

THE WHITE HOUSE
WASHINGTON

DATE: 6-17-97

NOTE FOR: Sperling
Berger
Podesta
Tarullo

The President has reviewed the attached, and it is forwarded to you
for your:

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

William E. Simon
P. O. Box 1913
310 South Street
Morristown, New Jersey 07962-1913
(201) 898-0290

June 11, 1997

The Honorable Bill Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

As former Secretaries of the Treasury, we strongly support unconditional renewal of normal trading status with China.

We take this position because we believe that trade relations with China will help advance the economic and national security interests of the American people. America's goal must be to promote China's integration into the global economy, support Hong Kong in remaining a growing, vital financial center and economic engine for China and the rest of Asia, and to help China succeed in its effort to move to a more market-oriented economy. Severing our trade with China will succeed only in isolating the United States, not in isolating China.

Continuation of normal trade status is particularly important in light of the upcoming reversion of Hong Kong's sovereignty to China. Hong Kong's role as a gateway for trade and investment to China is central to its current and future economic vitality. A coalition of business leaders, current government officials and Democracy Party Chairman Martin Lee have made clear that revoking normal trade relations with China would severely undermine international confidence in Hong Kong's economy at a time when it is most needed.

Failing to renew normal trading status would impose substantial economic costs on the United States, jeopardizing \$12 billion in exports to China and the 170,000 American jobs that depend on this trade. It would also derail our attempts to integrate China into a rules-based global trading system through China's accession to the World Trade Organization, which should substantially reduce trade barriers in China and create new opportunities for U.S. firms.

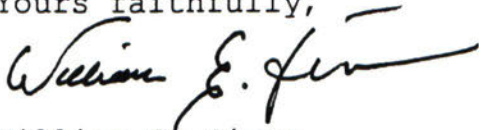
The impact of denying normal trading status to China would also be felt far beyond business circles. It would

President Clinton, Page 2

jeopardize China's willingness to cooperate with us on other important issues, such as non-proliferation, the environment and problems in the Korean peninsula. Our ability to influence China's policies in areas such as human and religious rights would also be severely diminished if not eliminated.

We must recognize the reality that China's economic and political role in the international community will expand in the years to come. By failing to renew normal trading status, we run the risk of losing our ability to shape the future landscape of the global community.

Yours faithfully,

A handwritten signature in dark ink, appearing to read "William E. Simon", with a stylized flourish at the end.

William E. Simon

All the other living former Secretaries of the Treasury have endorsed this letter:

James A. Baker, III
Lloyd M. Bentsen
W. Michael Blumenthal
Nicholas F. Brady
C. Douglas Dillon
Henry H. Fowler
G. William Miller
Donald T. Regan
George P. Shultz

Dutch Take 'Third Way' to Prosperity

By MARLISE SIMONS

AMSTERDAM — The Dutch are used to living with a potent mix of neighbors often seen here as more pushy or flamboyant than themselves. They watch the mighty Germans, the elitist French and the insular British and sometimes get a little sour about being ignored while others drive European affairs.

So it is with some amusement that the Dutch suddenly find themselves upheld as a model for the rest of Europe.

In the weeks preceding the meeting of European leaders that begins here on June 16, foreign economists, sociologists and union and political figures have visited seeking to understand what has kept the Netherlands so stable, prosperous and curiously without strikes.

As Europeans wring their hands over what is usually presented as a choice between heartless American-style modernizing of their economies and preserving the old European social safety nets, many people say the Dutch have found a "third way" combining an open, vigorous market with generous social benefits and a measure of social justice.

Critics point to the high percentage of temporary jobs and social benefits that they say are still too expensive. But for the last five years the Dutch economy has grown faster than those of Britain, France and Germany, and unemployment — at 6.5 percent — is well below that of the large European countries.

The Dutch example has begun to gain wide attention with the approach of next year's deadline for the strict criteria countries must meet if they want to join the common European currency. Countries aspiring to use the currency, called the euro, are in the midst of austerity programs that have led to social unrest and antagonized voters. Leaders at the meeting here are expected to sign an accord aimed at insuring the euro's stability.

The Dutch say they have invented nothing new by keeping down wages, inflation and interest rates, and by easing the rules for hiring and firing and for opening new businesses.

But what is different here, often astonishing foreign analysts and investors, is the painstaking consensus building that has avoided social unrest and made wide changes possible. In contrast to the convulsions of bigger neighbors like Britain, France and Spain, the Dutch have worked on avoiding ideological confrontations and for more than a decade have sustained a pact between left and right. As long as unions accepted financial discipline, management has not demanded the dismantling of the welfare state as the price of investing and creating jobs.

In May, the Organization for Economic Cooperation and Development, the Paris-based research organization of the industrialized nations, noted the Dutch success. It said the country had found a way to tackle unemployment and introduce reforms "through a consensual process, involving the social partners and clearly not threatening social cohesion."

A recent scene in Amsterdam would have been hard to imagine in London or Paris: the leader of the biggest labor confederation, addressing a workers' congress, declared with passion that it was vital to maintain the strength of the Dutch currency and of the planned European currency. In the front row was the president of the Netherlands central bank, Wim Duisenberg, who applauded, beaming.

"I might have phrased it a little differently," he said afterward, "but I could sign my name to this."

Such a fraternal scene is not unusual for this country, whose Prime Minister, Wim Kok, was himself a labor leader.

Now in the spotlight as the host for the European meeting, Mr. Kok has a reputation as a skillful negotiator. He is widely credited as the chief architect of the "social pact" between Government, employers and unions that has insured stability.

As the country's top labor leader, in 1982 he helped launch the pact

under which labor federations kept to wage demands of 2 percent per year in exchange for shorter work weeks and more jobs. He stuck to austerity as the Finance Minister from 1989 to 1994, the year he became Prime Minister as leader of a left-right coalition. On a Continent where people are widely disgruntled with politicians, his approval ratings have remained high.

The Dutch say their achievements have come from tough negotiations. Cuts in unemployment benefits have pushed people back to work, and the large number of workers calling in sick dropped when new laws shifted the burden of sick pay to employers. As Cees Oudshoorn, an official at the Ministry of Economy put it, "The Dutch miracle, if it exists at all, is that our labor unions could be convinced to rally around a free-market economy."

Fueling a boom while balancing the welfare state and the free market.

Signs of a flourishing market abound. On the outskirts of Amsterdam and around Rotterdam, the world's busiest port, new office parks have drawn foreign companies. Consumers are driving up sales in stores, which only last year got permission to stay open after 6 and on Sundays.

One telling indicator is the growth of job agencies, which have expanded by 50 percent in the past four years. They advertise a plethora of vacancies in technical jobs, services, sales and health care.

To draw more people, especially women, into the work force, the Government has deregulated work hours, allowing previously unthinkable part-time and temporary contracts. This has made job agencies into a growth industry, now employing more than 12,000 people. Randstad, the largest temporary help chain, had a staff of 1,600 in 1993 and has 2,800 today.

"We know where the shortages are, and we help companies plan their work force," said Maarten den Otlander, a Randstad director. "In the past, temporary jobs could last only six months, but now that they are unlimited, the agencies' role in the market is becoming very big."

One result of the new flexibility is

that the Dutch now have Europe's most developed temporary job market. Critics complain that it is a serious weakness that one-third of Dutch jobs are now temporary or part-time. But part-timers still get benefits like vacation and health insurance, and after six months they begin accumulating pension rights.

Hersta de Goede, in her early 20's, is herself doing temporary work at Randstad and represents the view of many people just out of school. "I'd prefer to work full-time," she said. "But this is better than no work."

Nicolette Koopman, 23, works three days a week at an Amsterdam bookshop. She said she preferred this to full-time work. "It gives me time to do other things," she said. "If I need more money, I can get extra odd jobs."

The lively temporary job market seems indeed a boon for young people here, compared with France, where 27 percent of young people are unemployed. But things look worse for workers over 35. Specialists say that the easy-come, easy-go market makes it harder for older employees, because they are more expensive and seen as working less hard.

Skeptics say the Dutch still have a way to go before all the unaffordable fat from the welfare state is trimmed. Some 800,000 people in a population of 15 million draw disability pay for mild or vague ailments, including "stress." That is 100,000 fewer than three years ago, when the Government tightened the rules.

Other problems loom. Religious leaders have warned that inequality has risen with the more competitive market. An aging population means that today's benefits may not go on, as workers paying for them become proportionately fewer.

Yet other Europeans have said that they wish their statistics were as rosy as the Dutch, and that they were as skilled at avoiding political conflict. Whether the Dutch social contract is exportable is unclear. The country has long been governed by coalitions and may be more used to deal-making and compromise than other European countries.

The endless meetings and debates that come with the Dutch consensus model can seem exasperating to foreign businessmen. But some foreigners note that the lengthy sessions in which the Dutch thrash out ways to live together — "a kind of never-ending group therapy," in the words of one diplomat — have recognizable results. The approach has produced a level of trust in the system.

"It's enough to make politicians in France envious," one French resident said.

BReed / Rahm
V. C. C. C. C.
"New Democrat"

The New York Times

MONDAY, JUNE 16, 1997

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B. Reed
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THE PRESIDENT HAS SEEN
THE PRESIDENT HAS SEEN

6-17-97

PRESIDENT'S COMMISSION
ON WHITE HOUSE FELLOWSHIPS
THE WHITE HOUSE

'97 JUN 16 PM2:13

June 16, 1997

Woolgast

MEMORANDUM TO THE PRESIDENT

FROM: Jacqueline Jordan Blumenthal
Director, White House Fellows Program

SUBJECT: Approving the Recommendations of the
President's Commission on White House Fellowships

Yesterday, after two full days of interviews with 30 finalists, the President's Commission on White House Fellowships selected the 15 most qualified to serve in the 1997-98 class of White House Fellows. On behalf of the Commission, I am submitting those names to you for your approval:

Amy E. Alving, Minneapolis, Minnesota
John C. Burchett, Detroit, Michigan
Brad R. Carson, Tulsa, Oklahoma
Cheryl L. Dorsey, Baltimore, Maryland
Sanjay Gupta, Ann Arbor, Michigan
Francis J. James, Williamsville, New York
Jon P. Jennings, Boston, Massachusetts
Major Terrence K. Kelly, West Point, New York
Jamie Frederic Metzl, Kansas City, Missouri
LCDR Sean Eugene O'Connor, Rumson, New Jersey
Jeffrey M. Prieto, Ventura, California
Peter Rundlet, Denver, Colorado
Lois A. Scott, Chicago, Illinois
Commander Clifford A. Skelton, Kingsville, Texas
Matice J. Wright, Annapolis, Maryland

A brief biography of each recommended Fellow is attached. We would appreciate your prompt attention so that we can move quickly to place these talented individuals into appropriate work assignments within your administration. Thank you.

APPROVED ☒ PENDING ☐ REJECTED ☐

The President's Commission on White House Fellowships
Recommended 1997-1998 Fellows

Amy E. Alving, 34, is an associate professor in the Department of Aerospace Engineering and Mechanics at the University of Minnesota. A native of Coral Gables, Fla., Alving has appeared on local and national television programs designed to make science appealing to young people and is a member of the Army Science Board, the senior scientific advisory board to the Secretary of the Army.

John C. Burchett, 35, is an attorney in the Wayne County, Michigan, Corporation Counsel's office, the nation's eighth largest county. A native of Detroit, Burchett is a founding member of the Detroit Wayne County Homeless Coalition and is a member of the business committee of the Detroit Neighborhood Housing Services, Inc. He also co-founded an endowed scholarship for gay and lesbian students in Michigan.

Brad R. Carson, 30, is a commercial litigator with the law firm of Crowe & Dunlevy in Tulsa, Okla., who devotes one-third of his practice to pro bono representation of indigent clients. A former Rhodes Scholar, Carson received the award for Exceptional Contribution to Legal Services of Eastern Oklahoma. A native of Winslow, Az., who grew up on Indian reservations, he helped develop the Tulsa Community Development Credit Union, which brings equitable banking services to low-income consumers, and is a founding board member of the Wayward Theatre Company.

Cheryl L. Dorsey, 33, is a pediatric resident at the Children's National Medical Center in Washington, D.C. A Baltimore native, she was the founding director of The Family Van, a non-profit community outreach program combating infant mortality in inner-city Boston. She is an advisory board member of the John F. Kennedy School of Government's Nonprofit Policy and Leadership Program and was featured in the NOVA public television special, "Making of a Doctor."

Sanjay Gupta, 28, is chief neurosurgical resident at the University of Michigan. A native of Ann Arbor, Mich., he is medical consultant for Healing the Children, an international organization that provides medical services to children in underprivileged countries. Gupta has been a singing coach and a scuba diving instructor and is writing a book on the application of ancient Greek mythology to the present day.

Francis J. James, 32, is the founder and Legal Advisor to Legal Aid of Cambodia in Phnom Penh, Cambodia. James, who was born in France, also works with the Vietnamese Ministry of Justice and the Justice Ministry in Laos on legal aid matters. He has served as Deputy Federal Public Defender in Los Angeles and as a corporate lawyer. James founded and directed the Cambodian Defenders Project, a program funded by the U.S. Agency for International Development to train that country's first criminal defense bar.

Jon P. Jennings, 34, was the Director of Basketball Development for the Boston Celtics. A native of Richmond, Ind., Jennings was a student assistant to Indiana University basketball Coach Bob Knight and then worked for the Indiana Pacers. He served as a scout and coach with the Celtics and was a co-founder of Team Harmony, which annually brings together young people in Boston to promote understanding and respect for differences. Jennings has also traveled to Bosnia-Herzegovina to conduct basketball clinics for children.

Terrence K. Kelly, 37, is a Major in the U.S. Army and an assistant professor of Systems Engineering at the U.S. Military Academy at West Point, who devised a new solution method for linear programs. Kelly, a native of New Rochelle, N.Y., participated in Operation Urgent Fury in Grenada for which he was awarded a Bronze Star. He is a member of Parents for Excellence, a group working for academic excellence in public schools in Bethlehem, N.Y., and is a volunteer on the Consideration of Others Team, which mentors West Point Cadets.

Jamie Frederic Metzl, 28 is a JD candidate at Harvard Law School. A native of Kansas City, he was a United Nations Human Rights officer in Cambodia, where he organized a human rights drawing contest for Cambodian children and founded the Cambodia Runner's Club. During college, Metzl worked in a Thai refugee camp and while in law school, served as Amnesty International's Country Group Coordinator for Cambodia. He is the restaurant reviewer for the Harvard Law Record and is writing a novel set in the 1970s along the Thai-Cambodian border.

Sean Eugene O'Connor, 35, is a Lieutenant Commander in the U.S. States Navy who serves as a Surface Warfare and Shipbuilding Analyst in the Office of the Chief of Naval Operations at the Pentagon. A native of Rumson, N.J., he served in Japan and the Persian Gulf, helped rescue several hundred refugees from the Mount Pinatubo eruption in the Philippines and was the second in command on the USS Mitscher DDG-57, the most technologically advanced class of warship ever built. During his tours, he rebuilt an orphanage in the Philippines and entertained handicapped children as part of an Adopt-A-School program in San Diego.

Jeffrey M. Prieto, 36, is a MPA-URB candidate at the Woodrow Wilson School of Public and International Affairs at Princeton University. Prieto, a native of Ventura, Calif., has a law degree from UCLA, served as an environmental planner for the City of Santa Barbara and later was appointed Santa Barbara Planning Commissioner. Prieto was a co-founder of the Esperanza Foundation, which sponsored a project for older ex-gang members to help young gang members and high-risk youth. Prieto has served as executive director of the Santa Barbara Chicano Scholarship Foundation, and was on the steering committee of a group seeking an at-large voting system for Santa Barbara.

Peter Rundlet, 31, is assistant counsel for the NAACP Legal Defense and Educational Fund, Inc. in Washington, D.C., where he worked to ensure complete implementation of the "motor voter" law in the State of Maryland. A native of Denver, he was a Peace Corps volunteer in Honduras. While in law school, Rundlet helped raise funds to support summer public interest jobs for students and volunteered to represent food stamp recipients and victims of housing discrimination in Philadelphia.

Lois A. Scott, 36, is managing director of BancAmerica Securities Inc. in Chicago. A native of Philadelphia, she was the first woman in public finance to be named Principal of the firm of Donaldson, Lufkin & Jenrette, where she designed financial plans for state and local governments in Illinois, Michigan, Ohio, Delaware and Pennsylvania. Scott designed the award-winning 1996 financial plan to restore investor confidence in the Chicago Public Schools. She serves on the board of a nonprofit day care facility, prepares tax returns for low-income families, is the founder of a program to keep public schools open after school for at-risk children and has served as president of a nonprofit theater company.

Clifford A. Skelton, 41, is a Commander in the United States Navy who serves as Commanding Officer of Strike Fighter Squadron 105 in Cecil Field, Fla. A native of Kingsville, Tex., he was responsible for the integration of women into one of the Navy's first combat aviation squadrons. Skelton, who was a lead solo pilot and operations officer with the Navy's Flight Demonstration Squadron, the Blue Angels, established an affiliation between the Blue Angels and the Make-A-Wish Foundation. He is a fundraiser and volunteer for the National Cystic Fibrosis Foundation and the Susan G. Komen Breast Cancer Foundation.

Matice J. Wright, 32, is a business analyst at SRA International Inc. in Bowie, Md. A native of Annapolis, Md., she is a graduate of the U.S. Naval Academy and was the Navy's first African-American female flight officer, navigating more than 100 missions. Wright served as an Admissions Officer at the Naval Academy, providing counseling and guidance to high school students interested in attending the Academy. As a Company Officer at the Academy, she was responsible for training and leading more than 100 midshipmen through their development as officer candidates. An accomplished cellist, who also plays the clarinet and saxophone, Wright directed a Navy tutoring and mentoring program that paired midshipmen with at-risk children and serves on the board of directors of a retirement community in Annapolis.

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Emanuel
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THE PRESIDENT HAS SEEN
6-17-97

THE WHITE HOUSE
WASHINGTON

June 16, 1997

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

✓/ **CRIME/DRUGS:** Although we received decent coverage for our announcement concerning notification around hand gun purchases, in retrospect I do not think the directive should have been announced at the Juvenile Justice Conference. It may have received greater coverage as a response to the conference committee dropping the trigger lock provision. This was my fault.

In the coming weeks the Supreme Court will issue their opinion on the Brady Bill and a number of other crime issues. We have prepared a Presidential statement in response to the ruling on the Brady Bill. The statement was prepared by the White House, Justice, and Treasury, and assumes the decision will not be in favor of the Brady bill.

On Monday the Vice President will announce the Administration's Zero Tolerance initiative's annual numbers. The report will show that 2700 children were expelled for bringing a weapon to school. The Vice President will make the announcement at the Safe and Drug Free Schools Conference hosted by the Department of Education.

In two weeks the President will receive the Crack and Powder Cocaine Report from the Attorney General and General McCaffrey. I believe this issue, in light of the race initiative will create tension between our race and anti-crime agendas. The report is due at the end of this month and I want to suggest that we use the interim time to prepare our message. This is just the type of issue that if mismanaged could create long term difficulties.

The Youth Hand Gun Tracking Report will be ready for the President to announce in July. We are still working with Treasury to add 10 cities to the project.

✓/ **CAMPAIGN FINANCE:** The FEC on Thursday voted 5 to 0 to open an inquiry into banning or limiting soft money. We put out a Presidential statement applauding the decision. The inquiry will proceed for one month.

On Monday the New York Times will report that the Administration is tracking two cases in the 6th circuit regarding the constitutionality of spending limits. The Justice Department for the first time will be on record supporting spending limits.

This is a big deal and will rally our Democrats on the issue of campaign finance reform.

I also provided the reporter with key Republican AG's and members of Congress who support our filing an amicus brief. Congressman Shays, Senator McCain, and Attorney General Woods in Arizona all spoke to James Bennett praising our actions. I also had Walter Dellinger talk to Bennett about our legal reasoning.

If you thought our FEC petition was controversial, you haven't seen anything yet. Once again the Administration will be in the driver's seat pushing an affirmative agenda. Senator McConnell will attack our action as purely partisan since Democrats gain by spending limits. Assuming such an attack, we have worked very hard to ensure GOP support. (The Bennet story ran in the New York Times today.)

Per the President's request I have attached a memo from Norm Ornstein concerning the FCC and free TV for candidates. I will proceed along the lines of Norm's memo if the President agrees.

My goal is to ensure that by July 4th we do not get blamed for the failure of legislative action. The above actions will be seen as our attempt to pursue reform at every turn. We will take the normal hits, but have some political cover. Congressman Shays has become our best validator as opposed to Common Cause.

FAMILY: Bruce and I met with David Kessler for about two hours. He is truly conflicted. In the end he will probably oppose any settlement. He does recommend caution and patience in our response. Unfortunately we will probably not have such luxury. We are working on a process for evaluation and have submitted a memo outlining further steps.

We have run into a snag on the TV ratings announcement. The Family Groups want to take a slower approach and Senator McCain, for a different reasons, will attempt to exclude the White House from any involvement. Ron Klain and I need to dedicate more time to working out the politics on this issue. I fear the Congressional leadership will attempt to deny the White House from playing a significant role in the announcement of the new ratings.

POLITICS: We need to manage the post-disaster supplemental politics. The GOP leadership is smarting from a total political defeat. They will look for places to confront the White House, rally their troops, and hand the White House a political defeat of our own.

The post-disaster relief recriminations will only further exasperate the ideological divisions between the moderates and true believers in the GOP caucus. To continue to drive this wedge and force the GOP leadership off balance we need to identify issues which make them choose between progress and purity.

The Speaker and Majority Leader's instinct is to make progress. The right wing pundits and caucus members will demand ideological purity. The issues we want to isolate and highlight are the child care credit in the tax bill, the minimum wage for welfare workers, a Medicare issue, and the disparity between the tax credit for four year colleges versus community college.

These issues put us on the overwhelmingly popular side, speak to our '96 coalition, and cause friction between the moderate and right wing of the GOP caucus. The post-disaster relief political void will be filled by one of the two parties. The above suggestions are my recommendations for a proactive strategic plan.

copied
Mark Penn
Emanuel
COS

THE PRESIDENT HAS SEEN
6-17-97

'97 JUN 16 PM 11:53

THE WHITE HOUSE
WASHINGTON

June 16, 1997

C. E. Nelson

MEMORANDUM TO:

THE PRESIDENT

FROM:

RAHM EMANUEL

SUBJECT:

SURVEY FINDINGS ON THE TAX BILL

I thought you would find the attached survey interesting.

~~Confidential~~

TO: Interested Parties
FROM: Geoffrey Garin and Guy Molyneux
DATE: June 10, 1997
RE: Survey Findings on the Tax Bill

The upcoming debate over the tax component of the balanced budget plan has the potential to be one of the key defining moments of the 105th Congress that establishes clear and important distinctions between Democrats and Republicans.

In order to obtain a clear understanding of the electorate's attitudes and priorities in this matter, the AFL-CIO commissioned Peter D. Hart Research Associates to survey a representative national sample of voters about the issues that will be at the core of the tax debate. Hart Research interviewed 800 voters for this survey, completing these interviews by telephone between June 6 and June 9, 1997.

The results of this survey clearly indicate there is a powerful and compelling case to be made against the Republican tax package, on the basis that it unfairly targets its benefits to the wealthiest Americans and endangers the long-term well-being of Medicare. Moreover, the survey findings show that Democrats are well-positioned to advance their cause by advocating an alternative plan which targets tax reductions to the middle class families that need them the most.

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: DB DATE: 7/29/97
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Summary of the Key Findings

1. Reducing federal taxes is a substantially lower priority for voters than improving education, reducing crime, and protecting Social Security and Medicare.

When asked directly about the importance of cutting taxes, however, a majority of Americans believe it is important for Congress to cut taxes for individuals at this time.

Overall, 53% say that very or fairly important to them personally that Congress cut taxes, 23% say it is just somewhat important, and 23% say it is not that important. On this question, African-Americans (73%), workers with incomes under \$35,000 (62%), and non-college educated women (59%) are more likely than other demographic groups to say it is important to them that Congress cut taxes.

2. If the debate in Congress is about how best to cut taxes, rather than whether to cut taxes, Democrats come to this debate with a good deal of credibility vis a vis the Republicans—especially if the Republican position is closely identified with Newt Gingrich/*

When asked who they trust more to cut taxes in a way that is good for the country, voters prefer President Clinton and the Democrats over the congressional Republicans by 45% to 37%. Similarly, voters trust Clinton and the Democrats over the congressional Republicans by 47% to 36% when it comes to cutting taxes in a way that is fair for average Americans. Democrats

enjoy net advantages of 16 and 19 points respectively among swing voters on these two questions.

When asked how they would feel about a Republican tax plan if they knew it were strongly favored by House Speaker Newt Gingrich, 12% of the voters say this would give them more confidence in the plan, while nearly three times as many (34%) say it would give them less confidence in the plan. ✓

3. When asked for their reaction to eleven different types of tax cuts, voters give their most broadly favorable reaction to "enacting an across-the-board, ten percent reduction in the income taxes people pay on their first thirty thousand dollars in income." Overall, 63% rate this proposal at an 8 or higher on a scale of 1 to 10—eleven points higher than for any other tax cut tested on this scale. This is the top-rated item among all income groups, including voters with household incomes over \$50,000. It scores very strongly among the voters who respond most positively to a description of the Republican tax cut proposal.¹

4. Of the five major tax reduction components discussed in the balanced budget negotiations, the voters place a clear priority on tax credits for families with young children (54% select as a top priority) and tax credits for college tuition expenses (53%), and a much lower priority on expanded eligibility for tax-exempt IRAs (17%), a reduction in the inheritance tax (17%), and a reduction in the capital gains tax (18%).

¹ Another broad-based tax cut that receives a strong response is "providing an income tax deduction for the Social Security payroll taxes people pay." Forty-seven percent rate this at an 8 or higher.

When asked about two plans that both include some combination of all five components, fully 69% prefer the plan that puts relatively more into the per-child tax credit and the education credit, compared to just 25% who favor the plan that gives relatively more emphasis to cutting the capital gains and inheritance taxes.

It would be a major success for Democrats to be able to establish the simple contrast that: "They want to target more of their tax cuts to capital gains and estate tax breaks for the wealthy, while we want to target more of our tax cuts to education and child credits for the middle class."

5. Democrats would appear to be on safe political ground in advocating smaller, more targeted cuts in capital gains and inheritance taxes than what the Republicans want. By 69% to 27%, for example, voters favor a targeted capital gains tax cut for those selling homes, small businesses, or family farms, over a broad capital gains tax cut for the sale of all investments. By a similar margin, voters favor a targeted reduction of inheritance taxes for family-owned small businesses and farms over a reduction of inheritance taxes for all estates worth more than \$600,000.

6. The most powerful argument by far against the Republican tax package is that the GOP's tax cuts will mainly benefit the rich, **instead of providing greater tax relief to the middle class where it is most needed.** This is a far more important argument, relatively speaking, than the long-term impact of the Republican tax plan on Medicare and education, or the likelihood

that the Republican tax plan will explode the deficit again when it fully takes effect.

Selected Most Important Concern About Republican Plan	
The tax cuts will mainly benefit the rich, instead of providing tax relief to the middle class, where it is most needed.....	46%
The growing cost of the tax cuts for the rich will eventually force large cutbacks in programs such as Medicare and education	25%
The loss of revenue will greatly increase the budget deficit after 10 years	11%

7. The Republican capital gains cut plan provides the some of the strongest fodder for the Democrats' argument on equity.

For example, 46% percent say they would have major doubts about the Republican plan on the basis that "two-thirds of the capital gains tax cut in this plan would go to the wealthiest one percent of families."

Similarly, 45% say they would have major doubts about the Republican plan because "it would give a windfall of millions of dollars to many CEOs with big stock options, but only one hundred and fifty dollars to the average working family."

Forty-five percent also say they would have major doubts on the basis that "the wealthiest one percent of Americans, those making \$600,000 a year or more, would receive 40% of the tax cuts in this plan—nearly as much as the rest of the country combined."

8. Another element of the plan announced by Chairman Archer that is highly vulnerable to attack is the elimination of the alternative minimum tax for

corporations. While we did not test this measure in our recent survey, we did ask about it in a poll we conducted for the AFL-CIO in the 104th Congress. Then, fully 74% of all voters said they would have very major concerns about the Republicans because "they voted for new corporate tax breaks, which means that some of the nation's biggest corporations will pay no income taxes." This argument against the Republicans ranked at the top of the list of the items we tested, along with an item on tax loopholes for expatriate billionaires and the erosion of the forty-hour work week protections.

9. A second important thematic line of attack against the Republican tax cut plan is that it is a *dishonest* plan because it relies on political tricks and gimmicks to hide its long-term impact—particularly on Medicare.

The criticism that the GOP plan is dishonest because of gimmicks to hide its long-term impact is particularly important among Independents and voters who have an initial attraction to the Republican plan.

Forty-six percent of all voters say they would have major doubts about the Republican plan on the basis that "Medicare would already be cut by one hundred and ten billion dollars in this budget, and this tax plan would force much larger Medicare cuts in future years." Not surprisingly, this concern is significantly less important among voters under the age of 50 than it is among older voters.

Forty-three percent of all voters say they would have major doubts about the Republican plan on the basis that it "would amount to about a \$1 trillion loss of revenue for the federal government over the next 20 years, and the country

cannot afford a tax cut that large when Congress hasn't said what it would cut to pay for it." This articulation of the issue works better with younger voters and professionals than the version that focuses more directly on Medicare.

10. Arguments likening the Republican tax plan to Reaganomics (either by name or by description) because they would put us back on a path of ballooning deficits are consistently the least effective criticisms of the GOP plan. ✓

11. There is no evidence in this poll of broad enthusiasm for expanding Individual Retirement Accounts—although respondents with incomes over \$50,000 clearly like the idea of changing the tax laws to make it easier for them to utilize IRAs.

On the question of the tax mechanism for making tuition more affordable, there is not a strong preference among the broader electorate between a plan that provides tax credits and deductions for college tuition expenses and one that allows people to put money into tax-exempt IRAs that can be used to pay college tuition expenses (51% prefer the former, 42% the latter).

12. Finally, the Republicans open themselves up to another line of attack on their tax bill if they include a provision making it easier for employers to designate people who work for them as independent contractors. After hearing pro and con arguments on this matter, voters oppose the independent contractor provision by 57% to 31%.

Summary

The Democrats should frame their priorities in approaching this tax bill as "making the tax code fairer and providing help to the middle class working families who need it the most." They should do this in part by offering an alternative that makes a strong commitment to education, tax credits for families with children, and other tax assistance for the middle class, and that targets its capital gains and inheritance revisions to small businesses and family farms.

From this ground, the Democrats can build a strong attack against the Republican plan on the basis that it targets an unfair share of its tax relief to the wealthiest Americans, instead of to the middle class families who need it the most. This is not an argument against tax cuts per se, or even tax cuts for the rich; instead, it is an argument against the wrong-headed priorities and unfair choices that guided the creation of the Republican plan.

The second element of the Democratic case is that the Republicans have offered a dishonest plan because it relies on political gimmicks that conceal who benefits and its long-term impacts, without saying what cuts will be made to pay for their plan. Comparing the plan to Reaganomics does not help this part of the argument.

Send to Dorskind for reply?

June 12, 1997

☒ YES
☐ NO

President Bill Clinton
The White House
1600 Pennsylvania Ave
Washington DC 20500-2000

*POTUS can't
sign pledge (can he?)
He should send
letter right?*

Dear Mr. President,

We want you to know what our community—Bloomington, Illinois—is doing in the fight against racism; Patsy Bowles (a friend of Mrs. Clinton) suggested we write you this letter accompanied by the pictures that help you understand what we are doing. We're not perfect, and we know it. But we are taking a pro-active stand against racism and hate crimes in the hope that we can prevent them in our community.

Last year, when the church burnings were in the news, our mayor took the first pro-active step: and directed the police department to increase patrols past our churches. People met to ask "what can we do?" and came up with answers.

- We had a massive march and rally against racism last July.
- We recruited an expedition to Mississippi to help rebuild one of those burned churches.
- The city put up signs at every major road leading into town, each with the same message: No Racism.
- We echoed that theme on the bumper of every police car, every city vehicle, and every city building: No Racism.
- Study circles were formed to break down the barriers of race on a personal basis.
- The police and state's attorney prosecute hate crimes (not that we're proud that they happen here) and they get convictions.
- More than a thousand people have signed a simple card that is their own first step in the fight against racism: a pledge to not allow racism in our own lives.

Public television covered Bloomington (among others) in Not In Our Town II, and we're proud that we were featured for our pro-active stand.

We would love to have you and Mrs. Clinton attend our second March Against Racism July 15, but we also know that is probably not possible. But we want you to participate anyway... so we're asking you to sign one of our pledge cards and return it to us. We want to say, when we march on July 15, that we have support from the highest office in the land.

Sincerely,

Darlene and Marc Miller
Darlene and Marc Miller

1418 North Clinton Blvd.

Racism March July 1996



The Pledge

I believe that people should not be judged on their racial or ethnic origin, and I commit myself to this belief in all aspects of my life.

Signature _____

Name _____

Address _____

City State Zip _____

☐ You may use my name. ☐ How can I give others the opportunity to make this pledge?

Return to: The Pledge, PO Box 4422, Bloomington IL 61704-4422

The Pledge

I believe that people should not be judged on their racial or ethnic origin, and I commit myself to this belief in all aspects of my life.

Anyone can stand against racism; everyone should. When you hear racism, speak up! When you see racism, act!

name

date

Make Your Voice Heard!

**March
Against
Racism**



**Shirk Center
Parking Lot
IWU
6:00 PM
July 15, 1997**

Sponsored by Not In Our Town and YWCA

Staff See.

'97 JUN 17 PM 1:39

RALPH BLACK STABLES
1016 NORTH OLIVE STREET
WALDO, AR 71770

Send to Dorskind for reply?

May 14, 1997

The President
The White House
Washington, DC 20500

☒ YES

☐ NO

Coordinate
with Counsel

Dear President Clinton:

You may not remember me, but I talked to you in Lewisville when you were running for Governor of Arkansas. I told you that I had just left Travis Ward's home and had visited with Dale Drake. Travis is my dear friend. He has helped me with my horse training over the past fifteen years. My brother is Charles Black, the president of the Peoples Bank of Lewisville. My father is D. W. Black who has driven you in parades in Columbia County. I am also very close friends of George and Paul Fray. I help George with his horses. Paul once stayed at my house while he was working for you when you were Governor.

I have said all of this to ask a favor of you. I have a friend, Denzil W. Robbins, who was caught up in the savings and loan scandals. He was the chief stock holder and received four consecutive two year terms in a federal prison. The president of the savings and loan got the same sentence from the same judge, but his sentences ran concurrently. He is out of jail now, but my friend is still serving time. He has almost completed four years. His first parole hearing is in early June of this year.

In my first letter to you I said I would take this man under my personal supervision and see to it that he makes a useful addition to our society. I am going to furnish him housing and a job on my horse farm. I am going to work with Columbia County Sheriff Wayne Tompkins and let Mr. Robbins help me with prison devotions and testimonies.

Can you please help me secure his release? I am asking the Lord to touch your heart as I also pray for your protection and wisdom.

Very respectfully yours,

Ralph Black
Ralph Black

RALPH BLACK STABLES
1016 NORTH OLIVE STREET
WALDO, AR 71770

September 27, 1996

The Honorable
William Jefferson Clinton
President of the United States
1600 Pennsylvania Avenue
Washington, D.C. 20000

Dear Mr. President,

Thank you for returning home to Little Rock to kick-off your re-election campaign as our next President. Since I have known you personally since your campaigns for governor, I feel compelled to write you about a matter that is of deep concern to me. It is about one of my closest friends.

Denzil W. Robbins has been a close associate of mine for some eight years. I have been involved with him on numerous horse transactions on both sides of the deal. He was always fair, honest, and an excellent horse trader. Naturally, he was always looking for a "deal", and I submit "Who is not?" when it comes to horses or land.

His land deals are what got him involved with the savings and loan business in Muskogee, Oklahoma. To put it simply, he eventually got control of the saving and loan and gave the "reins" to the place to someone who knew more than he did. Mr. Robbins trusted people who were not totally honest. To make a long story short, the president of the savings and loan got a prison term of eight years and is now out of prison.

Denzil Robbins never knowingly did anything against the law but was given an eight year sentence. It looks like he may have to serve the whole eight years because he would not tell what he "knew" about other stockholders and officers. What did he know to tell? He had no idea that his friends' acts of telling things about him would get him a prison sentence. He has now exhausted all of his appeals, and that is why I am writing for your help.

Is it fair that one man talks, gets a sentence, and is now out and another man does not talk, gets a sentence, and still is in jail all for the same set of deeds? Where is the fairness in all that? I fail to see how justice is served. Granted, he should have known what was happening. I know he has now learned by his mistakes.

Mr. Robbins is now destitute in jail. I know I can save the U.S. government some \$40,000 per year by allowing him to come and help me on my horse farm. I have a place for him to live, and work for him to do. I also know his life is right. I told him after he was sentenced that he had to get his life right and find the Lord before I could ever begin to try to help him. He has now found the Lord and teaches a Bible study in the Leavenworth Penitentiary. This is not "jail house conversion" because he tells me that once he is out he wants to teach kids the difference in what is right and what is wrong and how they can really trust God in their everyday lives.

The judge who sentenced him still has him under Rule 35, under the old sentencing guidelines. Now, Judge Frank H. Seay was appointed by President Carter, and he is one of your most ardent supporters in the federal judiciary.

I do not want some kind of Willie Horton before the election, but I feel so strongly about this man that I feel very safe in giving you my personal guarantee that Denzil W. Robbins will make a model citizen. He wants to help me in my horse business, and I want him to do just that. Your help in this matter is our last resort. Thanking you in advance for a good result.

Very respectfully yours,

A handwritten signature in cursive script that reads "Ralph Denman Black". The signature is fluid and stylized, with the first name "Ralph" being the most prominent part.

Ralph Denman Black

THE WHITE HOUSE
WASHINGTON

Date 6-17-97

To: *Gene Sperling*
Don Tarnoff

From: The Staff Secretary

FYI.

add

'97 JUN 12 PM 5:29

FROM OVAL

E. Simon

Box 1913

th Street

Jersey 07962-1913

98-0290

Send to Dorskind for reply?

☒ YES

☐ NO

Coordinate w/NSC
Sperling
+ Tarnoff
☒ Yes
☐ No

Treasury, we strongly support trading status with China.

use we believe that trade help advance the economic and of the American people. Note China's integration into Hong Kong in remaining a er and economic engine for to help China succeed in its

our trade with China will succeed only in isolating the United States, not in isolating China.

Continuation of normal trade status is particularly important in light of the upcoming reversion of Hong Kong's sovereignty to China. Hong Kong's role as a gateway for trade and investment to China is central to its current and future economic vitality. A coalition of business leaders, current government officials and Democracy Party Chairman Martin Lee have made clear that revoking normal trade relations with China would severely undermine international confidence in Hong Kong's economy at a time when it is most needed.

Failing to renew normal trading status would impose substantial economic costs on the United States, jeopardizing \$12 billion in exports to China and the 170,000 American jobs that depend on this trade. It would also derail our attempts to integrate China into a rules-based global trading system through China's accession to the World Trade Organization, which should substantially reduce trade barriers in China and create new opportunities for U.S. firms.

The impact of denying normal trading status to China would also be felt far beyond business circles. It would

William E. Simon
P. O. Box 1913
310 South Street
Morristown, New Jersey 07962-1913
(201) 898-0290

June 11, 1997

The Honorable Bill Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

As former Secretaries of the Treasury, we strongly support unconditional renewal of normal trading status with China.

We take this position because we believe that trade relations with China will help advance the economic and national security interests of the American people. America's goal must be to promote China's integration into the global economy, support Hong Kong in remaining a growing, vital financial center and economic engine for China and the rest of Asia, and to help China succeed in its effort to move to a more market-oriented economy. Severing our trade with China will succeed only in isolating the United States, not in isolating China.

Continuation of normal trade status is particularly important in light of the upcoming reversion of Hong Kong's sovereignty to China. Hong Kong's role as a gateway for trade and investment to China is central to its current and future economic vitality. A coalition of business leaders, current government officials and Democracy Party Chairman Martin Lee have made clear that revoking normal trade relations with China would severely undermine international confidence in Hong Kong's economy at a time when it is most needed.

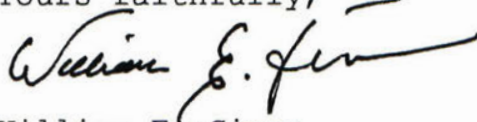
Failing to renew normal trading status would impose substantial economic costs on the United States, jeopardizing \$12 billion in exports to China and the 170,000 American jobs that depend on this trade. It would also derail our attempts to integrate China into a rules-based global trading system through China's accession to the World Trade Organization, which should substantially reduce trade barriers in China and create new opportunities for U.S. firms.

The impact of denying normal trading status to China would also be felt far beyond business circles. It would

jeopardize China's willingness to cooperate with us on other important issues, such as non-proliferation, the environment and problems in the Korean peninsula. Our ability to influence China's policies in areas such as human and religious rights would also be severely diminished if not eliminated.

We must recognize the reality that China's economic and political role in the international community will expand in the years to come. By failing to renew normal trading status, we run the risk of losing our ability to shape the future landscape of the global community.

Yours faithfully,

A handwritten signature in dark ink, appearing to read "William E. Simon", with a stylized flourish at the end.

William E. Simon

All the other living former Secretaries of the Treasury have endorsed this letter:

James A. Baker, III
Lloyd M. Bentsen
W. Michael Blumenthal
Nicholas F. Brady
C. Douglas Dillon
Henry H. Fowler
G. William Miller
Donald T. Regan
George P. Shultz

What is the point of all this talking?

The nation's persistent racial problems have brought feelings of anger, fear and despair to many Americans. And though people of good will recognize these problems, they often feel powerless to address or correct them.

ERACE provides a forum for concerned people to come together to deal with the difficult and painful subject of racism. Our purpose is to create an atmosphere in which people feel free to explore perceptions, assumptions, and biases without fear of ridicule or personal attack. Within the ERACE setting, people can open their hearts and minds by questioning others and themselves in structured conversations. We also hold informal social gatherings.

Those attending ERACE meetings often leave feeling enlightened by the honest communication that takes place. It is this type of person-to-person interaction that offers the greatest hope in the struggle against racism. Join us and help spread the word:

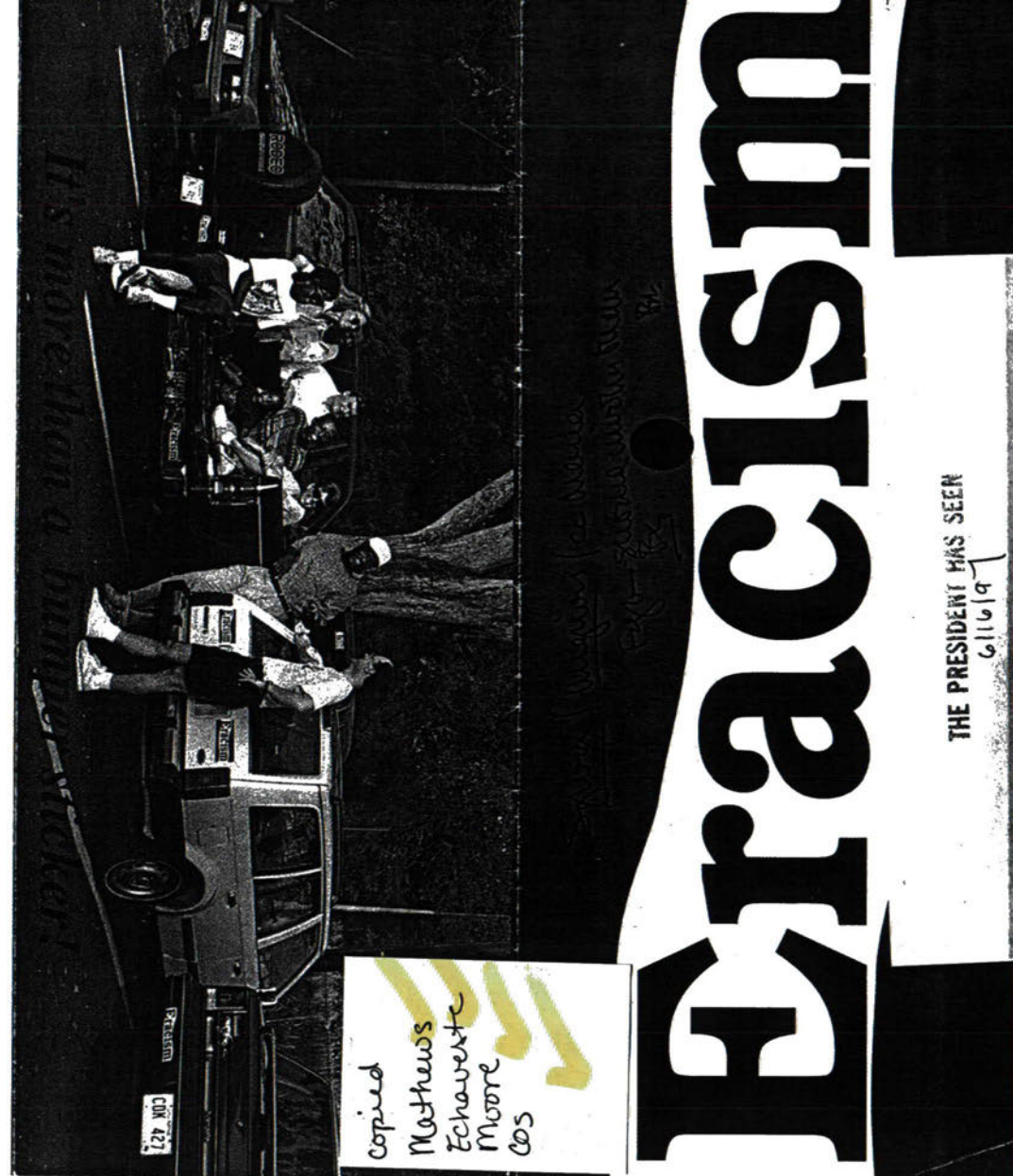
Eracism

Saturday meetings are 4:00 — 6:00 PM
at the New Orleans Public Library, 4300 S. Broad Street.

For information, call (504) 866-1163

Correspondence and tax-deductible donations may be sent to ERACE, and businesses, churches, and other organizations wishing to distribute Eracism bumper stickers may contact ERACE, c/o Maple Street Book Shop, 7523 Maple St., New Orleans, LA 70118

back photo: Wade Hanks



To: President Clinton
From: Lovell Beasley, Jr.
The Do Min
Register, Editor Mark



Robert Jackson

Racism is perpetuated by erroneous assumptions, misconceptions and lack of dialogue. Meeting together is our way of fighting the roots of racism.

Don West, member



Rhoda Faust, Don West, Mark Fell photo: Darlene Olivo

Eracism is the slogan of the group ERACE, which was formed in New Orleans in the summer of 1993. The group's mission is simple:

We seek ways, through person-to-person communication, to show that we are committed to treating fellow human beings of all colors with love and respect. Join us.

Since its founding, ERACE has grown rapidly, and today there are several hundred members helping to promote interaction and communication among people of all colors.

ERACE's earliest activity, which continues today, was distributing Eracism bumper stickers. The group believes that the bumper stickers' high visibility helps reduce racial fear and misunderstanding in the community. Other ERACE activities include conducting

weekly discussion groups, having social gatherings, organizing children's playgroups, and speaking to schools, businesses, the news media and others about Eracism.

To become a member of ERACE, all one must do is believe in Eracism and attend three Saturday meetings a year. There are no dues. (Of course, non-members are encouraged to put bumper stickers on their cars, too.)

ERACE is a non-profit organization run by volunteers and supported solely by donations which go toward furthering the group's mission. We do not endorse candidates for public office or engage in partisan politics. Within the Eracism movement, all of us, liberals, conservatives, etc., focus our energies on ways to diminish racism in the community.

ERACE's most fundamental activity is the Saturday discussion meeting which provides a forum for people of all colors to talk and get to know each other in an informal setting. In the future, ERACE hopes to hold

Saturday meetings at many locations and to coordinate discussion groups for young people as well as adults.

ERACE meetings are not just rap sessions; they are focused conversations that encourage an open, critical exchange of ideas. The point of the discussions is not to agree about everything nor to reach definitive consensus on each topic. Rather, the objective is to provide common ground and understanding of other people's ideas and feelings as we move toward our goal: Eracism.



photo: Wade Hanks



Mia McMahan and Tyler Bolden
photo: Nancy Moss

We stand against racism. That is our first deliberate act. Our second is to gather on a regular basis with curious hearts and open minds.

— Bob Milling, member



Arianna Weston
photo: Rhoda Faust

The Eracism movement grew out of *The Times-Picayune* series, "Together Apart/The Myth of Race," which prompted many letters and phone calls to the paper from the public. After reading a response that made her "cringe," Rhoda Faust, a white woman, wrote a letter to the Editor decrying the hatred and stupidity in the response. She expressed a wish that more of us "start getting messages to each other that we're all on the same side."

Faust's letter touched a responsive chord in Brenda Thompson, a black woman, who wrote to Faust offering to help her create "some sort of symbol, signal, something to let the world know that all of us aren't infected with hate and can find a way to work together."

The Eracism bumper sticker became that symbol.