many additional students would enroll if the proposals are enacted.

Major Trade-Offs

In shaping his budget, Mr. Clinton has made trade-offs among three competing goals, says Laura Tyson, a senior economic adviser for four years. "One was deficit-reduction, then moving toward [budget] balance. He has delivered on that. Two was tax relief for the middle class, something he ran on and believed in. He's trying to deliver on that. And three was changing the composition of government spending to emphasize productivity-enhancing investment in our future. But the overall level of public investment has been sacrificed to some extent."

This failure to increase public investment results directly from a presidential decision, obviously shaped by politics, to avoid a number of painful proposals, such as raising taxes, launching all-out war on corporate subsidies, cutting defense spending, aggressively squeezing the Medicare and Medicaid health programs or trimming Social Security benefits.

To increase federal spending on education, as Mr. Clinton proposes, he has had to shortchange much of the domestic budget, even parts he and advisers consider important to growth. The budget, for instance, will propose increased spending on basic research of only 2.8%, not quite matching inflation, and funding for applied research of 4.2%, a bit more than inflation.

So, the centerpiece of Mr. Clinton's growth strategy remains deficit reduction. He proposes a five-year budget that, if all goes well, would produce a \$17 billion surplus in 2002 and remain in surplus in the years immediately afterward. By the less-rosy Congressional Budget Office forecast, this budget would fall \$60 billion short of balance in 2002 — still better than what otherwise would be the case.

"Deficit reduction has liberated hundreds of billions of dollars . . . that otherwise would have gone into the sterile asset of government debt, to instead go into investment, helping to create a situation where equipment investment as a share of [GDP] is now as high as it has been any time since the statistics began to be calculated," Mr. Summers says.

More Funds for Business

When the government borrows less from the nation's distressingly small pool of savings, the logic goes, more money is available for business to invest in productivity-enhancing equipment, computer networks and worker training.

Despite occasional misgivings by some Republicans, who prefer deeper tax cuts, and some Democrats, who prefer more federal spending, both parties now agree fiscal discipline is the one sure avenue to improving economic growth. It has one big argument going for it: It seems to work. As Mr. Clinton noted in his State of the Union address, the economy has added over 11 million new jobs in the past four years, and unemployment is a relatively low 5.3%. Economic growth averaged 2.6% annually

during his first term, about as much as mainstream economists consider safe without risking faster inflation.

No matter how much credit Mr. Clinton deserves for all this, the benefits are huge for Americans of all classes, including millions of workers whose wages haven't kept up with inflation in recent years. "A tight labor market," says Lawrence Katz, a Harvard University economist, "is the best thing we've got in keeping up demand for people at the bottom."

Over the long haul, former Clinton economic adviser Alan Blinder estimated early in 1993, Mr. Clinton's first-term deficit-reduction program could add perhaps 0.2 percentage point a year to the nation's long-run growth rate. The Congressional Budget Office estimates that if another round of deficit-reduction brings a balanced budget in 2002, the following years would enjoy an 0.1-point annual addition to growth. That number looks small, but over a decade it would mean an extra \$80 billion of goods and services.

As the headlines on Mr. Clinton's State of the Union speech fade, the details in his telephone-book-sized budget will be parsed and the focus will shift to his negotiations with the Republican Congress. One question will linger: Could he have done more to promote growth and reduce inequality? From both left and right, and from the center that he embraces with such enthusiasm, the resounding answer is: Yes.

A Variety of Reactions

From the left, Mr. Reich, Mr. Clinton's former labor secretary, favors spending an additional \$60 billion or more on education and lifelong learning "so that it takes its place aside the other great initiatives of this century." He would finance it with an aggressive campaign against corporate subsidies and health and retirement benefits paid to the affluent.

The centrist Democrats' think tank, the Progressive Policy Institute, gently chides Mr. Clinton, its sometime ally, for not doing more to encourage employers to train poorly paid, low-skilled workers. It seeks tax changes that would require companies that train the highly skilled to offer training to all full-time employees, much as they now must offer pensions and health insurance to most employees if executives receive them. And it suggests that workers who get training should commit themselves to stay with their employers for at least another year.

At the other end of the political spectrum, Republican-leaning economists such as Mr. Taylor and Mr. Weidenbaum criticize the president for, among other things, insufficient deregulation and zeal. "In terms of growth," Mr. Taylor says, "I wouldn't say our problem is a public-investment one." He says Mr. Clinton is missing a chance to unfetter the economy by resisting legislation that would shield business from some costly product-liability and other lawsuits.

Although economists don't agree why productivity growth slowed around 1973 or on how best to reinvigorate it, they share a sense of urgency that the nation do something about the problem.

"Without faster long-term economic growth," warns Bradford DeLong, an economist at the University of California at Berkeley and former Clinton Treasury aide, "America's social insurance system is unlikely to survive the next generation. . . . Faster growth empowers the American people to better achieve their ends—whether their ends are sitting on beaches, raising their children, protecting endangered species or increasing their level of education."

2/2

Bored

2-10-97

THE PRESIDENT HAS SEEN

*This is what we
have to fight against*

As educator-in-chief, a president has limits

To President Clinton, with a little money, a lot of ideas and a serious concern, it's a "national crusade" to offer every American "the best education in the world."

To House Republican Whip Tom DeLay and others, it's a big-government scheme to "federalize education like he tried to federalize health care."

In fact, Clinton's plan outlined this week is neither. While \$51 billion in federal spending and tax breaks for education next year is a 20% increase, it's not as grand as the would-be educator-in-chief suggests or as evil as the spitball tossers say.

Some of it is smart spending to spur improvements in education; some of it smells more of political finesse.

Americans are worried about education: 95% in a USA TODAY/CNN/Gallup poll want Congress and the president to give it top priority or high priority. But the federal government affects education only at the margins, and that's not going to change.

Operation of the public schools is a local and state matter: only 7% of school budgets comes from federal funds. Even if Clinton gets all he's asking for over the next five years, that figure will scarcely budge.

And none of the student-testing, standard-setting, teacher-certifying or new-building programs he's touting would be mandatory. Like Goals 2000, his earlier effort to encourage higher educational standards, Clinton's initiatives are modest financial incentives to help states and local school districts do what they should do — and largely want to do — anyway.

And even big bucks, spread thinly, can be modest. When Head Start is extended to

Clinton's 'call to action'

Highlights of President Clinton's education proposals:

- ▶ New, voluntary national tests to set standards in reading and math.
- ▶ A five-year program to train more than 1 million tutors to help kids learn to read.
- ▶ Federal aid to cut borrowing costs for school construction or renovation.
- ▶ Big boosts in funds for charter-school experiments, certifying master teachers, use of computers and Head Start.
- ▶ Limited tax credits or tuition deduction to help offset the cost of higher education, increasing the size and availability of Pell Grants for low-income students and cutting the fees on student loans.

1 million pre-school children by 2002, it still will help only half of kids eligible.

Similarly, Clinton's higher-education centerpiece, "Hope Scholarships," is a shadow of the program cited as the model. Georgia's Hope Scholarships pay full tuition, fees and books for four years at state colleges and universities for all qualified high school graduates who keep their grades up. Clinton offers a maximum \$1,500 for each of two years, and finances it through a back-door tax credit.

In an era of limited resources, continuing deficits and resistance to taxes, any federal role in education is going to be constrained. The president's multi-pronged call to excellence is welcome, but the real work of producing a better-educated nation can only occur in every local classroom, every school district and every family.

USA TODAY |

FRIDAY, FEBRUARY 7, 1997

Clinton's \$1.69 trillion proposal 'arrives alive'

By William M. Welch and Bill Nichols
USA TODAY

President Clinton's balanced-budget plan got a cool greeting Thursday in Congress, where Republicans say it keeps spending and taxes too high through 2002.

Still, GOP leaders said Clinton's proposal will be a starting point for negotiations. Those talks begin Tuesday, when Clinton goes to the Capitol for an unusual meeting suggested by Republicans.

"It's alive, but it's definitely not kicking," Senate Majority Leader Trent Lott said of Clinton's budget.

White House aides said they expected harsh words, but that Clinton remains optimistic.

"We fully expected there would be criticism," Clinton spokesman Mike McCurry said. "But the important message we took ... is that they want to move forward."

Clinton's \$1.69 trillion budget proposal for fiscal 1998 includes \$98 billion in tax cuts and a five-year spending plan that projects an end to government borrowing in 2002.

If that's accomplished, it would mark the first year since 1969 that the government took in more than it spent. Already it's the first budget in more than a decade not declared dead on arrival in Congress.

Clinton also claimed his budget would end red ink for decades to come. But House Budget Chairman John Kasich, R-Ohio, said his budget wouldn't balance in 2002, much less in the years beyond.

Kasich said the White House was relying on overly optimistic economic assumptions. Republicans want bigger tax cuts than those Clinton proposed, and they say he failed to seek major policy changes to fix looming problems in the Medicare or Medicaid systems.

GOP leaders also blasted contingency plans in Clinton's budget to end most of his tax cuts in 2001 if the economy doesn't perform as the White House predicts.

Clinton's \$350 billion in savings includes \$100 billion in reductions to Medicare over five years and asks to restore almost \$22 billion of the \$35 billion in welfare cuts from last year's welfare reform law.

Medicaid would be cut by a net savings of \$9 billion.

But Republicans were careful not to dismiss Clinton's budget entirely. And the White House focused on the positive.

White House budget chief Franklin Raines called the Republican response "encouraging ... I heard the magic words, 'alive on arrival.'"

Paralysis from stroke reversible

By Tim Friend
USA TODAY

An experimental procedure in which oxygen-rich blood is pumped from a leg artery to the brain of a stroke victim shows promise as a way to prevent or reverse long-term paralysis, researchers said Thursday.

"We've only done six patients, but four have had dramatic improvement," says neurosurgeon John Frazee, UCLA Stroke Center, Los Angeles.

Frazee cautions that the work is preliminary and many more patients will have to undergo the procedure before it can be called a success.

However, one man who was paralyzed on the left side except for the ability to grip with his hand was fully recovered and back to work within two months.

A second patient whose left leg was paralyzed recovered within 10 minutes of the procedure and was playing golf a week later, says Frazee, who presented findings at an American Heart Association stroke conference in Anaheim, Calif.

About 500,000 Americans suffer a stroke each year. Of those, 80% have clots or blockages that interrupt the flow of oxygen-carrying blood to key areas of the brain.

Over the past 10 years, Frazee developed a way to get oxygenated blood to the blocked part of the brain by pumping it through the "back door" — veins that normally carry blood away from the brain.

The procedure, called neuroperfusion, must be done within seven hours of stroke symptoms.

Blood is pumped from the femoral artery through tubing inserted through the jugular veins and into the brain.

"It is an interesting new approach that justifies further evaluation," says James Grotta, AHA stroke meeting chairman.

"It reflects the fact that physicians are no longer willing to sit by and see patients devastated by stroke."

List more political than White House has said

By John Hanchette and Chuck Raasch
Gannett News Service

A controversial 230,000-name White House computer list now under congressional investigation includes far more political fund-raising information than presidential aides have admitted, Gannett News Service has learned.

Internal documents given to GNS show the database, from its very inception three years ago, was used, in part, for keeping track of people who had contributed to President Clinton's political campaigns.

The White House denies it used this list to raise money in the 1996 campaign.

"Yes, a lot of contributors were included," White House spokesman Barry Toiv said Thursday. "But their contributions were not listed, nor the amounts. The only use the database was put to was primarily for inviting them to official White House events."

But fund-raising references are among almost 250 computer category headings. These gave the White House the ability to quickly get information about people who had been contributors.

The headings in the taxpayer-financed, \$1.6 million computer system — nicknamed "Big Brother" — include: Early Contributors, Democratic National Committee, White House Political Affairs Office Contact.

Information available about people listed under the headings include: Social Security numbers, pet political issues, second addresses, nicknames, job, original contact, religion, ethnic group and "relationship to the First Family."

Headings also include categories for state-by-state "Presidential Appointees Lists," seven categories for state and local political officials and headings for "Mark Middleton's List," and "Marsha Scott List — CA (California) Early Supporters 92."

Marsha Scott, the presidential aide who presided over installation of the system, has denied the database existed.

Mark Middleton, an Arkansas and ex-aide to Clinton's former chief of staff Mack McLarty, left the White House two years ago and has been accused of pressuring Taiwanese businessmen to contribute to the Democratic Party.

He was unavailable, but his lawyer, Dan Braun, said this particular list contained more than 2,000 names and that Middleton did provide it.

Chuck Lewis, head of the Center for Public Integrity, called the database "very grubby and inappropriate."

"Somebody on government time is sitting in a government building, which happens to be the seat of our democracy — the White House — and collecting information on whether someone had given Bill Clinton cash or not," he says.

► List of headings, 10A

USA TODAY

FRIDAY, FEBRUARY 7, 1997

Anatomy of a private dinner with President Clinton

the Justice Department. While no improprieties have been alleged, the guest list reveals a White House eager to cater to wealthy contributors at the height of the 1996 campaign. A closer look, 4A.

Now it's adding to the questions being asked about the fund-raising activities of the White House, the Democrats and the president himself. Those activities are under investigation by Congress and

An intimate dinner last July at an exclusive Washington, D.C., hotel — attended by President Clinton and 16 people, some of whom were not U.S. voters or even citizens — raised \$488,000.

UP Rys
This is wonderful
BS

A Prosperous Jordan Is Good for Israel

By ROBERT L. POLLOCK

AMMAN, Jordan—If anything should make skeptics consider the possibility that there is something new or promising about today's Middle East, it is the growing friendship between Israel and Jordan. Since renouncing claims to the occupied territory of the West Bank in 1988, King Hussein has quietly played a mostly constructive role in helping Israel find a solution for its Arab residents—he was a crucial broker in the accord that was finally reached on Hebron. Jordan sided with Saddam Hussein in the Gulf War, but it signed a peace treaty with Israel in 1994.

Since then the Israel-Jordan border has opened to travel, and numerous proposals have been developed to encourage economic cooperation. Israeli Prime Minister Benjamin Netanyahu, who plans to visit King Hussein in Amman this month, is working to cement one of Israel's most valuable relationships.

Not everything about this picture is bright. Travel between the two countries remains difficult and limited. The first Israeli trade fair in Jordan was recently met by thousands of protesters complaining of stalled progress on Hebron. And Jordan's government-monitored press still takes digs at Israel—the dateline on one recent article read "Occupied Jerusalem."

Still, leaders in the two countries—neither of which is blessed with abundant natural resources—understand that their future lies in cooperation. "We have to continue discussing with our friends in Israel how to promote trade," Ziad Fariz, governor of the Central Bank of Jordan, told me. While he says that he is "very much impressed" by Israeli Finance Minister Dan Meridor, Mr. Fariz laments that Israel is still influenced by protectionist policies. "This has really hurt us. We cannot export as we would like to the Palestinians and we cannot penetrate Israeli markets." Presumably such problems will be high on the list of Mr. Netanyahu's priorities when he visits Amman, as he's taking a group of Israeli businessmen.

The economic stakes are higher than they initially appear. Mr. Fariz says Jordan's per capita GDP remains low—about \$1,600, or \$3,000 at purchasing power parity. But you wouldn't know it by looking at the bustling city of Amman, which has grown to nearly 1.5 million inhabitants from about 12,000 in 1948. It has a transportation infrastructure—and traffic jams—to rival many Western cities. Everywhere new buildings are going up. International Monetary Fund chief Michel Camdessus said last month that Jordan,

whose GDP growth has averaged between 6% and 7% over the past three years, now has the Mideast's fastest growing economy.

This seems quite an achievement considering the difficulties in absorbing the hundreds of thousands of Palestinians expelled by other Arab states following the Gulf War. Trade with Iraq, Jordan's principal export market, fell to \$200 million annually from \$400 million. Much of the credit for Jordan's relative prosperity is undoubtedly due to the reforms instituted by the government, in particular the country's stalwart central bank, following the economic troubles of the late 1980s. "Fiscal and monetary stability are preconditions

for development," says Mr. Fariz. The dinar, pegged to the U.S. dollar since 1995, has indeed been stable—inflation has averaged about 4% per year in the '90s, less than half Israel's rate.

On the fiscal side, says Mr. Fariz, "a policy of increasing efficiency rather than increasing the rates of taxation has been adopted." In 1995, the top marginal income tax rate was cut to 45% from 55%, and the following year, the top corporate rate was reduced to 35% from 55%.

Mr. Fariz says that policies of import substitution and protectionism are being abandoned, and industry subsidies cut. Mr. Fariz says he is convinced this is the right way to go. Socialism and communism, not Islam, he says, have been critical obstacles to development in the Middle East: "In Islam government should only defend the country and provide security for the people."

But that doesn't mean that the governments of Jordan and Israel haven't been working hard to promote the nascent trade between the two countries. Of particular interest is the Jordan Rift Valley Project. According to Hani Mulki, president of Jordan's Royal Scientific Society, the idea had its genesis in 1993 when King Hussein and Israeli Prime Minister Shimon Peres announced a bilateral economic committee. It was realized in September 1994, when peace terms between the states were finalized.

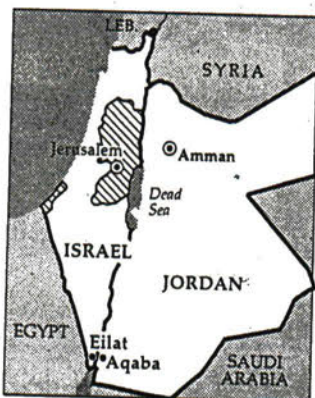
Billions of dollars worth of projects are envisioned, including a canal linking the Red Sea and the Dead Sea and an airport serving the Red Sea cities of Aqaba, Jordan, and Eilat, Israel; Mr. Mulki calls it a "peace hub." "Or the dividends come," he says, "the people will protect the peace." The optimism is infectious: "The rules of the Middle East will have to be the same rules as the world—governed by free movement, free

trade and a better outlook for the future."

Mr. Mulki points out that it is the protectionist policies of the rest of the world, not just Jordan and Israel, that are proving obstacles to progress. Cumulative rules of origin in the European Union's trade agreement with Israel, for example, mean that Israeli firms cannot use Jordanian subcontractors and maintain their privileges.

For the most part, of course, initiatives like the Jordan Rift Valley Project remain on the drawing board. Yet while Syria, for example, continues to insist on getting back every inch of the Golan Heights in return for paper promises of peace, Jordan is showing the way with substantive promises of mutual benefit. The world should wish Messrs. Netanyahu and Hussein the best of luck.

Mr. Pollock is an editorial page writer for The Wall Street Journal Europe.



THE WALL STREET JOURNAL

Peter R. Kann
Chairman & Publisher

Kenneth L. Burenga
President

Paul E. Steiger
Managing Editor

Robert L. Bartley
Editor

Byron E. Calame
Daniel Hertzberg
Deputy Managing Editors

Daniel Henninger
Deputy Editor,
Editorial Page

Vice Presidents

Danforth W. Austin
Paul C. Atkinson
William E. Casey Jr.
Michael F. Sheehan
Charles F. Russell
F. Thomas Kull Jr.

General Manager
Advertising
Circulation
Production
Technology
Operations

Published since 1889 by

DOW JONES & COMPANY

DOWJONES

Peter R. Kann, Chairman & Chief Executive Officer;
Kenneth L. Burenga, President & Chief Operating
Officer; CEO, Dow Jones Telerate.

Senior Vice Presidents: James H. Ottaway Jr.,
Chairman, Ottaway Newspapers, President,
Magazines; Peter G. Skinner, General Counsel,
President, Television; Carl M. Valenti, Technology &
Affiliates, President/Publisher, News Services.

Vice Presidents/Operating Groups: Karen Elliott
House, President, International; Richard Myers,
President, Ottaway Newspapers; Dorothea Coccoli
Palsho, President, Business Information Services;
Julian B. Childs, Executive Vice President, Dow Jones
Telerate.

Vice Presidents: Kevin J. Roche, Chief Financial
Officer; Paul J. Ingrassia, Richard J. Levine, News
Services; James A. Scaduto, Employee Relations;
David E. Moran, Law.

EDITORIAL AND CORPORATE HEADQUARTERS: 200 Liberty
Street, New York, N.Y. 10281. Telephone (212) 416-2000.

SUBSCRIPTION SERVICES: Call 1-800-JOURNAL, or see
Directory of Services, Section B.

Sandy/HSC

good piece

Rx

2-10-97

By TOM HERMAN

Staff Reporter of THE WALL STREET JOURNAL

Budget Boon: Home-Sellers May Keep More Profits

Tax relief may be on the way for many people on their biggest investment: their home.

But the outlook is much cloudier for stock and bond investors. Even if they finally succeed in their long quest for capital-gains tax relief, it may be significantly less than they had hoped. And they may be trading that relief for a significant new cost.

President Clinton's budget, unveiled yesterday, includes a provision that essentially would eliminate capital-gains taxes for 99% of Americans who sell their homes. The proposal would allow married couples filing jointly to sell their principal residence and keep a profit of as much as \$500,000, tax-free. For singles, the limit would be \$250,000. This exclusion generally could be used every two years.

Tax lawyers and congressional staffers agree that if any significant tax measures are enacted this year, this proposal, or something similar to it, almost surely will be included. "My guess is that you will get a capital-gains tax cut of some sort, certainly for home sales," says Phillip L. Mann, a lawyer at Miller & Chevalier in Washington and chairman-elect of the American Bar Association tax section. Clint Stretch, director of tax legislative affairs at Deloitte & Touche, agrees and also says the odds are better than in decades for broad-based cuts in capital-gains rates.

But betting on broad-based cuts could be hazardous to your wealth. While Congress appears enthusiastic, the big question is: Will President Clinton agree?

Mr. Clinton recently re-emphasized a willingness to compromise, saying that he isn't philosophically opposed, as many of his fellow Democrats are. A Treasury official describes the policy right now as "maximum flexibility" and won't elaborate.

Republican leaders vow to press for broad-based capital-gains relief on two fronts: cutting the capital-gains rate itself (the top rate now is 28%) for most investments, and indexing gains for inflation. They also want to make the changes retroactive to the start of this year. But tax advisers speculate that President Clinton won't agree to make such sharp cuts—and that he may try to limit lower rates to profits on investments made after some future date, rather than on past investments.

Moreover, the president's budget includes a little-noticed proposal that critics say would mean sharply higher capital-gains taxes, more paperwork and greater complexity for many investors. Here are details of the president's proposals, who might be helped and hurt,

and what actions lawyers and accountants are advising clients to consider during the confusing interim.

Clinton's Proposals

President Clinton's plan to eliminate capital-gains taxes for most homeowners enjoys bipartisan support. Not only would it simplify taxes and recordkeeping rules for many people, it also would cost the Treasury very little in lost revenue. That is because most people who sell their home at a profit take advantage of existing tax-law provisions enabling them to defer, reduce or even eliminate capital-gains taxes.

The new plan would be especially good news for people who sell a home that has risen sharply in value over the years and move into a less expensive home, or sign up for a rental. Advocates of the plan point to people who need to move into cheaper quarters because of a job loss, retirement, or divorce.

But the president's proposal also could mean higher taxes for some wealthy people who own homes that have risen in value by more than \$500,000. The Clinton plan would replace a current-law provision allowing owners to defer capital-gains taxes by buying a new home of equal or greater value within a specified time period. It also would replace a separate provision allowing a once-in-a-lifetime exclusion of as much as \$125,000 in profits for homeowners age 55 or older. (Some homeowners, of course, simply may decide not to sell and, instead, leave their home in their will to their heirs, thus escaping capital-gains taxes.)

The new exclusion would be effective for sales of homes occurring on or after Jan. 1 this year. For sales between Jan. 1 this year and the date of enactment, taxpayers could choose whether to apply the new exclusion or prior law.

Republican Ideas

Congressional Republican leaders want lower capital-gains tax rates on stocks, bonds and many other investments. They also want to "index" certain gains for inflation so you won't owe taxes on profits that result purely from inflation; but you would have to hold such an investment at least three years. Critics reply that indexing might make sense intellectually but would be hopelessly complex for most taxpayers.

Republicans also want to change the law that currently forbids any deductions if you lose money on a house sale. Senate Finance Committee Chairman William V. Roth Jr. of Delaware wants to allow you to deduct losses on the sale of your home just like regular capital losses. That would mean you could offset losses against gains. If you don't have any gains, or if your losses exceed your gains, you could use your losses to offset as much as \$3,000 of ordinary income a year.

A Hidden Kicker

Buried in the president's budget is a controversial proposal that would raise billions of dollars in revenue by requiring investors to use only one method of accounting for gains or losses. Here is an example of how it would work from Robert Willens, a managing director

Please Turn to Page C16, Column 3

Continued From Page C1

at Lehman Brothers Inc. in New York:

Suppose you bought 100 shares of a stock each year for three years in a row. You paid \$58 a share for the first 100-share block, \$61 a share for block two, and \$91 a share for block three. Now, you sell 100 shares at \$120 a share. Which 100 shares did you sell? Under current law, you could pick the block that would result in the lowest tax bill. Using the last block, at \$91 a share, you would have a \$2,900 profit. Your tax, assuming the top 28% rate, would be only \$812.

But if President Clinton's new proposal becomes law, you would be required to calculate the average cost of all of the shares of that stock you ever purchased, Mr. Willens says. That could be an enormous headache if you haven't done a thorough job of recordkeeping, or if you are confused by how to adjust for stock dividends and splits, or if you received some shares long ago through gifts or bequests. In this hypothetical case, the average cost of all of those shares works out to \$70 a share. Thus, your gain would be \$5,000. And the tax, at today's top 28% rate would be \$1,400, or 72% more than under today's law, Mr. Willens says. Of course, if you sold all 300 shares, the tax would be the same as it is under current provisions.

Little wonder that investment groups are up in arms over this proposal. Even so, it is drawing serious attention this year as a possible bargaining chip in the battle over reducing capital-gains rates. "I've heard about possible linkage" of this proposal to cutting the rate, says Cory N. Strupp, a managing director and assistant general counsel at J.P. Morgan Inc.

What to do now? Nothing is the answer for most investors because the outlook is so unclear. But there are at least two points worth considering:

- If you want to lock in your stock-market gains now and defer the transaction until later in the year when the legislative outlook is clearer, consider "selling short against the box," advises Mr. Willens of Lehman Brothers. In a typical transaction, you call your broker, arrange to borrow shares of a stock you already own, and sell those shares, rather than your own. That enables you to lock in any gain you already have while deferring taxes until you complete the transaction in the future by returning the borrowed shares. Many investors are doing just that. But don't dally because President Clinton wants to kill this technique, warns Mark Luscombe, a lawyer and certified public accountant at CCH Inc., a tax information publishing company in Riverwoods, Ill.

- Homeowners who might want to sell but aren't under any immediate pressure to do so probably should consider waiting awhile longer until a better picture of the bill's outlook emerges, says Stephen Driesler of the National Association of Realtors. But if you have an eager buyer on the hook and delay might kill the deal or force you to lower your price significantly, it might be wiser to ignore tax issues and charge ahead with the sale.

As Mr. Luscombe says, never let taxes be the sole issue in an investment.

THE WALL STREET JOURNAL

FRIDAY, FEBRUARY 7, 1997

Handwritten note: *See Page C16, Column 3*

2-10-97

Changes for Medicare and Medicaid Meet Skepticism

By LAURIE MCGINLEY

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The Clinton administration's proposals for reining in Medicare and Medicaid didn't provoke the partisan fury of years past, but encountered skepticism from many Republicans and some Democrats.

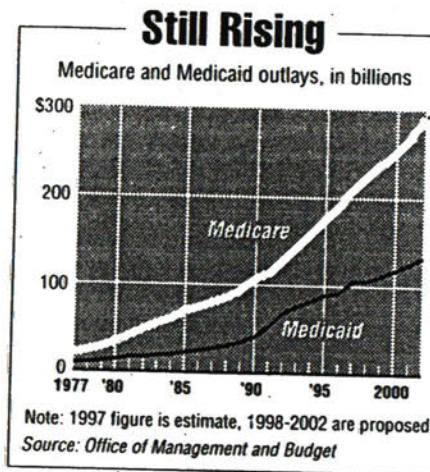
Health and Human Services Secretary Donna Shalala said the proposals, while slowing their growth rate, also would modernize and strengthen Medicare and Medicaid, which haven't been changed substantially since their inception in 1965. "Not many of us would drive across the country in a 32-year-old car," she said.

But Republicans complained that there weren't enough structural changes planned for Medicare, the health program for the elderly. And some liberal Democrats and the nation's governors remain unhappy about the per-person spending limit proposed for Medicaid, the health-insurance program for the poor and disabled.

Besides the Medicare and Medicaid

proposals, the administration, as part of its continued effort to extend health coverage on a step-by-step basis, proposed a package designed to reduce the number of uninsured children by half, or five million, by the end of the president's term. As part of that package, President Clinton called on Congress to extend coverage to temporarily unemployed workers and their families for as long as six months. That would cost \$9.82 billion between 1998 and 2001, the last year of the program.

In addition, the administration proposed giving the states grants to insure children who aren't eligible for Medicaid, for a cost of \$3.75 billion over five years. About the same amount would be spent to let certain children continue in the Medicaid program for a year after their families' incomes rise above the eligibility limit. Altogether, the cost of expanding coverage to children, including the portion of the unemployed workers aid that would directly benefit children, would be about \$10 billion over five years, administration officials said.



The proposal now joins an increasingly crowded field of plans on Capitol Hill to provide health-insurance coverage to children. While there is widespread sentiment that covering more children is a laudable goal, there are sharp differences on how to do it and how much money to spend. While

some Senate Democrats want to go much further than Mr. Clinton, Republicans are developing far different approaches to the problem.

The administration, as expected, proposed cuts of \$100 billion over five years in Medicare, in large part by reducing payments to health-maintenance organizations by \$34 billion and to hospitals by \$33 billion. The reductions, combined with a transfer of home health costs from Part A, which pays for hospital in-patient services, to Part B, which pays for doctors' visits, extend the life of the hospital trust fund for 10 years, until the year 2007.

The plan for the first time would provide beneficiaries with an array of preventive services, including annual mammograms at no cost, and would establish a respite benefit for individuals who must care for family members with Alzheimer's disease.

—Greg Hitt contributed to this article.

SBA's Disaster Loans To Replace Funding Lost Under Budget Act

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — President Clinton's plan to cut \$150 million from the Small Business Administration's budget relies on eliminating appropriations for the agency's huge disaster-loan program in the next fiscal year.

The president's budget proposal for fiscal 1998 requests \$701.6 million for the agency, 18% less than the funding level in the fiscal year ending on Sept. 30. The budget would increase the total value of SBA-assisted financing to \$14.4 billion, up 4% from \$13.8 billion in fiscal 1997.

The budget proposal assumes the agency can increase the size of its disaster-loan program with money left over from the current fiscal year. The SBA estimates that \$174 million of its disaster-assistance budget authority will go unused in the current fiscal year. Those funds, plus a \$35 million surplus from canceled loans — and an increase in the average interest rate on future disaster loans to an estimated 6.1% — would enable the agency to increase its disaster-loan program by 4%.

Bread / Guns

2-18-97

Files Link Mexico Police to Drug Cartel

■ **Narcotics:** Documents allege the roles of law enforcement, military and immigration officers in trafficking, killings.

By ANNE-MARIE O'CONNOR
TIMES STAFF WRITER

SAN DIEGO—Corrupt Mexican police, military and immigration officers have helped the notorious Tijuana narcotics cartel ship and unload drugs, assassinate fellow law enforcement officers and avoid capture, new documents say.

Most chilling of all, witnesses who dare to testify against the cartel's notorious hit men have been betrayed by police, according to statements given to U.S. and Mexican prosecutors.

The allegations, made by two confessed henchmen of the cartel, were filed in U.S. courts as part of a Mexican request to extradite two alleged cartel gunmen jailed in San Diego. The hearing is set for March 24.

The web of official complicity portrayed in the documents is viewed by many U.S. law enforcement authorities as the latest confirmation of official drug-related corruption—particularly among Mexico's federal police.

Mexican authorities, who have fired hundreds of allegedly corrupt federal police this year, had no comment on the allegations.

"It's pretty candid, isn't it? For the first time, it's in black in white. It's no longer under the rug," said a ranking U.S. prosecutor who has reviewed the extradition file. "I don't think it comes as any surprise. We take it seriously. We have reason to believe it's correct."

One of the statements, made in Mexico, is an alleged confession by Gerardo Cruz Pacheco, a Mexican infantry lieutenant who served in the presidential guard during the presidency of Carlos Salinas. In it, he details his role as driver for the September assassination of the Baja California federal police commander, an enemy of the Tijuana cartel.

Another statement described how Cruz Pacheco helped a cartel leader get a military identification card to ease the transportation of cocaine arriving from South America to Baja by boat.

It also describes how several army privates helped unload Colombian cocaine

shipments at remote airstrips in Oaxaca state, and named a military captain who allegedly hid the assassins' assault rifles.

To analysts of Mexico's drug war, such accounts call into question President Ernest Zedillo's policy of appointing military officers to the front lines of the anti-drug effort. They question whether such a policy will succeed in making the war of drugs less susceptible to corruption, particularly at the rank-and-file levels where economic pressure and intimidation is strongest.

"I don't see any reason to assume the military should be immune to this kind of corruption and economic pressure," said Peter Smith, an expert on narcotics in Mexico at the UC San Diego. "There have been specific cases in the past of high-ranking Mexican military officers who were thought to be involved in drug trafficking in one way or another. The pressures and temptations are likely to be even stronger at the lower ranks."

It was Mexican police and other judicial authorities, primarily in Baja California, who were singled out in documents as allies of the alleged leaders of the cartel, the Arellano Felix brothers.

One of the confessed henchmen, who was shot by cartel gunmen in October in Tijuana, described how federal police friendly with a reputed cartel lieutenant cleared the way for the shipment of drugs on the highway from Ensenada to Tijuana. He described how a federal police commander helped ship 40 kilograms of cocaine from Mexico City to Tijuana in 1985.

He said state police officers provided escorts for cartel gunmen—even during assassination missions. A Tijuana state judicial homicide agent ensured that investigations of the cartel killings went nowhere—most are unsolved—and told cartel hit men when witnesses implicated them in crimes.

U.S. officials said many of the allegations have been corroborated by numerous sources since the case began. One former state judicial policeman told U.S. Justice Department officials that he feared his life

would be in danger if he did not agree to periodic requests to join the escort for the traffickers.

The alleged role of police as a shield for the cartel became the subject of one of Baja's biggest law enforcement scandals in March 1994, when state judicial police attacked an elite squad of federal agents who were trying to arrest a drug lord and whisked the fugitive away.

Former Mexican attorney general Antonio Lozano addressed the issue of police corruption in August when he fired more than 700 reputedly crooked federal police.

In an interview two days before his slaying in September, Baja federal police Cmdr. Ernesto Ibarra Santes told The Times that the 60 Baja federal police fired in the shake-up "were not just friends of the traffickers, they were their servants."

In his statement, the alleged hit man said some of the cashiered federal police used their credentials to assist in the assassination of Ibarra. He said he believed lawyers in the Tijuana federal attorney general's office—who he said were friends of alleged drug lord Benjamin Arellano—told the killers when Ibarra was arriving in Mexico City.

U.S. law enforcement officers said they always believed the Ibarra killing was partly an inside job.

"I'm not surprised. The federal police is involved in drug trafficking nationwide. We've known that all along," said a U.S. law enforcement officer who gathers anti-drug intelligence in Mexico. "We know there are people in the government assisting the drug empires. How else can you have a multibillion-dollar industry?" Baja authorities were silent on the allegations.

Jesus Velasco, the spokesman of the federal attorney general's office in Tijuana, which oversees the Baja federal police, declined to comment. Antonio Miranda Torres, state judicial police commander in Tijuana, and Teodoro Gonzalez Luna, spokesman of the state attorney general's office, said they could not comment until they read the documents.

"It's hard for people to picture the amount of money and power involved," said a U.S. intelligence officer. "A lot of people want a piece of this."

For Children, An Epidemic Of Homicide

*U.S. Leads Rich Nations
In Violence Against Youth*

A1

By Judith Havemann
Washington Post Staff Writer

Nearly three-quarters of all the murders of children in the industrialized world occur in the United States, federal health officials said yesterday.

In releasing an extraordinary international score card of youth violence, the Centers for Disease Control and Prevention found that the United States had the highest rates of childhood homicide, suicide and firearms-related deaths of any of the world's 26 richest nations.

The suicide rate alone for children age 14 and younger was double that of the rest of the industrialized world, the agency said.

The statistics show that the epidemic of violence that has hit younger and younger children in recent years is confined almost exclusively to the United States, where the rate of juvenile crime over the past decade has grown at a far faster clip than that for adults. Many nations, which were asked for statistics from the most recent year they had available, reported that they had no homicides involving children under the age of 15.

The center gave no explanation for the huge gap between the rates of violent death for American children and those of other countries, although other criminologists have attributed the explosion of youth crime here to, among other things, a growing faction of children who are unsupervised or otherwise at risk.

Etienne Krug, the medical epidemiologist who conducted the study, said some researchers have suggested that the high rate of violent death among American children might be associated with the low level of funding

See VIOLENCE, A6, Col. 1

VIOLENCE, From A1

for social programs in the United States. Other theories, he said, blame the prevalence of American violence on the high numbers of working women, the high divorce rate and the social acceptability of violence in the United States.

But handgun control groups blamed much of the problem on the presence of more than 200 million handguns in American homes. Slightly less than half of all American households own firearms, many of them are handguns, and many are kept loaded, according to Stephen Teret, director of the Johns Hopkins Center for Gun Policy and Research.

Teret said American society has high levels of violence in general, and that when this is combined with the presence of handguns, preventable tragedy can result.

The deep causes of violence in society cited by Krug—to which he added racism, poverty and unequal opportunity—are very hard to change, he said.

"It is much easier to change the design of a gun to make it childproof, or the availability of a gun," than to attack the "biggest hardest problems in American society."

Gun owners' rights groups disagree. The National Rifle Association has strongly attacked previous studies linking guns in American society with increased youth crime. "Guns don't kill, people do," the group says.

A rifle association spokeswoman could not be reached yesterday, but Gun Owners of America, a group supporting gun ownership, dismissed the study. "It's meaningless to compare the U.S. to other countries lumped together like that," John Velleco, a spokesman for the Springfield group, told the Associated Press. "I think there is a problem with our young people. It's a serious problem not tied to the availability of firearms. They have never been more strictly regulated."

The federal study was conducted to determine whether the increase in violent deaths that has been so marked in the United States since 1950 has oc-

curred elsewhere. The officials studied death rates of children under the age of 15 in the largest industrialized nations, selected because they were economically comparable and considered likely to maintain the most accurate records.

The study found:

- As childhood death rates from pneumonia, influenza, cancer and other diseases fell since 1950 in the United States, childhood homicide rates tripled and suicide rates quadrupled.
- Of 2,872 violent deaths among children 14 and younger in the 26 countries in a single year (generally 1993), 1,994 were homicides.
- Boys were more likely to be murdered than girls but of the total homicides in the world, 73 percent, or 1,464, were among U.S. children.
- Almost 600 young children committed suicide in 1994, 54 percent of them Americans.
- Children committed suicide using methods other than firearms at about the same rate in the United States as in the other 25 countries.

Return
we had considered
a Wt. meeting on
Plex - A & S stations
Boe

The Washington Post

FRIDAY, FEBRUARY 7, 1997

THE PRESIDENT HAS SEEN
THE WHITE HOUSE
WASHINGTON 2-10-97

Apr - Vegas AF 2001

~~For DeLoach~~

Stephen (Ann)

Gen. Fogelman ~~off~~
asked me to come
to Las Vegas in April
to AF Anniversary
have I received letter -
Does it fit w/ other
requests to go to Nevada?

JBC

76 RB/Guns/
Raidon/Summer
CA HRC

There is a very weird
interesting story - BS

THE PRESIDENT HAS SEEN

2-10-97

Social Security and the Single Investor

By HERBERT STEIN

Two important points are commonly missed in the current discussion of Social Security reform. First, privatizing the Social Security funds would not add to national saving, private investment or the national income and would not allow the system to earn more income without anyone earning less. And second, if the purpose of Social Security is to provide a certain benefit upon retirement, then an investment policy that yields a probable, even though possibly higher, benefit is not appropriate.

The first point may be easily seen. Private investment equals the saving available for private investment. That is equal to private saving minus that part of private saving required to finance the federal deficit. (For simplicity I include with private saving state and local government surpluses and the inflow of capital from abroad.) The federal deficit has two parts—the deficit in the rest of the government, other than Social Security, which I call ROG, and the surplus in Social Security. So private investment equals private saving plus the Social Security surplus minus the deficit in ROG.

Private Savings

Here is the key point: The amount of private investment does not depend on how the Social Security surplus is invested. The more of the Social Security surplus is invested in financing the ROG deficit, the less the ROG has to borrow from the private saving available for private investment.

I will consider some possible qualifications to the argument. But up to this point, privatizing Social Security investment has not added to private saving. Therefore, it has not added to total investment and has not added to the national income generated by the stock of productive capital. But still, everyone will say, the Social Security accounts will be invested in assets with a higher yield than government bonds and

will earn a higher income. How can this be? Where will this higher income come from if there has been no addition to saving, investment and national income? Since there are only three players in this game—the Social Security accounts, the ROG and private savers—the gain to Social Security must come from one or both of the two others.

Private savers will have a portfolio more heavily weighted with low-yield assets—government bonds—and less heavily weighted with private high-yielding assets. They will have a lower-yielding port-

a captive market for its bonds in the Social Security accounts, but has to borrow entirely in the open market, it will be more cautious about deficit spending. Possibly, but I wouldn't bet on this effect being very large.

Privatization per se does not add to the national saving, but there may be other arguments for it. One could argue for a redistribution of income from other savers and taxpayers to workers. But one should not think that there is any free lunch here.

Now, to the question of the proper criterion for investment of Social Security

Board of Contributors

We can't just say that some smart or lucky people will have high Social Security incomes and others will have low incomes and that everything will average out.

folio than if the Social Security accounts had bought the government bonds. But in order to induce private savers to make this shift in their portfolios—to surrender some of the private assets to the Social Security accounts and take on more of the government bonds—the yield of government bonds will have to rise, increasing the burden on taxpayers, or the yield of private assets will have to fall, or both.

Some people think that if workers manage their own Social Security accounts they will learn to love finance and will save more. It seems to me equally likely that promised a larger Social Security benefit they will decide to save less in other forms. It may be that if workers see a larger and more secure Social Security benefit deriving from their work they will work more. Yet if the government has to impose higher taxes to pay the costs of higher interest rates on its borrowing, that may inhibit work and other income-earning activity. Possibly, if the government does not have

funds collected by a tax on wages. Suppose there are two kinds of investment. One will yield at retirement a certain 50% of the retiree's final salary. The other will yield a probable 60%, with a 50-50 chance of yielding zero and a 50-50 chance of yielding 120% of the final salary. Which of these is suitable for a Social Security system? The example, to be sure, is extreme. But even if on average over long periods of time investments will all yield a specific return, the returns earned by particular investors in particular portfolios over particular periods differ enormously.

One can say that the workers are consenting adults and if they choose investments that will make some of them very rich and some very poor, that is up to them. But if you say that, you have to ask why we have a Social Security system, with mandatory contributions, at all. Why not just leave the workers free to save or not and to invest whatever they save in the way they like? If there is no social interest

in the income people have at retirement,
there is no justification for the Social Security tax. If there is such an interest,
there is a need for policies that will assure
that the intended amount of income is al-
ways forthcoming. It is not sufficient to
say that some people who are very smart
or very lucky in the management of their
funds will have high incomes and those
who are not will have low incomes and that
everything will average out.

I find it helpful to think of the Social Security system as having two parts. One provides an assured equal minimum retirement benefit to all workers. The investment for this part would have to be in very secure form, probably involving some government guarantee. But this part would be much smaller than the total system we now have and could be financed by a much smaller payroll tax.

Defining Public Interest

What is the rest of the system and the rest of the payroll tax for? One possibility is that there is some national interest in the size of the retirement benefits that individual workers receive, beyond the flat minimum just mentioned. In that case it would be necessary to control the investment and use of the funds generated by each worker's mandatory contribution to assure that the desired retirement benefit is forthcoming.

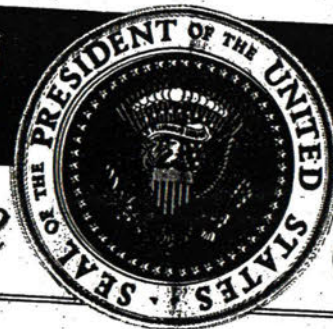
But we could say that there is no public interest in the retirement benefits workers get beyond the flat minimum already mentioned. In that case workers should be allowed to manage their savings as they like. But in that case it is unclear why there is any mandatory contribution to Social Security, beyond that needed to finance the flat minimum. Let the worker decide how to manage his savings and how much to save.

Mr. Stein, an American Enterprise Institute fellow, chaired the president's Council of Economic Advisers, 1972-74.

THE PRESIDENT HAS SEEN

25-10-9)

PRESIDENT CLINTON



COMES TO AUGUSTA

Commemorative

Special Edition

Thursday,
February 6, 1997

The Augusta Chronicle

THE SOUTH'S OLDEST NEWSPAPER • ESTABLISHED 1785

50c

"We can educate America ..."

A new lesson plan

Return/Plan/See/See/Plan

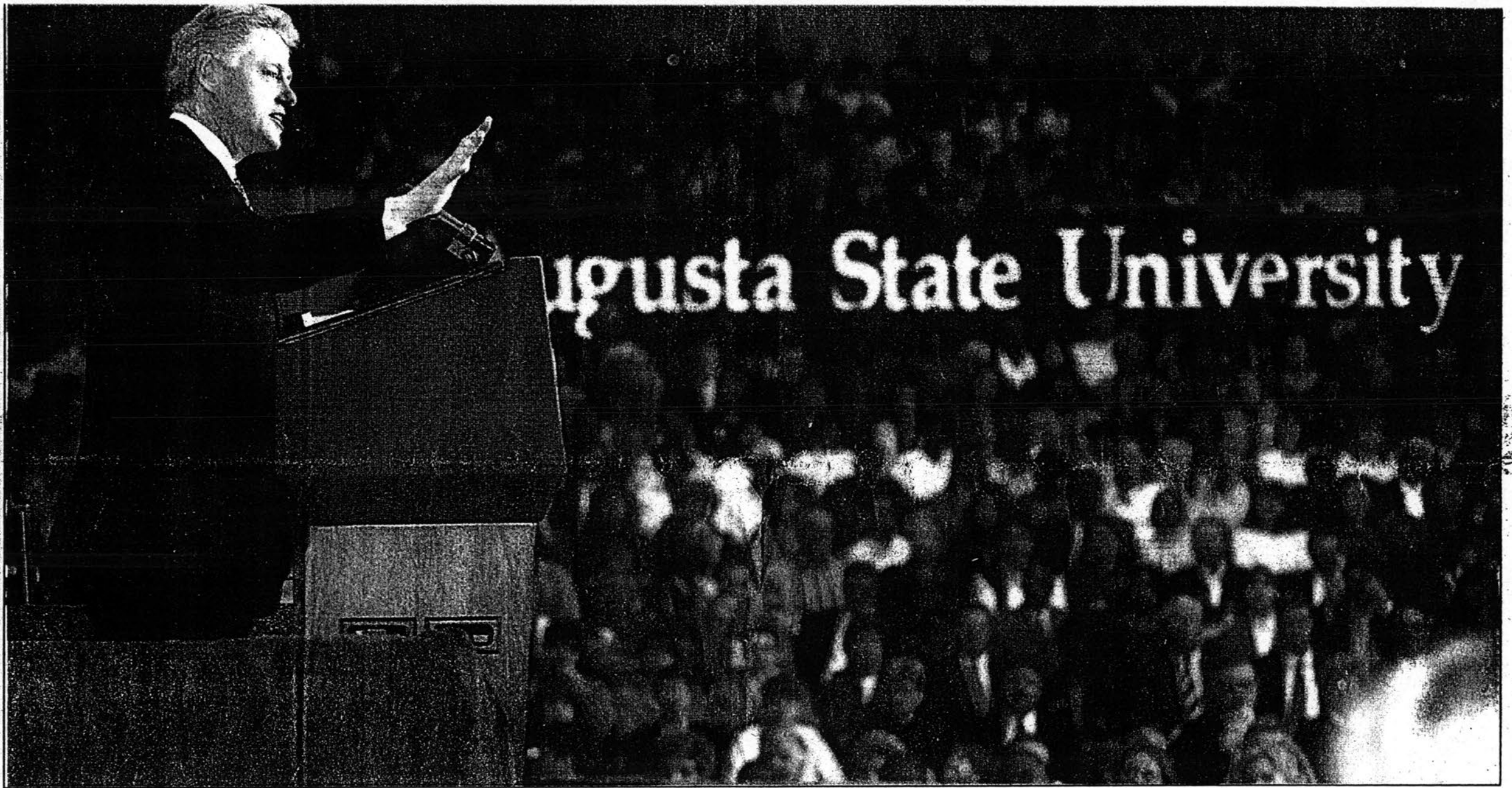
Great

ce McNeely

Her moved sign program for
parents, women who who
can, and who to her family

THE PRESIDENT HAS SEEN

Pr



President Clinton addresses a full house at the Augusta State University PE/Athletic Complex Wednesday. An estimated 3,800 attended the speech on the Importance of education.

STEVE SHELTON/STAFF

Clinton hoists education goals

By Kelly Daniel
Staff Writer

President Clinton stepped into first teacher role Wednesday in Augusta, spelled out details of his education plan and urged Georgians to outdo the nation in school.

Mr. Clinton reiterated much of Tuesday's State of the Union address at Augusta State University's PE/Athletic Complex on Wednesday, pushing \$51 billion in new school programs. He now calls education his No. 1 priority.

The president fairly gushed with praise for Georgia and Gov. Zell Miller for programs such as HOPE scholarships, pre-kindergarten and technology in classrooms, but stressed how America's schools need to improve.

"We can sit here and construct a future of the American children that is better than any time in



all of human history, and we had better get at the work of doing it," Mr. Clinton said, drawing his loudest applause.

In the 34 minutes from the time he took the stage to the time he exited stage right to the strains of Fleetwood Mac's *Don't Stop (Thinking About Tomorrow)* Mr. Clinton brought the crowd of about 3,800 to its feet twice. The crowd applauded 35 times during the speech.

One woman who met Mr. Clinton backstage before the speech was so excited she nearly lost her poise.

"I almost kissed him," she said.

Others spent much of Mr. Clinton's speech bubbling up and down to snap pictures, keeping a

constant pop of flashbulbs on the president as he briefly touched on the 10-point plan he had laid out Tuesday.

"We can educate America with that program," Mr. Clinton said.

Those ideas include:

- A national HOPE grant to give \$1,500 tax credits for the first year of college, and \$1,500 for a second year if the student has a B- average. The idea is loosely based on Georgia's HOPE, which pays tuition for students with B averages.

- An alternate \$10,000 tax deduction for college tuition, including graduate school. The deduction cannot be used the same time the \$1,500 credit is, though.

- An expanded Individual Retirement Account for people to withdraw money tax-free for education.

- Increasing Pell Grants, which may pay col-

Please see **CLINTON** on 4W

Clinton's call to action

The president's 10-point plan for American education.

1. Set rigorous national standards, with national tests in 4th grade reading and 8th grade math to make sure our children master the basics.
2. Make sure there's a talented and dedicated teacher in every classroom.
3. Help every student to read independently and well by the end of the 3rd grade.
4. Expand Head Start and challenge parents to get involved early on in their children's learning.
5. Expand choice and accountability in public education.
6. Make sure our schools are safe, disciplined and drug-free, and instill basic American values.
7. Modernize school buildings and help support school construction.
8. Open the doors of college to all who work hard and make the grade, and make the 13th and 14th years of education as universal as high school.
9. Help adults improve their education and skills by transforming the tangle of federal training programs into a simple skill grant.
10. Connect every classroom and library to the Internet by the year 2000 and help all students become technologically literate.

Source: The White House

What's Inside:

A fitting introduction

President Clinton shared the spotlight with a real HOPE scholar Wednesday. Tanya Davis, a recent Augusta State University graduate, was asked by the White House Tuesday night if she would introduce the president. No problem, said Tanya. "The only thing I was thinking about was getting to the mall. And I made it, thank God, this morning." **Page 2W.**



Lawton

Panel discusses parents' roles

President Clinton spent more than an hour with round-table members speaking about charter schools, parental involvement in schools and an April conference at the White House on how

the brain functions. Participants included congressmen, businessmen, educators and students such as Ben Stalcup, Kymberli Darden and teacher LaAngela Lawton. **Page 2W.**

Also Inside:

■ President Clinton's visit a success, city officials say /4W

■ Augusta just another stop for White House press corps /4W

■ President impresses local students picked for discussion /4W

■ The president's visit in photos /3W

Do you think President Clinton's educational initiative is a good idea?

The *Augusta Chronicle* and Channel 12 News will conduct a telephone poll today until 8 p.m.

Call INFOLINE at 442-4444 and press 2001 to vote yes; 2002 to vote no. The call is free in Augusta's local



PHONE POLL QUESTION

dialing area. If the call is long-distance from where you live, dial

(803) 442-4444. To vote online, set your Web browser to @ugusta at augustachronicle.com. On Friday, *The Chronicle* will publish the results, and Channel 12 News will broadcast them.

THE AUGUSTA CHRONICLE ONLINE
@ugusta

@ugusta, *The Augusta Chronicle* Online, has additional coverage of the president's visit including audio from Clinton's speech, plus photos, video and stories. Point your Web browser to augustachronicle.com

On Page 1A Today:

- Georgia third-graders showed significant improvement in math, reading last year.
- Clinton to unveil balanced-budget plan today that claims \$17 billion surplus by 2002.

Clinton, who began himself a Republican, kept about 3,800 spectators under control and entertained until Mr. Some ticketholders stood in line for hours trying to get inside the

Clinton: Audience enthusiastic

Continued from 1W

lege bills for the financially needy, to the highest level in 20 years.

■ A national test for fourth-graders in reading and eighth-graders in math.

"In virtually every one of these areas, the state of Georgia is trying to move forward," the president said in an informal discussion earlier.

In that discussion, Mr. Clinton joked that he'd gotten the most applause Tuesday when he said education was "a critical national security issues for our future and politics must stop at the school-house door."

Mr. Clinton hardly needed a built-in applause light Wednesday thanks to the frenetic enthusiasm of the Augusta State crowd. Most had waited more than an hour to see the president. One woman waved an "I love Socks the Cat" sign at every opportunity.

Mr. Clinton, the first Democrat re-elected president since Frank-

He made a politician's promise — he promised that I would get some good barbecue before I left town.

President Clinton, speaking of promise from Mayor Sconyers

lin D. Roosevelt, is the first sitting president to visit Augusta since Ronald Reagan in 1983.

Ever the politician, Mr. Clinton made mention of most Augustans he met Wednesday morning, including Augusta State President Bill Bloodworth's son Paul, a HOPE scholar, and Augusta Mayor Larry Sconyers' airport greeting.

"He made a politician's promise — he promised that I would get some good barbecue before I left town," Mr. Clinton said as laughter built. "And I'm going to see if he keeps it."

The president arrived on time at the complex on Wrightsboro Road, but started his informal discussion with selected students and educators 10 minutes late. He strode to the podium at 2:59 p.m. — 1 hour and four minutes behind schedule — and greeted a crowd that included people who had waited since 11:15 a.m. to see him.

Two Augusta area educators — Superintendent Charles Larke and Paine College President Shirley A.R. Lewis — said they found the familiar in Mr. Clinton's ideas.

The president's 10-point plan "falls very much in line with what we think we're doing at Paine College," Dr. Lewis said.

Dr. Larke was especially proud of Mr. Clinton's mentions of school uniforms and zero tolerance policies for weapons and drugs on campus.

"All the things he talked about, we're trying to do," Dr. Larke said.

Staff Writers Amy Joyner and Brad Schrade contributed to this article.



PRESIDENT CLINTON VISITS AUGUSTA

Officials say visit a success

■ *Despite delay of speech and some minor traffic jams, city pleased with handling of president's stop*

By Amy Joyner and Alisa DeMao
Staff Writers

An enthusiastic round-table discussion delayed President Clinton's speech for an hour, and there were a few protesters, but Wednesday's executive visit went off without a hitch, Augusta officials said.

The chief executive was even on time, for a while.

"I had a passing comment from the individual who was in charge of the operation on our end, that everything went well," said Bush Field Director Albert McDill, adding that he was expecting a more detailed report from his staff.

Air Force One touched down at Bush Field at 12:05 p.m., and by 12:30 p.m., the presidential motorcade was on its way to the Augusta State University PE/Athletic Complex. Traffic holdups were minor, and motorists endured them with good grace, police said.

"Any time you have an event of that magnitude, you have traffic jams," said Lt. Bill Manecke of Richmond County Sheriff's Department. "For safety reasons, you have to stop traffic. But people were really gracious about it, it didn't seem like it was a real problem for anyone."

The longest wait was a 25-minute traffic jam at the Wrightsboro Road entrance to the athletic complex, where buses and shuttles carried all attendees in and out, Lt. Manecke said. Motorists also complained of gridlock at Daniel Field airport, where they parked before being bussed to the complex.

The presidential motorcade passed four protesters on its way to the athletic complex, but the sheriff's department didn't have any problems to deal with, Chief Deputy Ronald Strength said.

Crowds cheered as the president's motorcade — a long line of Chevrolet Suburbans, police vehicles, press vans and two limousines — came into view at the athletic complex. Even 11-year-old Clem McDavid, who considers himself a Republican, began jumping up and down when the



President Clinton and Georgia Gov. Zell Miller prepare to exit Air Force One at Bush Field on Wednesday. Officials said the president's visit was successful, with few problems reported.

MICHAEL HOLAHAN/STAFF

president's limo came into sight. "Awesome, this is so cool. I feel like I'm going to meet him," said the sixth-grader at Augusta Preparatory Day School.

Inside the complex, Secret Service agents, White House staff, student volunteers and a jazz band kept about 3,800 spectators under control and entertained until Mr.

Clinton arrived, a university spokeswoman said.

"There were no problems that I picked up on whatsoever," said Marian Cheek, director of public relations and publications for Augusta State. "If there were any, they handled them beautifully."

Some ticketholders stood in line for hours trying to get inside the

athletic complex, then stood hours more on a balcony inside waiting for the president. But most said the wait was worth it, once the president took the podium.

"It was a long wait, but I got to meet him," said Augusta resident Robin Bagby.

Staff Writer Lori Wlechman contributed to this story.

President makes a big impression

■ Clinton 'larger than life' for local students picked for round-table education discussion

By Brad Schrader
Staff Writer

With Secret Service guys in suits swarming about, President Clinton appeared from behind a curtain Wednesday and caught 18-year-old Ben Stalcup by surprise.

"I looked down for a moment and (the president) came in real fast," said Ben, a senior at A.R. Johnson, Health, Science and Engineering High School. "He was just there. I kind of froze for a second and then stood up."

Ben and Westside High senior Kym Darden, 17, joined five other citizens at President Clinton's hour-long education round-table in the Augusta State University PE/Athletic Complex.

The visit culminated five days of anticipation for the Richmond County students. When you're a teen-ager about to meet the president, there's a few things you get right.

Ben bought new pants and wingtip shoes. Kym wore the new blue suit she got for Christmas. Ben wiped the sweat from his right palm and gave Mr. Clinton a firm handshake. Kym said "Mr. President" when she asked him to

sign her senior book.

Both students were a little nervous before the president entered the makeshift study in a backroom of the athletic complex. The studio lights made the place look as much like a soundstage as a study.

"I was a little shaky at first," Kym said. "Then, I just talked to him."

Ben said the president's sincerity and genuine interest in education put him at ease quickly. He said meeting the president was different than seeing him on television.

"My first impression was he was big," Ben said. "He was larger than life. He commanded the presence of everyone in there."

Mr. Clinton's first presidential visit to Augusta was to promote a national version of the HOPE scholarship. Ben and Kym were chosen, as was Peter H. Craig Elementary teacher LeAngela Lawton, to represent Augusta at the round-table that included educators from across the state.

Ben, the STAR student and val- edictorian at A.R. Johnson, spent a few minutes telling the president about the merits of magnet schools and the use of computers and the Internet in school.

Kym, an honor student and varsity basketball player, spoke about the HOPE scholarship, which she plans to use next year at a Georgia college.

Augusta just another stop for national press corps

By Carmela Thomas
Staff Writer

The national press pool may have been in Augusta with President Clinton on Wednesday, but many were abuzz with topics such as the O.J. Simpson civil trial verdict, the president's budget and Dick Morris' relationship with his wife.

"This morning on the plane many of us were still talking about the fact that the verdict came down during the president's State of the Union address," said Rita Braver, CBS' chief Washington correspondent.

"We had joked that this might happen last week," she said.

With all of the traveling the White House press does while following President Clinton around the world, several of them said Augusta was just another stop.

"Sometimes we go through five

or six states a day," said Wall Street Journal correspondent Hilary Stout. "It was fitting for him to come here (to Augusta) because of the HOPE scholarship."

Mrs. Braver, 48, sat in the press room at Augusta State University debating whether she needed to do a story on the president's visit to Augusta.

Some print and radio reporters said they believed President Clinton and his staff give broadcast media too much attention.

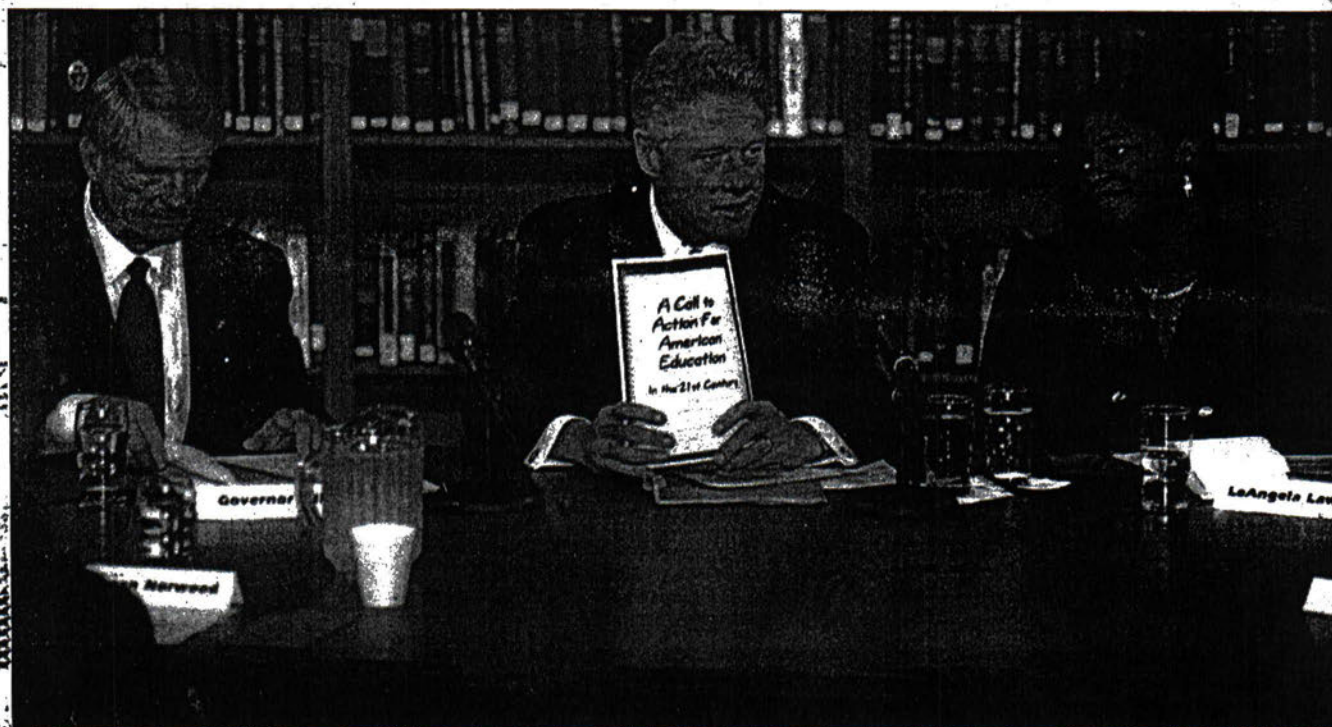
"We're second-class citizens," said Ms. Stout.

For example, Peter Maer, 48, an NBC radio correspondent has worked as a White House correspondent for 11 years. He has never been invited to dine with the Clintons.

John Palmer, an NBC White House correspondent for about the same amount of time, has dined with the first family.



PRESIDENT CLINTON VISITS AUGUSTA



STEVE SHELTON/STAFF

President Clinton speaks about the HOPE Scholarship during a round-table discussion preceding his speech at Augusta State University. He is flanked by Georgia Gov. Zell Miller and LeAngela Lawton, a teacher at Peter H. Craig Elementary School in Augusta.

Round-table discusses strong minds

■ Discussion participants consider development of children, parental involvement in schools

By Kelly Daniel
Staff Writer

The president had the brain on his brain, but Augustans sitting next to him had nerves on theirs.

Augusta students Ben Stalcup,

Kymerli Darden and teacher LeAngela Lawton spent more than an hour Wednesday with President Clinton in an informal discussion that included congressmen, businessmen and educators.

Each managed to relax once the discussion started, but just before Mr. Clinton arrived, Ben and Ms. Lawton lowered their heads to their chests or tabletop, either praying or looking for a way out.

Mr. Clinton and the table mates spoke about charter schools, parent in-

volvement in schools and an April conference at the White House on how the brain functions. New studies say the first four years of life are most crucial for developing a strong mind, the president said.

"The PTA — anything you can do to motivate pre-school parents and convince them that they can contribute to their child's development, even if they don't have a high school diploma themselves, that's very important," Mr. Clinton said to Janice Cox, state PTA president.

Ms. Lawton, a teacher at Craig Elementary School, held the president's attention with her examples of getting parents involved in school, such as with parent-faculty basketball games.

But Kym, who aspires to be a veterinarian, got a joke from Mr. Clinton.

"I have a cat and a dog and they don't get along too well," said Kym, a Westside High School senior.

"If you figure out how to make them get along, I'll hire you to work in the White House," Mr. Clinton shot back.

Those at the table roared.

NOTEBOOK

President can't resist barbecue

From Staff and Wire Reports

The barbecue king and the commander-in-chief - it's a match made in heaven for Bill Clinton.

A presidential taste for barbecue led Augusta Mayor Larry Sconyers to make Mr. Clinton a promise Wednesday - to provide some of the famous mayoral "bahhbecue" for the president and Air Force One staffers.

Mr. Sconyers couldn't confirm a rumor that the president munched a barbecue sandwich during his limousine ride, "but I would hope so," he said.

During Mr. Clinton's Wednesday afternoon speech, he needed the mayor to keep his word.

"He made a politician's promise - he promised that I would get some good barbecue before I left town," Mr. Clinton said, eliciting chuckles from listeners. "And I'm going to see if he keeps it."

Sconyers' Bar-B-Que restaurant workers delivered three containers of the spicy stuff to White House staff, Mr. Sconyers said.

Girl Scout makes presidential sale

Eight-year-old Megan Brooks got the chance to see President Clinton, but what was really "pretty neat" was getting him to buy a box of Girl Scout cookies - Samoas.

Megan's father, Greg Brooks, took Megan along as he drove the bus for the national media and was excited to get a pass to the president's speech and front row seats. Afterward, Megan got Sens. Paul Coverdell and Max Cleland to each buy a box of peanut butter cookies, then Gov. Zell Miller signed up for a box of Thin Mints.

"The best thing is she got President Clinton to buy a box," Mr. Brooks said. "He gave her a big hug," and the president gave \$3 cash for the \$2.50 box of cookies.

Shy student presses for handshake

Normally a shrinking violet who lingers in the background, Cindrea Brice wasn't going to let Wednesday pass without at least trying to meet the president.

Forgetting her normally shy personality, she pushed through crowds, climbed on chairs and asked people to move until she was just inches away from the stage where President Clinton had just finished his speech.

"I said, 'Please Mr. President, shake my hand,'" Ms. Brice said.

And he did.

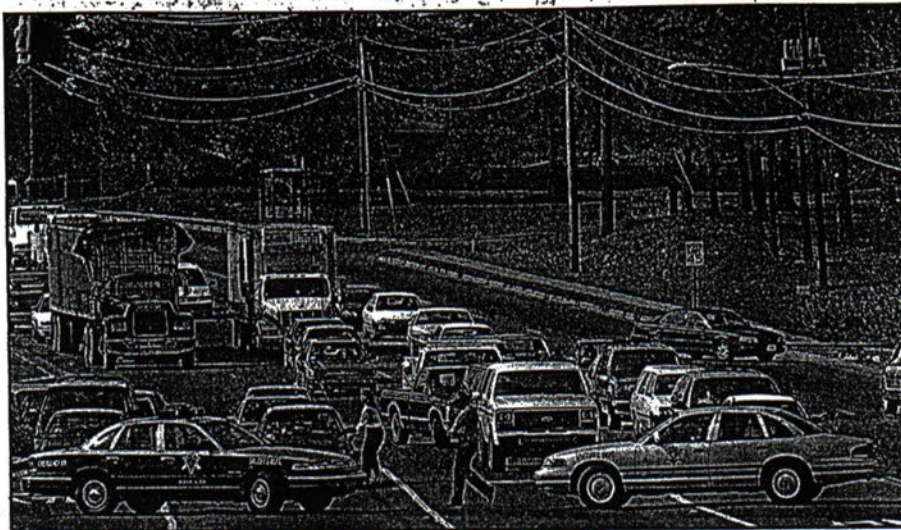
"He held my hand for probably like 10 or 15 seconds," the Augusta State University student said, still grinning minutes later. "He's so much better looking in person. Those camera lights don't do him any justice."

University workers convert studio

First you see a dance studio. Presto! Now it's a mini-library.

Augusta State employees worked until 1 a.m. Wednesday converting a dance studio in the PE/Athletic Complex into a library backdrop for President Clinton's informal discussion with students and educators.

Cement-block walls were draped with green material, setting off the eight bookshelves work-



STEVEN SCHRETZMANN/STAFF

Presidential traffic

Police block Wrightsboro Road at North Leg Road for President Clinton's motorcade Wednesday as it approaches the Augusta State University PE/Athletic Complex. The motorcade traveled from Bush Field along Doug Barnard Parkway, to Bobby Jones Expressway, to Gordon Highway, along North Leg Road to Wrightsboro Road. Traffic moved smoothly before the visit, but afterward it took many spectators more than an hour to get out of traffic.

ers built and finished Tuesday.

"The stain on those bookcases dried at 3 o'clock (Tuesday) afternoon," Dr. William Bloodworth said.

By the time Mr. Clinton arrived, at least 2,900 books filled the bookcases.

Pupils show off school uniforms

Suddenly, in the middle of his speech, all eyes shifted to President Clinton's left.

Eight people dressed in school uniforms jumped to their feet, grasping what had swayed the president's attention away from his text.

"Hold that sign up there," Mr. Clinton said to the Glenn Hills Middle School group.

"Mr. President, Glenn Hills Middle School wears uniforms," the sign blared. Principal Bertha Sutton, holding the sign's right end, beamed.

Glenn Hills is one of three Richmond County schools testing uniforms this year in a pilot program. The schools made a concerted effort to get their students to Mr. Clinton's speech in uniform, a move that obviously paid off.

"Now, I promise we did not organize this," Mr. Clinton said, his audience chuckling. "I didn't even know they were going to be there."

Superintendent Charles Larke could barely contain his excitement afterward. And his relief. "I'm glad we didn't wait to pilot the program," he said, grinning.

'Godfather of Soul' among sights

Nancy Nelson of Minneapolis was making her first visit to Augusta and wasn't prepared for the sights that greeted her at Bush Field. As her Delta Airlines flight from Atlanta landed, she looked to her left and saw a familiar blue-and-white aircraft.

"I thought, 'That's Air Force One.' It was hard to believe," she said. Things got stranger once she got off the plane and wandered into the terminal.

"There's James Brown at the baggage return," she said. "This is kind of a happenin' place."

Sheriff gets tour of Air Force One

While the president was away, Air Force One did not lack for visitors. Richmond County Sheriff Charlie Webster said he got a tour, courtesy of former Chief Deputy Austin McLane's son, David, who is a flight engineer for Air Force One. Whatever he saw, Sheriff Webster wasn't saying.

"Oh, I don't know. He's the president of the United States. I ought not to be talking about his plane," Sheriff Webster said.

The crew from the Northwest Airlines charter that carried the press corps also sneaked over and posed halfway up the gangplank. Ground support crewman Robert Hawkins admitted that the crew members always try and get a picture with the plane when they can.

First lady to receive gift

One President Bill's wife had a gift for the other's.

Julia Bloodworth, wife of Augusta State University President Bill Bloodworth, bought a book for Hillary Rodham Clinton. She wrapped it carefully in festive paper and planned to offer the gift to White House staffers Wednesday.

If staffers deliver the package, Mrs. Clinton will unwrap *I Speak for This Child*, a book by Gay Coulter, a Florida woman who works with children's issues.

Clinton pays honor to Cleland

U.S. Sen. Max Cleland took a homecoming journey of sorts Wednesday afternoon.

As President Clinton recounted for the Augusta State crowd, Mr. Cleland was flying back to Washington aboard Air Force One to land at Andrews Air Force Base.

The last time Mr. Cleland touched down on that airstrip, he was returning home from Vietnam, with three limbs blown off by an errant grenade.

"He has come a long way and we are proud of him," Mr. Clinton told the Augusta State crowd.

Graduate introduces president

By Lori Wiechman
Staff Writer

Tanya Davis didn't have much time to get nervous about introducing President Clinton on Wednesday.

The recent Augusta State University graduate — whose education was financed by the HOPE scholarship — found out just after 8 p.m. Tuesday she would preface his remarks to about 3,800 people at the college's athletic complex.

"The only thing I was thinking about was getting to the mall. And I made it, thank God, this morning," said Ms. Davis, 26.

The call came from the White House, who chose her based on her role as chair of the school's student senate and her involvement in the political science department.



Davis

"Psycho is the only thing I've been saying (about the experience) since (the call) happened Tuesday night," she said. "I called my mom and said, 'This is psycho,' I called my sister and said it was psycho."

Her introduction — which took 25 minutes to write — got a hug from Mr. Clinton and his call for another round of applause.

"I was surprised when people kept clapping in the middle of the things I was saying," she said. "Before the speech, President Clinton leaned over and told me not to be nervous. I got to chat with him, and we were both making notes on our speeches."

Her introduction stressed a commitment to education, echoing the president's ideas given in Tuesday night's State of the Union address.

"Education is the most important tool we can give ourselves, it's going to help us socially. A lot of times we put the wrong money into a lot of things," Ms. Davis said.

The Augusta State graduate was one of three females spotlighted during the president's visit. Local singer Julie Green, whose stints include soloing with the Augusta Jazz Project, sang *Georgia on My Mind*.

Allison Jones, the eighth-grader at John S. Davidson Fine Arts Magnet High School who sang at Mr. Clinton's first inauguration, performed for the president again, singing *America, the Beautiful*.

"I was screaming and jumping all over the room like I did the last time (when they asked me)," Allison said. "He gave me a hug, and he said I had gotten a lot taller in the last four years."

DAVIS' INTRODUCTION

Tanya Davis, chairwoman of Augusta State University Student Senate, introduced the president Wednesday. Here is a transcript of her speech.

Hello. How are you guys doing?

I want to take this opportunity to request a special thanks — on behalf of the students of Augusta State University and the Student Government Association — of the president of the United States coming to be with us today.

When they called me and said, "We want you to do this speech today and introduce the president," I really wasn't thinking about his speech, the only thing I was thinking about was getting to the mall. And I made it, thank God, this morning, so I feel a lot better.

They also asked me to listen to his State of the Union address last night and to take some notes on it and I did. And one thing in particular came in my mind.

It's when the president said last night his goal was to prepare America for the 21st century.

I believe in that.

I believe that he is correct in choosing education as his primary avenue of preparation for that goal.

Education is important for everyone in this country. For those who are young and for those who are old. For those who are black, for those who are white. For those who are legal, and for those who want to become legal.

Very important.

Education has a lasting effect on everyone's life. Those that receive an education are often affected by those that do not.

So, therefore, that makes us all practically in this together.

Many of America's problems may be reduced by an increased commitment to education. Let me ask you one question: If we were to go and take a poll of our nation's prisons, how many bachelor's degrees, associate's degrees, master's degrees, do you think we'd find in there?

If we were to go to, to our juvenile court system and poll the young kids there, how many of those kids do you think were bound for college? How many of them do you think were bound to even complete high school?

There's something in there that we need to look at and education is the key. The fact is that educated people make better choices for themselves and the people around them. The president's 10-point plan requires a commitment from all of us — each and every one of us.

It requires a commitment from our teachers. They need to be willing to raise the standards for themselves and not be afraid to raise the standards for their students because in the United States we can do these things.

It's going to take commitment from present college students right now. We need to learn to give back. We can teach others to read so we can teach them many things. We need to reach out to those that are less fortunate than ourselves.

It's going to take a commitment from the young people of today. Young people need to make a conscious choice to further their education and they need to make a conscious effort to find out what resources are available to them to do that.

And then our government needs to have (resources) there for them. And I think that we're trying to do that.

Employers need to be willing to create and give jobs to those that are pursuing an education as well as those that already have one.

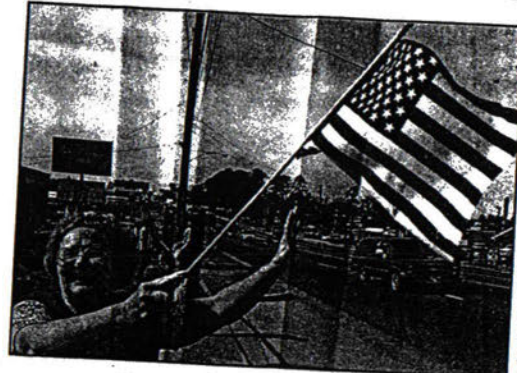
And most of all, it takes a commitment from our nation's elected officials. We need to work in a nonpartisan basis and make a commitment to implement policies that are good for our nation as a whole.

And it is a great honor to me to be able to introduce to you the president that will prepare us for the 21st century, President William Jefferson Clinton.

into it



President's day in Augusta



Merita Nelson of Augusta is all smiles after she spotted President Clinton in his motorcade on Wrightsboro Road on the way to Augusta State University on Wednesday.

STEVE SCHRETZMEN/STAFF



STEVE SHELTON/STAFF

A Bible is put before President Clinton while he shakes hands immediately following his speech at the Augusta State University PE/Athletic Complex on Wrightsboro Road. Students and well-wishers rushed to the front to greet the president after he addressed the needs of today's students and the HOPE scholarship.



NATALEE WATERS/STAFF

President Clinton addresses the crowd at the Augusta State University PE/Athletic Complex on Wednesday afternoon.



MICHAEL HOLAHAN/STAFF

Augusta Mayor Larry Sconyers and his wife, Michelle, greet President Clinton as he gets off Air Force One at Bush Field.



BOB RIVES/STAFF

People wait to get into the Augusta State University PE/Athletic Complex to see the president Wednesday.

ay

THE PRESIDENT HAS SEEN
2-P-97

THIS JUST IN:

Planet Microsoft

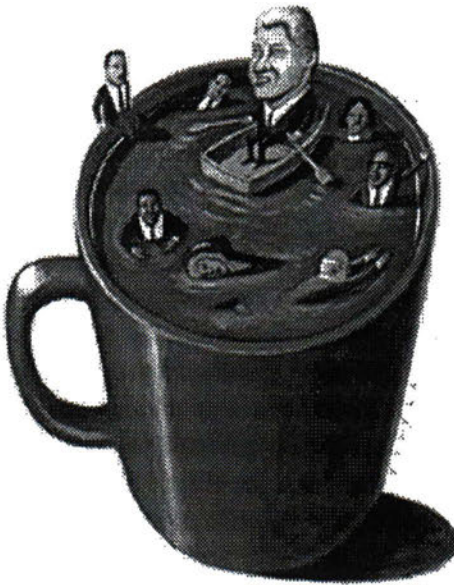
Slate

◀ 13 ▶

Team
Doug

white house

confidential



I Had Coffee With Clinton

The inside story of those notorious White House "coffees."

By James J. Cramer

(1,061 words; posted Saturday, Feb. 8; to be composted Saturday, Feb. 15)

Actually, I had a Diet Coke. I was too nervous for coffee. Until these White House "coffees" became controversial a few weeks ago, I had regarded the meeting as one of the great happenings in my life. I was ushered into the Map Room at the White House--the room that shows the Allies' progress against the Nazis, frozen the day Roosevelt died--and poked around a table to see where I was to sit.

My God, I thought when I saw my placard, I'm next to the president. The president of the United States. Me and the president. Wow! What would my mother have said about that? A few minutes passed by, and I realized I knew no one in the room. But then, in walked Mack McLarty. I recognized him not from any political connection but from his previous career as head of a publicly traded utility called Arkla. Arkla was one of my worst investments ever.

① Get him in position!
② to Room (accompany) (Bar)
we need to get this around,
we need to get from men
of them written - this is great
BZ



I stuck my hand out, and he grabbed it. I asked him if I could ask the president anything I wanted. He asked me what I had in mind. I said that I had a whole bunch of things I wanted to say, but mostly I wanted to let the president know that cutting capital-gains taxes would just be a windfall for the rich, and that the American worker wasn't getting as good a deal in these "downsizings" as the big dogs were.

He told me that these were fine topics. He did not ask me for money. He did not ask me for support. He did not ask how much I had given to the party. In fact, neither did Democratic National Committee Finance Chair Marvin Rosen and DNC honcho Donald Fowler, both of whom were in the room. No one did.

Sure, I wouldn't have been there if I hadn't given money to the party. But there is a simple nonsinister reason that I gave to the Democratic Party: I am a Democrat. I want my party and its candidates to win. Beat the Republicans. Pretty clear. Now what would have been interesting is if I had given money to the Republican Party, or the Communist Party, or heck, the Pajama Party. I am a lifelong Democrat, and the last time I looked, it was neither interesting nor indictable to help a political party.



I walked the president. Everybody mobbed him. I hung back, but he worked his way toward me and shook my hand. Light bulbs flashed. I was dizzy.

We took a seat. I got my bearings. Had a refill. The president mentioned that things were going well and wanted to know what was on our minds. Someone asked an innocuous question--I don't remember what. Someone else said the president was doing an excellent job with the economy. The president said it was important to try to balance the budget and keep interest rates low.

A lawyer said he didn't want tort reform. Lawyers. It figures that they would use this session for a bit of self-interest. I scribbled, "He is asking you for a raise, Mr. President," on my notepad and tried to show it to Clinton, but I couldn't get his attention.



Then it was my turn. Mr. President, I remember saying, I would like to use this time to tell you about an idea I had, an idea to give stock options to downsized workers so they could participate in the increase in stock prices generated by their firings. I had just written about this plan for *New York* and the *New Republic*.

Go on, he encouraged.

I told him how AT&T's stock had jumped when Robert Allen announced those layoffs. I took out the proxy statement showing how much Allen paid himself--it just happened to have come that morning. And I mentioned that if AT&T would have just awarded options struck at the price the day before the firings, these people would have had enough money for a down payment for a new business or a mortgage or college bills, instead of being angry at their company and their country.



Someone interjected that this seemed pretty fanciful. But the president waved me on. I talked some more. He told me he liked the idea and would look into it. My mind's a blank after that. It seems like there was some chitchat about foreign affairs and the campaign. And then it was over. As the president went by me, he gave me a big hug and said the stock-option plan was a "darn good idea."

I was as high as a kite. I recall nothing else until the time that I got to the airport to fly back to New York. There I called, in order, my wife, my sister, and my dad and told them that I had sat next to the president and told him about my stock-option idea, and that he had liked it. I was very proud. Still am.



No one ever called and asked me for money after the session. In fact, the only call that was made was by me, to try to get the picture of my meeting with the president. I subsequently gave more money to the party, but I still haven't gotten the picture. Nor did my stock-option idea go anywhere. So much for my influence.

But what I have gotten is a raft of phone calls from some of the best investigative reporters in the world, asking me all sorts of questions about quid pro quos and what I did to get the meeting and how much money I was shaken down for. The questions all sound like I was some sort of criminal for meeting with the president.

The other day, when I bought my *Philadelphia Inquirer*, I read the huge headline--"For Democrats, a little coffee, a lot of cash"--out loud while I was at the register. "Bunch of crooks," I heard somebody say. Everyone seemed to nod in agreement. Suddenly I realized that the press had transformed me from Jimmy Stewart to Claude Rains, as if I were stuck in a weird Bizarro anti-Capra version of *Mr. Smith Goes to Washington*.

"No," I said. "It was all very innocent."

They looked at me like I was crazy.

Maybe I am. But next time, I want the picture. So would you.

James J. Cramer is manager of a hedge fund and co-chairman of The Street, from which this article is reprinted.

Illustration by Charlie Powell

Previous White House Confidential columns

Slate
contents

[1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#) [10](#) [11](#) [12](#) [13](#) [14](#) [15](#) [16](#) [17](#) [18](#) [19](#) [20](#) [21](#) [22](#) [23](#) [24](#) [25](#)

© 1997 Microsoft and/or its suppliers. All rights reserved.

The President's Memo
2-11-97

THE WHITE HOUSE

WASHINGTON

February 7, 1997

Berger

MEMORANDUM FOR THE PRESIDENT:

FROM: TODD STERN
HELEN HOWELL *Helen*

SUBJECT: Berger memo on CNN request for a license to open a bureau in Cuba.

The attached Berger memo outlines your options regarding a request by CNN for a license to open a news bureau in Cuba.

CNN applied to Treasury for a license to open a bureau in Havana upon receipt of Cuban government permission. Other U.S. news media (including The Miami Herald, AP, and two TV networks) have license requests pending, but only CNN has received Cuban government approval. The Helms-Burton Act authorizes the "exchange of news bureaus" with Cuba under certain conditions, including that Cuba must allow Radio Marti to open offices there. However, the Administration retains the authority under other laws to approve requests like CNN's regardless.

Option 1 -- Approve CNN's request alone. No supporters (not even CNN) because the U.S. would be holding back other applicants and confirming the Cuban government's right to pick and choose.

Option 2 -- Approve all pending applications for one year on the condition that the bureaus be permitted to operate free from Cuban government restrictions. NSC, State and Treasury all support this option. This approach would also have the widest support from the media, your Cuba core group, and members of Congress.

Option 3 -- Withhold approval until Cuba authorizes bureaus from a more representative sampling of U.S. media. This option would preclude the opening of American news service in Cuba in the near future.

Option 4 -- Delay the application until Cuba gives approval for Radio and TV Marti to open offices. This option would preclude any American news service from setting up in Cuba.

As noted above, NSC, State and Treasury recommend Option 2, and Sandy proposes informing CNN of your decision before making it public. John Podesta and Sylvia Mathews concur with this recommendation. Pursuant to John's suggestion, our office held the attached memo for you until after the SOTU.

☒ Approve

☐ Disapprove

THE WHITE HOUSE
WASHINGTON

January 30, 1997

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER 
SUBJECT: CNN Request for License to Open Havana Bureau

Purpose

To decide whether to approve a request by the Cable News Network (CNN) for a license to open a news bureau in Cuba.

Background

CNN renewed its application for a Department of the Treasury license to open a bureau in Havana in November upon receipt of Cuban government permission to open an office. A half dozen U.S. news media -- including the Miami Herald, AP and two other major TV networks -- have license requests pending, but only CNN has received Cuban approval.

The Helms-Burton Act contains provisions authorizing the "exchange of news bureaus" with Cuba under certain conditions, including that the GOC must allow Radio Marti to open offices in Cuba. However, we retain authority under other laws to approve requests like CNN's whether or not the GOC permits a Marti bureau. The Cuban Democracy Act and U.S. policy prior to the Helms-Burton legislation (notably in your statement on October 6, 1995) clearly set the free flow of information between our countries, including through the establishment of U.S. news bureaus in Cuba, as a priority.

Since CNN renewed its application, we have sought ways to promote the establishment of other news bureaus in Havana, thereby reducing the GOC's ability to pick and choose which media can open bureaus. Many in the Cuban-American community see CNN and Ted Turner as too friendly with Fidel Castro and, like publisher David Lawrence, believe that the Miami Herald should be in the first group approved.

cc: Vice President
Chief of Staff
Mack McLarty

Options

There are four options:

- 1) To approve CNN's request alone.
- 2) To approve all pending applications -- a largely symbolic gesture for news organizations other than CNN because the GOC so far has only agreed to the one request.
- 3) To withhold approval until the GOC authorizes bureaus from a more representative sampling of U.S. media.
- 4) To delay the application until the GOC gives approval for Radio and TV Marti to open offices -- unlikely to happen as long as the current regime remains in power.

Option 1 has no supporters (not even CNN) because the USG would essentially be "holding back" other applicants and confirming the GOC's right to pick and choose. Option 4 would likely preclude any American news service from setting up in Cuba, and goes beyond what even most of the Cuban-American community believes we should require. Option 3 sets a more attainable objective, the entry of several American news organizations, but in the short-to medium-term the effect is also likely to preclude the opening of any. We favor Option 2, with certain conditionality. The State and Treasury Departments concur.

Under this scenario, we would grant all pending license applications for Cuba bureaus on the understanding that the bureaus be permitted to conduct their newsgathering activities free from GOC restrictions and harassment. We would continue to press Cuba to allow additional bureaus. As a matter of normal procedure, OFAC will issue the license for a one-year period. We would make clear in issuing the licenses that Cuba's willingness to allow other American media similar access over the next year will be a factor in considering their renewal next year.

This approach would be consistent with our policy of promoting the free flow of information to and from Cuba. It would also help keep international attention focussed on the human rights situation and need for democratization on the island. While we would have preferred that the GOC allow more than one bureau to open at this time, CNN's reputation and worldwide reach have been important factors in this recommendation.

CNN officials have told us that they have a Cuban commitment that they can operate freely in the country. CNN may not like the statement that Cuban willingness to allow in other American media will be a factor in considering the renewal of its license a year hence, but CNN itself has expressed support for such an opening,

and they have been informally told by mid-level Cuban officials that it will take place.

Public and Congressional Reaction

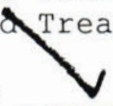
This approach also appears likely to gain the widest support. Most interested U.S. media, including the Miami Herald (which has withdrawn its reservations), the American Society of Newspaper Editors, and the Committee to Protect Journalists advocate approval for all pending requests. (Many would likely back a First Amendment court challenge to a possible USG denial, which CNN quietly threatened at one point.) Representative Lee Hamilton and eight other Democrats wrote to Secretary Christopher urging approval. Members of your Cuba "Core Group" will support it with the license conditionality we propose.

Other Cuban-American and Republican leaders -- including Senator Jesse Helms -- have indicated that they do not oppose the decision but will not openly support it. Representative Bob Menendez is reluctantly prepared to go along; he does not share the position of Representatives Diaz-Balart and Ros-Lehtinen that CNN or any other news organization should not be allowed in Cuba until Radio and TV Marti can establish bureaus there. Jorge Mas Canosa's Cuban-American National Foundation has indicated that it will not oppose the decision.

We propose informing CNN and making the decision public on February 3, so as not to conflict with other Cuba-related activities surrounding the anniversary of the birth of Jose Marti during this week.

RECOMMENDATION

That you authorize the Treasury Department to grant pending license applications for U.S. news organizations to establish bureaus in Cuba for one year on the condition that they be allowed to operate free from restrictions by the Cuban government. (State and Treasury support.)

Approve  _____

Disapprove _____

THE WHITE HOUSE
WASHINGTON

February 10, 1997

MEMORANDUM FOR JIM DORSKIND

FROM: HELEN HOWELL *Helen*

SUBJECT: Letter from Maryland Superintendent of Schools

Note that Mike Cohen of DPC has seen the synopsis of how Maryland's education initiatives align with the President's education goals. He says that the relevant information was included in POTUS' briefing materials for his speech to the Maryland State Legislature today.

So, a response can be prepared through normal Correspondence channels in consultation with DPC, of course.

THANKS!!



Maryland State Department of
EDUCATION

Schools for Success

Nancy S. Grasmick
State Superintendent of Schools

200 West Baltimore Street
Baltimore, Maryland 21201
Phone (410) 767-0100
TTY/TDD (410) 333-6442

February 6, 1997

1997 FEB 10 PM 8:28

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

Dear Mr. President:

You have always been one of our country's strongest advocates for children, so I was pleased to hear you say that education would be your number one priority for the next four years in your State of the Union Address. Under your leadership, I am confident that we can raise our nation to the top of international assessments, taking our proper place as a world leader, not only in our system of higher education, but in our K-12 education as well. Educators around the country take great pride in knowing that our country's leadership understands the importance of high educational standards.

In your Address, you outlined ten goals for education nationwide, including a variety of federal initiatives to help states meet these goals. I am pleased to say that Maryland's education initiatives are already in line with your proposals, as highlighted by the attached document, *How Maryland Measures Up: A synopsis of how Maryland's education initiatives align with President Clinton's Education Goals in the State of the Union Address*. We feel that Maryland is well prepared to implement your proposed initiatives.

I hope you will be as pleased as I am to see how far Maryland has come already in areas such as the development of standards, early childhood learning and literacy, character education, technology initiatives, and other programs vital to the future success of our children.

Again, thank you for your continued dedication to our nation's children.

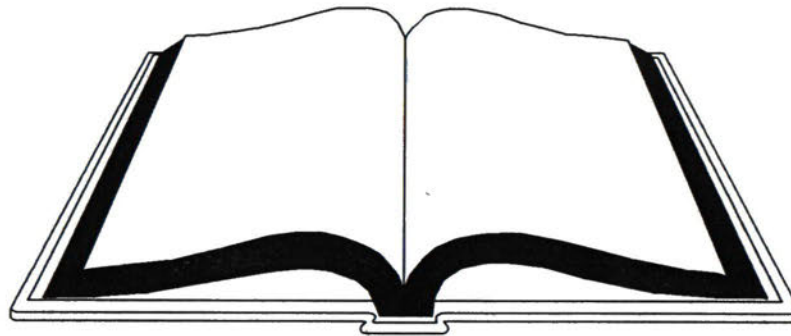
Sincerely,

Nancy S. Grasmick
State Superintendent of Schools

NSG:lh

HOW MARYLAND MEASURES UP:

*A synopsis of how Maryland's education initiatives align with
President Clinton's Education Goals in the State of the Union Address*



MARYLAND STATE DEPARTMENT OF EDUCATION

200 West Baltimore Street ♦ Baltimore, MD 21201 ♦ (410) 767-0100

Nancy S. Grasmick, State Superintendent of Schools

Parris N. Glendening, Governor

For more information, call MSDE's Public Information Hotline: (410) 767-0600.

HOW MARYLAND MEASURES UP:

A synopsis of how Maryland's education initiatives align with President Clinton's Education Goals in the State of the Union Address

President Clinton's Education Priorities	Maryland's Education Reforms
1. Every state should adopt high national standards. The Federal Government will lead an effort over the next two years to develop national tests of student achievement in reading and math.	❖ Maryland School Performance Program (MSPP) For the past five years, through our school reform initiative, the Maryland School Performance Program (MSPP), Maryland has already had high standards, as attested to by the A (100%) Education Week's report card gave Maryland in Standards and Assessments. We have already developed a test to measure how well students are meeting those standards — the Maryland School Performance Assessment Program (MSPAP). MSPAP measures how well schools are teaching students the reading, writing, language usage, mathematics, science, and social studies skills they need for future careers. Maryland holds schools accountable to these standards through a variety of measures, including our annual Maryland School Performance Report, a "report card" on our state's schools. In addition, the suggestion of national voluntary tests in reading and mathematics is a good match with Maryland's MSPAP, which very closely relates to the current National Assessment of Educational Progress both in terms of rigor and content. ❖ Maryland's Proposed High School Assessments With the assistance of the College Board and the Pew Charitable Trust, Maryland's proposed High School Assessments would extend the MSPP through high school. The series of 10 end-of-course tests, including three exams in English, two in mathematics, two in science, and three in social studies, will gauge both school performance and individual student performance. They will be graduation requirements beginning with the class of 2004. ❖ K-16 Partnership With support from the Pew Charitable Trust, MSDE, the Maryland Higher Education Commission, and the Chancellor of the University of Maryland System are collaborating in developing the K-16 partnership. The purpose of this partnership is the development of a seamless system of education between public schools and institutions of higher education that will allow Maryland students to move easily and directly from high school into the State's colleges and universities. The partnership is working to align content and performance standards of high schools and higher education.



President Clinton's Education Priorities	Maryland's Education Reforms
2. To have the best schools, we must have the best teachers. Federal budget will enable 100,000 teachers to seek certification through the National Board for Professional Teaching Standards.	❖ Proposed Legislation Currently, MSDE is supporting a bill (SB 460) which would constitute a focused strategy for improving the quality of teaching in Maryland schools by establishing a three-year pilot program to provide state and local support for 48 teachers to pursue National Board Certification every year. The state and local system will pay the certification fees for these teachers. The bill also provides for a statewide staff development plan to utilize the skills and knowledge of these teachers. ❖ Professional Development Schools In addition, teacher preparation and professional development are being aligned with our school reform efforts and our new assessments through 14 pilot professional development schools, involving partnerships between local school systems and higher education institutions. ❖ Business Partnerships In cooperation with the Maryland Business Roundtable for Education (MBRT), MSDE developed recommendations to revamp teacher professional development. ❖ Teacher Licensure No one is allowed to teach in a Maryland classroom unless they have a Maryland teaching license, or are eligible for one.
3. We must do more to help all our children read. - The America Reads initiative will use AmeriCorps volunteers and college students to make sure every child can read independently by third grade. - A challenge to parents to read with their children every night.	❖ Maryland School Performance Assessment Program (MSPAP) In Maryland, third graders must have achieved the ability to read independently, and are tested on that ability through the third-grade administration of the MSPAP, which focuses on both basic and higher order skills. ❖ Even Start The Even Start Family Literacy Program focuses on the family and provides participants with a program of early childhood education, adult literacy, basic skill instruction, and parent education. The program currently serves approximately 160 children ages 0-3 and approximately 170 children ages 4-7. ❖ Parent and Family Involvement Network MSDE has developed a Parent and Family Involvement Network which includes parents, teachers, PTA presidents and other local liaisons to share best practices for parent involvement. We participate in Partnership 2000, linking schools and communities together to increase student achievement and our Special Education Parent Training Centers provide parenting skills training and help parents meet the special needs of their children in school. ❖ Additional Assistance is Always Welcome Additional AmeriCorps volunteers to help some of our high-risk children would still be of great benefit.



President Clinton's Education Priorities	Maryland's Education Reforms
4. Learning begins in the first days of life. • The budget will expand Head Start to one million children by 2002. • The President and First Lady will hold a conference on early learning and the brain this spring. • Vice-President Gore and Mrs. Gore will hold an annual family conference in June to make sure parents are an active part of their children's learning.	❖ Early Intervention and Prevention Services (EIPS) The Early Intervention and Prevention Services Initiative (EIPS) assists local school systems in improving early learning programs serving all children ages 3 to 9. It directly addresses the first National Education Goal: ensuring that all children start school ready to learn. The program's goal is to help schools and communities provide the most comprehensive and appropriate services possible for all young learners and their families and to heighten public awareness about the programs that are available to help. ❖ Head Start Collaboration Network As part of EIPS, MSDE is working with the Governor's Office to develop collaborative models between public schools and the Head Start program. MSDE provides technical assistance to schools looking to develop these models and serves on the Head Start Collaboration Network Advisory Council. ❖ Extended Elementary Education Program (EEEP) The Extended Elementary Education Program (EEEP) serves over 8,000 four-year-old children with learning opportunities, health, and other support services. ❖ Mandatory Kindergarten Since 1992, Kindergarten has been mandatory in Maryland and, statewide. ❖ Early Children Special Education Programs Early Children Special Education Programs, cooperative efforts of MSDE, local school systems, and child care providers, ensure special education and services to children with disabilities. The programs help to prepare children for pre-school, coordinate services between Head Start and local schools, address their daily needs, and place them in the least restrictive school environment.
5. Every state should give parents the power to choose the right public school for their children. • The Budget will have additional funding for charter schools.	❖ Charter Schools Maryland's 24 local school systems are free to establish Charter schools, as evidenced by Baltimore City's plan to privatize 9 schools, under an agreement that would make the schools privately managed, but publicly funded and still accountable in certain basic ways to Baltimore City Public Schools and the State. Individual school systems also create their own policies concerning school choice. The State Board of Education's Task Force on Charter Schools has determined that we have the authority in Maryland to establish Charter schools.



President Clinton's Education Priorities	Maryland's Education Reforms
6. Character Education must be taught in schools. And we must continue to promote order and discipline . . . No new Budget items.	❖ Statewide Character Education Initiative Maryland has instituted a statewide character education initiative, directed by the State Character Education Office. Currently, there are five county-wide pilot programs —Prince George's, Baltimore, Calvert and Frederick counties and Baltimore City. In these counties, each school has developed a character education program to fit its unique needs. In general, the program focuses on the core ethical values which form the basis of a democratic society — respect, responsibility, trustworthiness, caring, justice and fairness, and civic virtue and citizenship. This program is funded by a grant from the U.S. Department of Education's Fund for the Improvement of Education: Partnerships in Character Education. ❖ School Order and Discipline Legislation In addition, the Governor's bill "School Order and Discipline" went into effect October 1. It contains tough measures to deal more aggressively with students who frequently disrupt the learning of other students, as well as funding for local efforts to solve their violence and disruption problems. Among other things, the law gives principals the authority to suspend students for up to 10 days, requires restitution from students who damage property while violating the law, protects school staff from legal action when they try to prevent violence, and requires state guidelines for a code of discipline. ❖ Service Learning Currently, Maryland is the only state in the country that requires students to complete 75 hours of student service as a requirement for high school graduation. Each of Maryland's 24 local school systems has developed its own service learning program, designed to help students understand many of the social issues they learn about in school. In addition, service-learning helps students see their roles as citizens, and as active participants in the solutions to some of our most critical problems as a nation.
7. We cannot expect our children to raise themselves up in schools that are literally falling down. Includes \$5 billion in interest subsidies to help communities finance \$20 billion in school construction over the next 4 years.	❖ School Construction Funding Currently, for FY 98 we have requests for over \$310 million in school construction funding. Governor Glendening has requested \$138.4 million in his budget. This federal funding would allow us to expand and extend school construction money at both the state and local level.



President Clinton's Education Priorities	Maryland's Education Reforms
8. We must make the 13th and 14th years of education ... universal ... we must open the doors of college to all Americans. America's HOPE scholarship — 2 year \$1,500 tax credit for college tuition, which is enough to pay for community college.	❖ Proposed Scholarship Program Governor Glendening has proposed a Maryland HOPE scholarship (SB 231/HB 493), which would pay the full tuition at a Maryland community college or university for students in families with incomes less than \$60,000 who have a B average in high school and maintain that average in college.
9. We must expand the frontiers of learning across a lifetime. GI bill for America's workers to transform many federal training programs into a simple skill grant directly to workers.	❖ Community College Career and Technology Programs Maryland has a variety of Career and Technology Programs in our Community Colleges, some of which prepare students for immediate employment, and others which pave the way for transfer to a four year college. While high school students can earn college credit for these programs while still in high school, a skill grant would definitely benefit those adults who wish to return to school. ❖ School to Careers Career Connections is Maryland's comprehensive school-to-careers system, supporting school reform, workforce preparation, and economic development. The goal of the program is to ensure that all high school graduates are prepared to enter a career and/or higher education. The program is funded by a federal grant of \$25.2 million over five years. ❖ Adult Education In addition, Maryland is serving approximately 42,000 adults with adult basic education and high school credentialing programs. These programs support workforce skills development and family and parenting skills development and support helping these adults earn a high school diploma. Approximately 6,100 adults annually earn their diploma through the GED, and approximately 400 earn their diploma through the Adult External Diploma Program. In addition, adult education classes in literacy skills and high school completion are housed at homeless shelters throughout the state.



President Clinton's Education Priorities	Maryland's Education Reforms
10. We must bring the power of the information age into all our schools. A challenge to America to connect every classroom for Internet access.	❖ Educational Modernization Initiative Maryland accepted this challenge, and through NetWeekend wired approximately 600 schools for Internet access. The Educational Modernization Initiative Technology in Schools is designed to increase the technology capabilities of Maryland schools, and an additional 149 schools are scheduled to be added in the FY 98 budget. In FY 97, \$4.5 million was spent on 90 project schools. The initiative provides schools with a complete building wiring system, as well as hardware, software, and funds for staff training. Maryland also receives federal funds to support school technology through the Technology Literacy Challenge Fund. ❖ Business Partnerships MSDE and the Maryland Business Roundtable for Education (MBRT) have developed <i>The Maryland Plan for Technology in Education</i>, a detailed plan for education technology in Maryland's schools. Norman R. Augustine, President and CEO of the Lockheed Martin Corporation, was the first president of the MBRT and is a strong supporter of Maryland's school reform.



TO: TODD STERN
JOHN PODESTA

FROM: JIM DORSKIND 

DATE: February 4, 1997

COMMEMORATIVE PROCLAMATION REQUEST

Commemoration Title: ZOO AND AQUARIUM MONTH

Commemoration Date(s): April 1997

Requestor Name(s): Sydney Butler, Executive Director

Organization: The American Zoo and Aquarium Association

Request Date: January 21, 1997

Congressional Support: None

**Contact Telephone
Number:** 301-907-7777

History: President Reagan issued a proclamation for this observance in June 1982, on his own initiative, covering both June 1982 and 1983. We have sent messages in April 1995 and 1996.

NOTES: The AZA asks for a proclamation this year to highlight the "successful conservation programs conducted by U.S. zoos and aquariums as well as ... the leading role of the U.S. in worldwide conservation as it prepares for the thenth meeting of the CITES Conferene of Parties and the International Year of the Reef celebration." I believe that a **MESSAGE** would be sufficient, and, per Peter Umhofer, CEQ agrees.

Please indicate approval or disapproval of a MESSAGE, or another recommendation:

JDP _____

TDS _____ 



TO Cam
Tordy -

PRES
PROC

1/26/97 -

2 am -
P/S get info
from Clerk for
a memo
need by
1/31
Thurs.
2

21 January 1997

Mr. James Dorskind
Special Assistant to the President
Director of Correspondence and Presidential Messages
94 Old Executive Office Building
17th and Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Dorskind:

The American Zoo and Aquarium Association (AZA) would like President Clinton to proclaim April 1997 as Zoo and Aquarium Month ("ZAM"). The last proclamation formally issued for Zoo and Aquarium Month was done by President Reagan, via Executive Order, June 1982 (Proclamation Order #4914 - Federal Register 3/26/82).

We were very appreciative when President Clinton issued AZA Presidential Messages on 4 April 1995 and 1 April 1996, recognizing the vital role of zoos and aquariums in educating the public about protecting endangered and threatened wildlife and preserving critical habitat.

While AZA appreciates the need for the President to be very selective in issuing proclamations so as not to weaken their importance and effectiveness, we believe a proclamation for ZAM in 1997 would be especially beneficial for President Clinton. The President will have the opportunity to highlight the successful conservation programs conducted by U.S. zoos and aquariums as well as emphasize the leading role of the U.S. in worldwide conservation as it prepares for the tenth meeting of the CITES Conference of Parties and the International Year of the Reef (IYOR) celebration.

In 1997, U.S. zoos and aquariums will be working with the Departments of Commerce and State to bring particular attention to the serious decline of the world's reefs by implementing coral reef awareness projects. In this way, zoos and aquariums enable the public to learn about and support coral reef conservation.

In addition, Life Magazine in its March issue will feature AZA's Species Survival Plan® (SSP). SSPs are cooperative population management and conservation programs for selected species in zoos and aquariums in North America. Some examples of SSP species that have been successfully reintroduced are the Red Wolf in North Carolina, the black-footed ferret in

AMERICAN ZOO AND
AQUARIUM ASSOCIATION

Executive Office and
Conservation Center
7970-D Old Georgetown Rd.
Bethesda, Maryland 20814
Tel: 301-907-7777
Fax: 301-907-2980
<http://www.aza.org>

Mr. James Dorskind
Page Two
21 January 1997

Wyoming, the California condor in California and Arizona, and the
Attwater's prairie chicken in Texas.

The AZA represents 175 accredited zoos and aquariums - virtually every major professionally operated zoo, aquarium, oceanarium, and wild animal park in North America - as well as most of their professional employees. In 1996, over 119 million people visited AZA-accredited facilities to learn about the importance of biodiversity, wildlife conservation, and the variety of ecosystems throughout the world. ZAM provides AZA members a unique opportunity to emphasize their conservation and education programs, giving the public a better understanding of the important worldwide efforts by zoos and aquariums to help save endangered and threatened species and their critical habitat.

We strongly believe a proclamation from President Clinton would generate tremendous interest for the conservation efforts of zoos and aquariums. It would also increase awareness and support for the combined efforts of the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, and U.S. zoos and aquariums to protect endangered and threatened species.

Please do not hesitate to contact Kris Vehrs or Rob Howarth at 301-907-7777 should you have any questions.

With best wishes

Yours truly,

Sincerely

A handwritten signature in black ink, appearing to read 'Sydney Butler', with a long horizontal flourish extending to the right.

Sydney Butler
Executive Director

s, 1982

erica

ave dramatically expanded the
and their knowledge and skills
nnologies and methods of treat-

atients at the bedside—remains
ion and concern for the patient

le in how to avoid illness and

setting—in hospitals, nursing
s' homes.

s require intensive nursing care
s enable the elderly to receive
trained in maternal and child
d rural clinics.

er patients, stroke victims, and
eveloping new and better ways
stress, and help patients and

ude for their personal and pro-
h of American citizens.

263, Public Law 97-57, demon-
designate May 6, 1982, as Na-

President of the United States
2, as National Recognition Day

set my hand this 24th day of
red and eighty-two, and of the
ca the two hundred and sixth.

RONALD REAGAN

Proclamations

Proc. 4915

Proclamation 4914 of March 25, 1982

Zoo and Aquarium Month, 1982

By the President of the United States of America
A Proclamation

Zoos and aquariums play a major role in the cultural life of our nation, providing a wholesome recreational and educational environment for more than 125 million visitors and a living classroom for some 20 million school children each year.

Among the 200 zoos and aquariums located in the United States are some of the finest facilities in the world. Many of our zoos and aquariums have pioneered in efforts to conserve the thousands of species they house. They have also collaborated with institutions around the globe to preserve wildlife and to develop more sophisticated techniques for exhibiting animals in a natural setting.

Animals are a universal language, and they have appeal to people everywhere. By enabling us to experience animals firsthand and to learn about their habitats, zoos and aquariums have become a valuable and unique asset.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the month of June, 1982, as Zoo and Aquarium Month.

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

RONALD REAGAN

Proclamation 4915 of March 25, 1982

National Defense Transportation Day and National Transportation Week, 1982

By the President of the United States of America
A Proclamation

Transportation is essential to the development, defense, and enjoyment of our country. Pacing the evolution of our nation, transportation keeps America moving, producing, and growing.

Our earliest settlements flourished on the banks of our river systems—our first avenues of transportation that serve us still. Following trails blazed by the pioneers traveling west, the Interstate Highways remind us of the great strides we have taken in transportation.

PURSUANT TO THE EDUCATIONAL, SCIENTIFIC, AND CULTURAL INFORMATION ACT OF 1982

provisions of this part, if entered during the period specified in said provision, if the conditions and regulations are met. The provisions of this part are such article in schedules 1 to 8, inclusive.

960.15—
"disabled persons" includes any person suffering from a physical or mental impairment which substantially limits one or more of the following: learning, performing manual tasks, working, and learning.

Articles for individuals not substantially disabled;
and

	Rates of Duty		Effective Period
	1	2	
for the physically handicapped, however			
on raised or them	Free	Free	On or before 8/11/85
special, and, at exclu-	Free	Free	On or before 8/11/85
	Free	Free	On or before 8/11/85
ual and scientific items sched-	Free	Free	On or before 8/11/85
ommercial or 273.45,	Free	Free	On or before 8/11/85
repro-books 274.65,	Free	Free	On or before 8/11/85

Proclamations

Proc. 5022

Item	Articles	Rates of Duty		Effective Period
		1	2	
960.50	Developed photographic film; photographic slides; transparencies; holograms for laser projection; and microfilm, microfiche, and similar articles (provided for in items 274.50 through 274.70, inclusive, part 5, schedule 2)	Free	Free	On or before 8/11/85
960.55	Motion picture films in any form on which pictures, or sound and pictures, have been recorded, whether or not developed (provided for in items 724.05 and 724.10, part 2G, schedule 7)	Free	Free	On or before 8/11/85
960.60	Magnetic video tape on which pictures or pictures and sound have been recorded (provided for in item 724.12, part 2G, schedule 7)	Free	Free	On or before 8/11/85
960.65	Sound recordings, combination sound and visual recordings, and magnetic recordings (however provided for in schedules 1 to 7)	Free	Free	On or before 8/11/85
960.70	Patterns, models (except toy models) and wall charts of an educational, scientific or cultural character; mock-ups or visualizations of abstract concepts such as molecular structures or mathematical formulae; materials for programmed instruction; and kits containing printed materials and audio materials and visual materials of any combination of two or more of the foregoing (however provided for in schedules 1 to 7)	Free	Free	On or before 8/11/85
960.80	Tools specially designed to be used for the maintenance, checking, gauging, or repair of instruments or apparatus admitted under item 851.60, part 4 of schedule 8; all of the foregoing entered for the use of any nonprofit institution, whether public or private, established for educational or scientific purposes (however provided for in schedules 1 to 7)	Free	Free	On or before 8/11/85"

Proclamation 5022 of February 14, 1983

Zoo and Aquarium Month, 1983

By the President of the United States of America
A Proclamation

As the living classroom for some 20 million school children each year, zoos and aquariums have an important role in the American educational process.

They also provide stimulating recreational experiences for more than 125 million people who visit them annually.

The United States has some of the finest zoo and aquarium facilities in the world. Many are foremost in the effort to conserve the species they house. American zoos and aquariums cooperate with institutions around the globe to preserve wildlife and to create more sophisticated techniques for exhibiting animals in natural settings.

To both children and adults, animals represent a special sense of curiosity, feeling, and caring. By enabling us to observe animals firsthand and to learn about their habitats, zoos and aquariums have become a valuable and unique asset.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the month of June 1983 as Zoo and Aquarium Month.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of Feb., in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN

Proclamation 5023 of February 16, 1983

Lithuanian Independence Day, 1983

*By the President of the United States of America
A Proclamation*

Sixty-five years ago a small nation achieved freedom in the aftermath of World War I. Proclaiming the Lithuanian Republic, its founders stepped forward on February 16, 1918, to assert their country's independence and commitment to a government based on justice, democracy, and the rights of the individual.

Twenty-two years later Soviet tyranny imposed itself on Lithuania and denied the Lithuanian people their just right of national self-determination. In the intervening years, the United States has refused to recognize the forcible incorporation of Lithuania into the Soviet Union.

An enduring belief in freedom for all people unites Americans everywhere. But we must be vigilant in the protection of our common ideal, for as long as freedom is denied others, it is not secure here.

We mark this anniversary of Lithuanian independence with a renewed hope that the blessings of liberty will be restored to Lithuania.

The Congress of the United States, by House Joint Resolution 60, has authorized and requested the President to proclaim February 16, 1983, as Lithuanian Independence Day.

TO: TODD STERN
JOHN PODESTA

FROM: JIM DORSKIND 

DATE: February 3, 1997

COMMEMORATIVE PROCLAMATION REQUEST

Commemoration Title: THE 125TH ANNIVERSARY OF YELLOWSTONE NATIONAL PARK

Commemoration Date(s): 1997 (The year)

Requestor Name(s): Marsha Karle, Chief, Public Affairs

Organization: Yellowstone National Park

Request Date: January 14, 1997

Congressional Support: None

**Contact Telephone
Number:**

History: At the request of Congress, President Bush issued a proclamation for the year beginning October 1, 1990, to commemorate "Yosemite National Park Centennial Year." On his own initiative, President Bush also issued a proclamation "In Celebration of the 200th Anniversary of the White House," October 9, 1992.

NOTES: The Park's actual anniversary date is March 1, and Ms. Karle requests that the proclamation be issued by that date. She also requests that the President sign a foreword for the anniversary album and consider making some related remarks in his radio address Saturday, March 1.

I recommend a **MESSAGE**. It's not a centennial celebration. If the President wanted to do a radio address that mentioned or featured our national parks, that might be a nice touch.

Please indicate approval or disapproval of a **MESSAGE**, or another recommendation:

JDP _____

TDS  _____

February 3, 1997

Jim:

This request is from Marsha Karle, Chief, Public Affairs, Yellowstone National Park to Mike Gauldin, Office of the Secretary of the Interior.

Ms. Karle wants President Clinton to issue a proclamation proclaiming the year 1997 as the 125th anniversary of Yellowstone National Park. This to be issued by March 1 (the Park's official birthdate). Also, it seems that she wants a Foreword for the anniversary album.

HISTORY

- President George Bush issued a proclamation proclaiming the year beginning October 1, 1990, as "Yosemite National Park Centennial Year" at the request of the Congress.
- President George Bush issued a proclamation "In Celebration of the 200th Anniversary of the White House," October 9, 1992. In this proclamation he mentions that the White House "has been included as a unit of our National Park System since 1933." This proclamation was issued on the President's initiative.

Lana
L ana

FAX
(202) 273-3501

FAX

Date: January 14, 1997

To: Mike Gaudin
Office of the Secretary of the InteriorFrom: Marsha Karic, Chief, Public Affairs
Yellowstone National Park

Subject: Yellowstone's 125th Anniversary

Mike -- I know how busy you must be -- thank you so much for any assistance you might be able to give us in getting some things moved forward at the White House.

Presidential Proclamation: A copy follows. We would like this to be done (if possible) before March 1 (the park's official birthdate). Also, since that's a Saturday, and the President does his radio program on Saturdays, perhaps it would be a good opportunity for him to say something at that time about the beginning of the NPS. (We'd be happy to provide more background, a short statement, etc.)

Presidential Foreword for 125th Anniversary Album: A copy follows. We're in a REAL time crunch on this one. The book is currently in the design phase with Roberts Rhinehart Publishing out of Boulder, Colorado. It consists of a collection from the park archives of a variety of historic photographs -- everything from early visitors to the park to military involvement to historic structures, etc. We're very excited about it. Mike -- I look to you for advice on this one...if we can't get the President to OK this, would Secretary Babbitt be willing to have his name attached to it? We'd obviously have to do a rewrite, but he seems to have a great affection for Yellowstone also.

Plans for the Year: Also attached is a copy of the media advisory we recently issued that briefly outlines the activities for the year. And, of course, Secretary Babbitt is welcome to be involved in any and all of these events.

Thanks again for all your help.

Marsha

DRAFT November 5, 1996

The White House

The 125th Anniversary of Yellowstone National Park

By the President of the United States of America

A Proclamation

When President Ulysses S. Grant signed the Yellowstone National Park Act on March 1, 1872, no one foresaw the worldwide rippling effect of his action. In the United States today there are 374 unique places where this Nation preserves its natural and cultural diversity and heritage. Furthermore, the national park idea has spread, and now more than 140 other nations have modeled their own national park systems after ours. Truly, with one pen stroke so long ago, the world has been changed.

Yellowstone National Park now celebrates its 125th Anniversary. Anniversaries are occasions for both celebration and examination. Only through an evaluation of the road we have travelled and serious consideration of the values and feelings we presently have about our national parks can we intelligently consider the direction that we need to head in the coming years.

We are able to celebrate Yellowstone's anniversary today because of the vision of those who preceded us 125 years ago. However, many of our national parks, including Yellowstone, are today faced with serious threats resulting from a multitude of environmental, social, and budgetary problems. How we meet the challenges posed by those problems will determine what we as a people will celebrate 125 years from now. So, during this important celebration of "125 years of the best idea America ever had," let us take the opportunity to reassess our commitment to the preservation of these natural and cultural treasures, and let us assure that our actions preserve these special places for the next 125 years.

NOW, THEREFORE, I, WILLIAM JEFFERSON CLINTON, President of the United States of America, do hereby designate the year 1997 as Yellowstone National Park's 125th anniversary year.

I urge appropriate Federal, State, and local government officials to cooperate in the observance of that year with activities that will not only honor the past, but will provide a focus for understanding the increasing importance of the National Park System in the lives of all Americans, establish an atmosphere of cooperation among private citizens and local, State, and Federal governments regarding the national park concept, and encourage our citizens and our friends beyond our borders to participate in Anniversary activities.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of March in the year of our Lord nineteen hundred ninety-seven, and of the Independence of the United States of America the two hundred twenty-first.

requested the President to issue a proclama-

BUSH, President of the United States of America, week of October 21 through October 27, 1990, as Eating Disorders Awareness Week. I invite all Americans to observe appropriate programs and activities.

hereunto set my hand this twenty-fourth day of October, in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fif-

GEORGE BUSH

1990

Week, 1990

es of America

lectively known as eating disorders, are due to serious physical illness and even caused in deliberate self-starvation, which is related to food. It is closely related to, and often marked by binge eating and purging.

Disorders estimate that one out of every 20 and 25 suffers from anorexia nervosa, and in the same age group develops bulimia nearly 10 percent of all patients referred

Anorexia and bulimia are still unknown, reason of psychological, environmental, and the development of one or both of these disorders and bulimia entails a combination of factors for the patient, as well as counseling for the patient's participation in a self-help psychiatric care.

Anorexia nervosa and bulimia have been the subject of efforts of scientists, physicians, and their families. Researchers at the National Institutes of Health are studying these disorders and are using a multidisciplinary approach to treat them. Private voluntary organizations, the Anorexia/Bulimia Association, the National Association of Anorexia Nervosa and Bulimia, provide information regarding treatment centers, specializing in eating disorders.

With efforts and to enhance public awareness, the Congress, by House Joint Reso-

234

lution 214, has designated the week beginning October 22, 1990, as "Eating Disorders Awareness Week" and has authorized and requested the President to issue a proclamation in observance of this week.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, do hereby proclaim the week of October 22, 1990, as Eating Disorders Awareness Week. I invite all Americans to join with concerned health care professionals and government officials in observing this week through appropriate programs and activities directed toward the prevention and cure of anorexia nervosa and bulimia.

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

GEORGE BUSH

Proclamation 6216 of October 25, 1990

Yosemite National Park Centennial Year, 1990-1991

*By the President of the United States of America
A Proclamation*

One hundred years ago, on October 1, 1890, President Benjamin Harrison signed into law an act establishing Yosemite National Park. Located in the Sierra Nevada Mountains of California, Yosemite is the Nation's third oldest national park and one of its greatest natural treasures. During this centennial year all Americans can be grateful for the vision and foresight of those who advocated the preservation of this magnificent portion of our country. They not only saved a priceless legacy for succeeding generations, but also provided an enduring model of environmental stewardship for all Americans to emulate.

Almost 3 decades before the legislation signed by President Harrison established Yosemite as the Nation's third national park, the beautiful and majestic lands it now encompasses helped to animate the environmental conservation movement. On June 30, 1864, President Lincoln signed into law an act granting Yosemite Valley and the Mariposa Grove of Giant Sequoias to the State of California, to "... be held for public use, resort, and recreation ... inalienable for all time." Known as the Yosemite Grant, this act was the first law to set aside lands for the preservation of their unique characteristics and extraordinary scenic value. In fact, the historic Yosemite Grant laid the foundation for the development of national parks, the first of which became a reality in 1872 with the establishment of Yellowstone. Uniquely American, the concept of national parks—and the preservation ethic they affirm and inspire—has spread worldwide.

Today, spanning more than 750,000 acres or approximately 1,190 square miles, Yosemite National Park is acclaimed for its spectacular scenery, exotic plants, and wide array of wildlife. The glacially carved Yosemite Valley contains two of the world's highest waterfalls. El Capitan is one of the largest exposed monoliths of granite in the world, and it is one of the

many magnificent granite formations in the park. Half Dome itself is a geographic feature recognized around the world. The three groves of giant sequoias found in the park astound visitors with their breathtaking beauty and sheer size—the Grizzly Giant is the fifth largest tree in the world. Yosemite also contains more than 1,300 species of flowering plants, many of them rare. The wildlife inhabiting the park includes several rare and/or endangered species, among them the bald eagle and the peregrine falcon.

Yosemite's unparalleled beauty, abundant wildlife, and other natural resources enrich us in many ways. Each year thousands of people from around the Nation and the world visit the park for recreation and renewal. Families on leisurely visits explore Yosemite as eagerly as students and professionals, all of them embarked, to one degree or another, on great adventures in learning. Indeed, Yosemite is a wonderful place to study not only the earth's development and fragile ecosystems but also the history of the peoples who have inhabited this great land through the ages. Native peoples occupied the region that is now Yosemite as many as 4,000 or more years ago, and the known prehistoric trade routes through the region are among the most important in the Sierra Nevada mountain range. The park also contains a wealth of artifacts and historic sites that tell the story of more recent inhabitants, such as the explorers and traders who flocked to the region during the California gold rush era.

Designated a World Heritage Site in 1984 by the United Nations Educational, Scientific, and Cultural Organization (UNESCO), Yosemite is one of the most beautiful and fascinating places on the North American continent and, indeed, the entire planet. This year we proudly celebrate its centennial and express our appreciation for all those who have maintained the park during the past 100 years.

By House Joint Resolution 398, the Congress has recognized and commemorated the 100th anniversary of Yosemite National Park and has authorized and requested the President to issue a proclamation in observance of this occasion.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, do hereby proclaim the year beginning October 1, 1990, as Yosemite National Park Centennial Year. I encourage the people of the United States and their elected representatives at the Federal, State, and local level to observe this year with appropriate programs and activities.

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

GEORGE BUSH

Proclamation 6488 of October 9, 1992

In Celebration of the 200th Anniversary of the White House

By the President of the United States of America
A Proclamation

The home of our Nation's Presidents is a house that truly belongs to the American people, and as we commemorate the 200th anniversary of the laying of the White House cornerstone, we also celebrate the great system of democratic government that this historic building symbolizes to our Nation and the world.

Although the White House cornerstone was dedicated on October 13, 1792, the story of the famous home at 1600 Pennsylvania Avenue actually begins with the framing of our Constitution several years earlier. In Article 1, Section 8, of that great document, our Nation's Founders provided for the establishment of a special district to serve "as the Seat of the Government of the United States." Under the direction of President George Washington, a site was selected for the Federal City in January 1791, and the district eventually began to take shape according to the grand vision of Major Pierre Charles L'Enfant, who submitted his plans to the Congress in December of that year. In early 1792, the Commissioners for the District of Columbia advertised a nationwide competition for the design of the President's house. They chose the entry of Irish-born architect James Hoban, perhaps mindful of President Washington's recommendation that "for the President's house, I would design a building that should also look forward, but execute no more of it at present than might suit the circumstances of this country, when it shall be first wanted."

President Washington never inhabited the White House, but when it was occupied by President John Adams and his family in 1800, Abigail Adams wrote to her sister that the stately yet unfinished "castle of a house" appeared "built for ages to come." In its beauty and elegance, the White House looked forward with all the exuberance and optimism of our young Republic. At the same time, however, its simple balance of form and function reflected an unpretentious spirit befitting our system of limited government and representative democracy.

The White House underwent a number of changes and additions in succeeding years, with President Thomas Jefferson and architect Benjamin Henry Latrobe designing its terraces and interior, respectively. In 1814, the building was nearly destroyed by fire when British forces invaded the city of Washington, and today Dolley Madison's rescue of Gilbert Stuart's famous portrait of George Washington, along with her husband's papers, is a celebrated part of White House history and folklore. Sadly, the exterior sandstone walls and interior brickwork were all that remained of the White House when James Hoban was asked to begin its reconstruction. Not until the Presidency of Andrew Jackson some 40 years after the laying of the cornerstone was the White House truly completed with the building of the north portico.

Since that time, the White House has experienced two major renovations—one in 1902 and another from 1948–1952. During the latter renovation, James Hoban's wood structure was entirely rebuilt, yet within its original sand-

s
r
r
d
h
In
te
pr
ye
O
de
th
se
as
pe
vis
pas
her
On
lool
repu
this

NOV
Ame
laws
celeb
stone
IN W
Octol
the Ir
seven

Procla

Energy

By the
A Proc
From t
schools
"energy

341-00

stone and brick walls, and today the White House continues to appear much as it did during the days of John Adams and Thomas Jefferson. Engineers and historians have worked hard to honor original schemes for the design and decoration of the White House, and succeeding Administrations have taken an increasing interest in the preservation of this historic home. In recent years the White House Historical Association, which was chartered in 1961, has played a leading role in funding the conservation of the priceless antiques and paintings that furnish the White House, and this year restoration of its exterior features will be complete.

Our Nation's Founders would be proud of the enduring beauty of "the President's house," just as they would be delighted by the continuing success of their great experiment in self-government. Because the White House represents such an important part of our American heritage, it has been included as a unit of our National Park System since 1933. More than 1 million people tour this magnificent home each year, in addition to the countless visitors who pause nearby to view its grounds and to reflect on its storied past. Much of our Nation's history has passed through these walls, and it is here that much of our future will be shaped as well.

On this 200th anniversary of the White House, as we celebrate the past and look forward—as did our ancestors—to the ages to come, we do well to repeat the timeless prayer of President John Adams, the first resident of this important home:

I pray Heaven to bestow the best of blessings
on this house and all that shall hereafter
inhabit it. May none but honest and wise
men ever rule under this roof.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby encourage all Americans to join in celebrating the 200th anniversary of the laying of the White House cornerstone on October 13, 1992.

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

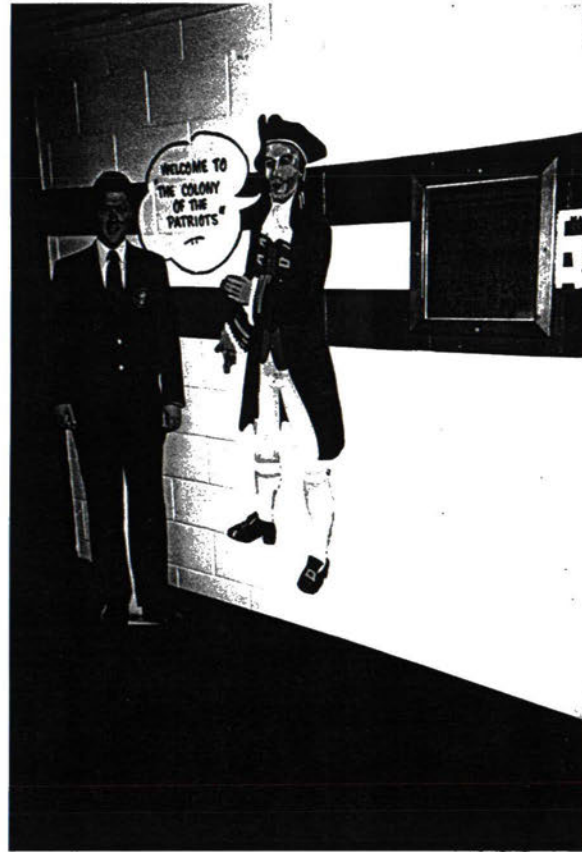
GEORGE BUSH

Proclamation 6489 of October 9, 1992

Energy Awareness Month, 1992

By the President of the United States of America
A Proclamation

From the cars we drive to the utilities that heat and illuminate our homes, schools, and hospitals, we Americans depend on safe, reliable sources of energy for our personal mobility and comfort. At the same time, because it





CEDAR GROVE ELEMENTARY SCHOOL

WILLIAM A. CARDONE, *Principal*
FRANK J. ROSELLI, *Assistant Principal*
RAYMOND J. SNEDEN, Jr., *Supervisor*

173 Cedar Grove Road • Toms River, New Jersey 08753
Tel: (908) 505-5830 / (908) 505-5831 • Fax: (908) 914-1350

February 4, 1997

The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

'97 FEB 10 AM 9:44

Attention: Mr. Todd Stern, Staff Secretary

Dear Mr. Stern:

Cedar Grove Elementary School in Toms River, New Jersey is, as you can see from our mascot "Patrick" on our front wall, "The Colony of the Patriots."

We are celebrating the month of February (President's Month) with President Clinton's likeness welcoming visitors to our school. We also have a showcase display of presidential things.

We are sending this letter and the enclosed pictures in hopes that President Clinton will write a few words to our students on or next to the pictures.

Thank you for your consideration.

2-10-97

Phil -
This came in the mail -
interoffice mail -

I will handle as
a Dorland)

Yes ✓
No _____

C.

Sincerely,

Cedar Grove Patriots

JIM DORSKIND:

Please coordinate
the reply.

2/8/97

To the Office of the Chief of Staff,

I study human relations, and I have a valuable human relations document that I want to share with the President and the Federal Government. I would like to make appointments to speak with appropriate members of the office and Mr. Bowles about the situation. Please contact me as soon as possible. Thank you.

Sincerely,

David M. Ben-Aritz

1005 N.E.78

Portland, Oregon 97213

Todd -

Does Jim Donslund
handle letters like
this?
If it could be
handled appropriately
by agency liaison, or
correspondence --- Thax, V.

2/10

Jim -

I think maybe someone
from Agency Liaison should
call him and then maybe
a letter. What do you think?
Please call. Phil

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	To the Office of the Chief of Staff (2 pages)	02/08/1997	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 9349

FOLDER TITLE:

Chron Files: Monday, February 10, 1997

2019-0774-S

rs3353

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

United States Senate

WASHINGTON, DC 20510-3003

January 30, 1997

Ms. Betty Currie
Personal Secretary to the President
The White House
Washington, DC 20500

Dear Ms. Currie:

Please find the enclosed invitation that I am relaying to President Clinton on behalf Herman D. James, the President of Rowan College of New Jersey.

President James and the Board of Trustees of Rowan College would be honored both to confer an honorary Doctor of Letters degree upon President Clinton, and to have him speak at their commencement exercises on May 16, 1997.

Rowan College is the largest public college in the southern part of New Jersey and is a fine example of the academic excellence that can transpire when public industry combines resources with higher education. Rowan's learning community exposes students to emerging technologies while at the same time promoting international and multicultural understanding. Rowan is striving to be an integral part of the President's vision for the 21st Century.

Furthermore, this June will coincide with the 30th anniversary of the historic summit conference between Soviet Premier Alexi Kosygin and President Lyndon Johnson. One year after the summit, President Johnson returned to receive an honorary doctorate of letters. A visit by President Clinton would serve as a fitting tribute to this special occasion, and serve as an excellent opportunity to discuss his vision for the future of American education.

Thank you for your cooperation with this request, and please keep me informed of any developments.

Sincerely,


Robert G. Torricelli
United States Senator

CC: Mayor Susan Bass Levin
Mr. Hal Jonathan Shaffer

2-10-97
Send to Scheduling?
Yes ☒
No ☐
CC: Leg Affairs

~~DIL~~WORTH, PAXSON, KALISH & KAUFFMAN

COMMERCE ATRIUM BUILDING

1701 ROUTE 70 EAST

P.O. BOX 2570

CHERRY HILL, NEW JERSEY 08034

(609) 751-8500 Fax (609) 751-9030

HARRISBURG, PA

(717) 236-4812

MEDIA, PA

(610) 565-4131

PHILADELPHIA, PA
(215) 575-7000

HAL JONATHAN SHAFFER
RESIDENT PARTNER

HAL JONATHAN SHAFFER
DIRECT DIAL NUMBER:
(609) 751-9028 EXT. 241

January 14, 1997

NON-FIRM BUSINESS

FEDERAL EXPRESS - 201-639-2860

Senator Robert G. Torricelli
One Newark Center
16th Floor
Newark, NJ 07102

RE: Rowan College of New Jersey

Dear Senator:

First, let me congratulate you on being sworn in as our new United States Senator! It was a pleasure seeing you last month and as I related to you, I would be asking you to relay an invitation from Herman D. James, President of Rowan College of New Jersey to President Clinton to speak at our commencement exercises on Friday, May 16, 1997. I am enclosing Herman James' letter to me dated January 8, 1997 which outlines the reasons why we are reaching out to the President.

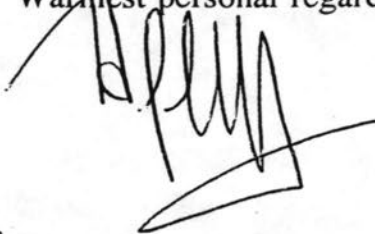
As you know, Rowan College is the largest public school of higher education in the southern portion of our state and on behalf of the Board of Trustees, we are asking for your assistance in bringing the President to New Jersey on that date.

The President's visit would commemorate the 30th anniversary of the historic summit between Kosygin and Lyndon Johnson at Hollybush and perhaps be a worthy place for him to use as a "bully pulpit" on the issues of higher education or foreign affairs.

Moreover, in the spirit of equal time, you may remember that Governor Whitman was the key note speaker at Commencement last year. Needless to say, this is a particularly exciting time to be part of the Board and I am sure that you could think back to the times when you sat on the Board of Trustees of Rutgers University and the challenges and opportunities you faced. It is an honor and privilege to know you and have the opportunity to feel comfortable requesting your assistance in this endeavor.

Thank you again for your help. I wish you and your family a very happy and healthy New Year and look forward to hearing from you and your staff shortly.

Warmest personal regards,

A handwritten signature in black ink, appearing to be 'H. James', written over the typed name Herman D. James.

HJS/eb
Enclosure

cc: Honorable Susan Bass Levin, Co-Chair
Clinton/Gore '96
Donald Stewart, Chairman
Herman D. James President
Rowan College
Members of the Board of Trustees of Rowan College



ROWAN

President's Office
(609) 256-4100
Fax: 256-4442

January 8, 1997

Mr. Hal J. Shaffer
Dilworth Paxson Kalish & Kauffman
1701 Route 70 East
4th Floor
Cherry Hill, NJ 08034

Dear Hal:

I am writing to ask for your assistance in extending an invitation to President Bill Clinton to speak at our commencement exercise on Friday, May 16, 1997. Delivering the commencement address would give President Clinton an extraordinary opportunity to discuss his idea of "building a bridge to the 21st century" at a college that had adopted a long-range vision that utilizes a similar theme. We are the embodiment of President Clinton's dream.

As you know, the Rowan College community is committed to an ambitious vision dedicated to giving our graduates the education and skills necessary to lead America into the 21st century. Our new campus culture will create a learning community that exposes our students to new technologies, encourages civic responsibility and promotes international and multicultural understanding.

Another important issue to President Clinton is the relationship between private industry and higher education. No one understands the importance of this relationship better than Rowan College. When industrialists Henry and Betty Rowan pledged \$100 million to the College in 1992, they bestowed the largest gift ever to a public institution at the time. This act of generosity not only affirmed their personal belief in corporate responsibility, but confirmed the importance of private sector support for public education.

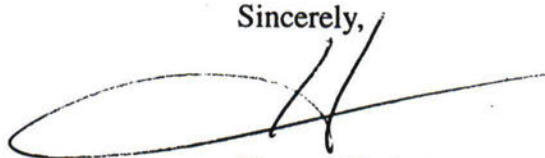
Finally, this June the College will celebrate the 30th anniversary of the historic Summit Conference between Russian Premier Aleksei Kosygin and U.S. President Lyndon Johnson. The summit brought the two world leaders together—easing Cold War tensions and laying the foundation of cooperation seen today. President Johnson returned to Rowan a year later to deliver the commencement address and receive an honorary Doctor of Letters.

During this gubernatorial election year, speaking at our commencement offers the perfect occasion for President Clinton to address the issues that are important to him and the country. Also, the President has the opportunity to present his educational ideas at a school that is already experiencing the beginning of an educational revolution that not only embraces and represents his ideas, but is implementing them as well.

It would be an honor and and privilege to have President Clinton deliver the address at our commencement on May 16, 1997. In recognition of his achievements and contributions to public service, we would confer an honorary Doctor of Letters degree.

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a series of vertical strokes, ending with a small hook.

Herman D. James
President

THE WHITE HOUSE
WASHINGTON

February 10, 1997

TO: Chris Walker

FROM: Staff Secretary

United States Senate

WASHINGTON, DC 20510-3003

January 30, 1997

Ms. Betty Currie
Personal Secretary to the President
The White House
Washington, DC 20500

197 FEB 10 AM 10:05

Dear Ms. Currie:

Please find the enclosed invitation that I am relaying to President Clinton on behalf Herman D. James, the President of Rowan College of New Jersey.

President James and the Board of Trustees of Rowan College would be honored both to confer an honorary Doctor of Letters degree upon President Clinton, and to have him speak at their commencement exercises on May 16, 1997.

Rowan College is the largest public college in the southern part of New Jersey and is a fine example of the academic excellence that can transpire when public industry combines resources with higher education. Rowan's learning community exposes students to emerging technologies while at the same time promoting international and multicultural understanding. Rowan is striving to be an integral part of the President's vision for the 21st Century.

Furthermore, this June will coincide with the 30th anniversary of the historic summit conference between Soviet Premier Alexi Kosygin and President Lyndon Johnson. One year after the summit, President Johnson returned to receive an honorary doctorate of letters. A visit by President Clinton would serve as a fitting tribute to this special occasion, and serve as an excellent opportunity to discuss his vision for the future of American education.

Thank you for your cooperation with this request, and please keep me informed of any developments.

Sincerely,


Robert G. Torricelli
United States Senator

CC: Mayor Susan Bass Levin
Mr. Hal Jonathan Shaffer

~~DIL~~WORTH, PAXSON, KALISH & KAUFFMAN

COMMERCE ATRIUM BUILDING

1701 ROUTE 70 EAST

P.O. BOX 2570

CHERRY HILL, NEW JERSEY 08034

(609) 751-8500 Fax (609) 751-9030

PHILADELPHIA, PA
(215) 575-7000

HARRISBURG, PA
(717) 236-4812

MEDIA, PA
(610) 565-4131

HAL JONATHAN SHAFFER
RESIDENT PARTNER

HAL JONATHAN SHAFFER
DIRECT DIAL NUMBER:
(609) 751-9028 EXT. 241

January 14, 1997

NON-FIRM BUSINESS

FEDERAL EXPRESS - 201-639-2860

Senator Robert G. Torricelli
One Newark Center
16th Floor
Newark, NJ 07102

RE: Rowan College of New Jersey

Dear Senator:

First, let me congratulate you on being sworn in as our new United States Senator! It was a pleasure seeing you last month and as I related to you, I would be asking you to relay an invitation from Herman D. James, President of Rowan College of New Jersey to President Clinton to speak at our commencement exercises on Friday, May 16, 1997. I am enclosing Herman James' letter to me dated January 8, 1997 which outlines the reasons why we are reaching out to the President.

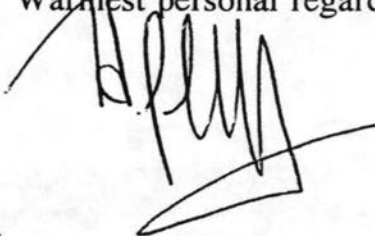
As you know, Rowan College is the largest public school of higher education in the southern portion of our state and on behalf of the Board of Trustees, we are asking for your assistance in bringing the President to New Jersey on that date.

The President's visit would commemorate the 30th anniversary of the historic summit between Kosygin and Lyndon Johnson at Hollybush and perhaps be a worthy place for him to use as a "bully pulpit" on the issues of higher education or foreign affairs.

Moreover, in the spirit of equal time, you may remember that Governor Whitman was the key note speaker at Commencement last year. Needless to say, this is a particularly exciting time to be part of the Board and I am sure that you could think back to the times when you sat on the Board of Trustees of Rutgers University and the challenges and opportunities you faced. It is an honor and privilege to know you and have the opportunity to feel comfortable requesting your assistance in this endeavor.

Thank you again for your help. I wish you and your family a very happy and healthy New Year and look forward to hearing from you and your staff shortly.

Warmest personal regards,

A handwritten signature in black ink, appearing to be 'H. James', written over the typed name 'Herman D. James'.

HJS/eb
Enclosure

cc: Honorable Susan Bass Levin, Co-Chair
Clinton/Gore '96
Donald Stewart, Chairman
Herman D. James President
Rowan College
Members of the Board of Trustees of Rowan College



President's Office
(609) 256-4100
Fax: 256-4442

January 8, 1997

Mr. Hal J. Shaffer
Dilworth Paxson Kalish & Kauffman
1701 Route 70 East
4th Floor
Cherry Hill, NJ 08034

Dear Hal:

I am writing to ask for your assistance in extending an invitation to President Bill Clinton to speak at our commencement exercise on Friday, May 16, 1997. Delivering the commencement address would give President Clinton an extraordinary opportunity to discuss his idea of "building a bridge to the 21st century" at a college that had adopted a long-range vision that utilizes a similar theme. We are the embodiment of President Clinton's dream.

As you know, the Rowan College community is committed to an ambitious vision dedicated to giving our graduates the education and skills necessary to lead America into the 21st century. Our new campus culture will create a learning community that exposes our students to new technologies, encourages civic responsibility and promotes international and multicultural understanding.

Another important issue to President Clinton is the relationship between private industry and higher education. No one understands the importance of this relationship better than Rowan College. When industrialists Henry and Betty Rowan pledged \$100 million to the College in 1992, they bestowed the largest gift ever to a public institution at the time. This act of generosity not only affirmed their personal belief in corporate responsibility, but confirmed the importance of private sector support for public education.

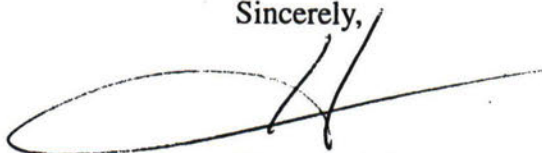
Finally, this June the College will celebrate the 30th anniversary of the historic Summit Conference between Russian Premier Aleksei Kosygin and U.S. President Lyndon Johnson. The summit brought the two world leaders together—easing Cold War tensions and laying the foundation of cooperation seen today. President Johnson returned to Rowan a year later to deliver the commencement address and receive an honorary Doctor of Letters.

During this gubernatorial election year, speaking at our commencement offers the perfect occasion for President Clinton to address the issues that are important to him and the country. Also, the President has the opportunity to present his educational ideas at a school that is already experiencing the beginning of an educational revolution that not only embraces and represents his ideas, but is implementing them as well.

It would be an honor and privilege to have President Clinton deliver the address at our commencement on May 16, 1997. In recognition of his achievements and contributions to public service, we would confer an honorary Doctor of Letters degree.

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a vertical stroke and a horizontal line.

Herman D. James
President

THE WHITE HOUSE

WASHINGTON

February 8, 1997

THE PRESIDENT HAS SEEN

2-10-97

MEMORANDUM FOR THE PRESIDENT

FROM: HELEN HOWELL *HH*

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

*also to Pol. shop
Sent To Sosnik*

(A) **Deputy Sec. Garamendi letter on your pending travel to California.** On January 30 at the White House reception for Leon, you asked Garamendi if there is a need for you to be involved in the flood issue. Garamendi believes that either you or the VP should conduct a meeting with affected California stakeholders to review the flood response by private, local government, State and Federal agencies. He thinks a meeting is more important than a tour, but if you want a tour, he suggests a visit to a levee break that is under repair. *We have forwarded his proposal to Stephanie Streett and Anne Hawley.*

(B) **Reed/Fleming follow-up to December meeting of the Presidential HIV/AIDS Advisory Council.** The Council adopted a resolution commending you for formulating the first-ever National AIDS Strategy, and sent Sec. Shalala a letter urging her to support Federal funding for needle exchange programs to reduce the spread of HIV. Recommendations include: continued leadership by the Administration on funding for AIDS research, prevention, treatment and housing as well as protection of Medicare and Medicaid; continued advocacy on funding for AIDS Drug Assistance Programs and HUD's Housing Opportunities for People with AIDS program; greater focus by the Federal Bureau of Prisons on the needs and rights of federal prisoners living with HIV/AIDS; greater support for AIDS treatment programs focused on Native American communities; and Administration leadership in working with states and the private sector on reducing the cost of AIDS drugs. *Bruce and Patsy outline the steps being taken to address these recommendations.*

(C) **"Open the Ranks to Eastern Europe," Michael Mandelbaum, The Washington Post, September 6, 1993.** Via Sandy who is not sure why Mandelbaum has changed his tune. The cogent argument he made for NATO expansion in 1993 is just as applicable today.

Much Sum W/Asas for

(D) **Phyllis Segal letter on reinventing government proposal.** She proposes reinvention activities in the second term aimed at transforming government to play the new role of providing tools rather than answers -- helping people solve problems for themselves. The most obvious applications would be in programs like AmeriCorps and welfare reform. *We have forwarded copies of the letter to Elaine Kamarck and Bruce Reed.*

THE PRESIDENT HAS SEEN

2-10-97

(E)

Emanuel follow-up on welfare reform. You forwarded a February 3 Washington Post op-ed by Rep. Sandy Levin on welfare to Rahm. Rahm notes that he and Bruce Reed worked on the piece with Levin. Rahm has passed along the column to Cheri Carter and Eli Segal who are working on the Welfare-to-Work initiative, and he will let you know the results.

(F)

"Aviation Manufacturers Optimistic that '96 Gains Will Persist in '97," February 6, 1997, Knight-Ridder. Via Sec. Glickman who notes that the article tells a great story about general aviation sales, in part due to the General Aviation Modernization Act you signed in 1994.

(G)

"I Had Coffee with Clinton," James Cramer, Slate, February 8. Via McCurry who says it is a spectacular piece that he knows you'll like. "We'll figure out how to distribute it to a wider audience."

(H)

American Federation of Teachers post election poll. Seventy-one percent of AFT members voted for Clinton-Gore. See pages 8-13 of the Peter Hart poll on the importance of the education issue in the campaign.

"NEA Changes Course, Vows to Lead Way on School Reform," The Washington Times, February 6, 1997. Via Rahm.

Newspaper headlines on education. Via Rahm.

(K)

James Wolfensohn note on the State of the Union. "At dinner in Jackson Hole you said you would focus the Nation on its infinitesimal possibilities in the State of the Union message. You did it magnificently -- with dignity -- with courage -- with confidence. I have never been more proud of you. Thank you for me -- and for my children."

(L)

Letter from Arnold Pollard of Chief Executive. Via Mack. He congratulates you on "putting that bridge to the 21st century in place," and he forwards last October's issue of Chief Executive magazine featuring an article on the foreign trade roundtable held at the White House. Pollard hopes to get you personally involved in a future Chief Executive roundtable, and he arranged a subscription to the magazine for you.

(M)

Bill Bowen congratulatory letter to Emanuel. Via Rahm.

JIM DORSKIND
Please coordinate
the reply.

JIM DORSKIND:
Please coordinate
the reply.

THE WHITE HOUSE
WASHINGTON

DATE: Feb. 10, 1997

NOTE FOR:

The Honorable Donna E. Shalala
The President has reviewed the attached, and it is forwarded to you
for your:

Information ☒
Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

76 EB (Guns)
Raid on (Summer)
CA HRC

This is a very weird
interesting note - PG

THE PRESIDENT HAS SEEN

2-10-97

Social Security and the Single Investor

By HERBERT STEIN

Two important points are commonly missed in the current discussion of Social Security reform. First, privatizing the Social Security funds would not add to national saving, private investment or the national income and would not allow the system to earn more income without anyone earning less. And second, if the purpose of Social Security is to provide a certain benefit upon retirement, then an investment policy that yields a probable, even though possibly higher, benefit is not appropriate.

The first point may be easily seen. Private investment equals the saving available for private investment. That is equal to private saving minus that part of private saving required to finance the federal deficit. (For simplicity I include with private saving state and local government surpluses and the inflow of capital from abroad.) The federal deficit has two parts—the deficit in the rest of the government, other than Social Security, which I call ROG, and the surplus in Social Security. So private investment equals private saving plus the Social Security surplus minus the deficit in ROG.

Private Savings

Here is the key point: The amount of private investment does not depend on how the Social Security surplus is invested. The more of the Social Security surplus is invested in financing the ROG deficit, the less the ROG has to borrow from the private saving available for private investment.

I will consider some possible qualifications to the argument. But up to this point, privatizing Social Security investment has not added to private saving. Therefore, it has not added to total investment and has not added to the national income generated by the stock of productive capital. But still, everyone will say, the Social Security accounts will be invested in assets with a higher yield than government bonds and

will earn a higher income. How can this be? Where will this higher income come from if there has been no addition to saving, investment and national income? Since there are only three players in this game—the Social Security accounts, the ROG and private savers—the gain to Social Security must come from one or both of the two others.

Private savers will have a portfolio more heavily weighted with low-yield assets—government bonds—and less heavily weighted with private high-yielding assets. They will have a lower-yielding port-

a captive market for its bonds in the Social Security accounts, but has to borrow entirely in the open market, it will be more cautious about deficit spending. Possibly, but I wouldn't bet on this effect being very large.

Privatization per se does not add to the national saving, but there may be other arguments for it. One could argue for a redistribution of income from other savers and taxpayers to workers. But one should not think that there is any free lunch here.

Now, to the question of the proper criterion for investment of Social Security

Board of Contributors

We can't just say that some smart or lucky people will have high Social Security incomes and others will have low incomes and that everything will average out.

folio than if the Social Security accounts had bought the government bonds. But in order to induce private savers to make this shift in their portfolios—to surrender some of the private assets to the Social Security accounts and take on more of the government bonds—the yield of government bonds will have to rise, increasing the burden on taxpayers, or the yield of private assets will have to fall, or both.

Some people think that if workers manage their own Social Security accounts they will learn to love finance and will save more. It seems to me equally likely that promised a larger Social Security benefit they will decide to save less in other forms. It may be that if workers see a larger and more secure Social Security benefit deriving from their work they will work more. Yet if the government has to impose higher taxes to pay the costs of higher interest rates on its borrowing, that may inhibit work and other income-earning activity. Possibly, if the government does not have

funds collected by a tax on wages. Suppose there are two kinds of investment. One will yield at retirement a certain 50% of the retiree's final salary. The other will yield a probable 60%, with a 50-50 chance of yielding zero and a 50-50 chance of yielding 120% of the final salary. Which of these is suitable for a Social Security system? The example, to be sure, is extreme. But even if on average over long periods of time investments will all yield a specific return, the returns earned by particular investors in particular portfolios over particular periods differ enormously.

One can say that the workers are consenting adults and if they choose investments that will make some of them very rich and some very poor, that is up to them. But if you say that, you have to ask why we have a Social Security system, with mandatory contributions, at all. Why not just leave the workers free to save or not and to invest whatever they save in the way they like? If there is no social interest

in the income people have at retirement, there is no justification for the Social Security tax. If there is such an interest, there is a need for policies that will assure that the intended amount of income is always forthcoming. It is not sufficient to say that some people who are very smart or very lucky in the management of their funds will have high incomes and those who are not will have low incomes and that everything will average out.

I find it helpful to think of the Social Security system as having two parts. One provides an assured equal minimum retirement benefit to all workers. The investment for this part would have to be in very secure form, probably involving some government guarantee. But this part would be much smaller than the total system we now have and could be financed by a much smaller payroll tax.

Defining Public Interest

What is the rest of the system and the rest of the payroll tax for? One possibility is that there is some national interest in the size of the retirement benefits that individual workers receive, beyond the flat minimum just mentioned. In that case it would be necessary to control the investment and use of the funds generated by each worker's mandatory contribution to assure that the desired retirement benefit is forthcoming.

But we could say that there is no public interest in the retirement benefits workers get beyond the flat minimum already mentioned. In that case workers should be allowed to manage their savings as they like. But in that case it is unclear why there is any mandatory contribution to Social Security, beyond that needed to finance the flat minimum. Let the worker decide how to manage his savings and how much to save.

Mr. Stein, an American Enterprise Institute fellow, chaired the president's Council of Economic Advisers, 1972-74.

THE PRESIDENT HAS SEEN
2-10-97

THE WHITE HOUSE
WASHINGTON

DATE: Feb. 10, 1997

NOTE FOR:

The Honorable Robert E. Rubin

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

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

TO EB/Gens/
Rabon/Semen
Ca Hre

There is a very weird
interesting there - Bo

THE PRESIDENT HAS SEEN

2-10-97

2/10/97

Phil -
do this okay ✓
send out? Yes
 no

C

Social Security and the Single Investor

By HERBERT STEIN

Two important points are commonly missed in the current discussion of Social Security reform. First, privatizing the Social Security funds would not add to national saving, private investment or the national income and would not allow the system to earn more income without anyone earning less. And second, if the purpose of Social Security is to provide a certain benefit upon retirement, then an investment policy that yields a probable, even though possibly higher, benefit is not appropriate.

The first point may be easily seen. Private investment equals the saving available for private investment. That is equal to private saving minus that part of private saving required to finance the federal deficit. (For simplicity I include with private saving state and local government surpluses and the inflow of capital from abroad.) The federal deficit has two parts—the deficit in the rest of the government, other than Social Security, which I call ROG, and the surplus in Social Security. So private investment equals private saving plus the Social Security surplus minus the deficit in ROG.

Private Savings

Here is the key point: The amount of private investment does not depend on how the Social Security surplus is invested. The more of the Social Security surplus is invested in financing the ROG deficit, the less the ROG has to borrow from the private saving available for private investment.

I will consider some possible qualifications to the argument. But up to this point, privatizing Social Security investment has not added to private saving. Therefore, it has not added to total investment and has not added to the national income generated by the stock of productive capital. But still, everyone will say, the Social Security accounts will be invested in assets with a higher yield than government bonds and

will earn a higher income. How can this be? Where will this higher income come from if there has been no addition to saving, investment and national income? Since there are only three players in this game—the Social Security accounts, the ROG and private savers—the gain to Social Security must come from one or both of the two others.

Private savers will have a portfolio more heavily weighted with low-yield assets—government bonds—and less heavily weighted with private high-yielding assets. They will have a lower-yielding port-

a captive market for its bonds in the Social Security accounts, but has to borrow entirely in the open market, it will be more cautious about deficit spending. Possibly, but I wouldn't bet on this effect being very large.

Privatization per se does not add to the national saving, but there may be other arguments for it. One could argue for a redistribution of income from other savers and taxpayers to workers. But one should not think that there is any free lunch here.

Now, to the question of the proper criterion for investment of Social Security

Board of Contributors

We can't just say that some smart or lucky people will have high Social Security incomes and others will have low incomes and that everything will average out.

folio than if the Social Security accounts had bought the government bonds. But in order to induce private savers to make this shift in their portfolios—to surrender some of the private assets to the Social Security accounts and take on more of the government bonds—the yield of government bonds will have to rise, increasing the burden on taxpayers, or the yield of private assets will have to fall, or both.

Some people think that if workers manage their own Social Security accounts they will learn to love finance and will save more. It seems to me equally likely that promised a larger Social Security benefit they will decide to save less in other forms. It may be that if workers see a larger and more secure Social Security benefit deriving from their work they will work more. Yet if the government has to impose higher taxes to pay the costs of higher interest rates on its borrowing, that may inhibit work and other income-earning activity. Possibly, if the government does not have

funds collected by a tax on wages. Suppose there are two kinds of investment. One will yield at retirement a certain 50% of the retiree's final salary. The other will yield a probable 60%, with a 50-50 chance of yielding zero and a 50-50 chance of yielding 120% of the final salary. Which of these is suitable for a Social Security system? The example, to be sure, is extreme. But even if on average over long periods of time investments will all yield a specific return, the returns earned by particular investors in particular portfolios over particular periods differ enormously.

One can say that the workers are consenting adults and if they choose investments that will make some of them very rich and some very poor, that is up to them. But if you say that, you have to ask why we have a Social Security system, with mandatory contributions, at all. Why not just leave the workers free to save or not and to invest whatever they save in the way they like? If there is no social interest

in the income people have at retirement, there is no justification for the Social Security tax. If there is such an interest, there is a need for policies that will assure that the intended amount of income is always forthcoming. It is not sufficient to say that some people who are very smart or very lucky in the management of their funds will have high incomes and those who are not will have low incomes and that everything will average out.

I find it helpful to think of the Social Security system as having two parts. One provides an assured equal minimum retirement benefit to all workers. The investment for this part would have to be in very secure form, probably involving some government guarantee. But this part would be much smaller than the total system we now have and could be financed by a much smaller payroll tax.

Defining Public Interest

What is the rest of the system and the rest of the payroll tax for? One possibility is that there is some national interest in the size of the retirement benefits that individual workers receive, beyond the flat minimum just mentioned. In that case it would be necessary to control the investment and use of the funds generated by each worker's mandatory contribution to assure that the desired retirement benefit is forthcoming.

But we could say that there is no public interest in the retirement benefits workers get beyond the flat minimum already mentioned. In that case workers should be allowed to manage their savings as they like. But in that case it is unclear why there is any mandatory contribution to Social Security, beyond that needed to finance the flat minimum. Let the worker decide how to manage his savings and how much to save.

Mr. Stein, an American Enterprise Institute fellow, chaired the president's Council of Economic Advisers, 1972-74.

THE PRESIDENT HAS SEEN

2-10-97

Handwritten notes and scribbles in the top right corner.

Shd fin - archive
(given)

THE PRESIDENT HAS SEEN
2-10-97

TDK

WMUR (NH) INTERVIEW WITH PRES.
CLINTON - 2.7.95

THE PRESIDENT HAS SEEN

2-10-97


COUNCIL ON FOREIGN RELATIONS

58 EAST 68TH STREET NEW YORK NEW YORK 10021

Compliments of:

The Muslim Politics Project

STUDIES DEPARTMENT
OCCASIONAL PAPER SERIES
No. 2

**Debating Religion and
Politics in Iran:
The Political Thought of
Abdolkarim Soroush**

Valla Vakili

COUNCIL ON FOREIGN RELATIONS

EXECUTIVE SUMMARY

Abdolkarim Soroush is a leading Iranian religious intellectual with highly controversial ideas on religion and politics. This paper and the Muslim Politics Program were made possible by the generous support of the Ford Foundation.

The main points of his political thought, discussed at greater length in this paper, are:

- No understanding of Islam is ever complete or final.
- No religious government should rule on the basis of an official Islamic political ideology.
- Human rights are the fundamental political criterion, and democracy is the only form of government that can both protect human rights and preserve a proper role for religion in politics.
- Institutional links between the clerical establishment and the government in religious states must be severed, in order to protect the integrity of religion and clerics alike.
- Iranian and Western cultures are not mutually opposed, but require continuous dialogue and constructive interaction.

Taken together, Soroush's positions provide a compelling alternative to the conception of Iran as a static society devoid of internal self-criticism, and a dynamic illustration of contemporary Muslim responses to the role of religion in politics.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS BEEN
2-10-97

February 8, 1997

MR. PRESIDENT:

Attached are the following weekly information items:

- (A) Interest Rates and the Stock Market
- (B) CEA Weekly Economic Briefing
- (C) Legislative Report
- (D) DPC Report *Sent to Bruce Reed*
- (E) CEQ Report *Sent to Katie McGinty*
- (F) Cabinet Report *Sent to VP, E Bowles, + Kitty Higgins*
- (G) Emanuel Report *Sent to R Emanuel*

Helen Howell *Helen*

Mr. [unclear] [unclear] [unclear]

Committee on Government Reform and Oversight

Subcommittee on Government Management, Information and Technology

B-373 Rayburn Building
Washington, DC 20515
voice: (202) 225-5147
fax: (202) 225-2373



'97 FEB 10 PM 5:43

2/10/97
To Dorshind for
reply?

TO: Name: The President c/o Betty Currie

Fax: (202) 456-2883

yes

no

Chris Walker *cc: Bob [unclear]*

FROM: Name: Congressman Stephen Horn

Fax: (202) 225-2373

DATE: 02/06/97

Total No. of Pages
(including cover sheet)

2

If there are any problems in the transmission of this facsimile, please call the sender at (202) 225-5147.

ONE HUNDRED FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143
(202) 225-5074

February 6, 1997

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

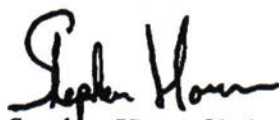
Dear Mr. President:

Internal Revenue Commissioner Margaret Richardson is leaving her post. I hope that you will consider my comments regarding her replacement, which are derived from close oversight of the management practices of the IRS. The person selected to replace her has to be a proven executive/manager, with extensive management experience. That official must transform a deeply troubled agency into an effective one. In selecting a commissioner, the biggest mistake would be to appoint someone who is a CPA/tax accountant, or a tax attorney, no matter how shining their credentials. Your nominee will have to make fundamental changes, and see that they are fully implemented. This will not happen overnight. It will take time, determination, and patience. Changing deeply ingrained habits and an organization's culture is difficult. But it must be done. And it is long overdue.

The Internal Revenue Service is responsible for more than 90 percent of the Federal Government's revenues, yet its management of receivables has been so poor that since 1990 it has been on the General Accounting Office's high-risk list (a list of programs and activities that are particularly vulnerable to waste, fraud and abuse). In fact, four areas of the IRS's functional activities are on the GAO's 1997 high-risk list: receivables management; financial management; filing fraud; and computer security. The IRS's controls are so poor that illegal browsing can occur, that jeopardizes citizens' privacy rights. Unauthorized employees can tamper with tax return information. That is wrong. The IRS has spent billions of dollars on a tax systems modernization project that was ill-conceived, ill-managed, and has proved to be a complete failure. Even if it contracts to have the project completed by private contractors, it still lacks the expertise to manage the contracts. A commissioner who can manage is long overdue.

I hope that when you choose a new commissioner you will take these considerations to heart.

Respectfully yours,



Stephen Horn, Chairman
Subcommittee on Government Management,
Information, and Technology