

Chion

'97 APR 23 PM3:11

JAMES D. WOLFENSOHN
President

April 21, 1997

The Honorable
William Jefferson Clinton
President of the United States
The White House
Washington, D.C. 20500-2000

THE PRESIDENT HAS SEEN
4-24-97

Todd,

I will send to ~~Jim~~ once
you have seen.

for Prince Charles
C.

by a/c h. P. - Jim

Prince Charles wrote me th
pet Indian physician, Dr. Ali. The
helped me when I had Bell's palsy,
alternative medicine, he wanted yo
expert. Personally, I think you are
be thinking of alternative cures, but
Prince Charles a note to thank him
characteristically kind of him.

cc: Bowles

cc: Mankin Lewis for Wolfenson

May I add my own renewed good wishes for your speedy recovery
and add also that I spoke to Sandy Berger about my recent trip to Russia as
well as a forthcoming trip to Syria and the Lebanon. If you have two
minutes some time, you might find a personal report on Russia to be of
interest.

Wanna for a/c my a/c

by
yes - my + letter to Charles

lin

James D. Wolfensohn

'97 APR 23 PM3:11

JAMES D. WOLFENSOHN
President

April 21, 1997

The Honorable
William Jefferson Clinton
President of the United States
The White House
Washington, D.C. 20500-2000

THE PRESIDENT HAS SEEN
4-24-97

by a/c h. President -

Prince Charles wrote me the enclosed note to send to you about his pet Indian physician, Dr. Ali. The reason for this suggestion is that Dr. Ali helped me when I had Bell's palsy, and since Charles is involved in alternative medicine, he wanted you to have knowledge of this Indian expert. Personally, I think you are in the best care here, and I would not be thinking of alternative cures, but you might find it appropriate to drop Prince Charles a note to thank him for his suggestion, which is characteristically kind of him.

May I add my own renewed good wishes for your speedy recovery and add also that I spoke to Sandy Berger about my recent trip to Russia as well as a forthcoming trip to Syria and the Lebanon. If you have two minutes some time, you might find a personal report on Russia to be of interest.

Warm personal regards

*ty
Yr - My + letter to Charles*

Jim

James D. Wolfensohn

THE WHITE HOUSE
WASHINGTON

Date

4/24

To:

Sandy Berger

From:

The Staff Secretary

This was forwarded
to the President.

Paul Copley

'97 APR 23 PM3:11

JAMES D. WOLFENSOHN
President

April 21, 1997

The Honorable
William Jefferson Clinton
President of the United States
The White House
Washington, D.C. 20500-2000

My dear Mr. President -

Prince Charles wrote me the enclosed note to send to you about his pet Indian physician, Dr. Ali. The reason for this suggestion is that Dr. Ali helped me when I had Bell's palsy, and since Charles is involved in alternative medicine, he wanted you to have knowledge of this Indian expert. Personally, I think you are in the best care here, and I would not be thinking of alternative cures, but you might find it appropriate to drop Prince Charles a note to thank him for his suggestion, which is characteristically kind of him.

May I add my own renewed good wishes for your speedy recovery and add also that I spoke to Sandy Berger about my recent trip to Russia as well as a forthcoming trip to Syria and the Lebanon. If you have two minutes some time, you might find a personal report on Russia to be of interest.

Warm personal regards

Jim

James D. Wolfensohn



BALMORAL CASTLE

April 9th
1947.

Dear Mr. President,

I have heard through
Jim Workens on of the
World Bank that you
are still suffering to a
certain extent from
an injury you sustained
some time ago. I believe
Jim may have told you

about a rather remarkable
India doctor, Dr. Nagar-
aj Ali, who treated
him at my recommendation
when he was suffering
so badly from Bell's
Palsy.

I only wanted to
say that this doctor
has made an extraordinary
difference to the
people I have recommended
him to, quite a large



BALMORAL CASTLE

number of whom had
been to countless other
doctors without any
success. He seems to
use ancient Indian
techniques in a modern
context, and to great
effect.

Any way, I can
mention this case it
is of an interest to

for as there is nothing
worse than a continuing

problem. And the
great thing is that
Dr. Ali uses natural
methods that don't
have the awful
side-effects that tend
to be associated with
much of modern
medicine...

Whatever the case,
this helps you very



BALMORAL CASTLE

very best wishes and
kindest regards.

Very most sincerely

Maundy

cc: w/ incoming:
Nancy Herrick
re: may trip
Alt-1 Q Uluto
McFalls
Loganville to gauge
about water —

4124/a

Herrnreisch Bowles Scheduling

Roland Graves
PSC 71, Box 2000
APO AE 09715

Thanks for your letter of April 1. It was great to hear from you and to get the update on all that you are now doing. Your work with NATO sounds terrific, and I'm so happy for you and Betty.

Sincerely,

Ruth Cluett

He really likes to
pay bills so you better all
we'll try to work it out

cc: Nancy Hernandez
Sund Werding
Utter

THE WHITE HOUSE
WASHINGTON

April 22, 1997

Copied
Hernandez
Bowles
Maurice
Lewis

Seiki Sam Kitadai
The Greenbrier Company
Suite 420
Two Embarcadero Center
San Francisco, California 94111

Dear Sam:

Thanks for your letter of April 15 and for your good wishes on my recovery. Though slower than I'd prefer, it's going well, and I'm certainly learning a lot from this.

I'm so happy to hear about Makiko's upcoming wedding and would be delighted to send my best wishes to her and her fiancé. You must be very proud.

Though I'm not sure what my schedule will hold next month, please call my office to see if we can arrange a visit when you'll be here. I'll be keeping you and your family in my prayers during your Godfather's memorial service.

Sincerely,

Bill Clinton

**THE
GREENBRIER
COMPANIES**

The Greenbrier Companies

Two Embarcadero Center
Suite 420
San Francisco, CA 94111
415 398-0711

April 15, 1997

The Honorable William Clinton
President of the United States
The White House
Washington, D.C. 20001/2000

Dear Mr. President:

I was so sorry to hear the news of your accident. How is your leg really feeling? From what I have seen on the TV news coverage you appear to be maneuvering quite well with your crutches. You seem to be making a remarkably quick recovery.

I hope you are soon feeling able to resume a normal schedule and able to once again enjoy jogging and golfing.

Time flies by so fast. It is already almost three months since your second inauguration as President of the United States. As part of the Arkansas group present, I can say that we were all impressed by the various events during the period of January 18 - 20, 1997. It has always brought me tremendous delight and excitement to watch your tireless efforts from all parts of the world on the TV screen.

Just one year has passed since you and First Lady, Hillary, visited Japan and enjoyed the jazz presentation at Prime Minister Hashimoto's luncheon party. I hope you had fun tasting "Arkansas mineral water" during your stay in Tokyo.

It is a life long treasure that I was included on the American invitation list for such as memorable event as the President's trip to Tokyo, Japan.

We can assure you that the political and economical improvements between the U.S. and Japan relations have been overwhelming during the past months. These proven phenomena are a result of your strenuous efforts and strong leadership.

President Clinton

April 15, 1997

Page 2 of 3

Speaking of time passing fast, if you recall, almost a year ago you visited San Francisco (Sunday, June 9, 1996). My Godfather, Charlie Fox, finished his all-Democratic Life at age 89 on that day. At that time, you sent me a very warm-hearted letter expressing your and First Lady, Hillary's sorrow.

Charlie always highly respected and supported you. His favorite honor was the occasion that you hugged him during your visit to San Francisco's Hyatt Regency several years ago. (Charlie's youngest son and I were pushing Charlie in a wheel chair at that time.)

On Tuesday, June 10, 1997, I am coordinating a memorial service luncheon inviting my Godfather's friends, (some of them are converted from the opposing side to "Clinton supporters.") at his beloved private club here in San Francisco. The pictures of you and Charlie taken together will be displayed at the luncheon. I wish you could be present (my dream)!

Another news item to keep you up-to-date is that my daughter, Makiko, is going to be married on Saturday, June 21, 1997. The wedding will take place in Tokyo. She was the only Japanese student graduated from Blytheville Senior High School in Arkansas. She was accepted as a Freshman in 1987 when our family moved from Tokyo for the Nucor-Yamato Steel Mills construction start-up. It is just 10 years since the brand new steel mill started successfully in Arkansas and now my little spoiled kid is going to be married. As a father, I have very mixed emotions.

Mr. President, I understand that you are scheduled to be in Denver, Colorado on June 20-21, 1997, and I know it is an impossible dream, but as an Arkansas-honor, we wish we could have you join our wedding party in Tokyo. The wedding will combine Japanese tradition and American style, just as the joint venture steel mill at Mississippi County in Arkansas.

I am also aware, incidentally, that you will be visiting Latin America in mid-May. As a coincidence, I will be visiting Argentina and Brazil to export U.S. made rail freight cars, after visiting Chile and Colombia to participate in the Latin American Railway Conference in Buenos Aires on May 19-22.

These countries have abundant natural resources such as coal, iron ore, copper, grains, lumber, coffee, sugar, chemicals, etc. However, they need more improved transportation and infrastructure to help strengthen their economy.

This country's technically advanced rail car system should be implemented. I am excited and encouraged to be working for an American rail car manufacturing company and hope to achieve my new goals after the accomplishments of the steel mill project.

President Clinton

April 15, 1997

Page 3 of 3

Lastly, Mr. President, the Blytheville, Arkansas Chamber Group will visit Washington, D.C. on May 2-6, 1997. I am still involved in this delegation and am looking forward to seeing the senators and congressmen from Arkansas. If it is possible, I would like to see you while I am there. Hays Sullivan and I will contact Nancy, Rebecca or Kris to check your schedule.

Sincerely,

A handwritten signature in cursive script that reads "S. Sam Kitadai".

S. Sam Kitadai

SSK:bai

4-24-97

*lashed further -
call him -
BC
COS*

MEMORANDUM TO THE VICE PRESIDENT
FROM: Elaine
RE: LUNCH WITH THE PRESIDENT *EK*
DATE: 4/18/97

At his last lunch the President asked you to ask me what states should be doing with the windfall that they are going to get from welfare reform given that their allocation is based on peak 1994 numbers and that their roles are falling.

Here are my thoughts.

There is a window of opportunity here in which this windfall must be used to reinvent each state's welfare bureaucracy. If the welfare bureaucracies survive as is until: 1) there is another economic downturn and the roles go up or until 2) the time limits kick in and people face being taken off the roles, welfare reform will be judged a failure. Right now the welfare bureaucracies spend most of their time and talent around the intake function. They see people, they judge their eligibility for AFDC, they fill out forms. The primary mission around which the talent is organized is intake.

In this interim period the welfare offices must make investments which will allow them to help people get work and, as we get closer to time limits, to diagnose why some people simply cannot work.

Here are a few strategies.

X **1) Automate the intake function.** There is no reason why people trained as social workers should spend their time on eligibility determinations. The laws have been simplified, the regs have been simplified and the process is ripe for an interactive computer program which would allow people with community college level educations to do intake. AFSCME will not like this but to the extent that there is no net job loss and that the social workers are freed up to actually work with people AFSCME's opposition may drop off. (They always complain initially but their track record of responding positively to reinvention in the states has actually been pretty good.)

2) Privatize the easy work. As the President pointed out in the Cabinet meeting, about 50% of welfare recipients are on welfare for only a short period of time. In addition, the recently completed study of the drop in the welfare roles suggests that some portion of the hard core population will move off welfare given the right supports and incentives. It is this portion of the welfare population that we know how to serve. Private companies like America Works have developed the necessary programs. States should not be using their scarce resources to reinvent the wheel. If there is a private, cost effective alternative they should use it. AFSCME will probably not like this proposal but it is critical in order for states to take the next step.

3) Design a diagnostic tool and a plan for those who hit the limits and cannot work.

This is the most critical challenge state's will face. From the earliest days of the welfare reform task force we knew that at some point time limits would leave us with an irreducible core

X of welfare recipients who simply cannot hold a job. Social workers and experts I have discussed this with indicate that these people will probably consist of hard core drug addicts, alcoholics, people with various mental illnesses and people with marginal intelligence. No one can say what percentage of the welfare population these people make up but the "guesstimates" range from 20% to 30%. Many of these people may qualify for other federal programs such as disability or SSI.

For state governments the challenge will be to deal with these people in as fair and humane a way as possible while building in safeguards so that people cannot "game" the system. This diagnostic ability currently is not a feature of state welfare offices. It will have to be built, people will have to be trained.

4) Move aggressively against fraud and abuse in the SSI and Disability programs in order to make room for welfare recipients who may, in fact, belong in these programs.

We know that these two programs are filled with fraud and abuse. Disability reviews are rarely done and people who are on disability but can do other kinds of work are not required to do other work or to be retrained for it. Many regard disability as a lifetime pension. Moving to clear out these rolls is controversial and difficult. However, the exponential growth in both programs over the last decade supports the suspicion that many people have found a good thing and are holding onto it.

Taking this on may not be worth the trouble but for the inevitable fact, expressed in Number 3 above, that many hard core welfare recipients may belong in these programs. If these programs are straightened out before time limits kick in and if states can develop some type of sophisticated and fair diagnostic, then these programs should be able to accommodate welfare recipients who reach their lifetime limit.

THE WHITE HOUSE
WASHINGTON

Date

4/24

To:

Jim Dorschner

From:

The Staff Secretary

Can you have a
gift letter done for AP?

Phil

THE WHITE HOUSE

Phil Caplan -

This was passed on to
me at Summit H2 for
Polms. Can you forward
to correct place.

Steve S.



April 7, 1997

Author of:

Living Life On Purpose

*The 22 (Non-Negotiable)
Laws of Wellness*

Healing Wisdom

*50 Essential Things
to Do When The Doctor
Says It's Cancer*

The Triumphant Patient

The Cancer Conqueror

**William J. Clinton
President of the United States of America
The White House
Washington, DC 20510**

Dear Mr. President:

The Summit for America's Future is an initiative with massive potential for profound good. This world desperately needs to hear and respond to the message of service. I encourage you to make this your central theme the next four years.

Challenge every American to serve. Writing about service in *Living Life on Purpose*, I exhorted:

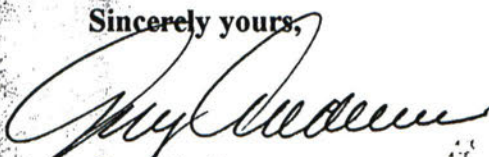
Everyone can serve. Decide that anytime you come into contact with anyone you will give that person something.

The service we offer does not have to take the form of material things; a smile, a compliment, encouragement, or a prayer is often the most appropriate gift. Everyone has something to give!

You have my pledge to serve. Let us proceed to help other individuals, schools, businesses, government, and even other nations, to understand and practice the power of service.

We will then have invested our lives as a gift and a blessing to this world. And it can be said, " . . . well done, good and faithful servant."

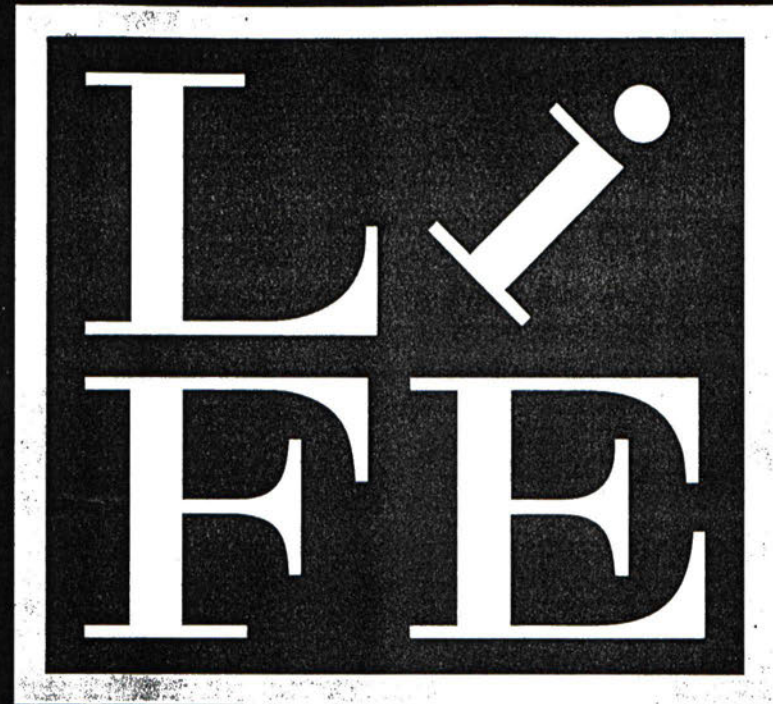
Sincerely yours,



Greg Anderson

830 Cherry Drive
Hershey, PA 17033
Phone: 717/533-2474
Fax: 717/533-6202

LIVING



ON PURPOSE

A GUIDE TO CREATING A LIFE
OF SUCCESS AND SIGNIFICANCE

GREG ANDERSON

Author of THE 22 NON-NEGOTIABLE LAWS OF WELLNESS

INCLUDES A SELF-SCORING LIFE MISSION SKILLS TEST

10
President Clinton

LIVING LIFE ON PURPOSE

Through your service,
you are living your
life on purpose!

Let's inspire America
to do likewise!

Bill Clinton

April, 1997

4/24/97

Send to Donslerid?

Yes ☒

No ☐

C

Carres 4.24.97

Carol - Two "Daughters
to work" — Can we
respond ??

Patty

'97 APR 24 PM 2:43

Dear Mr, Bill Clinton

I would like to see you
in the White House. And today
I will Be in the White
house for the first time in
my life time and I love the
way you did it, it is so
paetty in here

And my Address is 2545
Elves Rd SE my phone
678-6725

From Crystal Parker

Get well soon

Love Mrs Clinton

Open

Up

it is something For you

Dear Mr. Clinton

I saw you at the Easter egg roll. My name is Angel Jones. I was there in 1996. I helped you light the Chistma tree. But last time I was here I had A great time, ~~and~~ I ^{saw} ~~was~~ your ^{gnt} Daughter on tv and I ^{saw} ~~side~~ there she is, the president's ~~Daughter~~. I ~~met~~ her. She is Bill Clinton's ^{gnt} Daughter. But By the way, get well Soon and hope you feel Better.

Get well

♡ Soon 

By: Angel

And my Address is 1435 B
MORRIS RD SE.

phone number is
(202) 889-3222

love allways
Angel

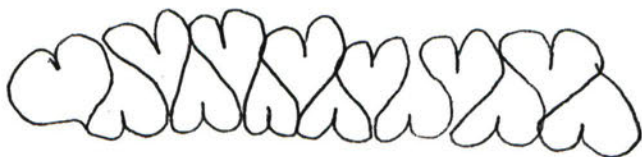
Open
up

crystal 25 h/5 ELL ves

Rd SE

Angel^{Jones} 14 35^B MORRIS

Rd SE



Dear Mr. Bill Clinton

from John Podesta

cc: Chris Jennings
Todd Stern
Jim Dorskind
(forwarded from Craig S.)

4124197

Jim - you need
to work with
Chris Jennings
AIAF on this.
BC 523,

Todd

ANDREW L. STERN
INTERNATIONAL PRESIDENT

**SERVICE
EMPLOYEES**
INTERNATIONAL UNION, AFL-CIO, CLC
1313 L STREET N.W. • WASHINGTON, D.C. 20005 • (202) 898-3200



BETTY BEDNARCZYK
INTERNATIONAL SECRETARY-TREASURER

JP

'97 APR 23 PM5:14

April 21, 1997

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

Dear Mr. President:

As the nation's largest health care union, we share your concern about Medicare's financial health -- Medicare affects our jobs, our parents, and our own retirement. We take exception, however, with plans to tighten the definition of "homebound" and thereby restrict access to home health care.

The people you wish to push out of Medicare have a legitimate need for long-term care. Lawyers and bureaucrats may argue that these people are overstepping the bounds of current eligibility rules. The administration may be correct, in a technical sense, to label them a problem -- living, breathing examples of "waste, fraud and abuse." But their need for care is real, and they are turning to Medicare because there is no alternative. They are indicators of a national problem that grows more serious by the year: How will America provide long-term care to a population that is growing older?

This new definition will also affect disabled adults under age 65. These Medicare beneficiaries may be outnumbered by the elderly, but their need is no less real.

The Medicare homebound controversy is an early indicator of a developing crisis in long-term care finance. Few families can afford long-term care insurance. Medicaid provides help with long-term care only after a family has descended to the edge of poverty. At the same time, American society is growing older, and our two-income families no longer have an extra set of hands to pick up the slack as mom or dad grow frail. American society has never faced a situation quite like this, at least not since the New Deal, and our leaders must begin planning a solution.

PATRICIA ANN FORD
EXECUTIVE VICE PRESIDENT

ELISEO MEDINA
EXECUTIVE VICE PRESIDENT

PAUL POLICICCHIO
EXECUTIVE VICE PRESIDENT

Page 2

The Honorable William J. Clinton

April 21, 1997

The Service Employees International Union supports the development of a comprehensive system of publicly financed long-term care that meets the needs of working families. In the meantime, we will oppose short-sighted attempts to sidestep this challenge by labelling it "waste, fraud and abuse."

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Stern', written over the word 'Sincerely,'.

Andrew L. Stern
International President

ALS:ch

cc: Secretary Shalala
opeiu#2
afl-cio, clc

THE WHITE HOUSE
WASHINGTON

cc: w/incoming of
April 15th letter.
ERSKINE Bowles
Sylvia Mathews
EB - it's an old
friend PB

April 23, 1997

Copied
Mathews
Bowles

H. Brandt Ayers
The Anniston Star
Post Office Box 189
Anniston, Alabama 36202

Dear Brandy:

Thanks for your recent letters, especially the one on your efforts to help fight racism in Anniston and through the Southern Meeting Place. During the next few months, we hope to be very pro-active on this, and I'd appreciate any further suggestions you may have or updates on your own activities.

I'm glad you received the cuff links and I hope they'll be suitable replacements for your Alabama ones! My best to Josie.

Sincerely,

Barack

The Anniston Star

"Alabama's Largest Home-Owned Newspaper"

Office of the Editor and Publisher

April 15, 1997

The President
The White House
Washington, DC 20500-2000

Dear Mr. President:

Thanks for the birthday note, and the postscript promising "a long-delayed letter." I assume it's a response to "History Awaits, My Friend." In that regard, I was pleased to read you had asked Erskine Bowles to help you shape a principal purpose of your presidency--improved race relations.

I come at that issue from two perspectives: local and Southern regional. The choice is the same at both levels: confrontation or persuasion? The conventional approach is to have a conference, do a study and write a report that lectures the country on the sins of racism.

A more effective method is to focus the mind, heart and energy of a diverse group on a significant problem about which there is wide agreement. The very process of right action, of actually working together on behalf of a unifying purpose, persuades suspicious strangers that they can be trusting friends.

That is my hope for the local committee I chair (see enclosure). We are focusing churches, character-building institutions and corporations on kids at risk. The bridge between black and white communities is symbolized by my two co-chairs: the president of the NAACP and a former chairman of the Chamber of Commerce. In addition to your effective use of the bully pulpit, you might consider, as part of your national initiative, a public-private partnership with similar local and state programs. For instance, modest federal support to such volunteer organizations for scholarships as an incentive for kids at risk to do their best.

The President

- 2 -

April 15, 1997

You wanted to be kept informed about our attempts to create a meeting place for progressive Southern leaders of both parties. A well-intentioned parallel effort wants to lecture the South's leaders on their racist sins. William Winter and I, among others, favor the approach outlined in my draft vision statement, another copy of which is also enclosed. Am I right in guessing you'd favor William's and my approach?

At dinner in London recently with Dick Neustadt and Shirley Williams, Dick told Josie and me about seeing you in your office. We talked about you, history and the great issues of our time. But that's another subject. Perhaps we can correspond about other great issues--and how to give them significant exposure, short of a Jeremiad--when you have time to write.

Incidentally, would you pass a copy of this along as an introduction to Erskine Bowles? His dad, Skipper, was very kind to me when I was a pea-green political writer in Raleigh and Washington. He also knows Josie's family. Her grandfather, J. C. B. Ehringhaus, was elected governor of North Carolina in 1932 and her sister, Susan, is counsel for UNC-Chapel Hill.

Meanwhile, know that you and Hillary amaze and inspire us by the way you meet a thousand woes--joyously unafraid.

Cheers!



H. Brandt Ayers
HBA: bjh
Enclosures

The Anniston Star

Next start

Mayor's bi-racial committee can help lead our community into the future

WHEN Anniston Mayor Gene Stedham announced the creation of his bi-racial committee at the Tuesday night city council meeting, he called on the committee chairman, Brandt Ayers, to make some remarks. Because Mr. Ayers outlined a vision for the committee — and a focus for the institutional energy of the city — we are printing his remarks in full:

□□□

FIRST, I'D like to thank the council for its unanimous support of the committee. Your unanimity means we're off to a good start. It's a perfect launch. Next, I'd like to say what the committee is NOT about: It's not about politics or faction, how the school board is constituted or who the superintendent is. What the committee IS about is children at risk — whoever they are, wherever they are.

☆The Anniston Stars

We do not want to dwell on the past, because this effort is about the future, the future of our children. But we would not be honest if we did not acknowledge that in the past too many children who needed our help were ignored, and in recent years — instead of facing our greatest challenge, kids at risk — we have run away from it.

Now that is a curious way to behave, because we all know that, in a community as in a family, the child who needs our attention and support the most is the child who is struggling. The son or daughter who makes all As and is a superb athlete is going to be OK.

That is our task — to offer guid-

ance and support to the children who are having a hard time, who are in danger of being left on the margins of society. It is a large responsibility, large enough to consume our full time. We cannot afford to be distracted by controversies that do not directly relate to our task. We do not want to be — and we cannot be — a substitute board of education.

We do believe we can help, and we'll be asking for advice from professional educators and learning from successful models, such as one in North Carolina. Because this committee is so diverse and talented, I believe we can succeed in focusing the mind, heart and energy of all the community's institutions: the Chamber of Commerce, churches, civil rights organizations, and character-building organizations such as Boy and Girl Scouts, Boys and Girls Clubs, Big Brothers and Big Sisters and PARD.

This is important work, but it will be fun. We'll all be making new friends, working with people from different parts of town who earn their living and worship God in different ways, all working for the same goal.

If we can focus all the assets of this community on the task at hand — and we can, and we will — then we'll earn the pride that comes from projecting to the world, to those who want to invest in us, just what kind of people we are.

LET'S GIVE this effort a name that borrows from the effective and popular Head Start program, a name that symbolizes what it means to the children — and in a sense, to the community. Let's call it Next Start.

I, for one, can't wait to get started!

Rick
Kaplan
502 B Day

DRAFT MISSION STATEMENT**THE MEETING PLACE: A network of Southern leaders.**

Southern leaders have no regional meeting place, a town square where issues of the day are debated with civility, and practical solutions proposed that are free of the rigidities of ideology. There was such a place in the 1970s where Southerners long on energy and imagination, short on ideology, came together to try to define what kind of South would rise from the discarded skin of its old creed, legal segregation. It was called the L.Q.C. Lamar Society, after the Mississippi statesman celebrated in John F. Kennedy's "Profiles in Courage."

The Lamar Society did good work: It was instrumental, under the leadership of former Gov. Terry Sanford, in creating the Southern Growth Policies Board. It produced a manifesto for the New South, a book published by McGraw-Hill, "You Can't Eat Magnolias." It held conferences attended by Southern governors and other leaders and, most importantly, created a network where problem-solvers could exchange information and insights.

It is time once again for Southern leaders to ask, "What kind of place do we want the South to be?" It is time to recreate the Lamar Society, and the spirit that animated it -- an organization of invited leaders for our time. What would a renewed Lamar Society do? Many of the same things the original society did: Connect and nurture pockets of moral leadership; shape the substance and tone of the public agenda; link public, private and non-profit leadership; become the hub of the region's burgeoning leadership programs.

How would it accomplish its goals? It would: Hold conferences on regional problems; provide a forum for elevating the dialogue between the races to a higher moral plane; publish papers on issues of concern; draw on the resources of the region's research universities; feed state leadership organizations with creative, workable ideas; constantly pass on the mantle of leadership to the cohort of promising younger Southerners -- White House Fellows, Rhodes Scholars, etc. -- and most importantly again, create the meeting place, a regional common market for problem solvers.

In short, a reinvigorated Lamar Society intends to be a voice of informed intelligence speaking to the sensible majority -- the sails and rudder of democracy.

The Anniston Star

"Alabama's Largest Home-Owned Newspaper"

Office of the Editor and Publisher

April 18, 1997

The President
The White House
Washington, DC 20500-2000

Dear Mr. President:

Our letters--and your gift!--crossed in the mail. I appreciate your kindness to Kim. AND I was delighted by your birthday gift!

When Josie and I saw the little package, we said simultaneously, "I hope it's cuff links." Why? A prized pair is on its last legs. Here's their history:

You probably didn't know that I was Terry Sanford's vice chairman in the formation of the Southern Growth Policies Board (and anybody who's vice to Terry's chair is destined for historical anonymity, deservedly). Anyway, one of the few times the New South briefly touched Alabama was when SGPB met in Montgomery. Governor Wallace gave the chairman, Reubin Askew, and board members handsome State of Alabama cuff links.

As you know, Wallace and I didn't agree on much, and he wouldn't have appointed me to the board. I didn't get cuff links, but Reubin gave me his. Having passed through his hands, they were thoroughly purified. But, sadly, they are ready for retirement. So, your gift came just in time. Thanks!

I'm enclosing a note from the Australian mother who was thrilled at seeing you in Birmingham. Love to Hillary.

Cheers!


H. Brandt Ayers
HBA: bjh
Enclosure

Dear Brandt,

I apologise for the delay in writing as I wanted you to know how thrilled and excited I was to receive a copy of President Clinton's letter to Peter.

I know it was through you this came about and I thank you so much in mentioning Peter and I to the President.

I admired President Clinton as we followed his election campaign while in Annapolis, and then when the opportunity came to hurry to Birmingham in the hope we might see him we lost no time. We were so lucky in looking for his Airforce 1 jumbo at the airport, to find out he was coming in our direction proved to be wrong. As he turned into the airport, Peter and I

were sure he waved especially to me as I stood waving our American flag — to me — the President of the United States.

Peter and I were so excited we talked about it all the way home and for hours afterwards.

We hope the President has a very happy term and you have a safe and healthy 1997.

Paul joins me in sending you our very best wishes and my grateful thanks to you for a copy of a very precious letter.

kindest regards

Shelma Goshaw

4/23/97

From McHarty.

Send to NSC for reply

Yes ✓

No

Carol



Inter-American Dialogue

'97 APR 23 PM2:14

Board of Directors

Peter D. Bell
Co-Chair
United States

Alejandro Foxley
Co-Chair
Chile

Jessica T. Mathews
Co-Vice Chair
United States

Juan Manuel Santos
Co-Vice Chair
Colombia

Raúl R. Alfonsín
Argentina

Sergio Bitar
Chile

Oliver Clarke
Jamaica

José María Dagnino Pastore
Argentina

Karen DeYoung
United States

Richard W. Fisher
United States

Ivan L. Head
Canada

Osvaldo Hurtado
Ecuador

Abraham F. Lowenthal
United States

Luis Nogales
United States

John R. Petty
United States

Jacqueline Pitanguy
Brazil

Sol M. Linowitz
Chair Emeritus
United States

Javier Pérez de Cuéllar
Chair Emeritus
Peru

Peter Hakim
President

April 22, 1997

H.E. William J. Clinton
President of the United States
The White House

Dear Mr. President:

I am pleased to send you the first policy report of the Inter-American Dialogue's new Sol M. Linowitz Forum, which you generously helped to inaugurate last May. The report--*The Americas in 1997: Making Cooperation Work*--presents the analysis and recommendations of the Dialogue's 100 members from policy, business, and academic communities throughout the hemisphere. We hope that you find our suggestions constructive, and that they are helpful to you in preparing for your upcoming travel to Latin America and the Caribbean.

Please accept the best wishes of all of us associated with the Dialogue and the Linowitz Forum for a successful series of visits to the region.

Sincerely,

Peter Hakim

The Americas in 1997:
Making Cooperation Work

A Report of the SOL M. LINOWITZ FORUM

INTER-AMERICAN DIALOGUE



THE AMERICAS IN 1997: MAKING COOPERATION WORK

—SUMMARY—

*A REPORT OF THE SOL M. LINOWITZ FORUM
INTER-AMERICAN DIALOGUE*

The opportunity to establish an enduring framework of political and economic cooperation in the Americas is today within reach. But the United States and other governments must grasp this opportunity soon—or it will fade. Progress is needed on three fronts:

- Within individual nations, the challenges are to strengthen democratic practice, improve economic performance and, most of all, sharply reduce poverty and inequality.
- In hemispheric affairs, governments must turn verbal commitments into consistent national policies that foster political cooperation and economic integration.
- Multilaterally, stronger rules and institutions are required to consolidate, deepen, and sustain cooperation in the hemisphere.

The Slowing Pace of Integration

In the two and a half years since the Miami Summit, progress toward building a more cooperative and integrated hemisphere has been uneven. To be sure, governments and private organizations in the hemisphere have collaborated on many issues. Multilateral efforts prevented a military takeover in Paraguay and restored peace between Peru and Ecuador. OAS monitors helped to assure the fairness of presidential elections in Nicaragua and the Dominican Republic. Subregional cooperation has been even more vigorous. The presidents of Central America have initiated regular, twice-yearly meetings. The four Mercosur nations have strengthened their economic group, and incorporated Chile and Bolivia as associate members. Despite their disputes, the three NAFTA partners continue to implement the agreement.

Countries have been working toward the goals of the Miami Summit. The hemisphere's trade ministers have been meeting regularly. Regional working groups have been established on all key trade issues, and they have made important technical advances. Ministers of defense have assembled twice to explore ways to improve inter-American collaboration on security matters. New treaties have been signed to combat money laundering and corruption.

Yet, confidence in the future of hemispheric cooperation has diminished. Progress toward hemisphere-wide free trade has been slower than expected. Despite the election in 1994 of a highly regarded new Secretary-General, the OAS has not gained significantly in stature or credibility. Most nations oppose expanding its financing or mandate, or making necessary changes in its structure and operations.

Retreating from Cooperation

U.S. policy is partly to blame for the slowdown. Without fast track authority, Washington has been unable to (1) fulfill its pledge to bring Chile into NAFTA, or (2) initiate free trade negotiations with other Latin American or Caribbean governments. It has also failed to establish an interim trade arrangement for the nations of the Caribbean and Central America to help stem the diversion of their trade and investment toward Mexico. One important reason for the loss of U.S. initiative on regional trade was Mexico's economic crisis, which began only two weeks after the Miami Summit. Washington's response to the crisis was a display of responsible partnership, but U.S. public support for NAFTA and trade agreements generally was severely damaged.

U.S. policy on two other fronts—Cuba and illicit drugs—raised concerns about Washington's commitment to cooperation in hemispheric relations. On both issues, Washington unilaterally designed and implemented new coercive policies, despite the opposition of every other country of the Americas and many beyond.

Other countries have also retreated from the multilateral agenda. Despite the progress of subregional integration, Brazil and other governments have advocated a slower process of hemispheric trade liberalization, arguing that the 2005 deadline for completing hemispheric free trade negotiations should be considered a target rather than a firm commitment. Many smaller Latin American and Caribbean nations seek trade concessions from the United States and other large economies, rather than negotiated agreements with reciprocal responsibilities.

There is little support for reforming the OAS, or expanding multilateralism in hemi-

spheric affairs. Latin American nations have resisted efforts to make the OAS's Democracy Unit a more forceful instrument for democratic change. Proposals to bolster the Inter-American Commission and Court of Human Rights have languished. Few countries show much interest in revamping anachronistic hemispheric security relations.

The momentum toward greater cooperation in the hemisphere has slowed, but it has not yet reversed. Although sometimes exaggerated, a convergence of values, interests, and objectives has taken place among the countries of the hemisphere. Electoral democracy is secure in most places, and democratic principles are, by and large, accepted by all sectors. Market economics has become entrenched throughout Latin America and the Caribbean. The region's economies are growing, albeit slowly, and social issues seem to be moving higher on every nation's agenda. Moreover, all countries—including the United States—continue to affirm their commitment to economic integration and political cooperation. What, then, will it take to reinvigorate hemispheric cooperation?

Reshaping U.S. Policy

Given its size, wealth, power, and global reach, the United States has a central role to play in pointing the way toward stronger hemispheric cooperation.

- First, it is imperative that the Clinton Administration make an all out effort to secure fast track authority this year so that the United States can credibly engage in hemispheric free trade discussions. Nothing would signal the U.S. commitment to regional economic integration more than an energetic White House campaign for fast track and its prompt approval by Congress.

- Second, the United States should move quickly to enhance trading arrangements with the Caribbean Basin countries, and begin to negotiate reciprocal free trade agreements with them.
- Third, it is time that the United States join with the other nations of the Americas to develop a common, multi-lateral strategy to confront illicit narcotics, and the related problems of money laundering, illegal flows of arms and precursor chemicals, and besieged democratic institutions. This will require that the United States abandon its unilateral drug certification process.
- Fourth, U.S. policy should recognize that it is self-defeating for Washington to act in isolation in its Cuba policy. The declared U.S. objective in Cuba—peaceful change to democratic rule—is shared by every government in this hemisphere. Other governments are prepared to work with the United States to promote democracy and human rights in Cuba, but Washington must be willing to consult and to moderate its uncompromising approach.

The Common Agenda

The joint efforts of every country of the hemisphere will be required to build cooperation in inter-American relations. Over the next several years these efforts should focus on three main priorities—reinforcing internal democracy and equitable economic expansion in every country, building free trade throughout the Americas, and restructuring and strengthening the OAS and other regional institutions.

I. The National Challenges: Genuine inter-American cooperation can be built only on the foundations of strong national communities. Collective political action by the hemisphere's governments and nongovernmental actors to defend democracy depends, more than anything else, on the strength of democratic practice within each nation. Similarly, what will most determine the quality and depth of hemispheric economic cooperation will be the dynamism of the region's economies.

Free, periodic elections are essential for any democracy, and today characteristic of nearly every Latin American and Caribbean country. Now, countries face the more difficult, "second generation" challenge of building solid democratic institutions—legislatures, parties, labor unions, judicial systems, local governments, and civic and community organizations—that can effectively deliver public services and are accountable to citizens. In most countries, these institutions are weak and unreliable.

Market-oriented reforms have improved economic performance throughout Latin America and the Caribbean, but growth remains disappointing, sluggish and volatile. Long-term economic expansion will also require a second, more difficult stage of institutional restructuring. Nations have to remake key economic institutions, private and public. They have to raise the competitiveness of the private sector, effectively regulate new and expanded economic activities, reform labor and civil service legislation, boost tax revenues and national savings, and make education a force for change.

The most critical internal challenge confronting the nations of the Americas today

is how to raise living standards and reduce inequality. Nothing is more important for the future of Latin America than the struggle against poverty and social injustice. There are no quick or easy solutions. It will take long-term commitment and forceful government action on many fronts over decades. Nations must invest more in women and girls as well as in disadvantaged minorities. Quality education can no longer be reserved for elite groups. Governmental action will not, by itself, be enough. Strong nongovernmental organizations and socially responsible business communities will also be vital.

II. Economic Integration: The future of cooperation in the Americas hinges on rapid movement toward hemispheric free trade and economic integration. There is no single, best path to achieve this objective. But it is important that governments choose a common course soon and stick to it. Most important, the nations have to reach agreement on the principles and goals that should guide economic integration efforts.

III. Multilateral Institutions: The problems and weaknesses of the OAS stand in

the way of multilateral cooperation in the hemisphere. The future of the OAS should be a priority issue at the next Summit meeting in Santiago in March 1998. Genuine hemispheric cooperation requires effective hemispheric institutions.

Ideally, the Summit implementation and planning process (and related activities like the meetings of the hemisphere's defense ministers and the FTAA deliberations) would gradually be integrated with the OAS. Presidential summit meetings are a powerful basis for inter-American cooperation. By themselves, however, they are ad-hoc events that do not provide a sustained or cohesive approach to managing cooperation in the hemisphere. The OAS should be adapted to the Summit process.

The countries of the Western Hemisphere are closer than ever before to regional economic integration and meaningful political cooperation. Today, a series of small, practical steps can now produce historic progress toward more enduring and productive ties among all nations of the Americas.

THE INTER-AMERICAN DIALOGUE is the premier U.S. center for policy analysis, communication, and exchange on Western Hemisphere affairs. The Dialogue's select membership of 100 distinguished citizens includes political, business, and other nongovernmental leaders. The Dialogue seeks to promote informed debate on hemispheric problems, advance regional cooperation, expand channels of communication in the Americas, and bring fresh, practical proposals for action to the attention of governments, international institutions, and private organizations. President Bill Clinton has said, "For 14 years the Inter-American Dialogue has played a leading role in framing the debate on issues that really matter to the peoples of our hemisphere."

The Sol M. Linowitz Forum is the centerpiece of the Dialogue's work. Under its auspices, the Dialogue periodically assembles its core membership to review the most important issues in hemispheric affairs. In the Forum's sessions, Dialogue members and invited guests probe their differences, seek to forge a common agenda, and identify cooperative solutions to regional problems.

The Inter-American Dialogue is funded by private foundations, corporations, governments, international organization, and individuals.

To Mrs Betty Currie
Personal Secretary to Mr. Clinton
WHITE HOUSE
1600 Pennsylvania Avenue
NW WASHINGTON DC 20500
U S A

A

PRIOR



4123197

Send to Doriskind?

Yes

No

Standard
reply

Brussels, April 17th 1997
Belgium

Dear Mr Currie,

97 APR 23 13:25
A couple of years ago I started to collect autographs of world leaders and I have been helped by some very high ranking people (ex President Moobarak, King Hussein, King Baudouin, President Carter, President Mitterand, Benjamin Netanyahu, President Chirac, etc....).

Newspapers, radio and television have been talking about my collection.

I do realize the President receives hundreds of demands like this every year and that he simply cannot accede to all of them but my collection would never be complete without Mr. Clinton's autograph, someone I admire very much.

So if it is at all possible I would be extremely grateful if you could somehow arrange this for me. I understand that you're my only chance of achieving this aim and completing my collection.

I apologise for disturbing your own busy schedule but you can appreciate how important this is for me.

Yours sincerely

C. DAENENS

CARLO DAENENS
54 A, BD. E. JACQUAIN, BT 11
1000 BRUSSELS

LES MILLE ET UN TRUCS DU CHASSEUR D'AUTOGRAPHES

Baudouin 1983 Fabre
Ci-contre et ci-dessus
les trois autographes:
auxquels notre
collectionneur tient le
plus: celui du Pape J.
Paul II ainsi que celui
du Roi Baudouin et de la
Reine Fabiola.

*a signature
de Léopold
Ier au bas
d'un arrêté
royal signé
le 28 février
1837.*

*Une lettre à
un ami écrite
de la main
de Léopold II
et signée en
date du 13
mars 1890.*

*Un
autographe
au bas d'une
lettre qui a
250 ans:
Marie-
Thérèse en
septembre
1741.*

Carlo Daenens n'a pas trente ans mais il possède plus de trois cents autographes célèbres joliment présentés dans plusieurs albums. Fan de Fabiola et de Sissi, Carlo a bravé plus d'un protocole pour mener à bien ce qu'il nomme son encyclopédie des années quatre-vingts.

Sa langue maternelle est le flamand mais il aime s'adresser aux célébrités qu'il rencontre dans leur langue, aussi Carlo est-il devenu polyglotte, jonglant avec le français aussi bien qu'avec l'anglais, l'allemand et l'espagnol. Pour la Reine Sophie d'Espagne, il a été jusqu'à apprendre un petit compliment en grec. «Je suis allé la voir avec un bouquet de fleurs et j'ai commencé mon compliment mais j'ai eu un trou de mémoire. Notre Reine a dit: "C'est un Flamand qui parle espagnol!" et la Reine Sophie a dit: "Non, c'est un Grec qui a perdu le Nord!". C'était très drôle. Je lui ai remis les fleurs et deux jours plus tard, je l'ai revue et je suis parvenu à dire mon texte en grec. Quelque temps après, la Reine Sophie m'a envoyé un télégramme pour me remercier de l'accueil et des fleurs». Le nom, le visage et l'adresse de Carlo sont bien connus au Palais Royal. Il faut dire que, depuis 1982, Carlo ne rate pas une sortie officielle de nos souverains. «Quand notre Reine ne me voit pas pendant un mois, elle demande de mes nouvelles. Elle s'intéresse vraiment très fort aux gens».

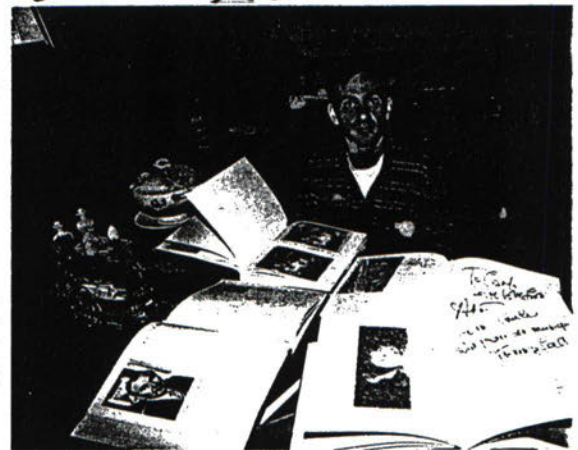
Le Roi a ri quand je lui demandé un autographe mais il a accepté

«Par moment, ça me manque de ne pas la voir». S'il a le blues de Fabiola, Carlo peut toujours feuilleter l'un de ses albums où on le voit sur une cinquantaine de photos en compagnie de nos souverains. «Le Roi Baudouin a ri quand je lui ai demandé un autographe mais il a accepté. Les gens du protocole étaient effrayés parce que l'autographe d'un roi ou d'une reine est considéré comme un cadeau que l'on fait, par exemple, aux ambassadeurs étrangers. Moi, au fil du temps, je suis parvenu à avoir des autographes de toute la famille royale de Belgique, à l'exception de celle du Prince Albert. J'ai également celles de tous nos rois, sauf Albert Ier. Pour Léopold Ier, je me suis procuré un arrêté royal de 1837 et pour Léopold II, j'ai une lettre manuscrite de 1890 qu'il adressait à un ami».

La collection de Carlo compte plus de trois cents autographes et l'on s'en doute, elle ne comporte pas que des signatures royales. «Pour obtenir celle de Jean-Paul II, j'ai dû utiliser ma boîte à trucs. J'avais essayé d'en obtenir par l'entremise des cardinaux mais en vain. Alors, j'ai demandé à un Polonais de m'écrire une lettre dans sa langue disant que je comptais ouvrir un musée consacré au Pape et que je souhaitais pouvoir y exposer une photo dédicacée du Saint Père. Et je l'ai reçue!». Carlo considère que sa collection est en quelque sorte une encyclopédie des années quatre-vingts puisqu'elle présente l'empreinte de ceux et celles qui, dans différents domaines, ont marqué la décennie passée. Outre les précités, on y trouve Björn Borg, Yehudi Menuhin, le Roi Hussein de Jordanie, Otto de Habsbourg, Lech Walesa, le Président Mubarak, Herbert von Karajan et un bon nombre de vedettes du show-business dont Michaël Jackson qui, lui, a signé sur un compact-disc... «Mon meilleur souvenir, c'est avec Annie Lennox, la chanteuse d'Eurythmics. Elle s'est amenée dans une petite voiture, à son hôtel et m'a demandé ce que je faisais dehors, par un temps aussi froid. Elle a enlevé un gant et a posé sa main sur la mienne. "Mais, vous êtes gelé!", s'est-elle écriée. Ensuite, elle m'a dédicacé tout ce que je voulais et elle est partie en me lançant: "La prochaine fois, vous vous achetez des gants, hein!". Lorsque je l'ai revue plus tard, elle m'a dit que je prenais mes autographes très au sérieux».

J'ai fait définitivement une croix sur Madame Thatcher

Heureusement pour lui, Carlo ne doit pas toujours attendre des heures dans le froid pour tendre son stylo aux vedettes. «Lorsque j'étais réceptionniste dans un grand hôtel de la capitale, j'ai pu recueillir les fiches de police où les personnalités signent normalement. C'est ainsi que l'ai



Carlo Daenens chez lui à Bruxelles au milieu de ses albums, de ses photos et de ses chers autographes. Pour celui de Sissi je ferais un prêt bancaire. (photo Etienne Ansotte).

les autographes de Steven Spielberg, de Sydney Pollack et de David Puttnam. Depuis, pour connaître l'arrivée des vedettes à Bruxelles ou Anvers, je me renseigne auprès des hôtels en me faisant passer pour quelqu'un de la maison de disques ou bien pour le président du fan-club». Carlo assure qu'il ne demande jamais d'autographes aux célébrités qui ne l'intéressent pas et aujourd'hui, il regrette d'avoir manqué celui de Patrick Bruel. Mais, ça peut s'arranger... pour l'heure, il tâche de trouver une formule dans sa boîte à trucs pour obtenir les autographes de Mikhaïl Gorbatchev et de Fidel Castro qui manquent cruellement à son «encyclopédie». Quant à celui de Margaret Thatcher, Carlo a définitivement fait une croix dessus. «On peut essayer ce qu'on veut, elle ne signe pas. Et puis, ce qui est embêtant, ce sont les photos dédicacées et imprimées. Quand on est collectionneur, on voit tout de suite la différence».

Je donnerais 200.000 FB pour Sissi

La plus tendre passion de Carlo va à l'Impératrice Sissi. «J'ai trouvé, en Belgique, d'anciennes revues illustrées relatant son voyage à Paris, le mariage de son fils Rodolphe, son assassinat et l'épisode de Mayerling. La dernière lettre de l'Impératrice a été vendue à 500.000 francs, ce qui est beaucoup trop cher pour moi. Cela dit, je verrais un autographe de Sissi à 200.000 francs, je ferais un prêt bancaire pour l'acheter». Cet autographe-là, Carlo le mettrait certainement à son mur...

Joëlle LEHRER

HUSSEIN DE JORDANIE

HERBERT VON KARAJAN

STEPHANIE DE MONACO

LUCIANO PAVAROTTI

[Signature of Hussein of Jordan]

[Signature of Herbert von Karajan]

[Signature of Stephanie de Monaco]

[Signature of Luciano Pavarotti]

THE WHITE HOUSE
WASHINGTON

Date

4/24

To:

Gene Spurling
Anne Leins

From:

The Staff Secretary

Rahm's note came to me
after POTUS made his
decision, but I thought you
should be aware of it.

Phil

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/19 ACTION/CONCURRENCE/COMMENT DUE BY: 4/21 11:00am
 SUBJECT: GI Bill Options

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	McCURRY	☐	☒
BOWLES	☒	☐	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☒	☐	RUFF	☒	☐
MATHEWS	☒	☐	SMITH	☒	☐
RAINES	☒	☐	REED	☒	☐
BAER	☐	☐	SOSNIK	☒	☐
ECHAVESTE	☒	☐	LEWIS	☐	☐
EMANUEL	☒	☐	YELLEN	☐	☐
			STREETT	☐	☐
			SPERTING	☐	☐
			HAWLEY	☐	☐
			VERVEER	☐	☐
			RADD	☒	☐
				☐	☐
				☐	☐
				☐	☐

Rahm writes

"Can this be tied to our Fast track legislation - or could we do a quid pro quo on going forward on Fast Track"

Please advise

RESPONSE: Can this be tied Legislatively to our "~~Fast~~ Fast Track" proposal. or a quid pro on going forward

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 4-27

Frank Risner
Gene Spaulding
TO: Bruce Reed

FROM: Staff Secretary

Potus is asking for this memo.
We need to send it forward, but
it should have a serious
cover note on it from you
or more of you -- steering Potus
away from decisionmaking if
that's what's appropriate.
Call me if you have questions.
We will send this up tomorrow.

cc: Sylvia Mathews
Kathy Higgins

Reed



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-0001

THE SECRETARY

April 2, 1997

97 APR 2 PM 7:36

MEMORANDUM FOR THE PRESIDENT

FROM: ANDREW CUOMO

SUBJECT: Disaster Recovery Assistance for Arkansas

Disaster Recovery Assistance for College Station

A team of HUD officials visited College Station and found not only devastation from the tornado of March 1, 1997, but non-functioning septic systems; substandard housing; fire station and commercial buildings; and an unemployment rate of more than 35 percent. To focus on disaster recovery without addressing the needs for a sewer system, standard housing and a neighborhood economic base, would seem to be unworkable and unwise.

A FEMA contractor is preparing a total redevelopment plan for College Station, to be completed by May 1, 1997, to provide the basis for actions which follow. HUD is actively working with FEMA, State and county officials, and community leaders, to make this an inclusive process. Following are actions which HUD has taken or will take:

- ◆ HUD has identified funds to help implement the College Station redevelopment plan. Depending on the needs identified in the plan, this could amount to up to several hundred thousand dollars in funding for College Station. Would you be interested in the announcement?
☐ Yes ☐ No ☐ Let's discuss
- ◆ We will provide technical assistance resources to help College Station form a legal entity to spearhead its redevelopment, build capacity, and provide technical assistance needed to manage redevelopment within College Station.
- ◆ HUD will work to assist in identifying Federal housing, economic development, and job training funds to assist College Station. As much of the College Station community lies outside the City of Little Rock, it will need to access CDBG and HOME Investment Partnership funds through the State of Arkansas. HUD is ready to issue any needed waivers to the State for those programs once the State indicates a commitment to provide some of its CDBG and HOME funds for disaster recovery in College Station, Arkadelphia, and elsewhere.
- ◆ HUD has given public housing and real estate owned vacancy lists to FEMA for use as temporary housing.
- ◆ HUD has issued FHA Mortgagee Letters and GNMA All Participants Letters regarding forbearance and mortgage assistance options for disaster recovery.
- ◆ HUD can provide FHA Sec.203(h) single family mortgage insurance for a displaced disaster

- victim's purchase of a principle residence and Sec.203(k) for rehabilitation.
- ◆ Secretary Rodney Slater and I will visit College Station together to make sure our respective departments are coordinating in the recovery.

Disaster Recovery Assistance for Fort Smith

The facts regarding Fort Smith are as follows: Fort Smith, AR, struck by a tornado on April 21, 1996, requested HUD funding in 1996 for \$300,000 in projects but was not funded because HUD was over-subscribed -- receiving requests of \$700 million from 17 States. HUD can make funding available if FEMA proposes a redevelopment plan. I will follow up with FEMA.

CDBG Disaster Recovery Assistance

As you know, CDBG is very flexible as "block grant" funds. HUD could be enormously helpful in Arkadelphia and other areas of Arkansas, the Ohio River and Midwest flood States, North Carolina (still with serious needs from Hurricane Fran), and the Pacific Northwest if CDBG funds were included in the supplemental appropriation. We have used CDBG in past supplementals effectively, but the Administration has not included it in the current supplemental requests. Should we (HUD and OMB) reevaluate the issue?

- ☐ *Yes* ☐ *No* ☐ *Let's discuss*

Protecting Residents of Manufactured Homes (mobile homes) from the Dangers of Tornadoes

Your concern about the safety of mobile homes in tornadoes is well-founded. Initial research suggests that the most cost-effective way to protect manufactured homes from tornadoes is to improve the quality of installation. By law, HUD only has authority to regulate the construction of manufactured homes, but not their installation. That authority remains with the States, with varying results.

As a first step, I propose that HUD, working with Governors, other Federal agencies, and the manufactured housing industry, encourage stronger State installation standards, especially in tornado-prone areas. Under the plan:

- ◆ HUD will work closely with Governors to develop model installation standards.
- ◆ HUD will clarify that both CDBG and HOME funds can be used to upgrade the installation of existing manufactured homes that are eligible for assistance.
- ◆ HUD will work with FEMA to develop recommended standards for the upgrade of existing manufactured home installations. HUD will prepare a Model Program Guidebook for HOME and CDBG grantees.
- ◆ HUD will work with USDA to encourage the expansion of the rural home repair grant program to target installation upgrades in tornado areas.

- ☐ *Move Ahead* ☐ *Let's discuss*

I have also discussed with my staff the possibility of "quick exits" or community shelters to protect manufactured home residents. While the manufacturers do not welcome the idea, we can include this item in the discussions outlined above.

☐ *Yes*

☐ *No*

☐ *Let's discuss*

While this plan can move us forward, I believe that the most effective approach is, in addition, to seek legislation to give HUD clear authority to set minimum installation standards. Note that we expect the industry to object to this approach, and in the past they have proven to be a formidable political force.

☐ *Prepare legislation*

☐ *Let's discuss*

If there are any other items I should attend to, please let me know.

cc: Erskine Bowles

THE WHITE HOUSE
WASHINGTON

April 21, 1997

RECOMMENDED TELEPHONE CALL

TO: Congressman David R. Obey (D-7-WI)

DATE: On or before Thursday, April 24, 1997

RECOMMENDED BY: John Hilley *John Hilley*

PURPOSE: Representative Obey would like to pass along some personal comments to you concerning the Middle East.

BACKGROUND: Representative Obey has had a long standing interest in the Middle East.

**CONTACT PERSON AND
TELEPHONE NUMBER(S):** Rep. David Obey, (202) 225-3365

DATE OF SUBMISSION: April 21, 1997

ACTION: _____

*Copied
Benger
Hilley
COS*

*Shirley
(Saw him -
to want to meet
H. not to be put
Please move back to track*

Medical Group Condemns U.S. AIDS Drug Tests in Africa for Using Placebo

By David Brown
Washington Post Staff

A medical watchdog organization yesterday charged that the U.S. government was sponsoring nine medical studies in the developing world that are unethical because they fail to provide all pregnant women with a drug that could protect their infants from acquiring the AIDS virus during childbirth.

The studies seek to learn whether brief use of AZT, or other drugs, will decrease the mother-to-child transmission of human immunodeficiency virus (HIV). A complicated, three-part treatment with the antiviral drug AZT reduces that transmission by two-thirds, but is viewed by governments and AIDS researchers as far too expensive and cumbersome for the developing world.

The key criticism voiced yesterday was that the studies included some HIV-infected women who are being randomly assigned to receive no AZT or other "active" drug anytime during the experiment. In the countries where the studies are being carried out—mostly nations of West and Central Africa—AZT is largely unavailable.

"These are as unethical as any experiments we have ever seen since the end of the Second World War," said Sidney Wolfe, director of the Public Citizen Health Research Group, an organization that analyzes research, treatment and public health policy.

"What has happened here is Tuskegee, part two . . . in which even more people will die," said Peter Lurie, an AIDS researcher who assisted Wolfe in analyzing the studies. Lurie's reference was to the infamous four-decade study in which black Alabama sharecroppers with syphilis were observed and not offered treatment until long after it was widely available.

In a letter distributed to reporters at a news conference here, Wolfe asked Donna E. Shalala, secretary of health and human services, to order researchers to provide all women in the studies with at least some AZT, since that drug has been shown to be more effective than nothing.

Seven of the studies are being funded by the National Institutes of Health (NIH), and two by the Centers for Disease Control and Prevention (CDC).

Various scientists and officials overseeing the experiments, however, said they reached consensus years ago that the experiments criticized by Wolfe were ethical and well-designed. They said it is essential to compare "short-course" AZT treatment to what infected pregnant women in the study countries now are getting—which is nothing. All of the studies in question have been ap-

proved by research review boards in the United States and the host countries.

"All this debate came up in 1994, and it was felt that the best way to go, and the best interest of the developing world, was to have placebo-controlled trials, where you get accurate data quickly," said Joseph Saba, a research official of UNAIDS, the new AIDS program run by the United Nations, World Health Organization, World Bank, and several other international agencies.

"These studies are attempting to define regimens of treatment that are actually usable in most of the world. They have been put together with extraordinary support and consensus on an international level,"

said Jack Killen, director of the division of AIDS at the NIH's National Institute of Allergy and Infectious Diseases.

A landmark study, published in 1994, found that the mother-to-child rate of transmission of HIV could be cut from 23 percent to 8 percent if the pregnant woman was given AZT tablets for the last one-third of her pregnancy, intravenous AZT during labor, and if the newborn got the drug for the first six weeks of life. In a more recent study, the transmission rate with treatment dropped to 4.8 percent. The cost of that preventive treatment ranges from \$400 to \$900.

Because many countries with high prevalence of AIDS are unable to af-

ford that regimen or, in many places, deliver the intravenous medicine even if it were available, many AIDS researchers wondered if a simpler, cheaper, but still effective alternative existed.

The countries include Ivory Coast, Uganda, Tanzania, South Africa, Ethiopia, Burkina Faso, Malawi, and Zimbabwe. In all, more than 12,000 women are involved in the U.S.-funded studies. All participation is voluntary, and the women are counseled on the infection and the details of the study.

In most of the studies, the length of time women take AZT before delivery, as well as the length of time their babies take it after birth, has been shortened. Pills have been substituted for the intravenous dose given during labor. In some of those three treatment intervals, a placebo is given instead of AZT. In most of them, there is one "arm" of the study in which women and babies get only placebo.

At the news conference, Wolfe and Lurie said that about 1,000 babies are likely to become infected with the AIDS virus because their mothers are randomly assigned to these all-placebo options. While they said they do not object to studies that give women placebo for some of the intervals, the all-placebo arms are unethical because they, in effect, knowingly give experimental subjects substandard care.

However, Timothy Dondero, of the CDC, said the sort of studies Wolfe and Lurie advocate would not answer the fundamental question: Is any drug treatment better than the treatment women are getting now?

Both Dondero and Saba said that in order to marshal international support and money for HIV testing, counseling and treatment for millions of pregnant women in poor countries, scientists must present unassailable proof of AZT's effectiveness—which requires trials that include all-placebo arms.

Further, Saba said, doing studies without all-placebo arms would take far longer, delaying implementation of potentially effective treatment and resulting in far more HIV deaths.

Copied
Matthews
COS

The Washington Post

WEDNESDAY, APRIL 23, 1997

THE PRESIDENT HAS SEEN

4-24-97

Sybil
What's the deal
New - should an
stop this?
Adrian
JG

HMOs Face Tough Reforms From the GOP

By LAURIE MCGINLEY

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Managed-care companies, already under assault from liberal Democrats, now face a call for a sweeping tightening of federal rules from some conservative Republicans as well.

In the most extensive managed-care reform bill proposed so far by GOP lawmakers, Rep. Charles Norwood of Georgia and Sen. Alfonse D'Amato of New York plan to introduce comprehensive legislation today to beef up regulation in an array of areas. The bill would bar health plans from requiring preauthorization for visits to emergency rooms, guarantee patients access to specialists when their physicians believe it's necessary, prohibit plans from limiting a doctor's ability to discuss treatment options and ensure that patients can make timely appeals for adverse decisions, including denial of claims.

In addition, in what may be the most controversial provision, the legislation would let consumers bring medical malpractice suits against health-insurance plans that are governed by the Employee Retirement and Income Security Act of 1974. Currently, such plans, which include most large company-sponsored health plans, can't be sued for malpractice because they are exempted from state laws and regulations under ERISA.

Earlier this year, Sen. Edward Kennedy (D., Mass.) and Rep. John Dingell (D., Mich.) introduced a package of managed-care reforms that includes some of the elements in the new Republican legislation. The conservative Republicans' bill would give GOP lawmakers who want to rein in managed care an alternative to the Kennedy-Dingell proposal. And it underscores that concerns about perceived managed-care abuses are bipartisan. Besides the comprehensive bills, Republicans and Democrats have introduced an array of targeted mandates for managed-care companies.

What type of legislation will pass isn't clear. The Republican majority is cautious about imposing more regulations. In addition, insurers and big employers — strong GOP allies — are sure to oppose bills they believe will raise costs.

While praising managed-care plans for helping slow rises in costs, Rep. Norwood said recently that some plans are holding down costs "at the expense of personal freedom and patient health."

Julie Goon, vice president for government affairs at the American Association of Health Plans, which represents the managed-care industry, said the industry generally opposes new federal mandates and regulations. Many of the changes in the proposed bills, she said, merely duplicate efforts already under way on the state level and within the industry itself to resolve consumer complaints.

Lott Aide Pushes Sweeping Agenda On Shipbuilding

By THOMAS E. RICKS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — An aide to Senate Majority Leader Trent Lott recently presented Pentagon officials with an unusual multibillion-dollar list of demands arising out of Sen. Lott's feud with the Navy over lucrative shipbuilding contracts.

If met in its entirety, the sweeping one-page list of suggested remedies would cause major changes in the American shipbuilding industry. It concludes with the underscored statement: "How to make an unhappy man happy."

Although Sen. Lott's office declined to comment on the list, several people on Capitol Hill and in the Pentagon confirmed that the list was brought to meetings recently by Eric Womble, a Lott staffer specializing in defense matters. Mr. Womble didn't return calls seeking comment. One Senate defense aide who opposes Sen. Lott's demands summarized the paper as essentially giving Sen. Lott control of the American shipbuilding industry for the next 20 years. Sen. Lott's unhappiness with the Navy stems from the fact that the Ingalls shipbuilding yard, the Litton Industries Inc. unit that is the largest employer in his home state of Mississippi, has felt badly treated by the Navy in recent months.

'The Whole Enchilada'

In response, Sen. Lott's aide recently unveiled the list of demands, which industry insiders find breathtaking. "He's going for the whole enchilada," commented Paul Nisbet, president of JSA Research Inc., a Newport, R.I., defense consulting concern. "I'd guess he'd be happy with half."

Most of the proposed changes would shift business to Ingalls from other shipyards, both public and private. Among other things, the list calls for giving Ingalls at least two, and perhaps four, more

contracts to build high-tech DDG-51 destroyers, which cost about \$750 million each. One contract would be taken away from an Ingalls competitor, the Bath Iron Works unit of General Dynamics Corp., while the other would simply be added by Congress to the Navy's existing DDG-51 program. In addition, the list calls for eventually adding two more of the destroyers to the Navy's shipbuilding plans.

The list states explicitly that Ingalls should be granted a "sole source" contract as the lead yard to plan and design ballistic missile defenses to existing cruisers and destroyers. This is potentially a rich area, because antimissile weaponry is one of the few defense matters in which Congress consistently demonstrates an interest. The Lott list also proposes that Ingalls be given other design work currently being done by the Navy in the Norfolk, Va., area. Industry experts said the value of all this design work could amount to more than \$300 million annually for several years.

Ingalls Domination for Decades

But the biggest plum is a long-term one: The Lott list says Ingalls should be designated the lead yard to design and build "transition ships" leading to the SC-21, the new class of ships expected in about 10 years to begin replacing the existing generation of cruisers and destroyers. This would position Ingalls to dominate the Navy's warship-construction program for decades. Just the first vessel in this transition series should cost at least \$1 billion, said James McCaul, president of International Maritime Associates Inc., a Washington consulting firm.

The Lott paper doesn't explicitly threaten to punish the Navy if it doesn't comply. However, rumors on Capitol Hill describe the Senate majority leader as so angry with the sea service that he may seek to cut several of its major acquisition programs and hold up some future promotions requiring congressional approval.

THE WALL STREET JOURNAL
WEDNESDAY, APRIL 23, 1997

THE PRESIDENT HAS SEEN

4-24-97

Brew / Jennings

Fgr

Bo

copied
Reed
Jennings
COS

Many Americans Quietly Serve as Volunteers Even as Summit Stresses Need for Many More

By JOHN J. FIALKA

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — At a summit in Philadelphia next week, big names like President Clinton and former Gen. Colin Powell will urge Americans to get more involved in volunteerism. Anne Radd has quietly been doing the same thing here for years.

Ms. Radd, 74 years old, is the founder and head of Washington's unit of the National Court Appointed Special Advocate Associates — CASA for short — one of the fastest-growing volunteer organizations in the nation. Starting with the dream of a desperate judge in 1976, it has grown to a national corps of 38,400 volunteers who spend their weekends trying to pull children out of the cycle of despair and violence that is found in broken homes, faceless schools and drug-infested streets.

One recent day, the no-nonsense Ms. Radd, dressed in a blue business suit, was hovering around a group of 37 people being sworn into CASA by Judge George W. Mitchell, presiding judge of Washington's juvenile court system. She was eager to get "my new CASAs," as she called them, out of the courtroom and into the clerk's office, where they were each given a file containing their first juvenile court case.

On the Rise

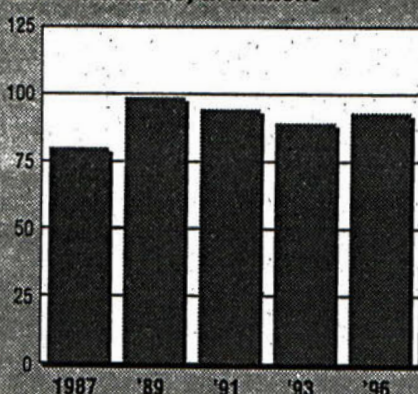
Volunteerism, a classic American solution to social problems, appears to be on the rise. Starting this Sunday, it will be celebrated at "The Presidents' Summit for America's Future," a joint venture of President Clinton, former President Bush and Mr. Powell. They will use the three-day session to promote more volunteerism of the sort that CASA provides.

Getting corporations and communities to generate new volunteer programs isn't just something nice to do, advocates say. In an era of declining government budgets, it will be essential to keep institutions that deal with youth from being overwhelmed by the tidal wave of abuse and neglect that confronts them. In the District of Columbia, "there are a hundred cases of child abuse and neglect coming into the D.C. court every month," explains Ms. Radd, as she adds the newcomers to her list of 220 local volunteers. "That's four times what it was two years ago. In response to the demand, we are minuscule."

Nationally, there are three million cases reported each year. David Soukup, the founder of CASA when he was a judge in Seattle, recalls that the most complex civil case was easy compared with probing the difficulties of youngsters in homes where the mother abuses drugs and entertains boyfriends who sometimes abuse children.

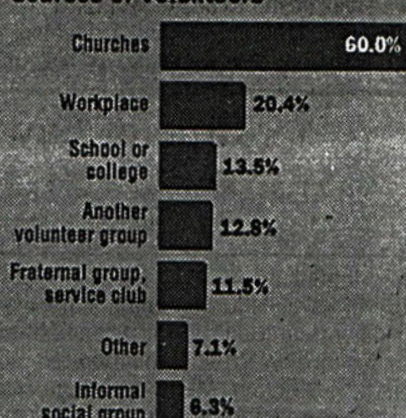
Volunteerism Bounces Back

U.S. Volunteers, in millions



NOTE: A single volunteer may be a part of one or more groups
Source: Polls by the Gallup Organization for Independent Sector

Sources of Volunteers



Wondering What to Do

He has vivid memories of a three-year-old girl who appeared to have been abused. Her mother maintained that the child had fallen out of a swing and that her boyfriend was no longer around. "Do I take this child out of the only home she's ever known, or do I pick up the paper in three weeks to read that her boyfriend killed the child?" Mr. Soukup asks.

"No one in the court could help me answer that question," explains Mr. Soukup, who has since retired from the bench. Social workers, attorneys and judges, he notes, often had dozens of such cases to deal with at once. In 1976, he called four local people to a meeting to discuss the use of volunteers as caseworkers. "When I got to the meeting, there were 50 people there. That's really the way the idea has caught on."

The use of volunteers was then a radical idea in the protective, secretive world of juvenile courts. It was still a radical notion here in 1991, when Ms. Radd formed this city's first CASA unit. Judges at the district's Superior Court "gave us the hardest cases — cases where the social workers had already thrown up their hands," Ms. Radd recalls.

But Ms. Radd, who began a lifelong habit of volunteering in the Episcopal Church, had learned how to manage the seemingly impossible as an official in the Pentagon's space program in the 1960s. After a two-year trial period, she persuaded the judges to help finance her CASA program.

Volunteers bring their own styles to the job. Andre Speaks, 35, a computer expert at the Government Services Administration, played basketball and went to movies

with Mike, a 15-year-old flirting with marijuana and life on the street. Mike already had three strikes against him: his father had died in prison; his mother, a drug-abuser, was dying of AIDS; and his public school was about to throw him out for abysmal grades and disruptions in class.

"You take him out of that fight-survival sort of thing and just set him down over hamburgers and french fries and hear him talk. It was incredible," says Mr. Speaks, who found that underneath the tough-guy pose, Mike was bright and ambitious. He helped place the youth in a private school in upstate New York. Now, he says, Mike is on the honor roll.

Virginia Ingram, 73, remembers the case of a three-year-old boy. His mother, a former crack addict, had just been released from prison and was living in a halfway house, but her social workers couldn't get her out of bed on the mornings when her son came to visit. The little boy was devastated.

Ms. Ingram, a former government relations specialist for the Internal Revenue Service, had a series of heart-to-heart talks with the mother. Eventually, she brought her into the arms of her little boy. "She [the mother] said, 'You're the only person to come to talk to me. The others just come to talk about me.'"

Like most volunteers, Ms. Ingram—who has since gone on to two other CASA cases — says this one was no big deal: "If you've been around as long as I've been and didn't learn anything, you might as well hang it up."

THE PRESIDENT HAS SEEN
4-24-97

THE WALL STREET JOURNAL
WEDNESDAY, APRIL 23, 1997

Baer (Baer) (Baer)
guar Story

copied
Baer
Reed
Emmanuel
COS

Rush to workfare costs jobs of working poor

OUR VIEW Welfare laws need to be fine-tuned; they're hurting those most vulnerable to job loss.

Schools in Baltimore are bringing in welfare recipients to do janitorial work at \$1.50 an hour, less than one-third the minimum wage, rather than renew contracts with agencies that supplied custodians at \$6 an hour. The new workers continue to receive federally financed welfare benefits, at no cost to the schools.

It's a sweet deal for the money-short schools and useful work experience for people who soon must get off welfare. But what about those janitors who were displaced? How many are unemployed and candidates for the welfare rolls?

As Washington and the states push welfare recipients to work, they've created a way for employers, public and private, to replace regular employees with cheaper labor. The losers are folks who had stayed off welfare with low-income work. They're vulnerable to reduced hours, disappearing jobs and lesser wages and benefits.

A Jersey City, N.J., hospital is cutting full-time aides while hiring people on welfare as "volunteers" to do the same work.

In Nassau County, N.Y., a custodian laid off in 1992 and ultimately forced onto welfare returned to the same job last year — but as a welfare "trainee" at lower pay, no benefits and no vacation.

No one has yet quantified the problem. But the vulnerable population is large: 38 million working poor who at \$7.50 an hour or less often have no health insurance. And even with the economy thriving, most states are short of the low-wage, low-skill jobs that the working poor hold and welfare recipients need. Yet welfare reform requires that by the turn of the century, nearly 50% of all adults getting welfare assistance — 4 million people — must spend at least 30 hours a week in some sort of work.

The law bars employers from firing existing workers to hire welfare recipients whose compensation is subsidized by the state. But its intent can be defeated by re-

The job gap

State studies document the challenge of placing welfare recipients in jobs:

California: More than 1 million people have to be moved into a job market where 2 million people not on welfare are already looking for work and another half-million part-timers want more work. State's economy is growing by only 300,000 jobs a year.

New York: 1.2 million potential job seekers, including adults on welfare, for 242,000 job openings.

Maryland: Of 44,000 new jobs created in 1994, more than 38,000 were high technology or professional work requiring college degree or better. Yet work must be found for 79,000 welfare recipients.

Minnesota: Ratio of job seekers to job openings is 2.7-1; for jobs with a "livable wage," 6-1.

ducing hours, wages or benefits for existing workers or terminating outside contracts; workfare recipients can then fill vacancies.

Backers of the 1996 welfare reform minimize the problem. They fear a backlash could reverse momentum running their way. On the other side, unions trumpet scare stories, not research. But anecdotal evidence is accumulating. In addition to subtle and overt job displacement, employers from Salt Lake City to Richmond, Va., report the flow of welfare recipients into the workforce is helping keep pay rates down.

And when the inevitable economic slowdown arrives, with shrinkage in low-income jobs, the situation is likely to resemble a nasty game of musical chairs with far more players than wage-paying seats.

Welfare reform was long overdue. But the 1996 law, driven by simplistic budget-cutting politics, did little to spur the job growth needed to deal with underlying poverty and lack of opportunity. President Clinton wants to spend \$3 billion for job-training grants and tax breaks to employers who hire welfare recipients. First, some spade work is needed. Moving welfare recipients to work is a fine objective. But throwing the working poor out on the street is an unacceptable price.

Reform that risks throwing the working poor out of work and onto the welfare rolls is not worthy of the name.

THE PRESIDENT HAS SEEN
4-24-97

USA TODAY
WEDNESDAY, APRIL 23, 1997

B. Reed

What about the

I thought we were supposed to have protections against job replacement —

*copied
Reed
cos*

Boomers beware: Estate tax now not just for the rich

By Norman Ornstein

My father was a traveling salesman. He did not make a lot of money in his lifetime, but he did manage to accumulate a small nest egg he was proud to bequeath to his three children when he died a decade ago. It was an amount for each about equivalent to the purchase price of a small economy car. At that time, for him and most of his generation, the notion of an estate was a notable accomplishment; the idea that there might be personal estate taxes was almost laughable. Estate taxes were for the super-rich, not for the average middle-class guy.

The estate-tax concept, as one of society's major ways to target the rich, has been a venerable one in America. It has resonated with most voters; after all, the current estate tax kicks in only at the \$600,000 level, or \$1.2 million for a couple, and takes its biggest bite at the rarefied level of \$3 million and above. Add in additional breaks for capital gains and it would seem to target only the Rolls Royce set.

But the world has changed for the generation that followed my dad's. And as a result, the

current drive to reduce estate taxes has struck a chord with more constituencies than a few wealthy conservative Republicans. To be sure, the Clinton administration is resisting change, arguing that it would simply be a windfall for the rich. But lawmakers who resist

it, including Democrats, will do so at their peril.

The root of the change in political climate comes from the dramatically different economic circumstances of baby boomers, including those in their 40s who are in their peak earning years and those in

in many cases have small businesses or professional offices. But you don't have to be a doctor, lawyer or entrepreneur to have accumulated a sizable nest egg in contemporary America. Many mid-level homes purchased for a song in the '60s are worth several hun-

dreds of thousands of dollars now. People with pension plans invested in the stock market — including, say, a lot of college teachers under their TIAA/CREF, the nation's largest pension plan — have ridden the boom and built up impressive retirement nest eggs. While just under 2% of estates pay taxes now, when baby boomers start to retire, their savings will total in the many trillions, and \$600,000 estates will be almost commonplace. If the current system stays in place, a lot more people than the Rockefellers and Mellons will feel the heavy bite.

The major element of that bite is the estate tax itself, which moves quickly up over 50%. But consider two additional lesser-known effects. In most pension plans — such as 401(k)s or Keoughs — contributions are in pre-tax dollars and earnings accumulate untaxed until retirement, and are then taxed as income as one withdraws them to live on. But

what happens to the assets in the retirement plan that are still there when the retiree dies? They are taxed at income-tax rates — but with much of the tax burden added on to the estate tax if the estate is over the \$600,000 level.

That's not all. If too much money has accumulated and not been spent in retirement, the IRS can levy an additional 15% "excess accumulation" tax on them — making the combined tax 90% or even more!

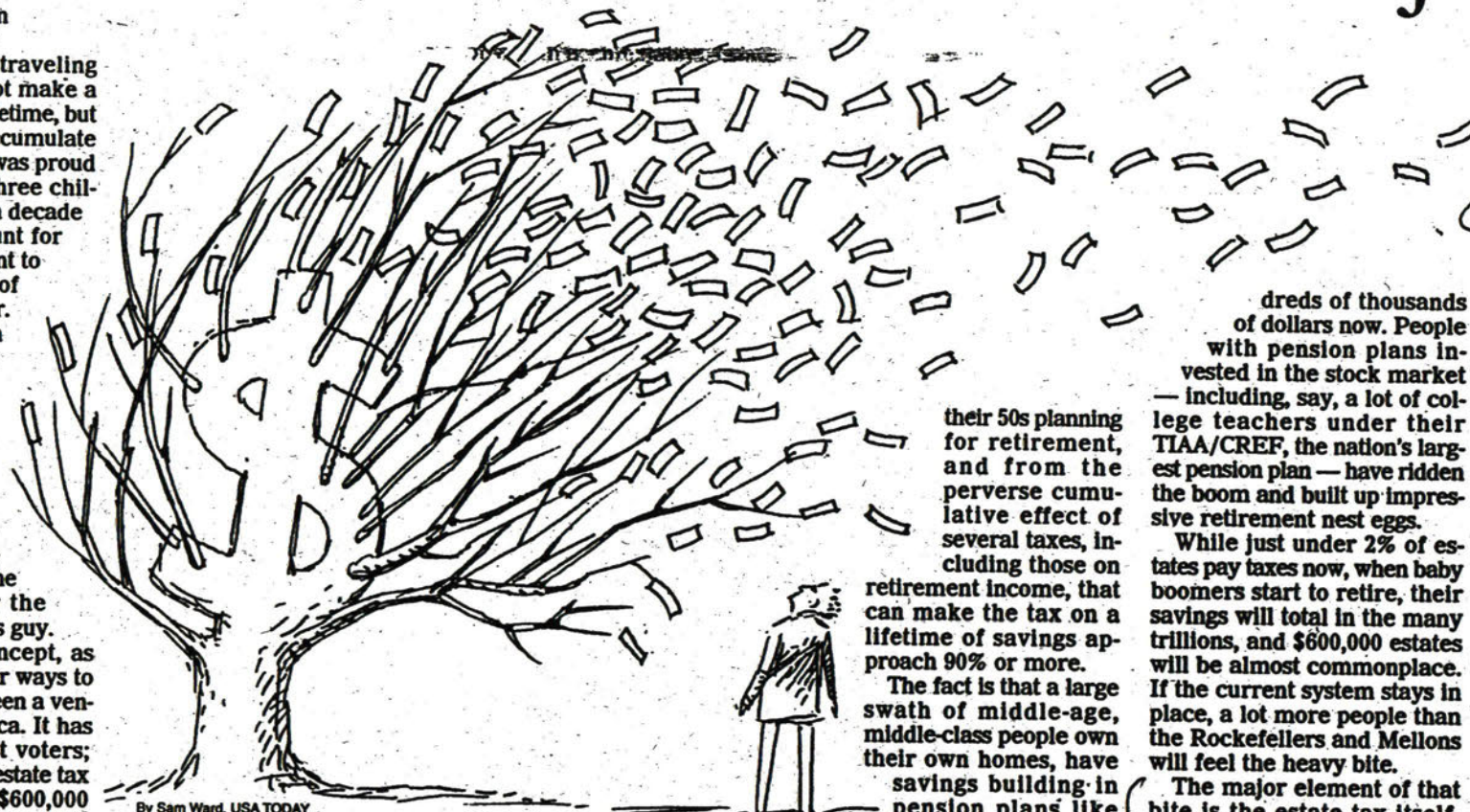
Of course, we are still talking about a minority of Americans; most people will not come close to building assets of \$600,000 or more in their lifetimes. But neither are we dealing only with the Forbes 400. The numbers of people with assets large enough to be affected by estate taxes will certainly swell into the millions over the next decade or two.

That means a slew of politically active middle-class voters, proud that they have built up assets by saving and investing, will be faced with the prospect that all they have sacrificed to accumulate may be virtually confiscated. They heeded the rules and norms — saving, not spending. Their reward is to have it snatched away before their kids can touch it. These are not people who consider themselves rich. They will not be happy that politicians have labeled them as such.

Beyond the changing politics of wealth accumulation, estate taxes need rethinking for other reasons. The fact is that they have not done what they were intended to do: prevent the handful of superwealthy from concentrating their gains even more in a small elite. The very wealthy have found many ways to reduce or avoid confiscatory estate taxes, often by spending instead of investing, or investing in less productive areas just to avoid the taxes. The estate tax has been as big a boon for estate-tax lawyers as the pre-1986 loophole-filled income tax code was to crafty accountants.

Many Western countries are doing away with estate taxes altogether, a course advocated by Speaker Newt Gingrich. America won't do that; an estate tax at least makes a statement about our values and our desire to prevent too much concentration of wealth and power. But we surely can change a set of levies that ends up punishing savings and investment and soon will punish middle-class success. Politicians who resist that logic might find voters who usually don't mind hitting the rich joining the barricades against them.

Norman Ornstein is a senior resident scholar at the American Enterprise Institute and a member of USA TODAY's board of contributors.



Gunn/Raleu/EOB

We need to develop
a lot of modest reform to
save the system - Dr.

USA TODAY
WEDNESDAY, APRIL 23, 1997

THE PRESIDENT HAS SEEN
4-24-97

copied
Spending
Emanuel
Bowles

Give Up On the Cities?

The folks who are spearheading these efforts are inspirational. In the lighted Washington Park area west of the University of Chicago, the Rev. R. Richard L. Tolliver has made St. Edmund's Episcopal Church a catalyst for neighborhood revival since he ar-

(For a copy of the report, contact the Center for National Policy at 1 Massachusetts Ave. NW, Suite 333, Washington, D.C. 20001. Phone 202-682-1800.)

Anti-Smoking Hysteria

**The tobacco deal:
Smokers will pay and
lawyers will clean up.**

Now, I am not defending the tobacco industry's public dishonesty. Nor am I mimicking its posture that cigarettes are no riskier than toothpaste. Smoking is unhealthy. The Centers for Disease Control estimate that it causes about 400,000 Americans to die prematurely, with an average loss of life of about seven years. I don't smoke and, as a parent, will fight my children if they start. But otherwise, I don't think I have the right to impose my views on people who have a right to choose. Punishing them for their choice denies their freedom. Rewarding them for the ill effects of their choice denies their responsibility.

Given today's hysteria, I doubt anything evenhanded is possible. The anti-smoking zealots essentially want to shut the industry. Trial lawyers see the tobacco companies as a huge piggy bank. Politicians see them as fabulous punch bags. The press portrays the story as a struggle of good and evil, barely questioning anti-smoking rhetoric. Hardly anyone in this informal coalition of intolerance even senses that freedom is at issue.

WEDNESDAY, APRIL 23, 1997

THE PRESIDENT HAS SEEN

4-24-97

copied
Reed
COS