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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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001. letter	[Personally Identifiable Information] [partial] (1 page)	07/16/1997	b(6)
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COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 10304

FOLDER TITLE:

Chron Files: Monday, July 21, 1997

2190-0774-S

rs3362

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

John.

—

7/18/97

Send to Deskid?
Yes
No

(note in town on July 15, 1997.)

President Bill Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500-

Dear Mr. President:

The proposed changes to consideration by the Con Pel-Freez, a family owned assistance in taking steps to modify this legislation.

My company, like many small businesses, must reorganize to remain competitive. However, the proposed changes to Section 355 will make it impossible for our small firm to reorganize and then sell or merge any portion of its holdings without unreasonable tax burdens. These proposed changes are so poorly drafted as to render unanswerable my requests for opinion from tax and legal counsel. Hence, as a reality, Pel-Freez cannot proceed with much needed changes to its corporate structure to remain a viable business.

Under the Morris Trust proposals in the House Bill H.R. 2014 and the Senate Amendment to H.R. 2014 (the "proposed legislation"), such reorganization and subsequent distribution would no longer qualify for tax-free treatment under Section 355. For over thirty years, these types of transactions have permitted taxpayers to retain ownership of the spun-off corporation, attaining synergies through combining the distributing corporation with the acquirer, all the while meeting the tax requirements of the numerous IRS regulations covering such actions.

The proposed legislation denying tax-free treatment to non-abusive Morris Trust transactions should be eliminated or applied only to transactions with value above \$20 million thereby assisting small businesses, or alternatively narrowed to cover situations where there is an appropriate taxable event, such as a disguised sale of either the distributing corporation or the spun-off subsidiary to a third party.

In addition, if any type of distribution rule is enacted, appropriate transition rules should accompany such a provision to ensure that small businesses like mine, have sufficient time to readjust to these sorts of significant changes in the law. An effective date beginning after the year 1999 would seem more appropriate for small business transactions under \$20 million.

July 11, 1997

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

Dear Mr. President:

The proposed changes to Section 355 of the Internal Revenue Code currently under consideration by the Conference Committee will, if passed, threaten the survival of Pel-Freez, a family owned small business active in Arkansas since 1951. I ask your assistance in taking steps to modify this legislation.

My company, like many small businesses, must reorganize to remain competitive. However, the proposed changes to Section 355 will make it impossible for our small firm to reorganize and then sell or merge any portion of its holdings without unreasonable tax burdens. These proposed changes are so poorly drafted as to render unanswerable my requests for opinion from tax and legal counsel. Hence, as a reality, Pel-Freez cannot proceed with much needed changes to its corporate structure to remain a viable business.

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President Bill Clinton
July 11, 1997
Page 2

Mr. President, I hope you will route my letter to the appropriate members of your staff. I will be in Washington on Tuesday, July 15 and would welcome the opportunity to meet with anyone you might suggest. I can be reached anytime at my office, 501-636-4361, ext. 303, fax 501-636-4282, or at my home 501-443-5103 (home fax: 501-582-5199).

With best regards,

A handwritten signature in cursive script that reads "David W. Dubbell".

David W. Dubbell
Chief Executive Officer
PEL-FREEZ, INC.

DWD/rs
Enclosures

Staff Sec

CAIN FISH FARMS
McCRORY, AR 72101
PH. 501-731-5415
FAX 501-731-2123

97 JUL 18 AM 9:29

7/18/97

Send to Dorsland

Yes _____

No _____

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

July 11, 1997

Dear Mr. President:

*Hold all
catfish/poultry +
dioxin letters
until we determine
an appropriate
response*

I am a catfish farmer from McCrory, AR. I attended a meeting yesterday in Stuttgart, AR, at which US Food and Drug Administration officials advised that all fresh catfish sales from farms using feeds, originating from Riceland Foods, Inc and the Quincy Soybean Company, cannot be sold without first being tested and approved by government identified laboratories. This process is to be set in motion beginning Sunday night, 7-13-97, at midnight. This decree affects hundreds of fish farmers and processors across Arkansas, Louisiana, Mississippi and Missouri.

The required testing involved, proscribes that laboratory results must be obtained from each and every farm to demonstrate that the fish do not contain more than 1 part per **trillion** of dioxin. These testing results are projected to take approximately 3 weeks to obtain, at a cost to the farmer of \$1,500 per test.

The FDA stated in writing that they do not believe that the levels of dioxin found in the feed or the fish present any immediate health hazard, but is taking this action only as a "precautionary" measure. Yet they are proposing to set in motion a series of events that will cause great loss and hardship to those catfish farmers involved, and will in all probability bankrupt the entire Catfish Industry.

The FDA has additionally stated that the situation will naturally correct itself in approximately 50 days. As the fish continue to grow and receive feed that is not tainted, the dioxin levels will dissipate; yet they are imposing immediate and preemptory guidelines on the catfish farmers and processors.

It seems clear that the FDA is taking an action that is unjustly harsh on the catfish industry in its immediacy of action. My suggestion and request is that the FDA give the Catfish

industry 60 days to continue with their operations as usual, without the imposition of these severe penalties and guidelines, in which time the "problem" will in all likelihood disappear naturally.

Mr. President, time is of the essence in this matter, I request that you contact the appropriate officials at the FDA as soon as possible to request the correction of this proposed action.

Thank you for your immediate attention to this important matter.

Sincerely,



Bari Cain

FOR IMMEDIATE RELEASE

For additional information contact:

Mary Wareham Tel: 202-483-9222

Stephen Goose Tel: 202-371-6592

**WITH DECISION PENDING WILL CLINTON HEED HUMANITARIAN
CALL TO BAN LANDMINES NOW?**

(Washington DC, July 16, 1997) Today, as senior U.S. officials from the State Department, Pentagon, National Security Council, and Arms Control and Disarmament Agency meet to discuss and possibly decide on a new direction for U.S. policy on antipersonnel (AP) landmines, the US Campaign to Ban Landmines is sending a letter to President Bill Clinton demanding that he abandon his current obstructionist position regarding a ban. The letter, signed by more than 60 representatives of a unique coalition of non-governmental organizations, calls for President Clinton to commit the United States to join the diplomatic initiative known as the Ottawa Process which will result in the conclusion of a legally-binding international treaty banning all AP mines this December.

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your current poli
September in Os
Campaign to Ba

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The US Campaign to Ban Landmines is a coalition of over 225 non-governmental organizations and is one of over 50 country campaigns comprising the International Campaign to Ban Landmines. The letter to President Clinton is signed by the heads of more than 60 organizations, including veterans, international development, humanitarian relief, peace, women's, human rights, medical, children's, policy and research, environmental and religious groups. For a copy of the letter contact Mary Wareham, Tel: 202-483-9222

#

7/18/97

Send to Doskoid
Yes ✓
No _____

Coord with NSC

C.

Mary Wareham, Campaign Coordinator
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email: mark.brown@ecunet.org
http://www.elca.org

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-371-0124
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n, DC 20036
462-0400
-328-9212
itus@igc.apc.org
v. jesuit.org/refugee

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enth Street NW, Suite 950
n, DC 20005
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-661-3529
landminesurvivors.org
landminesurvivors.org

Center for Human Rights
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A 02116
695-0041
-695-0307
jsa@phrusa.org
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Tel. +212-551-3086
Fax. +212-551-3186
email: elizabeth@intrescom.org
http://www.hypernet.com/wcwc.html

FOR IMMEDIATE RELEASE

For additional information contact:

Mary Wareham Tel: 202-483-9222

Stephen Goose Tel: 202-371-6592

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The administration is engaged in a review of its landmine policy which is expected to be completed in no more than two weeks, and possibly as early as today. The basic choice is whether to stick with last January's decision to pursue a ban through the Conference on Disarmament - - which U.S. officials admit has made no significant progress thus far - - or to join more than 100 other nations that are prepared to sign a ban treaty this year. Those supporting the Ottawa Process include key NATO allies such as Canada, France, Germany, Italy and the United Kingdom, as well as many of the nations where mines have been used the most extensively, such as Angola and Bosnia.

The US Campaign's letter urges Clinton "to abandon the caveats which constrain your current policy in order to fully participate in ban treaty negotiations this September in Oslo and sign the ban treaty in Ottawa this December ... The US Campaign to Ban Landmines wants a simple, comprehensive ban treaty with no reservations, no exceptions and no loopholes; yet current U.S. policy prohibits U.S. participation in a true ban treaty. Current U.S. policy requires an exception for continued use of so-called 'dumb' AP mines in Korea and American use of so-called 'smart' mines worldwide."

The US Campaign to Ban Landmines is a coalition of over 225 non-governmental organizations and is one of over 50 country campaigns comprising the International Campaign to Ban Landmines. The letter to President Clinton is signed by the heads of more than 60 organizations, including veterans, international development, humanitarian relief, peace, women's, human rights, medical, children's, policy and research, environmental and religious groups. For a copy of the letter contact Mary Wareham, Tel: 202-483-9222

#

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Fax. +212-551-3186
email: elizabeth@intrescom.org
<http://www.hypernet.com/wcrwc.html>

United States TO CAMPAIGN BAN LANDMINES

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

July 16, 1997

Dear Mr. President:

We represent a sampling of the veterans, international development, humanitarian relief, peace, women's, human rights, medical, children's, policy and research, environmental and religious groups who form the US Campaign to Ban Landmines, a coalition of over 225 non-governmental organizations and one of over 50 country campaigns comprising the International Campaign to Ban Landmines.

Knowing that the administration is currently engaged in a review of its policy on antipersonnel (AP) landmines, we write to respectfully urge you to abandon the caveats which constrain your current policy in order to fully participate in ban treaty negotiations this September in Oslo and sign the ban treaty in Ottawa this December. We urge you to join over 100 countries supportive of this process including key NATO allies such as Canada, France, Germany, Italy and the United Kingdom.

As Commander-in-Chief of the Armed Forces and President of the United States your decision must take into account the advice of the military, the advice of Congress, and the advice of the people. You have support from all these constituencies for a comprehensive international ban on *all* antipersonnel mines – including so-called “smart” and “dumb” mines. Retired military generals including General Norman Schwarzkopf, General David Jones, and General John R. Galvin have strongly urged you to take the lead in efforts to achieve a total and permanent international ban on the production, stockpiling, sale and use of AP mines. The majority of the Senate has endorsed S.896, the Leahy-Hagel Landmine Elimination Act, that would ban new deployments of AP mines by the U.S. after January 1, 2000, and put the U.S. in a position to sign the Ottawa ban treaty. 164 Members of the House of Representatives have written to urge you to participate fully in the Ottawa Process. Over 100,000 people nationwide have signed petitions calling on you to permanently ban AP mines by signing the Ottawa treaty.

The US Campaign to Ban Landmines wants a simple, comprehensive ban treaty with no reservations, no exceptions and no loopholes yet current U.S. policy prohibits U.S. participation in a true ban treaty. Current U.S. policy requires an exception for continued use of so-called “dumb” AP mines in Korea and American use of so-called “smart” mines worldwide. In May 1996,

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email: elizabeth@intrescom.org
<http://www.hypernet.com/wcrwc.html>

you pledged to “seek a worldwide agreement as soon as possible to end the use of all anti-personnel land mines.” Yet current U.S. policy makes US participation in the Ottawa ban treaty impossible and leaves the U.S. in the company of nations, including China, Cuba, India, Iran, Pakistan and Russia who do not want to see AP mines banned anytime soon.

We urge you to demonstrate US leadership against these indiscriminate, abhorrent weapons by immediately banning the use and production of all AP mines, by destroying our stockpile of 14 million AP mines and by joining the majority of the world in negotiating and signing an AP mine ban treaty this December. We urge you to act now to take these essential steps to make this world a place where, as you have said, “children can walk without fear on the earth beneath them.”

Yours sincerely

Ambassador Alvin P. Adams
President & CEO
United Nations Association of the United
States of America

Vicky Armour-Hileman
Center Coordinating Team
Maryknoll Mission Association of the
Faithful

Peter D. Bell
President
CARE

Mark B. Brown
Acting Director
Lutheran Office for Governmental Affairs
Evangelical Lutheran Church in America

Betty Burkes
President
Women’s International League for Peace
and Freedom

Robin Caiola
Executive Director
20/20 Vision

John Carr
Secretary, SDWP
US Catholic Bishops Conference

Gordon S. Clark
Executive Director
Peace Action

Mary Diaz
Director
Women’s Commission for Refugee Women
and Children

Rev. Elenora Giddings Ivory
Director, Washington Office
Presbyterian Church (USA)

David Hart
Executive Director
Veterans for Peace

John Harvey
Director, Washington Office
Church of the Brethren

Rev. Dan C. Hoffman
President
Washington Office on Africa

John Isaacs
President
Council for a Livable World

Very Rev. David Kalert OMI
President
Missionary Oblates of Mary Immaculate

May Khadem, M.D.
Secretary, Board of Directors
Health for Humanity

John H. Kim
General Secretary
National Association for Korean Americans
(NAKA)

Anthony Kozlowski
President & CEO
American Refugee Committee

Renold Levy
President
International Rescue Committee

Charlie McCormick
President
Save the Children USA

Prema Mathai-Davis
National Executive Director
YWCA of the U.S.A.

Ronald J. R. Mathies
Executive Director
Mennonite Central Committee

Mary Miller
Executive Secretary
Episcopal Peace Fellowship

Terence Miller
Director
Maryknoll Fathers and Brothers Justice and
Peace Office

Robert O. Muller
President
Vietnam Veterans of America Foundation

Dr. Robert K. Musil, Ph.D
Executive Director
Physicians for Social Responsibility

Kara Newell
Executive Director
American Friends Service Committee

Dan O'Neill
President and Co-Founder
Mercy Corps International

Raymond C. Offenheiser
President
Oxfam America

Rodney I. Page
Executive Director
Church World Service

Maurice Paprin
Co-Chairman
Fund for New Priorities in America

Dan T. Plesch
Director
British American Security Information
Council

Rev. Thomas H. Quigley
President Director
The Church Council of Greater Seattle

Martin Rendon
Vice President for Public Policy and
Advocacy
U.S. Committee for UNICEF

Harold Robles
President
Albert Schweitzer Institute

Kenneth Roth
Executive Director
Human Rights Watch

Lionel A. Rosenblatt
President
Refugees International

Caleb Rossiter
Director
Demilitarization for Democracy

Len Rubenstein
Executive Director
Physicians for Human Rights

Rev. Richard Ryscavage, S.J.
Director
Jesuit Refugee Service USA

Catherine Sarther, SSND
President
School Sisters of Notre Dame, North
American Leadership Conference

Victoria M. Sheffield
Executive Director
International Eye Foundation

Evely Laser Shlensky
Chairperson
Commission on Social Action of Reform
Judaism

Stephen Schlesinger
Director
World Policy Institute
New School for Social Research

Larry Schwab
Chairman, Committee of International
Ophthalmology
American Academy of Ophthalmology

Robert A. Seiple
President
World Vision USA

John J. Shanahan
Vice Admiral, U.S. Navy (Ret.)
Director
Center for Defense Information

William Kennedy Smith, MD
President
Physicians Against Landmines

Nancy Small
National Coordinator
Pax Christi USA

Joyce D. Sohl
General Secretary, Women's Division
General Board of Global Ministries
United Methodist Church

Steve Starr
Supervisor, Social Services
American Red Cross, St Louis bi-state
chapter

Jeremy J. Stone
President
Federation of American Scientists

John E. Sutphin, M.D., Capt MC USN (Ret)
Chairman, Disaster Preparedness
Subcommittee
American Academy of Ophthalmology

Joelle Tanguy
Executive Director
Doctors Without Borders

Kathy Thornton, RSM
National Coordinator
NETWORK: A National Catholic Social
Justice Lobby

Kathleen Uhler OSF & Ignacio Harding
OFM
Co-Directors
Franciscans International

Edith Villastrigo
Director
Women Strike for Peace

Joe Volk
Executive Secretary
Friends Committee on National Legislation
(Quakers)

Susan B. Walker
Director
Handicap International

Mary Wareham
Coordinator
US Campaign to Ban Landmines

Stephen Whisnant
Executive Director
World T.E.A.M. Sports

Jerry White and Ken Rutherford
Co-directors
Landmine Survivors Network

Roger P. Winter
Director
U.S. Committee for Refugees

Kathryn F. Wolford
President
Lutheran World Relief

Lynette Youndt Meck
Executive Director
Mennonite Central Committee U.S.

Miriam A. Young
Executive Director
Asia Pacific Center for Justice and Peace

CC: Madeleine Albright, Secretary of State
Sandy Berger, Assistant to the President for National Security Affairs
Robert Bell, National Security Council
William Cohen, Secretary of Defense
John Holum, Director, U.S. Arms Control and Disarmament Agency
J. Brian Atwood, Director, U.S. Agency for International Development
General John Shalikashvili, Chairman, Joint Chiefs of Staff

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
7-20-97

July 18, 1997

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT

SUBJECT: SCHEDULING DECISIONS

CC: JOHN PODESTA & SYLVIA MATHEWS

Copied
Streett
COS

ACCEPT

Date of Event:

Description of Event:

7/22/97

Outreach Meeting with Gay and Lesbian Leaders
Staff Contact: Maria Echaveste

7/23/97

Meeting with Bill Hybels
Staff Contact: Stephanie Streett

7/23/97

Immunization & Childcare Event with the First Lady
Staff Contact: Bruce Reed, Melanne Verveer

7/24/97

Congressional Fast Track Meeting
Staff Contact: John Hilley

7/25/97

Address the National Association of Elementary School Principals
(NAESP) Annual Meeting
Crystal Gateway Marriott, Virginia
Staff Contact: Thurgood Marshall Jr., Maria Echaveste

7/25/97

Tape Radio Address with Boys Nation 1997
Staff Contact: Maria Echaveste

7/28/97 - 8/1/97

Second Congressional Fast Track Meeting
Staff Contact: John Hilley

7/30/97 Meeting with South African Deputy Prime Minister Mbeki
Staff Contact: Samuel Berger

7/30/97 Departure Meeting with Commander John Richardson and
Lieutenant Colonel Charles Raderstorf
Staff Contact: Jodie Torkelson, Alan Sullivan

7/30/97 Drop-by White House Briefing for Senior Regional Appointees
Staff Contact: Thurgood Marshall Jr.

7/30/97 Boy Scout Jamboree
Fort A.P. Hill, Virginia
Staff Contact: Maria Echaveste

7/31/97 Remarks on Religious Freedom
Washington, DC, Location TBD
Staff Contact: Maria Echaveste, Charles Ruff

8/1/97 Official Working Visit with President Aliyev of Azerbaijan
Staff Contact: Samuel Berger

8/4/97 Interview with Black Entertainment Television
Staff Contact: Mike McCurry

8/4/97 Interview with Debra Mathis of Gannett News Service
Staff Contact: Mike McCurry

8/4/97 Interview with FOX Senior White House Correspondent Jim Angle
Staff Contact: Mike McCurry

8/4/97 Address the National Urban League's Annual Conference
Washington Convention Center, Washington, DC
Staff Contact: Maria Echaveste

8/11/97 or 8/14/97 Welfare-to-Work Event
St. Louis, MO
Staff Contact: Bruce Reed

8/11/97 or 8/14/97 Pediatric Labeling Event with the First Lady
Staff Contact: Melanne Verveer, Bruce Reed, Don Gips

8/15/97 Outreach Meeting with Asian Pacific American Community
Leaders
Staff Contact: Maria Echaveste

August TBD

Press Conference
Staff Contact: Mike McCurry

TBD

Meet and Greet with DC United, the Champions of Major League Soccer's Inaugural Season
Staff Contact: Phil Caplan

This could be scheduled as a brief photo-op in the Rose Garden as you are walking to or from the Oval Office. Is this something you would be interested in doing?

TBD

Meeting with the President of the Salvation Army
Staff Contact: Thurgood Marshall Jr., Maria Echaveste

This proposal has been forwarded to the First Lady's office for consideration also.

REGRET

Date of Event:

Description of Event:

7/14/97 - 7/22/97

Meeting with Members of the Creative Community Task Force on Cancer
Staff Contact: Maria Echaveste, Bruce Reed

The NEC budget working group recommended that this request be regretted, as the task force is lobbying for funding outside of the budget agreement.

7/17/97 or 7/24/97

Photo-Op with the Crew of the Space Shuttle Atlantis
Staff Contact: John Gibbons

The Vice President will participate in this photo-op on July 24.

7/21/97

Attend Celebration Marking the Bicentennial of the Launching of USS Constitution, "Old Ironsides"
Staff Contact: Samuel Berger

Sec. Dalton will be participating in this event.

7-21-97

OPTION

Date of Event:

Description of Event:

August TBD

Drop-by the Vice President's Photo-Op with the Louisiana State University Men's Baseball Team and Women's Track Team
Staff Contact: Craig Smith, Ginny Terzano

The purpose of this photo-op is to congratulate the teams on their numerous national championships.

PENDING

Date of Event:

Description of Event:

7/21/97 - 7/25/97

Brief Meeting with Commander Robert N. Boorda, USN, Son of the Late Admiral Jeremy M. Boorda
Staff Contact: Samuel Berger

Meeting

Commander Boorda has requested a brief meeting with you to express his family's appreciation for your support after Admiral Boorda's death. *Would you like us to set up a brief meeting or would you prefer to do this as a phone call?*

TBD

Meeting with James Jones
Staff Contact: Samuel Berger, Mack McLarty

See

Mack has requested that you have a brief courtesy visit, including a quick debrief of Mexican affairs, with former Amb. Jones.

8/4/97 - 8/8/97

See

Meeting with Corporate CEOs Who Occupy a Constructive Middle Ground on Climate Change
Staff Contact: Todd Stern

8/17/97

Speech at the 125th Anniversary Celebration of Yellowstone National Park
Staff Contact: Katie McGinty

Please let us know your and the First Lady's decision on this event at your convenience.

7/22/97 - 7/25/97

FDR Memorial Bill Signing Ceremony

Staff Contact: Maria Echaveste, John Hilley, Bruce Reed

You will sign this bill during phone & office time, and a White House photo will be released along with a statement to disability groups.

7/24/97

Reception to Honor Photographer Harry Benson at a Photo Exhibit Featuring First Families

Staff Contact: Mike McCurry

You are currently scheduled to attend the Picasso Exhibit dinner on that evening.

Can I drop
by before return
1 am in

7/24/97 - 7/25/97

Photo-Op with Winners of the Enrico Fermi Award

Staff Contact: John Gibbons, Thurgood Marshall

This award recognizes scientists, engineers, and policy makers whose work in nuclear science and technology benefits humanity. This proposal has been forwarded to the Vice President's office for consideration.

7/25/97

Speech to Members of the Youth with Disabilities Conference

Staff Contact: Maria Echaveste

A scheduling proposal for a photo-op or a video message will be submitted.

July TBD

Meeting with Leaders of a Broad Coalition of the Children's Health Advocacy Community

Staff Contact: Maria Echaveste, Bruce Reed

This proposal has been regretted, however the group requesting this meeting will be invited to participate in the Immunization/Childcare event.

8/3/97 - 8/8/97

White House Event in Recognition of the 20th Anniversary of the Surface Mining Act

Staff Contact: Thurgood Marshall Jr.

This proposal has been forwarded to the other principals and the Cabinet for consideration.

8/4/97

Keynote Address at Alpha Phi Alpha's 91st Convention
Staff Contact: Maria Echaveste

You are currently scheduled to address the National Urban League on this day. This proposal has been forwarded to the other principals and the Cabinet for consideration.

8/5/97

14th Annual "National Night Out" Crime Prevention Event
Staff Contact: Bruce Reed, Rahm Emanuel

The proposal for an evening event has been forwarded to the other principals and the Cabinet for consideration. We are still holding this as an option for a message event that day.

8/10/97 - 8/11/97

National Association of Police Organizations (NAPO) 1997
Annual Convention
Los Angeles, CA
Staff Contact: Bruce Reed, Rahm Emanuel

This proposal has been forwarded to the other principals and the Cabinet for consideration.

8/18/97

Handwritten initials: CR

Keynote Speech at 34th National Convention of the American Federation of Government Employees, AFL-CIO
Anaheim, CA
Staff Contact: Craig Smith

This is during your vacation. A request for you to tape a video message for this convention has been submitted.

8/18/97

Handwritten notes: Video? UP?

Keynote Address to the Veterans of Foreign Wars National Convention
Salt Lake City, UT
Staff Contact: Maria Echaveste

This is during your vacation. This proposal has been forwarded to the Cabinet for consideration.

8/24/97

Attend the Jackson Hole Jaycees C-130 Memorial Service
Staff Contact: Jodie Torkelson, Alan Sullivan

This is during your vacation. This proposal has been forwarded to the Cabinet for consideration.

August TBD

Photo for Cover of the November Issue of *Vanity Fair*
Staff Contact: Rahm Emanuel

discuss

This photograph would be taken with Bill Gates and Michael Jordan for a cover story on the most influential people in the world. The recommendation from the Senior Staff was that you not participate in this photo.

9/22/97

Attend the Committee for Education Funding's 12th Annual Congressional Awards Dinner
Staff Contact: Maria Echaveste

You are scheduled to address the opening session of the United Nations General Assembly on this day, and to attend the opening of the Metropolitan Opera with the First Lady that evening. This proposal has been forwarded to the other principals and the Cabinet for consideration.

National Journal

OTIS/Doug
WORK MAKING

BC

THE WEEKLY ON POLITICS AND GOVERNMENT

THE PRESIDENT HAS SEEN

7-21-97

America's New Political Geography

*copied
Smith
Sosnick
COS*

EXECUTIVE OFFICE
OF THE PRESIDENT
LIBRARIES
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OLD EXECUTIVE
OFFICE BUILDING

INTERIOR

SOUTH
ATLANTIC

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Room 308 OEOP

NON-CIRCULATING

Divide and Rule

In 1996, voters in Democratic regions became more Democratic, while voters in Republican regions became more Republican. In part, this was the result of local responses to national issues, but it was a reflection, in a country with enormous social and geographical mobility, of people seeking out their own kind.

BY MICHAEL BARONE

**ILLUSTRATIONS BY
TAYLOR JONES**

The America revealed in the 1996 election results and exit polls is a nation deeply divided, more along cultural than along economic lines, and increasingly along regional lines. Those who see economics as the primary factor in political decisions will find little evidence to support their opinion in the 1996 results. The Voter News Service (VNS) exit poll showed that the lowest-income group (with annual incomes under \$15,000) voted 59 per cent to 28 per cent for Democrat Bill Clinton; and the highest (with incomes above \$100,000), 54 per cent to 38 per cent for Republican Bob Dole. But each of these groups constituted only 10 per cent of the electorate. Among the other 80 per cent, there was little difference between income groups.

The main divisions were related to race and sex. Whites voted 46 per cent to 43 per cent for Dole, blacks 84 per cent to 12 per cent for Clinton. Hispanics, a disparate group that trended toward Reagan Republicans in the 1980s, voted 72 per cent to 21 per cent for Clinton; Asians, portrayed by some activists as a minority in need of special help from government, voted 48 per cent to 43 per cent for Dole. Men voted 44 per cent to 43 per cent for Dole, women 54 per cent to 38 per cent for Clinton. An even bigger gap existed between married women (48 per cent to 43 per cent for Clinton) and unmarried women (62 per cent to 28 per cent for Clinton).

Religion also created wide splits between voters. Definitions here are imprecise, and categories vary somewhat among polls, but the overall picture is clear when one interpolates

from the VNS and *Los Angeles Times* exit polls. The categories of Jews and those people stating "no religion" voted about 3 to 1 for Clinton. White Protestants voted about 2 to 1 for Dole. A similar pattern was apparent in House races, except that there, Protestants voted about 3 to 1 Republican.

Another factor that stood out in the results was education. From the New Deal through the Reagan years, the pattern was the same: The least-educated voters were the most Democratic, the most-educated the most Republican. But in the 1990s, that has changed. In the VNS poll, respondents who had not graduated from high school voted 65 per cent to 35 per cent for Democratic House candidates. But this group represented only 6 per cent of the electorate, including many elderly blacks. The three middle groups—high school graduates, those with some college, and college graduates—voted Republican 50 per cent to 49 per cent, with the first a few points more



NEW ENGLAND/METROLINER CORRIDOR

Democratic and the last a few points more Republican. Voters with post-graduate degrees, however, were more Democratic—51 per cent to 49 per cent in House races and 52 per cent to 40 per cent in the presidential race, according to VNS, and 49 per cent to 43 per cent in the presidential race, according to the *Los Angeles Times*.

One of the striking features of the 1996 elections results is how voters in Democratic regions have become more Democratic, while voters in Republican regions have become more Republican. In part, this was the result of local responses to national issues, but it was also a reflection, in a country with enormous social and geographical mobility, of people seeking out their own kind. Republicans were becoming a sort of endangered species in the Northeast, with only four Republicans among the 23 U.S. Representatives in New England, arguably the historic heartland of the party. At the same time, only four Democrats remained among the 24 Members of Congress from the Rocky Mountain States, arguably the heartland of William Jennings Bryan's Democratic Party. The Great Plains States, running north from Oklahoma to North Dakota, elected 13 Republicans and one Democrat to the House.

The interesting point here is that both New England and the Rocky Mountains were becoming more monopartisan. Just four years before, after the 1992 election, both areas were much more evenly divided: The New England delegation was 14 to 8 Democratic, and the Rocky Mountain delegation 13 to 11 Republican.

The realignment is reminiscent of House election results in the 1930s. In 1932, when the economy was in collapse and Franklin Roosevelt was elected, Democrats in House contests made uniform gains in all regions of the country, winning dozens of seats that had never gone Democratic before—and some that would never go Democratic again. In the 1934 off-year elections, the Democrats actually gained nine seats—the only time the party has done so in an off year—but they did not gain them uniformly. They lost seats in the small towns and rural areas of the East and Midwest, where the centralization of power in the National Recovery Administration and other New Deal agencies was resented as an interference with local arrangements. But they won seats in the industrial districts that had seen rapid rises in their populations from 1900-30 and that were reeling from huge layoffs and the almost total devaluation of local real estate. In Pennsylvania alone, Democrats gained nine House seats in 1934—a harbinger of the industrial, unionized base the Democratic Party

would have for the next 30 years.

In 1996, House Republicans did not do quite so well. While they managed to keep their majority, they experienced a net loss of eight seats. But they consolidated gains in the areas where support for their policies was strong, and kept defeats to a minimum in districts where support for their policies was weak.

To better understand the contours of opinion across the country, it's useful to divide the country into five regions, four of which contain about one-sixth of the voters each, and the other about one-third. The first is New England and the Metroliner Corridor, comprising the six states of New England; the New York, Philadelphia, Baltimore and Washington metropolitan areas; most of New York state, all of New Jersey and Delaware, southeast Pennsylvania, most of Maryland and all of the District of Columbia.

The second is the South Atlantic States, from Virginia south to Florida. The third is the Mississippi Valley, a bit more than one-third of the nation's land and voters, stretching from Upstate New York to Louisiana, from Minnesota to Alabama; this section of America was settled from the 1770s to the 1840s and became the industrial base of the nation.

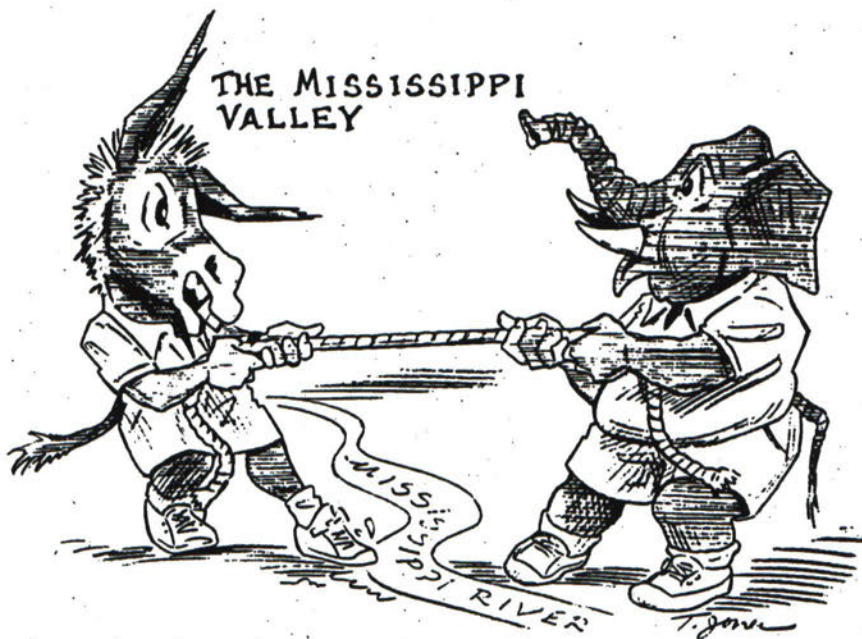
The fourth region is the Interior: the Great Plains and Rocky Mountain States,

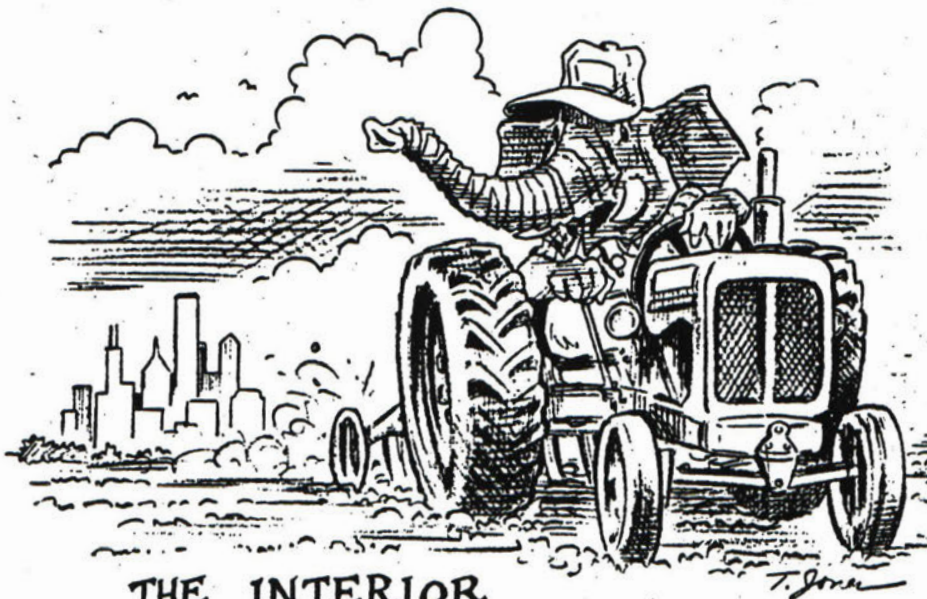


SOUTH ATLANTIC

from Texas to Idaho, and Alaska: the Great American Desert, as it was called during the years just before and after the Civil War. Finally, there are the Pacific States—California, Oregon, Washington and Hawaii—which were distant outposts in the 19th century but now stand as America's redoubts on the rapidly growing Pacific Rim.

Each of these five regions has a great economic capital that generates commerce and looks to the world beyond—New York, Atlanta, Chicago, Dallas, Los Angeles—and each has a combination of economic interests and cultural attitudes that sends its own politics in different





THE INTERIOR

directions. Here are political snapshots of the five regions:

NEW ENGLAND/METROLINER CORRIDOR

Throughout the 1996 election cycle, reporters wrote that voters were repelled by the Republican revolutionaries and the Religious Right, that they were ready to cast an overwhelming though not entirely enthusiastic majority vote for Bill Clinton, that they were especially annoyed by opponents of abortion, and that—while not interested in seeing taxes rise—they were queasy about the prospect of dismantling government.

This turned out to be an accurate picture of this one-sixth of the nation. The Northeast Corridor voted for Bill Clinton by a rousing 59 per cent to 31 per cent, producing more than half his popular vote margin—a more one-sided result than any of these regions has had in the past three presidential elections. And in House elections, the region voted 58 per cent to 41 per cent Democratic, while the rest of the country voted 51 per cent to 47 per cent Republican. The Northeast Corridor has long been Democratic, but not by so wide a margin: Clinton carried the area 49 per cent to 33 per cent in 1992; and Democrats carried the House vote here by a steady 54 per cent to 42 per cent in 1990, 52 per cent to 43 per cent in 1992 and 52 per cent to 44 per cent in 1994.

But the Northeast Corridor's anti-Republican trend has been counterbalanced by population shifts. In 1944, this area had cast 24 per cent of the nation's votes, with New York City by itself accounting for 7 per cent; in 1996, the same area cast just 16 per cent of the national total, with New York City

accounting for 2 per cent. Democrats have already won almost every House seat they could hope to win here, and the region casts only so many electoral votes—the figure was 99 in 1996 and will probably drop to 96 after the 2000 census. The Northeast Corridor's population has grown only 2.1 per cent in the 1990s, compared with 7.5 per cent for the rest of the country. The region cannot be ignored, but what it tells about America is far from the whole story.

SOUTH ATLANTIC

A half-century ago, this was America's backwater. The South Atlantic States were economically far behind the rest of the nation, with low-wage Piedmont textile mills their only major industry. Culturally, they were bound by legally enforced racial segregation. Politically, they were so heavily Democratic that few people bothered to pay their poll taxes and vote: These states cast only 4 per cent of the nation's votes in 1944. But since the dismantling of segregation, the pace of growth in the South Atlantic has been accelerating. The region grew 10 per cent between 1990 and 1996, and in '96, it cast 15 per cent of the nation's votes.

Yet the politics of the South Atlantic is an outgrowth of deep traditions, in some cases going back to colonial days. This is one of the most deeply religious places in any economically advanced country, with churches in every neighborhood and country crossroads; if the tone of daily life in the Northeast Corridor is secular, in the South Atlantic it is religious. The prominence of the Religious Right in the Republican Party is an asset here, not a liability. Politicians here have worked hard to attract industry, keeping taxes down and

insisting on right-to-work laws: This is the least unionized part of America.

The South Atlantic is one of the two most Republican regions (the other is the Interior). It cast off its Democratic allegiance as early as 1952, when most states here went for Dwight Eisenhower; it began electing Republican Senators and Representatives in the 1950s, governors in the 1970s. In 1988, it voted 60 per cent to 39 per cent for George Bush. Presidential races have been closer since then, but Republicans still usually do better here than anywhere else: 43 per cent to 41 per cent for Bush in 1992, 46.1 per cent to 45.8 per cent for Clinton in 1996. Clinton owes this carry to his intensive campaigning for Florida's 25 electoral votes; he lost the four other states, including Georgia, which he had won in 1992.

The underlying Republican trend is stronger. It shows up in House races: The South Atlantic voted 55 per cent to 45 per cent Democratic in 1990, a last vestige of its old Democratic ties, then 49.0 per cent to 48.8 per cent Republican in 1992, 58 per cent to 41 per cent Republican in 1994 and 55 per cent to 45 per cent Republican in 1996. Republicans control four of the area's 10 state legislative chambers and are tied with the Democrats in another.

MISSISSIPPI VALLEY

In 1682, a French explorer sailed up the St. Lawrence, through the Great Lakes and down the Mississippi Valley: the first European to traverse the region we call the Mississippi Valley. This land between the Appalachians and the Great Plains is the heartland, a place of great variety that is likely to be the central battleground in elections to come. It votes almost exactly like the nation as a whole: in 1996, 49 per cent to 41 per cent for Bill Clinton and 49 per cent to 48 per cent for Republican House candidates; and in 1992, 43 per cent to 38 per cent for Clinton and 51 per cent to 46 per cent for Democratic House candidates. In both years, Clinton carried every state here except Mississippi and Alabama.

Whenever the Mississippi Valley diverges from national patterns, it is worth examining the reasons. In 1994, it voted 54 per cent to 45 per cent for Republican House candidates at the same time that most of its states were voting lopsidedly for Republican governors who boasted of cutting taxes and spurring economic growth. And while the percentage voting for House Republicans dropped in 1996, it did not fall to the levels of 1992 and before; Republicans lost some seats here, but kept enough for a majority.

Historically, the Mississippi Valley was divided politically by the Old National Road—later U.S. 40 and now Interstate 70—running through southwest Pennsylvania, Columbus, Indianapolis, St. Louis and Kansas City, Mo. North of the line, people voted mostly Republican; south, mostly Democratic. Then in the 1930s, with the CIO unions organizing auto, steel and rubber factories, the big metropolitan areas of the Great Lakes became heavily Democratic. In the 1960s, white voters in the South shifted from Democrats toward Republicans, as did some blue-collar workers; blacks in both the South and the big cities of the North became heavily Democratic. All of these shifts have left the Mississippi Valley pretty close to evenly divided between the parties.

The economy here is mostly industrial, except in the southern reaches of the Mississippi River, and competition between the parties is also a contest between two visions of industrial governance. The Democrats have been allied closely with the big industrial unions, and mostly see government as an instrument of economic redistribution. The constituency for that approach—blue-collar workers in Great Lakes metro areas—seemed to fade in 1994, but came faintly flickering back to life in 1996. The Republicans, historically allied with company management, have moved toward market economics, trusting that lower taxes, less welfare and fewer regulations will invigorate their economies. Manufacturing, barely gasping in the early 1980s, is now thriving, with hundreds of thousands of jobs in small businesses quietly being created—many more than were noisily lost in sweeping plant closures and layoffs. In 1996, Clinton got some credit for the upturn; in 1994, Republicans did.

INTERIOR

As farmers moved west across the Great Plains, they came to land with less and less rainfall, until they reached the 100th parallel, which runs through North Dakota and south to Texas and has long been considered the boundary between farm fields and grazing land. The land of most of this Interior region is brown and empty today, and farm counties have lost population as fewer hands are needed to harvest the crops. Except for its eastern edge, most of the Interior today consists of large metropolitan areas rising from barren land, with small settlements—resorts, oil-drilling towns, county seats—in the vast spaces in between. Even Kansas, Nebraska and the Dakotas are on their way to becoming city-states.

The original politics of these states revolved around Civil War loyalties and mining and farming interests:

Texas voted for the Confederacy, Colorado for the Union, Arizona for copper, North Dakota for wheat. But by the 1980s, politics in all these states began revolving around the same theme: local interests versus federal control. Texans and Oklahomans were disgusted with federal oil and gas price controls; Nevada was furious at being designated the nation's nuclear waste disposal site; Utah's Mormons disliked the cultural liberalism emanating from Washington; Idahoans and New Mexicans rebelled at the ukases of federal land agencies. Even farm subsidies started to fall out of favor: In 1996, Kansas and Nebraska placidly accepted the phasing out of wheat and corn subsidies. In many parts of the Interior, though not all, strong traditional Christian beliefs set the cultural tone.

The result is that the once mostly Democratic Interior was in 1996 the most-Republican region in the country. The Interior voted 48 per cent to 42 per cent for native son Bob Dole over Bill Clinton, and 56 per cent to 41 per cent for Republican House candidates; the latter vote was almost identical to its 57 per cent to 40 per cent support of Republican House candidates in 1994. This was similar to the Interior's 57 per cent to 42 per cent vote for George Bush in 1988. The changeover in congressional voting came in 1994. Before that, the Interior had voted Democratic for the House, 51 per cent to 48 per cent in 1990, 49 per cent to 48 per cent in 1992. Now Democratic House Members are about as scarce here as Republican House Members are in the Northeast Corridor. In the House, the Interior is represented by 47 Republicans and 22 Democrats, 17 of whom come from Texas. Texans voted 54 per cent to 44 per cent Republican for House, but elected only 13 Republicans, thanks to the cleverest Democratic redistricting plan of the 1990s. But Democrats are not likely to control redistricting again here—Gov. George W. Bush is highly popular going into 1998, and the state Senate is now Republican—and so the Republicans stand to make redistricting gains in 2002.

PACIFIC RIM

If the Interior is wide open, the Pacific Rim is densely packed: Most people here live in metropolitan areas filling up the narrow interstices between ocean and mountains. Houses are expensive, lots are small, offices can be reached only on clogged freeways (one reason that so many people work at home). This is the homeland of America's computer creativity and its connection with the surging economies of East Asia; it produced bounteous growth for decades, then foundered as California and Japan went through a deep recession in the early 1990s.

California (but not Japan) has now recovered and is rapidly generating jobs and creating goods and services; Washington and Oregon in the Pacific Northwest are booming; only tourism-dependent Hawaii is lagging. This is the part of America most affected by the vast flows of immigration from Latin America and East Asia. The Pacific Rim cast 10 per cent of the nation's votes in 1944, 16 per cent in 1996.

Ronald Reagan, with his economic conservatism, strong defense policy and sunny disposition, showed Republicans how to carry the Pacific Rim in the 1980s. George Bush won here in 1988 by only 50 per cent to 48 per cent, but lost to Bill Clinton by a resounding 45 per cent to 33 per cent in 1992. Clinton carried the Pacific Rim, 51 per cent to 38 per cent in 1996, while Democratic House candidates prevailed 51 per cent to 45 per cent. Even in 1994, Democrats won 49 per cent to 48 per cent. The Pacific Rim is quite aware that its growth has come mainly



PACIFIC RIM

from the private sector, with the important exception of the 1980s, when the defense industry was thriving. The defense cutbacks of the late 1980s and early 1990s helped trigger Southern California's economic collapse, with the upshot that its economy is now less defense-dependent.

But cultural conservatism has never been especially popular here. This is the least religious part of the nation, the place where people are least moored to old communities and folkways (in contrast with many in the slow-growth Northeast Corridor). Voters here tend to see the Religious Right as a rebuke of and even a threat to their lifestyle. And in the apolitical atmosphere here, so different from the blaring tabloid culture of the Northeast Corridor, voters have been willing to let skillful Democratic machine politicians control their legislatures; the California Assembly, briefly Republican, is now back in Democratic hands, as is the Senate. Hawaii's Legislature is one of the most Democratic in the land, and the governorship has been handed down within one

faction of Democrats since 1962. A possible countertrend: Washington and Oregon have elected Republican legislatures, perhaps to counterbalance liberal Democratic governors, perhaps because the values of their eastern regions are seeping west.

SORTING OUT THE TRENDS

These regional differences help make some sense of the political trends of the 1990s. There is a seeming paradox here: Presidential voting became more Democratic, while congressional voting became more Republican.

But in fact, Americans in the 1990s have been voting more straight tickets than at any other time since the 1940s. In the 1970s and 1980s, many voters stuck with their ancestral Democratic preference in House races, or voted for the smart young Democratic political entrepreneurs who were so numerous in those years, even while voting Republican for President. In the 1990s, such behavior has stopped. In 1992, voters in each

region produced about the same margin for each party for President and for the House; this is what we should expect if people who voted for Ross Perot split their House votes evenly. In 1994, voters were plainly responding to national issues in general and Bill Clinton in particular. In 1996, the percentage for Clinton in each region is very similar to the percentage for Democrats in House races.

It bears repeating that Clinton's victory was contingent, while the House Republicans' was fundamental. Clinton's victory owed much to superior political skills and to favorable circumstances, not all of his making. Other Democrats are not guaranteed those advantages in the future. The victory of House Republicans, on the other hand, occurred in unfavorable circumstances and despite the grave unpopularity of the most visible Republican leaders. Not all of those disadvantages are guaranteed in the future.

Much has been made of the unpopularity of House Republicans in the Northeast Corridor and, to a lesser extent, in the Pacific Rim. Less has been made of their strength in other regions. In 1990, none of these five regions voted for Republican House candidates. In 1992, only one did, by a fraction of a percentage point. But in 1994, Republican House candidates won 58 per cent in the South Atlantic, 54 per cent in the Mississippi Valley and 57 per cent in the Interior. In 1996, they held most of that vote. It would be wrong to say that Republicans are bound to win future congressional elections. But it is equally wrong not to acknowledge that their victory in 1996 shows that they represent a potential majority coalition capable of asserting itself in presidential as well as congressional contests.

Indeed, one could make the case that the Clinton presidency has been disastrous for the Democratic Party. When Clinton was elected in November 1992, there were 58 Democratic Senators. Now there are 45. In November 1992, there were 259 Democratic Members of the House. Now there are 208. When Clinton took office in January 1993, there were 28 Democratic governors. Now there are 17, in states that together make up just 25 per cent of the nation's population. There are 500-plus fewer Democratic state legislators than there were when Clinton first won. Not all of these losses can be blamed on Bill Clinton, but many can. And there is also clear evidence that the Republican gains in Congress reflect a genuine impulse in the electorate. ■

This article is adapted from the introduction to The Almanac of American Politics 1998, written by Michael Barone and Grant Ujifusa and published by National Journal Inc.

STRAIGHT-TICKET VOTING'S BACK

REGION	PRESIDENT			HOUSE	
	REP.	DEM.	IND.	REPS.	DEMS.
United States 1996	41%	49%	8%	49%	49%
Northeast Corridor	31	59	8	41	58
South Atlantic	46	46	7	55	45
Mississippi Valley	41	49	9	49	48
Interior	48	42	8	56	41
Pacific Rim	38	51	8	45	51
United States 1994				52	45
Northeast Corridor				44	52
South Atlantic				58	41
Mississippi Valley				54	45
Interior				57	40
Pacific Rim				48	49
United States 1992	37	43	19	46	51
Northeast Corridor	33	49	17	43	52
South Atlantic	43	41	16	49	49
Mississippi Valley	38	43	18	46	51
Interior	40	36	23	48	49
Pacific Rim	33	45	21	41	55
United States 1990				45	53
Northeast Corridor				42	54
South Atlantic				44	55
Mississippi Valley				46	53
Interior				48	51
Pacific Rim				44	52
United States 1988	53	46		45	54
Northeast Corridor	49	51		42	54
South Atlantic	60	39		48	52
Mississippi Valley	53	46		46	54
Interior	57	42		49	50
Pacific Rim	50	48		43	55

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THE PRESIDENT HAS BEEN
7-21-97

97 JUL 17 AM 8:40

THE SECRETARY OF STATE
WASHINGTON

July 14, 1997

copy sent to
for

Dear Mr. President,

I am heading back from Prague - Vilnius, St. Petersburg, Ljubljana and Bucharest and Warsaw - but I must admit that the Prague stop was the most moving for me.

Mr. President, you have created a new world for the people of Central and Eastern Europe. I know we have been saying that for some time in speeches and interviews, but it really was evident in the faces of the people we saw. Your steadfastness on this issue has payed off - and you have undone injustice, kept a promise, and launched an undivided Europe in a new direction.

Mr. President, standing in Prague on a stage in a building where the Czechoslovak Republic was announced in 1918, facing over a 1,000 Czech dignitaries, and hearing the "Star Spangled Banner" and the Czech

National Anthem. "Where Is My Home?" I worked hard to keep my composure. I thought about my parents, and I thought about you. I am grateful beyond measure to you for giving me the privilege of representing this the most remarkable country in the world. Thank you for letting me share in righting wrongs in Central and Eastern Europe, and especially for the country of my birth.

The Czechs said to me - you have brought us optimism. Thank you for letting me deliver that message. I ended my speech the way that you do - by saying "God Bless You." That surprised and pleased them. So as you say, Mr. President "God Bless America."

With greatest admiration, affection,
and gratitude.

Mladina

U.S. DEPARTMENT OF STATE
Office of the Spokesman
(Prague, Czech Republic)

For Immediate Release

July 15, 1997

A MOMENT OF CELEBRATION AND OF DEDICATION

AN ADDRESS BY SECRETARY MADELEINE K. ALBRIGHT
TO THE PEOPLE OF PRAGUE

Obecni Dum
Prague, Czech Republic
July 14, 1997

President Havel, Prime Minister Klaus, Mayor Koukal, Senators and Parliamentarians, Excellencies, distinguished guests, thank you so much for your warm and unforgettable welcome. Let me begin by expressing my sadness at the devastation that has been caused by the flooding over the last week. Our thoughts and prayers today are with those who have lost their loved ones and their homes. I know that there are many mayors here from regions affected by the flood. The solidarity and dedication that you and the Czech people have shown in this tragedy is inspiring.

This week, as I traveled from Madrid to central Europe, I could not help but think about the three journeys that have framed my life, and my life's work:

I have been thinking about the memories and the meaning of my own family's journey through the war and the turbulence of post-war Europe to the freedom and security of the United States.

I have been thinking as well about Europe's journey from total war to absolute division to the promise of enduring unity and peace.

And of course, I have been thinking about the journey of the Czech nation from the day in 1918 when its independence was proclaimed on this very spot, to the day in 1948 when its liberty was extinguished, to this day, when you take your rightful place in the family of European democracies -- fully, finally and forever.

T.S. Eliot wrote:

We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started
And know the place for the first time.

Today, you know me in a new way, in my new role. And I see you in a new way as well -- not only as the friend of the United States, but also as our next ally. Truth does conquer, after all. President Havel, Truth and love conquer, after all.

I have been here many times since the Velvet Revolution. And I am filled with pride every time I hear the playing of my country's national anthem, "The Star Spangled Banner," and yours, "Where is My Home." But nothing compares to the feeling of coming to my original home, Prague, as the Secretary of State of the United States, for the purpose of saying to you: Welcome home.

For with the news from Madrid this week, you are coming home *in fact* to the community of freedom that you never left *in spirit*.

From Munich to Madrid, from tragedy to triumph, it has been a long and painful journey. But you have arrived at your destination.

You have arrived at a moment of injustice undone, of promises kept, of a unified Europe begun. Now, a new journey begins; and at last, we can travel it together.

We stand at one of those great turning points in history. For the third time in this century, the politics of Europe are changing fundamentally. And this time, we pray, for good.

Almost 80 years ago, our parents and grandparents were full of the hope that Woodrow Wilson's dream of universal democracy inspired across the lands of central and eastern Europe. That dream was shattered by the illusion that the people of Paris and London and New York could simply go on with their lives while the people of Vilnius and Krakow and Prague were robbed of their independence, sent away in box cars, and machine-gunned in forests.

After World War II, it was Stalin's armies that shattered our dream. And for the next 50 years, one half of Europe was consigned to subjugation, the other half to fear. We were separated by concrete and barbed wire, by radio jammers and minefields, by lies that might seem ridiculous today had they not ruined so many lives.

The amazing thing is that all those years of propaganda, terror, and isolation utterly failed to flatten Europe's moral landscape. The communist authorities kept from you the truth, and still you spoke the truth. They fed you a vacuous culture and still you gave us works of art that fill our lives with intelligence, humor and warmth. They tried to smother your allegiances, your faith and your initiative, and still you taught the world the meaning of solidarity and civil society. They banished your finest leaders, and still you gave us Vaclav Havel.

This is what we must remember as the Czech Republic, Hungary and Poland join NATO. As President Clinton has said, we are not just new allies. In the ways that truly matter, we are old allies. We are and always have been part of the same community.

NATO membership will bring many benefits to the Czech Republic and to others who join today and in the future -- as will our broader strategy of integration. Above all, it means you will always be able to rely on us and we will always be able to rely on you. If there is a threat to the peace and security of this country, we will be bound by a solemn commitment to defeat it together. For this reason, we can be confident such a threat is far less likely to arise.

It means security in Europe will not stop at its Cold War dividing lines. It means Europe's new democracies will not be consigned to a buffer zone of excluded states. It means you will be the authors of your history, the masters of your destiny, the vassals and victims of no one.

But, my friends, this is more than a moment of celebration. For NATO's old and new allies alike, it is also a moment of challenge.

Our most immediate challenge is to ensure together that the people and parliaments of NATO's 16 member nations embrace the enlargement of our alliance. In America, the debate will be vigorous. Because we take our commitments seriously, we do not extend them lightly.

I believe that our Senate will approve this initiative, but the burden of proof will still rest with those of us who believe that NATO enlargement serves American interests. The Senators will ask us many appropriate questions about risks and costs. They will remind you, as do I, that with a first class ticket to NATO comes the obligation to make a first class contribution.

Regrettably, you will also hear echoes of Munich in this debate. Already, people have trotted out the tired myth that in times of crisis we will make no sacrifice to defend a distant city with an unpronounceable name; that we will protect the freedom of Barcelona but not Brno, Stuttgart but not Szczecin.

I challenge those critics: come meet your future allies. Speak with their people. Their names may sound unfamiliar, but they speak the same language of freedom. Visit the veterans in this region who fought for the allied cause in World War II. Talk to the veterans of the dissident movements. They have spent a lifetime sacrificing for the ideals we have in common. Look them in the eye. Ask them why we should be allied with Europe's old democracies forever, but its new democracies never.

You might listen to President Havel, as well. "If we appeal to the West not to close itself off to us," he has said, "this is not only because we are concerned about our own security and stability. We are concerned about the destiny of the values and principles that communism denied, and in whose name we resisted communism and ultimately brought it down."

Defending values, righting history's wrongs -- these are idealistic arguments. Oddly, some are troubled by that. They want NATO to retain its military muscle, but they are suspicious of enlargement because it also appeals to our hearts. Others, who champion freedom in central Europe and Russia, are suspicious of enlargement precisely because NATO is an organization with tanks and bombers. But there is no contradiction here between realism and idealism, between pragmatism and principle, between security and justice.

Those of us who knew Prague before the Cold War know that freedom without security is a frail reed. And those in America who most ardently prosecuted the Cold War should be the first to admit that it was not merely a military enterprise, but an idealistic one as well.

You know that NATO enlargement fulfills a moral *and* strategic challenge. By turning a Europe of shared values into a Europe of shared responsibilities, you know we can do both.

Because we are old friends, let me speak plainly. NATO is welcoming new members because we know you are ready to make an even deeper commitment to the common endeavors of our alliance of democracies -- from the pursuit of peace in troubled regions, to the fight against terror and crime, to our support for those who still struggle for the freedom you enjoy.

For example, the SFOR mission in Bosnia will come to an end in one year. But the United States has made a long-term commitment to support peace in that country and given what you have already done in Bosnia, I trust you will, too. I trust you will also be leaders in the effort to keep deadly weapons from dangerous rogue states, even if it means losing a sale from time to time. And I trust you will pay the costs and do what is necessary to assure the full integration of the Czech armed forces into NATO.

It is your willingness to assume great responsibilities that has brought you to this point. You are about to join NATO. You are already a member of the OECD. No doubt, you will join the EU as well. Our memory of the last 50 years makes it hard to believe, but as you enter these institutions, you will stand among the most prosperous and powerful nations in the world.

You are no longer on the outside looking in; you are on the inside looking forward.

For 50 years, you looked to the free world for support, understanding, and recognition. Now you are the free world; other nations will look to you for support.

Part of our new responsibility to others is to ensure that the door to NATO remains open to all European democracies that are willing and able to meet the obligations of membership.

That is the policy NATO adopted in Madrid. We count on you to support that policy in word and deed. It is also a personal commitment President Clinton has made to all the nations that lie between the Baltic and Black Seas. And it is our message today to the people of Slovakia. For it is our sincere hope that their nation will rejoin the path of true democratic reform and make itself a strong candidate for the second round of NATO enlargement.

To all the nations that still aspire to join NATO, I say: consider why we have invited the Czech Republic. It is not because the Czechs are somehow more "European" than the Orthodox and Muslim peoples to the south and east; we have no patience for that kind of thinking. It is not because Prague is west of Vienna. It is not just because of your pre-war democratic tradition.

Rather, the Czech Republic's invitation to NATO was inscribed by its deeds over the past seven years. Others will soon be ready to follow your lead, and you must join us in helping them.

You know that the effort to join NATO is not a race to escape a bad neighborhood. It is an effort to improve the neighborhood for the benefit of all.

This is why I appreciate the Czech Republic's support for the NATO-Russia Founding Act and your recognition that a democratic Russia must be part of a Europe whole and free. As President Havel has said, "in this era, we -- as nations -- cannot divide ourselves according to who were the victors and who the vanquished in the past."

After my trip to Europe this week, I am more confident than ever that together, we can meet his challenge and more. In Madrid, I saw NATO's strength as its leaders made a decision that was difficult but right. With President Clinton in Warsaw, I saw that our new allies are not just ready but eager to add their energy to ours. In Bucharest, I watched the President address 100,000 people at University Square -- and even though their country will not be among the first group of new allies, they showed us that they support NATO's enlargement and that they will do what it takes to be part of a new Europe. I heard the same message in Ljubljana and in Vilnius. And in St. Petersburg, I saw a Russia that is moving ahead with reform and moving closer to the rest of Europe.

Today, I can foresee a Europe where every nation is free and every free nation is our partner. Not long ago, that was a future we might have imagined, but in the darkest moments perhaps thought would never come. And that brings me back to the earlier part of my remarks -- and of my life.

Fifty years ago, Jan Masaryk was told by Stalin in Moscow that Czechoslovakia must not participate in the Marshall Plan despite its national interest in doing so. Upon his return to Prague, Masaryk told my father, his chef de cabinet, that it was then he understood that he was employed by a government no longer sovereign in its own land.

Soon after, the communists took over in Prague. That coup drove my parents and me from this country for the second time. And more than any other single event, that coup awakened America and western Europe to the need for an Atlantic Alliance. Thus, the event that cast my family out of Prague, and you into darkness, also helped to create the Alliance that has brought me back again, and put you in the center of a new Europe.

Today, there is no Stalin to give orders to you or to anyone. The opportunity to be part of the international system is open to all. The goal of integration is not bound by strategic realities or confined by cultural arrogance to western Europe, to central Europe or even to Europe.

Today, the west has no fixed eastern frontiers. Every democratic nation that seeks to participate in the global system we are constructing and that is willing to do all it can to help itself will have America's help in finding the right path. Now they will have your help and your example as well.

People of Prague, people of the Czech Republic: Half a century ago, our journeys diverged. But this week's events have brought our paths together again. Now thanks to the vision of my President, Bill Clinton, and the courage of your people, we are reunited in a common cause. Soon we will be joined in a common alliance. And we will never be parted again.

You were the passion of my parents. You are the land of my birth. And now you and I, my nation and yours, will build and defend a new Europe together. God bless you.

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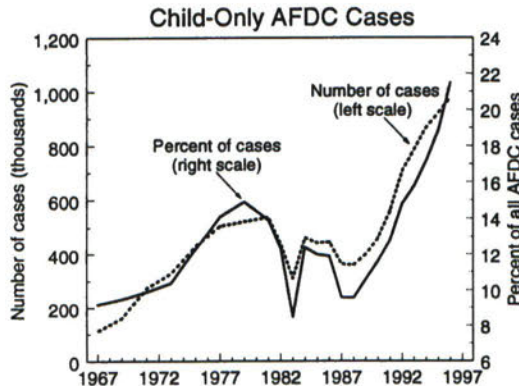
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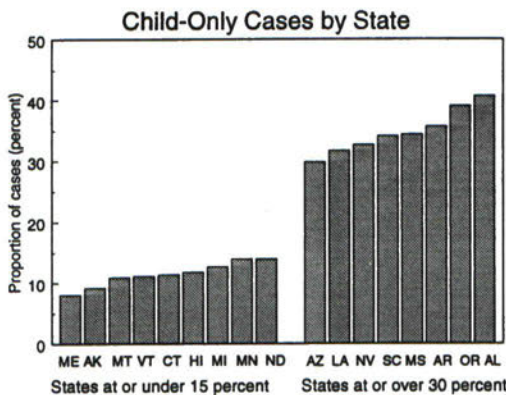
TREND

The Growth of Child-Only Welfare Cases

Single mothers with children represent the largest fraction of the welfare caseload. But recent years have seen tremendous growth in the number of "child-only" cases. Although a full explanation remains elusive, the surge in child-only cases has some immediate implications for welfare reform.



The facts. Child-only cases accounted for 21.5 percent of all AFDC cases in 1996, up from 9.6 percent in 1988 (see upper chart). The number of such cases increased from 360,000 to 980,000, resulting in nearly 1.7 million children in child-only AFDC households in 1996. Variation across states is also considerable: In 1996, child-only cases were 30 percent or more of the cases in eight states and 15 percent or less in nine others (see lower chart).



Why has the child-only caseload grown? Child-only cases fall into four main categories:

- caretaker is a non-recipient relative
- parent is an SSI recipient
- parent is an ineligible non-citizen
- parent has been sanctioned

Only scattered information is available about the reasons for growth in child-only cases, but it suggests that growth has probably occurred in each category.

Implications for TANF. Further analysis should provide a better understanding of the causes, but some immediate implications for welfare reform can be drawn from the way child-only cases are treated under Temporary Assistance for Needy Families (TANF):

- **No work requirement.** Child-only cases are not subject to work requirements. Hence, the changing composition of the caseload must be taken into account on a state-by-state basis to estimate accurately the number of work-related placements or the caseload reduction needed to meet work requirements. Estimates that ignore the growth of child-only cases overstate the difficulty of meeting work requirements, substantially for some states.

THE PRESIDENT HAS SEEN

No lifetime limit. Child-only cases are not subject to the 5-year lifetime limit on TANF benefits. The growth of child-only cases means a substantial portion of TANF children will be protected from loss of benefits.

And, for TANF aficionados:

- Caseload reduction and hardship exemption. Work requirements and the 5-year lifetime limit do not apply to child-only cases. But, curiously, child-only cases are included in computing the change in a state's caseload after 1995, which is used to reduce the state's caseload work requirements. Child-only cases are also included in determining the number of cases that fall under the "hardship exemption" to the 5-year lifetime limit on eligibility: That is, states may exempt for hardship a number of otherwise "non-exempt" cases equal to 20 percent of the total caseload. As a result, given two states that are equally successful in reducing the non-exempt caseload, it appears that the state with the higher proportion of child-only cases will have a harder time meeting work requirements and an easier time meeting the 5-year time limit.



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THE WHITE HOUSE

WASHINGTON

July 19, 1997

7-21-97

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN *PLC*
SEAN MALONEY

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **Sperling/Jennings cover note on Shalala memo.** Secretary Shalala sent you a memo that detailed her serious concerns about administering a means-tested (income-related) Medicare Part B premium through HHS, and her opposition to eliminating the premium altogether. We asked Gene/Chris to write a cover note for the memo. *Please see TAB A for details.*

(B) **July 19 Mir update from Jack Gibbons.** There have been no significant changes overnight on board the Mir. The crew is primarily on rest status but they will be working to repair minor damage suffered during the power shutdown. The head of Mission Control in August 7 to the Mir shortened August. 1 would be for safety

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Tab A - Sperling, Jennings, COS
Tab B - COS

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(C) **Echaveste Memo re: Central American Immigration.** Maria reports that the overall feeling from the advocates is that the Administration's recent actions are an important first step while we seek corrective legislation. If such legislation is not attainable, advocates recommend quickly exploring additional executive action. The VP recorded a Miami radio spot, praising the AG's decision on the Board of Immigration Appeal review and reaffirming the Administration's commitment to improving last year's law.

(D) **Berger Memo re: Education in North Africa.** You asked Sandy whether our African Initiative addresses problems in the scope and quality of education in North Africa. Sandy writes that our initiative, and the Congressional proposal, deal exclusively with Sub-Saharan Africa, and that the educational problems are different in the North and Sub-Saharan regions. In North Africa, USAID supports programs that target widespread female illiteracy and increasing community support for education. In Morocco, these programs appear to have produced a greater interest in basic education. In Egypt, our

7-21-97

emphasis on female education is helping to keep girls in school longer, and we're developing an Egyptian version of "Sesame Street" to better prepare children for school.

✓
CJB
He's been
Nasrullah
occasionally
helpful
Sally
for a while

(E) **Letter from Rep. Michael Castle (R-DE).** Forwarded by Erskine. Rep. Castle encourages you to take a personal interest in the fate of the 50 States Circulating Commemorative Coin Program, which was authorized by legislation Castle wrote and you signed last year. Under the program Treasury would produce five different Statehood quarter designs each year for ten years, commemorating all 50 states. The law required Treasury to conduct a study and decide by August 1, 1997, whether to proceed. The study found that the program could be popular but may require an extensive marketing campaign. The study also concluded that between \$2.6 and \$5.1 billion could be raised from the program. Secretary Rubin has yet to make a determination about proceeding.

(F) **Thank you note from Helen Thomas.** She expresses her "profound thanks for your very kind message on the occasion of UPI's 90th anniversary."

We have also received the following items:

✓
Press Coverage of European trip. Sandy has sent you a large packet of clips as well as a synopsis of the TV coverage. Both the print and broadcast coverage were very favorable and Sandy notes, "you were able to manage the diplomacy of the '3x5' process in way that achieved our objectives while simultaneously making clear that NATO's door remains open to those prepared to meet the responsibilities of membership. *We have the packet in our office if you would like to see it.*

✓
Report on children. The federal government collects a wide variety of statistics on children -- infant mortality, low birth weight, child poverty, etc. -- through many mechanisms involving many agencies. You issued an EO in April in connection with the Early Childhood Conference that, among other things, required the Interagency Forum on Child and Family Statistics to prepare an annual comprehensive report on the most important national indicators of the well-being of children. Frank Raines and Sally Katzen have sent you the first report. *We have the report in our office if you would like to review it. We have sent a copy to the First Lady's office and to DPC.*

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THE WHITE HOUSE
WASHINGTON

July 18, 1997

MEMORANDUM TO THE PRESIDENT

FROM: Gene Sperling and Chris Jennings

SUBJECT: Secretary Shalala's Memorandum and other information about Medicare Income-Related Premiums

Attached are two documents on the income-related premium. The first is a one page side-by-side table summarizing the major issues involved in administering a mean-tested (our base Democrats prefers "income-related") premium by the Department of Health and Human Services versus the Treasury Department. We created this document integrating much of the information contained in the Secretary's memo, as well as new information from Treasury and the CBO.

The second attachment is Donna's memo itself. It details the many, serious concerns that are raised by the prospect of administering this premium through HHS. It concludes that HHS/SSA collection of a high income premium would be an administrative disaster, inaccurately collecting premiums from millions of beneficiaries based on data that is two to three years old. It points out that the inefficient administration would lose over 50 percent of the revenue due, would require at least \$30-\$50 million in new administrative costs, and require at least 300 new employees.

Donna also raises her opposition to eliminating the Medicare Part B premium subsidy altogether, arguing that it would create much greater incentives for healthy and wealthy beneficiaries to leave the program than would setting the premium at 75 percent of program costs. (Despite our argument to the contrary, the Mainstream Senators strongly oppose having extremely wealthy beneficiaries having any subsidy.)

✓ We have made major efforts to work with Members of Congress on this issue and have made it clear, that if it can be done right, we want to get this done. On Thursday, we met with the Mainstream Senators (Breaux, Chafee, Kerrey, Conrad, Frist, etc.). On the same day, the Concord Coalition released a strong critique of the Senate proposal and an endorsement of your position. The briefing was so well received that virtually every Member of the group concluded that administration of the premium by the Treasury Department was the preferable way to go. (Senator Chafee said it was the only way to go.) Notably, the Mainstream Senators also agreed that the income thresholds should be indexed to inflation to assure that much larger and less well off seniors be unintentionally added over time.

Important

We are following up on the Mainstream Coalition's request to refine the Treasury option by developing alternatives to the tax form to calculate and collect the high income premium. We will keep you informed of developments.

THE PRESIDENT HAS SEEN
7-21-97

COMPARISON OF THE ADMINISTRATION OF THE HIGH-INCOME PREMIUM

PROVISION	SENATE BILL ADMINISTERED BY HHS*	SENATE BILL ADMINISTERED BY TREASURY*
Who Administers	Health & Human Services (HHS), Social Security Administration (SSA), & Treasury	Treasury
Savings	\$3.9 billion (assumes loss of over 50% of savings in the first 5 years)	\$8.9 billion (assumes traditional compliance rates)
Administrative Costs	\$30 to 50 million per year	\$5 to 10 million per year
How Eligible Beneficiaries Are Identified	HHS identifies beneficiaries by: (1) Getting income from the latest reviewed Treasury tax data, which is 2-3 years old (e.g., 1995 for 1998) (2) Sending notices to at least 3 million beneficiaries to ask if this past income is what they will receive in the next year and require them to respond in writing in 30 days Note: Sharing income data across agencies raises significant privacy concerns	Beneficiaries report their income, reference a schedule, and add the extra premium to the bottom line of their tax return
How Premiums Are Collected	Assumes that extra premium is subtracted from monthly Social Security check after HHS sends to SSA their estimate of who gets how much taken out of their checks	See above
Reconciling Income	To ensure that the right amount of premium was assessed, Treasury would send the actual income from reviewed tax data to HHS. However, because this would be done retrospectively this would take 2-3 years (e.g., 2001 correction for 1998 mistake)	Since income is not projected but is the actual reported income, no reconciliation is required.

* This policy assumes the Senate policy which phases in 100% of the premium for beneficiaries with incomes between \$50,000 and \$100,000 for singles, \$75,000 and \$125,000 for couples. The Administration opposes the Senate's 100% phase out, administration through HHS/SSA, and lack of indexing of the income thresholds.



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JUL 11 1997

MEMORANDUM FOR THE PRESIDENT

As you know, the Senate has proposed a number of changes that would affect Medicare beneficiaries, including the introduction of an income-related Part B premium starting at \$50,000 for single beneficiaries and \$75,000 for couples. In our letter to the Conferees, the Administration made clear that while we do not oppose income-relating the Medicare premium in principle, we have a number of concerns about the proposal as currently structured. I wanted to raise to your attention the two aspects of the proposal that I think raise the most significant problems. (I have discussed my concerns with Secretary Rubin).

First, if the Administration agrees to an income-related premium, I believe we should strongly oppose the Senate provision for HHS to administer the collections process. The Administration has consistently taken the position that any such premium should be collected by the Treasury Department, where it could be managed simply and efficiently as part of the filing of a beneficiary's tax return. (As you may recall, this is how we proposed to collect the income-related premium in the Health Security Act; we adhered to this position in the balanced budget negotiations). Part I of this memorandum sets forth in more detail the reasons why administration of an income-related premium by HHS would be impractical, expensive, and more burdensome to beneficiaries. Administration by HHS runs serious risks of alienating several million senior citizens.

Second, I am concerned that the Senate proposal has the potential to cause a substantial percentage of the highest income beneficiaries to opt out of Medicare Part B altogether, because it phases out the premium subsidy entirely at the top end of the income scale. Part II of the memorandum explains why it is very important that we not agree to an income-related premium that includes this feature.

I. Concerns about Administrability of Income-Related Premium by HHS

Administration of an income-related premium by HHS would be a formidable undertaking. HHS does not now have access to information on beneficiary income. In addition to serious concerns about the privacy of income information, requiring HHS to collect an income-related premium would mean establishment of a large and expensive bureaucracy at HHS, a task for which the Department has no expertise or comparative advantage. We estimate that such a bureaucracy, which would duplicate functions performed by Treasury, would require more than 300 new

Federal employees and cost more than \$30 million per year (not counting start-up costs), and run counter to Administration and Congressional goals of downsizing the Federal government.

Furthermore, the inefficiencies inherent in the Senate proposal for HHS to collect the income-related premium have led both CBO and HCFA actuaries to estimate that less than half of the revenue theoretically obtainable would be achieved. We believe that CBO would estimate that the income-related premium in the Senate bill would raise about \$8-\$9 billion over five years if the collections were handled by Treasury, compared to only the \$4 billion that CBO has estimated if the premium were administered by HHS.

A. What HHS Would Have to Do to Administer Income-Related Premium

The Senate bill would require HHS to undertake a complicated series of steps.

- (1) The Senate bill requires Treasury to provide HHS with income information on Medicare beneficiaries since HHS does not have such information. Collecting and reconciling information about beneficiary incomes would be an entirely new function for HHS, one that some beneficiaries may not find appropriate, given the sensitivity of such information.
- (2) The income information provided by Treasury would be three years old. Treasury would send HHS 1995 tax return information, the latest available information, in order to give HHS sufficient time to develop and send to beneficiaries an initial determination (i.e., a preliminary estimate which would need to be reconciled after the actual tax filing for the year) of their 1998 income and an initial determination of their 1998 income-related premium liability, and give the beneficiary an opportunity refute the HHS estimate.

Use of income data three years old is problematic. It would be inherently confusing. Past income is not a good indicator of a Medicare beneficiary's future income. For example, income for beneficiaries who were working in 1995 but later retired would result in an overstatement of estimated 1998 income for the beneficiary. Similarly, if a beneficiary had a capital gain in 1995, that gain would be included in the beneficiary's 1995 income used to project 1998 income.

In contrast, if Treasury were administering the income-related premium, they would not have to use three year-old data. Rather, because the income-related premium would be collected as part of the filing of the beneficiary's tax return, it would be based on actual income information for the relevant year.

HHS would have to respond to the many letters from beneficiaries or Congressional Offices who might be concerned with the general notion of a governmental agency estimating their income for a year and why they had to supply income data to two different governmental agencies.

- (3) The Senate bill requires that HHS send the beneficiary an estimate of their income by September 1 of the year before the year for which the income-related premium applied and that the beneficiary be given thirty days to refute the estimate. If the beneficiary refutes the HHS estimate, the Senate bill provides that the beneficiary's estimate would hold. If the beneficiary does not challenge the HHS estimate, the Senate bill specifies that the HHS estimate would hold.
- (4) While the Senate bill does not specify how the income-related premiums would actually be collected, they could be collected either by HHS direct billing, or SSA deductions from the Social Security check (for the bulk of beneficiaries).

In the case of exclusive HHS direct billing, HHS would have to send quarterly bills to about 3 million beneficiaries in 1998. For those beneficiaries who did not make timely payment, additional efforts at collection would need to be undertaken.

Alternatively, the beneficiary-specific income-related premium liability could be sent to SSA before the beginning of a year and SSA could deduct the amount from the beneficiary's Social Security check. This method could be used for 85 percent of beneficiaries; the remainder would need to be direct-billed by HHS.

- (5) If high-income beneficiaries did not make premium payments, they would be terminated from Medicare Part B coverage. Challenges to terminations could consume additional HHS resources. Termination may also involve correspondence with beneficiaries and Congressional offices.
- (6) Since the initial premium payments for a year would be based on the "initial determination" of income and since "actual" income and the actual income-related premium liability for the year may be different from the estimated amounts, the Senate bill requires that there be a reconciliation after the year. The Senate bill requires Treasury to send HHS income information after the beneficiary filed their tax returns for the year. Using actual income, HHS would determine the actual premium liability for the year.

For income-related premium liabilities for 1998, the reconciliation would occur in 2001. This could be confusing to beneficiaries since the reconciliation would involve resurrecting their actual information from a tax return three years earlier and generate additional correspondence.

- (7) After HHS reconciled estimated and actual income and income-related premium liabilities, underpayments would have to be collected from beneficiaries and overpayments would have to be refunded. If a beneficiary had died, collections would have to be made from, and refunds made to, the surviving spouse or estate. Special efforts may be needed to recoup underpayments from heirs where estates had already disbursed assets.

- (8) The paperwork burden for HHS administration of an income-related premium is staggering. New forms would have to be developed to send income estimates to beneficiaries, receive their responses and reconcile estimated and actual income. Twelve million bills would need to be sent if HHS did exclusive billing for income-related premiums. Additional correspondence would be involved for delinquent collections. Up to 3 million letters might be sent to handle overpayments and underpayments for a year. Special paperwork might be needed to recoup underpayments from surviving spouses or estates.

B. Comparison with Administration by Treasury

In contrast, an income-related premium could be calculated through the income tax return, in a manner similar to the way that the tax on Social Security benefits is currently determined. One line would be added to the 1040 tax form representing the amount owed for income-related premium. Determination of the income-related premium owed would be calculated on a worksheet in the 1040 instructions in the same manner that individuals calculate the amount of their Social Security benefit subject to income taxation. If the individual pays estimated taxes, the income-related premium liability could be included as part of the individual's periodic filing. There would be some increase in Treasury's administrative costs to run this program, but we believe those costs are relatively small.

C. Potential Costs of Administration by HHS

In an era of ever more constrained funding for program administration, requiring HHS (and SSA) to take on these administrative functions would be impossible without a more than \$30 million annual increase in administrative funding (and \$20 million in start-up costs) and more than 300 new Federal employees. These estimates of administrative costs do not take into account the need to deal with inquiries or complaints from Congressional offices, or the IRS itself (which will continue to be identified as the source of final income data). In the absence of additional resources, processing those inquiries would detract from the capacity of those organizations to provide other services. Nor do those estimates reflect the additional costs to beneficiaries who believe -- rightly or wrongly -- that there are errors in the information on which their filings are based. Just as other taxpayers incur considerable expenses for accountants, lawyers, and so forth, so for the first time would thousands of Medicare beneficiaries.

II. Concerns about the Maximum Beneficiary Contribution in Senate Proposal

The Administration's Health Security Act proposed that beneficiaries pay a maximum contribution of 75 percent at or above the top income level. In other words, there would be a 25 percent subsidy for the highest income beneficiaries.

There is an important rationale for this policy. If the entire subsidy is removed, the younger and

healthier persons among highest income beneficiaries would have strong incentives to drop out of Part B coverage. On average, Medicare spending for high-income beneficiaries is about 15 percent lower than for all beneficiaries. Since their average expenses would be considerably less than their Part B premium contributions, they could probably purchase a Part B benefit package privately, at less cost than a Medicare premium equal to 100 percent of the average cost for all aged beneficiaries. If a significant number of high-income beneficiaries dropped out, it would raise costs for those who remain. HCFA actuaries assume that about 30 percent of high-income beneficiaries would drop out if the income-related premium were set equal to 100 percent of average program costs. This would increase the Part B premium for every other beneficiary. The Administration believes that the maximum beneficiary contribution at the highest incomes should be 75 percent.

Conclusion

For all of these reasons, I strongly believe we should support an income-related premium only if it is administered through Treasury. I also believe that if this provision remains in the bill, the maximum beneficiary contribution should be 75 percent.



Donna E. Shalala

cc: Robert Rubin
Secretary, Department of Treasury

John Callahan
Acting Commissioner, Social Security Administration

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Jennings - pg. 3
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THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
7-21-97

July 18, 1997

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: Mickey Ibarra *MI*

SUBJECT: Office of Intergovernmental Affairs Weekly Report -- July 14 - 18, 1997

I. PRESIDENTIAL PRIORITIES

Education

We continue to work with governors to gain commitments to adopt your education testing initiative. At our urging, Governor Roy Romer (D-CO) met with his State Board and is ready to announce successful adoption in Colorado. He is also ready to lobby other governors; we are arranging for him to speak with Governor John Engler (R-MI) so they can jointly pursue the venture. Also at our urging, Governor Zell Miller (D-GA) will meet with his resistant State Superintendent to facilitate a commitment from Georgia.

- We participated the quarterly meeting of the Interagency Working Group on American Indians and Native Alaskans, a group chaired by Interior Secretary Babbitt. This session included extensive discussion of the education issues in Indian Country. Given your speech at NAACP and the work of the Race Initiative, we thought you would be interested in the following statistics: American Indians and Alaskan Natives continue to have the highest dropout rates and the lowest high school completion rate in the country. Only 66 percent of the native population are high school graduates, compared to 78 percent of the general population. There is discussion about development of a comprehensive federal Indian education policy; we will continue to monitor this developing initiative.

- Welfare Reform

- HHS Secretary Shalala received a report at the White House from the National Association of Counties (NACo) on the progress of welfare reform, "Making Welfare Reform Work: A Report of the NACo Hearings on Welfare Reform Implementation,"

in a brief meeting on Friday, July 11, 1997. NACo Immediate Past President Michael Hightower (D- Fulton County, GA) and incoming President Randy Johnson (R- Hennepin County, MN) and several other county officials were in attendance. Despite their opposition to the welfare reform legislation, NACo commends the Administration for proposals to create the three billion dollar welfare-to-work program and efforts to restore eligibility to current immigrants for Supplemental Security Income.

- On Tuesday July 15, 1997, the Los Angeles County Board of Supervisors passed a policy initiated by Supervisor Gloria Molina (D) that opens employment opportunities within county government to qualified welfare recipients. You sent a letter to Supervisor Molina congratulating the Board for their contribution to the success of welfare reform. A copy of this letter is attached.

Race Reconciliation

- We distributed over 500 copies of your UCSD speech and talking points on race reconciliation at the Annual Meeting of the National Association of Counties in Baltimore this week. We addressed sessions of the Large Urban Counties Caucus, the National Council of Elected County Executives, and Democratic County Officials to underscore the need for county officials to partner with you in this critical effort.

II. INTERGOVERNMENTAL CONSTITUENCIES

Governors

- We are in the final stages of preparation for our participation in the annual National Governors' Association Meeting to be held in Las Vegas, July 27 - 30, 1997. In addition to your attendance and participation, Education Secretary Riley will attend, and Transportation Secretary Slater remains a possible addition. Former Education Secretary Lamar Alexander and Bill Gates will be among the speakers addressing the meeting as well.
- We facilitated a meeting between OMB Director Raines and Governors Lawton Chiles (D-FL), Bob Miller (D-NV), Roy Romer (D-CO), and Tom Carper (D-DE) to discuss children's health care and Medicaid policy. Governor Howard Dean (D-VT) participated in the meeting via telephone. The governors expressed their strong preference to design their own benefits package, to eliminate participation thresholds, to minimize state matching requirements, and to modify the state maintenance of effort so as not to discourage state participation in the program. They are also concerned that disproportionate share hospital (DSH) cuts be as low as possible. The governors thanked the Administration for its strong stand to repeal the Boren Amendment and other state flexibility issues.

- Governor George Pataki (R-NY) wrote to ask for Administration participation at the one-year anniversary service for the crash of TWA flight 800. We have submitted a message from you and Transportation Secretary Slater will attend the event.

Counties

- The Annual Conference of the National Association of Counties (NACo) was a clear Administration success. Secretaries Babbitt, Cuomo, Herman and Slater spoke to the session and were well-received. Our strong partnership with counties in support of your policy priorities was clearly evident; NEXTEA, welfare reform, education reform, and children's healthcare were prominent on their agenda.

The Administration Service Center we facilitated at the NACo meeting was a success. Our "One-Stop Shop" Service Center, involved 43 representatives from 14 federal departments and agencies. The agencies were eager to participate and HUD was generous in sharing use of the space they had lined up for their "county office." We held office hours on Monday, July 14, from 10:00 am until 5:00 pm and tables were set up with colorful signs, department material, and agency staff members who met with delegates from counties nationwide. There is no question that this venture was worthwhile and future service centers should build on this initial experience. Also, Labor Secretary Herman met each of the federal workers who were staffing the center. Attached is a copy of the flyer for the Service Center which was distributed at the meeting.

Mayors

- We met with Mayor Miguel Pulido (D-Santa Ana, CA) to discuss the Administration's urban tax proposals, the education testing standards, and race reconciliation. The Mayor is working closely with the ten largest California cities on each of these issues. The Mayor expressed his overwhelming support for the Administration and promised to explore adopting the testing standards for his city.

Indian Country

- We had a great success this week in Congress when an amendment offered by Congressman Ernest Istook (R-OK) to tax gaming revenue was defeated on the floor by eight votes. This amendment was also a threat to the historic trust function and again attempted to tax revenue on reservations. We worked closely with Legislative Affairs staff to defeat the amendment. This is, as you know, a substantial issue in Indian Country.
- We met with representatives of the Seneca Nation about a variety of issues. You may

recall that they had a very difficult time with Governor Pataki earlier this spring about taxation of sales on the reservation. The Governor has introduced legislation to fix their problem, although it has little chance of passing. For the time being, the state and the Indians are working together to search for solutions.

- We also met with the Chief of the Rosebud of the Sioux Nation.

Insular Affairs

- Puerto Rico Investment Incentive: Senators Bob Graham (D-FL), Al D'Amato (R-NY), John Breaux (D-LA), John Chafee (R-RI) proposed a compromise on the tax credit on wages paid in Puerto Rico. This was made at the request of Governor Pedro Rossello (NP/D) in consultation with the Administration and would provide the incentive on a short-term basis.

We discussed this compromise with Finance and Ways and Means Committee Ranking Democrats Daniel Moynihan and Charles Rangel of New York, but Senator Moynihan and the Treasury Department report continued disinterest from Chairmen Bill Archer (R-TX) and Bill Roth (R-DE).

Rossello and Resident Commissioner Carlos Romero-Barcelo (NP/D) asked that we continue to press the issue, Senator Moynihan's staff member suggested that we should, and we are continuing to work on it.

- Virgin Islands Economic Aid: We arranged and helped Janet Murguia conduct a formal meeting between Delegate Donna Christian-Green (D-VI) and officials of various offices and agencies on her proposals for aid for the territory following preliminary talks with her. As you will recall, she had asked for the White House to develop an aid package and you wanted to respond positively.
- Puerto Rico HIV Prevention: The Centers for Disease Control decided to fund the HIV prevention programs of two community groups in Puerto Rico. After Gov. Rossello and a Puerto Rico senator expressed concern that an initial CDC plan would not have funded any projects in the islands --which have a very high AIDS rate --we had raised the issue with HHS officials.
- Northern Marianas Labor System: Prompted by your letter stating that Federal immigration and minimum wages laws in the Northern Marianas Islands should now be phased-in because of the problems there, Senate Energy Committee Chairman Frank Murkowski (R-AK) asked for a draft bill to be prepared for consideration.

THE WHITE HOUSE

WASHINGTON

July 15, 1997

Ms. Gloria Molina
Board of Supervisors of the
County of Los Angeles
Room 856
Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Gloria:

In the year since I signed the historic welfare reform legislation, I have challenged businesses, non-profit organizations, and religious groups across the nation to help make this law's promise an opportunity by offering jobs to welfare recipients. I have committed the federal government to hire 10,000 welfare recipients over the next four years.

Counties such as Los Angeles must continue to play a leading role by developing model programs that move people from welfare to work and provide the necessary tools for them to succeed. Therefore, I was pleased to learn that today you offered, and the Los Angeles Board of Supervisors passed, a policy that opens employment opportunities within county government to qualified welfare recipients.

I congratulate you and the Board of Supervisors for doing your part to end the culture of dependency and to elevate our shared values of work and responsibility by providing jobs and opportunity to those on welfare. It's up to all of us to make the new system work. Thank you for all you're doing to make welfare reform a success.

Sincerely,

Bill Clinton

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Department of Justice
Department of Labor
Corporation for National Service
Social Security Administration
State Department
Department of Transportation**

**Room 329
Baltimore Convention Center
Monday, July 14
10:00 a.m. - 4 p.m.**




EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

July 17, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS 
CC: ERSKINE BOWLES
SUBJECT: OSTP WEEKLY REPORT

THE PRESIDENT HAS SEEN

7/21/97

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Judy Winston pg. 2

CLIMATE CHANGE EDUCATION/OUTREACH EXPANDS

On July 14 in Seattle, WA, I addressed the Pacific Northwest regional workshop on the impacts of climate change (organized by OSTP and sponsored by NOAA, NASA, and the University of Washington). We got good local news coverage. I also met with the Editorial Board of the *Seattle Times*. These venues provided excellent opportunities to educate important State and local constituencies about the scientific realities of climate change and to engage them in a dialogue about appropriate policy responses. The region is already feeling the impacts of climate disruption: for example, back-to-back stormy winters in 1996 and 1997 cost State Farm Insurance more than \$60 million; subsequently the company announced it would limit the number of commercial and homeowner policies it offers in Washington State.

OSTP testimony before the Senate Committee on Agriculture on July 16 highlighted the potential for biomass to make substantial contributions to reducing U.S. CO₂ emissions and simultaneously boost rural, agricultural economies. Biomass will be an important element of any technological strategy your Administration undertakes in response to climate change. USDA and DOE are charged with developing this option, but USDA needs encouragement to be more active.

INCENTIVES FOR FUEL ECONOMY REMAIN CONTROVERSIAL

In response to my last weekly report, you asked about the efficacy of incentives to purchase new fuel efficient cars. Only 15 percent of gasoline is now consumed by cars produced before 1985, and the fuel economy standard (CAFE) for cars has remained unchanged since 1985 at 27.5 mpg. A number of trends now offset improved fuel economy, which doubled between 1973 and 1985: 1) many purchasers prefer light trucks, which average less than 21 mpg; 2) gasoline prices are now at historically low levels; 3) the cost of driving a mile is less than half what it was in 1973; and 4) people are driving twice as much. The Presidential Commission you established in 1994 to examine ways to improve fuel economy worked hard, but the automobile industry's passionate opposition

to fuel economy standards and the adamant opposition of the petroleum industry and others to fuel taxes resulted in deadlock. As part of our current climate change discussions with industry, we are seeking ways to accelerate technologies for fuel economy breakthroughs (e.g., PNGV). However, unless fuel price signals appear, or CAFE standards are raised, or public concerns about the impacts of gas guzzling are elevated, we will not likely achieve high penetration of fuel efficient cars.

NUNN-LUGAR FUNDING RESTORED

Thanks to the hard work of Senators Lugar and Bingaman, full funding for this program was restored in the Senate last week. The program helps ensure continued progress toward reducing the threat to the United States from former Soviet weapons of mass destruction, materials, and expertise.

PATHFINDER EXPANDS HORIZONS

Even as Pathfinder continues to send back exciting new scientific findings, we have started to accrue the indirect benefits of this investment. As you know, women (of all ages) have played a major role in designing and running this mission. Your participation in the Girls' Nation event scheduled for July 18 -- which will use the success of Pathfinder to highlight the opportunities for girls and women in S&T education and professions -- will undoubtedly have a positive effect on interest and participation in these fields that are so critical to our Nation's future.

Today, the science and engineering workforce hardly reflects the face of America. The number of women and minorities in science, relative even to professions such as medicine and law, remains low. We need to draw upon the full talent pool. By 2010, about half of America's school-age population will be from minority groups, emphasizing the importance to the nation of broader participation in science and engineering careers.

In 1996, you established the Presidential Awards in Science, Mathematics, and Engineering Mentoring to honor individuals and organization for their efforts in encouraging significant numbers of minorities and women to succeed in science and technology. The 1997 awards will be announced in early August with an award ceremony scheduled for September.

RACE INITIATIVE UNDERWAY

I have identified two issues on which OSTP can make substantial contributions to your race initiative. First, we can document minority participation rates in science and technology education and professions, analyze previous actions taken to reduce barriers to participation, and identify opportunities for improved implementation of full-participation policies. Second, we are well-positioned to work with the Executive agencies to describe the state-of-knowledge about the root causes of racism and identify significant gaps in our ongoing efforts to enhance understanding. I was pleased to read of Judith Winston's appointment and look forward to working with her on these issues.

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'Paralysis' of global warming

Scientists know it's coming
but few know what to do

BY DIETRA HENDERSON,
Seattle Times staff reporter

Olympia Mayor Bob Jacobs believes scientists when they say global warming could cause massive climate disruptions here and across the world. But doing something about it is another matter.

Sure, the state capital, home to 38,000 residents, is doing its part by tinkering with its comprehensive plan: More compact-housing distribution means less time spent in cars, less fuel burned, less harmful carbon dioxide to trap heat in the atmosphere. The city is emphasizing recycling, foot and bike traffic and even bought a couple of electric cars.

But there's another threat city officials know global warming could bring: flooding. And it is here that the difficulties of dealing with what's perceived to be a major, worldwide problem became evident yesterday at the first of a two-day conference on global warming in Seattle.

Like Seattle, Tacoma, Aberdeen and parts of Everett, Olympia is one of the low-lying areas of the state that geologically slumps even lower each year. Such subsiding regions are destined to suffer as global warming delivers the warmer, wetter winters it would bring to this area. At the same time, sea level — already gradually increasing each year in this state — would rise more dramatically as greenhouse gases trap heat and turn up the Earth's thermostat, melting polar ice caps, scientists say.

Yet, despite these threats, the city isn't planning preventative measures, such as build-



BENJAMIN BENSCHNEIDER / SEATTLE TIMES

John Gibbons, President Clinton's science adviser, told a group yesterday that the evidence of global warming can't be ignored.

Global warming 'paralysis'

ENVIRONMENT

CONTINUED FROM B 1

ing dikes. Dikes wouldn't be needed for decades. Perhaps by then, there would be enough countries adopting renewable energy sources to slow the progress of global warming.

Jacobs says every level of government is afflicted with "this kind of paralysis," with people "knowing something needs to be done and not knowing what to do."

North of Olympia at Seattle's waterfront Bell Harbor International Conference Center, scientists, policy makers, water managers and politicians struggled with that "paralysis" and other vexing issues as they examined the local impact of global warming.

The conference, one of several across the country, is designed to study the phenomenon and make recommendations to the Clinton administration later this year.

During yesterday's sessions, scientists slipped transparency after transparency on the overhead projector, explaining climate variations over the past century, the rates of buildup of carbon dioxide — the main greenhouse-gas culprit — expected precipitation and vegetation shifts, anticipated warming for this region and changes in the timing of peak runoff on rivers like the Columbia.

For the Northwest, scientists expect global warming to spell warmer, wetter winters, with less snow buildup in the mountains.

That means tougher going for fish, like salmon, that have adapted to current water-flow conditions. Meanwhile, warmer, drier summers could mean less water for irrigation, more wildfires in forested areas and hostile conditions for tree seedlings trying to thrive.

But Paul Klarin, a coastal specialist with the Oregon Coastal Management Program, questioned how much the public understands and wondered whether the public perceives risk differently from scientists. Told a site is likely to be flooded or eroded in some distant future, a property owner may build regardless.

"The problem is the public's being inundated with so many different types of problems on different time scales . . . what do they believe anymore?" Klarin asked the group. "What can you tell them with any certainty?"

It depends on whom you ask.

"There is still a lot of uncertainty we're going to have to deal with," J. Michael

'The problem is the public's being inundated with so many different types of problems on different time scales . . . what do they believe anymore?'

PAUL KLARIN

*Coastal specialist
Oregon Coastal Management Program*

Wallace, a University of Washington Department of Atmospheric Sciences professor, said as he explained the 1995 report that underpins many conclusions about global warming. "I think we need to avoid the appearance of knowing more than what we know, lest we invite an unwelcome backlash."

Later in the day, President Clinton's science adviser John Gibbons was more definitive. "The data are there," he said. "The overwhelming evidence is there."

A period of 10,000 years of extraordinary stability has been followed by signs of climate disruption that carries human fingerprints: In the past 100 years, the world's temperature has risen 1 degree Fahrenheit, sea level is up by four to 10 inches, glaciers are retreating worldwide and 10 of the warmest years on record have occurred in the past 15 years. Concentrations of carbon dioxide in the atmosphere have jumped since the Industrial Revolution.

Gibbons showed a transparency with the world's atmospheric carbon-dioxide concentrations depicted as a red fever line, steadily marching toward the sky if no changes are made to dependence on fossil fuels. "If we just keep merrily (going) along, as some would have us do, for the rest of this century (the red line) would be up and onto the next floor of this building," he said. "We will have caused in one century a geological blink of an eye."

While some expressed skepticism, saying historically that policy makers generally only act when faced with impending catastrophe or respond after the crisis, Gibbons again was more optimistic.

"Are we smart enough to have enough interest in our descendants to take the kind of action that will assure their future? I think we are smart enough," he said.

July 18, 1997

THE PRESIDENT HAS SEEN
7-21-97

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MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: Craig Smith

SUBJECT: Weekly Political Update

ALABAMA

A *Mobile Register* poll showed Governor Fob James (R) edging Lieutenant Governor Don Siegelman (D) by one point in a hypothetical general election matchup, 36%-35% with 29% undecided.

ALASKA

Representative Don Young (R) underwent coronary bypass surgery on July 17 at Bethesda Naval Hospital. Doctors say the surgery was successful. He will spend up to a week in the hospital and then recuperate at his Washington home for two to four weeks.

ARIZONA

Republicans at recent GOP functions have been saying it is unlikely that Governor Fife Symington (R) will be found guilty in his criminal trial because three GOP precinct committeemen are on the jury. However, only six of 16 jurors are registered Republicans, and each of the six answered no when asked whether they considered themselves party activists, held a party post, campaigned for a particular candidate, or contributed money or services to a particular candidate. In the trial this week, Daniel O'Donnell, vice president for McMorgan and Co., testified that he believed reports by his staff that Symington was prepared to use his power to ruin a downtown Phoenix office and retail center unless McMorgan agreed to concessions on a \$10 million loan.

On Tuesday, the state Supreme Court ruled that the taxpayer funded Constitutional Defense Council, the centerpiece of Symington's states' rights agenda, violates the Arizona Constitution's separation of powers and has no authority to operate. This is a serious blow to Symington and Republican lawmakers' campaign against federal meddling in Arizona.

CALIFORNIA

Governor Pete Wilson (R) and legislative leaders are struggling with to put the state's budget in place. The budget is already fifteen days past the state constitutional deadline and there appears to be no end in site. The stalemate is caused by unresolved issues between the Republican Governor and the Democratic-controlled chambers. Unresolved issues include the welfare overhaul, more money for local governments, how to pay for a new \$2 billion Bay Bridge, splitting \$32 billion for public schools, prison construction, raises for state workers, a \$1.4 billion pension bill, and a possible tax cut.

Governor Wilson's proposed \$1 billion income tax cut would give the biggest benefit to people who earn less than \$100,000 according to Wilson. The tax cut would not take effect until 1999 and would be fully implemented by 2000. Democratic leaders attacked the plan, charging that it would require deep cuts in education spending. Wilson's tax-cut proposal has fueled speculation that he has taken his first major step toward a White House bid in 2000.

The *Los Angeles Times* reported conservative Republican Darrell Issa's Senate campaign began running radio ads attacking Senator Barbara Boxer (D) in Fresno and Sacramento. Issa aides said, "By mid-August they will be running statewide, at a cost of \$2 million by year's end."

The *San Diego Union Tribune* reported House Majority Leader Dick Armey (R) has "called on fellow Republicans to chip in toward former Representative Bob Dornan's efforts to overturn his election defeat" by Representative Loretta Sanchez (D). In a letter sent to the homes of Republican House members, Armey said, "Our friend, Bob Dornan, needs our help... Bob has a legitimate case that deserves to be thoroughly investigated... but at a high price. That's why I've sent Bob a contribution, and I hope you will also give generously." Meanwhile, Sanchez has had to continue to raise money after her election to pay legal fees caused by Dornan's incessant challenge to her election.

The U.S. Department of Education's Office of Civil Rights confirmed Monday that it is investigating allegations that the admissions policies at the University of California's three law schools are racially discriminatory. The director of the Department's San Francisco office said the Department is responding to a formal complaint filed in March that alleged the University of California's ban on affirmative action in graduate student admissions unfairly favors whites and men.

* [A University of California Board of Regents committee approved a plan Thursday to double the University of California's annual spending on outreach programs to \$120 million. The outreach programs seek to increase minority enrollment without using affirmative action. Specifically, the plan is designed to increase the number of black and Latino high school graduates whose grades and standardized test scores make them eligible to enter the University of California from the current 4,200 per year to 8,500 over the next five years.

The 9th U.S. Circuit Court of Appeals ruling that a Phoenix ordinance keeping abortion protesters eight feet from objectors in the vicinity of a clinic is unconstitutional, and the Court is likely to invalidate similar ordinances in San Jose, Santa Barbara, and San Diego.

COLORADO

The Colorado School Finance Project members said Monday that 56 percent of voters polled would strongly favor a ballot measure to direct the estimated \$40 million surplus in state revenue to school construction projects. Another 17 percent indicated they "somewhat favor" such a ballot measure, 24 percent said they strongly or "somewhat oppose" such a ballot question, and 3 percent did not express an opinion.

FLORIDA

On July 11, Lieutenant Governor Buddy MacKay's (D) campaign reported that they have raised \$1,040,000. MacKay's Democratic challenger, State Senator Rick Dantzler, has raised \$221,530 since his campaign began in June. One-fourth of Dantzler's money has come from

agricultural and sugar interests, who are opposed to MacKay's candidacy because of his support for the Everglades clean-up.

State Representative Keith Arnold (D), from Fort Myers, has started raising money for a 1998 gubernatorial campaign, but will not announce his candidacy until September.

GEORGIA

The Atlanta Constitution reported that State Attorney General Thurbert Baker (D) has asked Governor Zell Miller (D) to appoint a special counsel to pursue ethics charges against his predecessor, Michael Bowers (R), who is currently running for governor. The State Ethics Commission will hear a complaint alleging that Bowers failed to disclose campaign contributions.

The Georgia Democratic State Committee elected Michael Coles as chairman of the State Party. Coles ran unsuccessfully against Speaker Newt Gingrich in the 1996 election.

HAWAII

According to a survey done by Mason-Dixon on June 6-10, privatization of government services could impact the 1998 gubernatorial election. Recently, the state Supreme Court ruled that counties cannot have private contractors perform work historically done by county workers. However, residents disapprove of this decision by more than a two-to-one margin. In addition, 47% said the way Governor Ben Cayetano (D), Mayor Linda Crockett Lingle, and Honolulu Mayor Jeremy Harris handle the privatization issue would be very important, while 33% said it would be somewhat important. Cayetano, Lingle, and Harris have all been mentioned as possible gubernatorial candidates.

IDAHO

Representative Helen Chenoweth (R) is leading a group of critics of the American Heritage Rivers Initiative. They believe the Administration is using the issue of enhanced waterways as a pretext for cordoning off public or private riverfront land.

GOP businessman Tony Paquin has been endorsed by the Idaho Reform Party in his primary challenge to Representative Chenoweth (R).

ILLINOIS

A recent poll, published in the *Chicago Sun-Times* on July 16, suggests that former state Representative Al Salvi, who lost to Richard Durbin (D) in the 1996 race for Senate, is positioned for a comeback.

1998 Senate trial heat:

Former State Rep. Al Salvi	48%
- Senator Carol Moseley-Braun	33%

1996 Senate election:

Senator Dick Durbin	58%
Former State Rep. Al Salvi	42%

1998 Republican Senate primary:

Former State Rep. Al Salvi	40%
State Comptroller Loleta Didrickson	13%

1996 Republican Senate primary:

Former State Rep. Al Salvi	48%
Former Lt. Gov. Bob Kustra	43%

Governor Jim Edgar (R) signed two bills, on July 15, designed to crack down on domestic violence and its perpetrators in Illinois. One law will increase the penalty for involuntary manslaughter involving family or household members, requiring that offenders spend 3 to 14 years in prison. The second law makes it a crime to prevent a victim or witness of domestic violence from calling the police, filing a police report or seeking medical attention. Both become effective in January.

Governor Edgar also approved a bill banning a specific late-term abortion procedure on July 17, after using his amendatory veto power to strike a provision giving a biological father the right to sue a doctor who performed the operation. The amended measure must now be approved by a simple majority of both chambers in the fall session. If the bill becomes law, the Reproductive Rights Project of the American Civil Liberties Union of Illinois said it would challenge its constitutionality in federal court.

In yet another corruption scandal, Management Services of Illinois's (MSI) owner, William Ladd, and former owner, Michael Martin, are accused of bribing state officials and defrauding taxpayers out of \$7.1 million. MSI is a collection firm hired by the Illinois Department of Public Aid in 1990 and one of Governor Jim Edgar's biggest campaign contributors (\$270,000 in campaign donations since 1990). The state hired Ladd and Martin in 1990 to ferret out people who were getting Medicaid but also had private health insurance at the same time. *The Chicago Sun-Times* reported Curtis Fleming, the star witness, testified that a "top aid for Governor Jim Edgar engineered a contract overhaul that put millions of dollars into the pockets of a major campaign contributor of Edgar's." However, Fleming said it was not MSI that pushed for the financial terms that ballooned the firm's payments from \$417,000 to \$11.2 million; "ironically," it was "the Governor's office." It is becoming clear that as prosecutors build their case, they are trying to link top aides in the Edgar administration to the MSI contract. The Governor issued a statement to reporters saying he will reserve comments until the trial's conclusion, as he may be called as a witness.

Former Alderman Lawrence Bloom pleaded not guilty Thursday in U.S. District Court to charges that he accepted bribes and bilked taxpayers out of \$333,000. He will be the fifth Alderman and the thirteenth person charged in one of the most talked about corruption cases in Chicago. Federal prosecutors, who for 18 months have been reinforcing local voter's worst suspicions about corrupt public officials, finally offered a bombshell July 8, indicting Bloom, who had built a reputation as a champion of clean government. The indictment, part of the Operation Silver Shovel investigation, alleged that Bloom brazenly sold out his office by pocketing \$16,000 in cash bribes from a notorious illegal dumper. This is seen by insiders and Chicagoans alike as a huge shock and by far the biggest surprise in this investigation.

Michael Flanagan (R), the former representative who shook the political world three years ago when he defeated Representative Dan Rostenkowski (D), said "it's 100 percent" certain "he will run for the Senate, unless Governor Edgar or Secretary of State George Ryan enters the race." State Senator Peter Fitzgerald is the only Republican who has announced his candidacy for Senate.

Time Magazine reported this week the FBI and U.S. Attorney's office are "deep in a probe of possibly illegal activities at the law firm of Daley and George, LTD," which has gained prominence for anyone seeking business with the city of Chicago. Partners in the firm are Michael Daley, younger brother of Mayor Richard Daley, and John George, a close friend of the Mayor and his family for decades.

A coalition of prominent legal figures and religious organizations asked the Illinois Supreme Court this week to halt all executions in Illinois until an investigation is made of the state's extraordinarily high rate of defendants wrongfully sentenced to die.

Former Democratic Representative Mel Reynolds, who is already serving time for having sex with an underage campaign volunteer, yesterday was sentenced to 6 and a half years in prison for bank fraud, campaign violations, and conspiracy.

INDIANA

The Indiana Democratic Party will host a conference and training session in French Lick, Indiana August 22-24 during which a 2000 Democratic presidential straw poll will be taken. This is the same weekend the Republicans convene in Indianapolis for the Midwest Leadership Conference.

IOWA

A *Des Moines Register* poll tested the approval ratings of the President, the First Lady, Senator Tom Harkin (D), Governor Terry Branstad (R), and Senator Charles Grassley (R). The results follow.

	<u>Approve/Disapprove</u>
The President	61%/34%
The First Lady	52%/40%
Senator Harkin	67%/24%
Senator Branstad	58%/36%
Senator Grassley	71%/15%

Secretary of State Paul Pate won a gubernatorial straw poll of Des Moines Republican party activists which followed addresses by all four candidates: Lieutenant Governor Joy Corning, former Rep. Jim Ross Lightfoot, businessman David Oman, and Pate. Pate met with key financial backers to assemble \$500,000 to pay for a summer advertising blitz to boost his gubernatorial bid. Although the primary is nearly a year away, Pate said the candidates must start early because voters will be closely watching the first open governor's race in 16 years. With each of the four Republican candidates expected to spend about \$1 million for the primary campaign, Pate is earmarking a substantial amount of his resources for this early push. Lightfoot, who officially announced his candidacy this week, is still the early favorite for the GOP nod and the general election.

LOUISIANA

It was revealed this week that a Baton Rouge police officer indirectly tipped off former Governor Edwin Edwards that he was being investigated by the FBI. The tip came just weeks

before the FBI raided Edwards' home and office in April. The FBI found out about the tip-off from a conversation they heard through a bug in Edwards' law office.

The showdown vote on July 16 over whether the Senate will continue to investigate allegations of fraud in the 1996 Louisiana Senate race was postponed as leaders sought a way to resolve the issue. Rules Committee Chairman John Warner (R) offered the Democrats on the panel a definite cutoff date for the investigation in exchange for six new FBI agents to probe charges of fraud. Minority Leader Thomas Daschle appeared to up the ante for the negotiations by insisting the committee state that it found nothing that merits reconsideration of the election of Senator Mary Landrieu (D). The Democrats have threatened a legislative slowdown unless the probe is promptly concluded, while Senate Majority Leader Trent Lott wants the investigation to move forward.

MASSACHUSETTS

A *Wall Street Journal* editorial on the Supreme Court's decision last week to throw out the Massachusetts term-limits law, writes, "Term limit proponents are in shock. ... The courts ruling was based on the state's peculiar circumstances, and term limit laws in other states continue to be upheld. Still, the irony here is hard to miss. More than 200 years after patriots threw tea in to Boston harbor, their governing betters are telling them that their votes just don't pass muster." Auditor Joseph DeNucci (D) announced, on July 16, that he will seek a fourth term to his current office. DeNucci is the first candidate to take advantage of the Courts overruling of the term limits law.

MICHIGAN

Representative David Bonior (D) was arrested July 11 after refusing to leave the offices of *The Detroit News* unless it agreed to return to work all of the people who went on strike two years ago. Bonior and five others were charged with trespassing and were driven away in a police van. The five were later released. The protest came two days before the two-year anniversary of the start of the strike by 2,500 workers.

MINNESOTA

Barbara Carlson, radio talk show host and ex-wife of Governor Arne Carlson (R), paid her \$20 filing fee and formally announced her intention to run for mayor of Minneapolis. She declared her party identification as Independent. Minnesota GOP chair Bill Cooper said that if as expected, Carlson seeks the Republican endorsement, the party will give the official endorsement to her. She enjoys a great deal of name recognition from her radio show and will be able to raise substantial funds for her bid. Observers doubt, however, that she will be able to win enough respect and credibility to close the gap against popular Mayor Sayles Belton (DFL) in such a strongly Democratic city.

NEW HAMPSHIRE

New Hampshire Democrats are filing a formal complaint against Senator Bob Smith (R), alleging he should pay another \$54,000 in fines for exceeding the state's voluntary spending cap during his 1996 campaign. At issue is a mailing on Smith's behalf by the NRSC that went out

prior to the September 10th primary. Smith, who has already paid \$95,000 in fines, contends that because the expenditure was made prior to the primary, he did not violate spending limits in the general election.

NEW JERSEY

Democrats intensified their call on Friday for the State Legislature to cancel its vacation and come back for a special session to deal with the problem of auto insurance rates. This push by the Democrats comes two weeks after Whitman signed a new auto insurance law and then ordered her insurance commissioner to hold off on allowing any rate increases for the remainder of her first term. Democrats are trying to push the issue because Whitman's plan has been highly criticized, and polling demonstrates that she is very weak on the issue.

NEW MEXICO

Rep. Steve Schiff (R) says he plans to return to Washington after Labor Day following his fight with skin cancer. Despite losing 30 pounds and a loss of energy because of his radiation treatments, Schiff "still expects" to seek reelection in 1998. Former state Rep. Ray Sanchez (D) and state Sen. Phillip Maloof (R) have already announced for the seat.

E. Shirley Baca (D) announced she will challenge Rep. Joe Skeen (R). Baca, the '96 nominee, said her goal is to raise \$100,000 by the end of the year, adding to the \$20,000 reported in the latest FEC report.

NEW YORK

Records released on July 15, show campaign finance authorities have forced Mayor Rudolph Giuliani's (R) re-election committee to return \$66,740 from his 1994 inaugural fund. However, the reports show that Giuliani has \$4.7 million on hand compared to the \$1.3 million Manhattan Borough President Ruth Messinger (D) has in the bank.

Governor George Pataki's (R) war chest now totals \$8.7 million compared to just \$1.7 million for Comptroller Carl McCall (D), who may seek the Democratic gubernatorial nomination. Sources close to Pataki said they expect him to raise at least \$15 million, slightly more than \$14.4 million he spent defeating Mario Cuomo (D).

Brooklyn District Attorney Charles "Joe" Hynes (D) has begun running television advertisements for his reelection campaign in 1997 with a firm eye on the 1998 gubernatorial race. The main theme of his ad is, "For Joe Hynes, the work has just begun."

OKLAHOMA

N Governor Frank Keating (R), who early in his administration proclaimed support for tough ethics rules, is now raising questions about the ethics rules Oklahoma politicians are asked to follow. Keating was accused by the state Ethics Commission of 32 violations of the ethics rule by using state cars and the state airplane on fundraising trips in 1995 and 1996. Keating said he was not aware of the rule in 1996 when most of the violations allegedly occurred. On July 17 the Ethics Commission filed a lawsuit against Keating for "sanitizing" records and violating the state Open Records Act by refusing to produce travel records.

While he still has not officially announced for reelection, Governor Keating has raised

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\$544,000 over the last three months.

OREGON

Rep. Darlene Hooley's (D) husband filed for divorce on July 15 after 32 years of marriage. Despite the divorce, Hooley's spokesperson said the divorce will not influence her plans to seek reelection next year.

SOUTH DAKOTA

State Senate Democratic Leader Bernie Hunhoff is expected to announce his candidacy for governor on July 31.

TENNESSEE

Democratic office holders across the state are said to be getting nervous about the apparent lack of a strong candidate to challenge incumbent Don Sundquist (R) in the 1998 governor's race. Democratic Party Chair Houston Gordon noted that without a strong governor's race, "special-interest groups would divert their PAC money to other contested races." Potential Democrats are former House Majority Leader Bill Purcell and state Representatives Roy Herron and Steve Cohen.

Democrats are attacking Governor Sundquist whom they believe took unfair advantage of campaign finance reforms by filling his campaign war chest before limits on individual and political action committee contributions took effect in 1996. The Governor has already raised \$3.2 million for his 1998 reelection campaign. The new limits are expected to make it far more difficult for any Democratic candidate to come close to matching Governor Sundquist in funds.

The Nashville Banner reported Tennessee Democrats demanded Governor Sundquist and the state Republican Party return \$121,000 in campaign money for the 1994 elections, claiming the cash may have originated from a Hong Kong business. The Republican National Committee "made the contributions to Governor Sundquist and the state Republican Party only days after filling its 'soft money' account with \$1.6 million from a loan backed by the business." While Senator Fred Thompson (R) did not receive any of the money for his 1994 race, Democrats contended he benefitted indirectly through the donations to the state Republican Party.

The Nashville News-Sentinel reported the National Republican Senatorial Committee (NRSC), "quietly funneled \$42,500 to Tennessee Republican legislative candidates in the waning days of the 1996 election." NRSC spokesperson Mike Russell said on July 15 that "the money was spent without the knowledge of U.S. Senators Fred Thompson and Bill Frist of Tennessee, and even without the knowledge of the candidates who benefitted. State Democratic Chairman Houston Gordon criticized the independent expenditures, which were also used to build a Republican foundation in 15 select states.

TEXAS

Governor George Bush (R) reported that he has \$7 million on hand for his reelection bid. Bush's campaign treasury dwarfs that of Land Commissioner Garry Mauro (D) whose finance reports indicate that he has less than \$200,000 dollars on hand. *The Houston Chronicle* reported that Mauro's gubernatorial campaign "says almost two thirds of the money Mauro raised in June

came from Texans who traveled to Washington for a reception featuring the First Lady.”

Governor Bush’s possible presidential aspirations remain in the news. Although he has resisted most out-of-state invitations, especially to Iowa or New Hampshire, Bush has traveled to California, South Carolina, Tennessee, and Florida. Bob Novak reported Bush has the coveted Saturday night dinner speaking slot at the upcoming Midwestern GOP conference in Indianapolis.

In the race to replace retiring Lieutenant Governor Bob Bullock (D), Comptroller John Sharp (D) trailed candidate Rick Perry (R) in the fundraising race in June. Sharp raised about \$530,000 during June, while Perry took in \$731,000. However, Sharp will begin the campaign with \$2 million in the bank, while Perry lags behind at about \$1 million.

The crowded race to fill the shoes of Houston Mayor Bob Lanier continues to heat up. A *Houston Chronicle/KHOU* poll shows three frontrunners emerging.

General Election Match Up

		<u>Favorable/Unfavorable</u>	
Former Police Chief Lee Brown (D)	25%	Brown	67%/18%
Businessman Rob Mosbacher (R)	18.3%	Greanias	47%/21%
City Controller George Greanias (D)	15.4%	Mosbacher	41%/21%
City Councilwoman Gracie Saenz (D)	6.4 %	Saenz	37%/9%

VIRGINIA

On July 14, Democratic treasurers and commissioners of revenue in three areas of the state denounced Republican gubernatorial candidate James S. Gilmore’s proposal to cut the personal property tax as deceitful and dishonest. However, a Gilmore spokesman said the proposal appears to be working, adding: “The Democrats are running scared. They are trotting out their tax collectors to scare the public even more.”

Lieutenant Governor Donald S. Beyer Jr. (D) outpaced Gilmore in the fundraising chase last month. Advertising heavily on television, both candidates spent more than \$1 million in the last 31 days. Even so, they both have bountiful campaign chests available. Beyer had \$1,238,248 on hand on June 30, while Gilmore had \$1,010,535. Gilmore and Beyer are preparing for their first debate on July 19.

WASHINGTON

Representative Jennifer Dunn (R) won the election against Representative Jim Nussle (R) for the GOP conference vice chair. The vote was seen as a sign of support for Speaker Gingrich.

Senator Patty Murray (D) is anticipating one of the country's toughest reelection races. She raised more than \$601,000 during the first half of the year and expects to spend as much as \$4 million. Representative Linda Smith (R), her challenger, has raised about \$250,000, but refuses to accept PAC money. NRSC Chair Mitch McConnell has refused to meet with Smith because of her anti-PAC stand.

WISCONSIN

Rep. Mark Neumann’s (R) campaign released a poll which they claim shows that the failed recall effort over Senator Russ Feingold's (D) stance on partial birth abortions has taken its

toll on his favorable/unfavorable numbers. They also claim that in the Milwaukee media market, Neumann edged out Feingold 37%-32%. Feingold immediately disputed the findings, saying that this is not what his numbers show. As for fundraising, Feingold, despite his decision to abide by the major parts of his campaign finance reform plan (60% from in state individuals, no more than 20% PAC's), said his campaign has about \$750,000 on hand. Neumann said his campaign would report more than \$200,000.

WHITE HOUSE 2000

Former Vice President Dan Quayle was in Iowa Sunday and Monday for his second trip to the state this year. During his trip, Quayle blasted the Congressional Republican leaders for being too quick to compromise with the President and being intimidated by his high poll numbers. In a recent *Des Moines Register* poll, Quayle made a decent showing with 16%, ahead of Lamar Alexander's 14%, and second only to Jack Kemp at 21%.

cc: The First Lady
Mrs. Gore
Erskine Bowles
Sylvia Matthews
John Podesta
Doug Sosnik
Maria Echaveste
Don Baer
Rahm Emmanuel
Bruce Reed
Mike McCurry
John Hilley
Mickey Ibarra

THE PRESIDENT HAS SEEN
7-21-97

July 18, 1997

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: MARIA ECHAVESTE

SUBJECT: OPL WEEKLY REPORT - July 12 to July 18

*Copied
Echaveste
COS*

ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES

BUDGET

- The National Association of Home Care Providers continues to voice concerns about the Administration's intent to reject the Senate proposal to impose a \$5 per visit home health copayment.
- OPL coordinated a meeting with AFL-CIO representatives and Chris Jennings to discuss the health budget. Overall, they seemed fine with our positions. They continue to believe that means-testing of Medicare is bad policy; they support the protection for public safety net hospitals and workers; they applaud the consumer protections of Medicare; and agree with our assessment that it is important to pay attention to the structural design of the Children's Health plan, especially the benefits package.
- OPL coordinated a conference call with the presidents of the California and New York Hospital Associations and Chris Jennings on Thursday, July 17, to share concerns on issues including the "carve out" of Medicaid and the Medicare DSH, and children's health. Twenty state Hospital Associations signed a letter applauding your leadership on children's health and shared concerns over the above issues.
- OPL coordinated a meeting with six physicians of the California Medical Association with Chris Jennings on Tuesday, July 15, to discuss children's health (they are with us), practice expenses, Medicare and the DSH formula. Overall, they are pleased.

- HEALTH INSURANCE FOR CHILDREN

- Gene Sperling, Frank Raines and Chris Jennings met with Marion Wright Edelman on Thursday, July 17, to discuss children's health issues as it pertains to the \$24 billion in the budget.

- The Children's Defense Fund, American Cancer Society, and the National Women's Law Center held a press conference on Wednesday, July 16, with Senator Kennedy and Congresswoman Nancy Johnson to praise a new advertising campaign that stressed the need for attention to children's health insurance issues. On the same day, an ad ran in the Washington Post highlighting this issue.
- Today's action on the benefits package leaves the children's health advocates very concerned, but pleased with the tone coming out of the White House. The groups continue to work the Hill, hold press conferences, place editorials, send coalition and individual organization letters to the Hill urging the conferees to adopt the kids' health provisions included in the Senate reconciliation bill and to provide as strong a structure as possible.
- The children's health advocates believe you should be visible in the children's health process now so as to raise the issue and to get credit for leading the issue. We are working on this issue for you with communications and NEC to draft the right language in connection with a proposed children's immunization event next week.

RACE/UNITY INITIATIVE

- Professor and author Ron Takaki, who participated in your meeting prior to the San Diego speech, will be incorporating an assessment/overview of the race speech and vision into his new book. He had begun writing the book several months ago, but after he met with you on this issue, he decided to incorporate your efforts in the manuscript.
- The first organizational meeting of the President's Initiative on Race on Monday, July 14, was observed by several leading African American civil and human rights leaders including, Dr. Dorothy Height of the National Council for Negro Women, Roger Wilkes, Professor of University of Virginia, of the Eddie Williams, President, Joint Center for Political and Economic Studies, Wade Henderson, Executive Director, the Leadership Conference on Civil Rights, Sheila Coates of Black Women For Action, Keith Boykin, of the Black Gay and Lesbian Leadership Forum. Others viewing the proceeding included representatives of ASPIRA (Puerto Rican organization), MANA (Latina women's organization) and the National Puerto Rican coalition.
- We have received positive feedback from the receipt of the Race speech by ethnic groups. They are very excited about this initiative and inspired by the President's willingness to look at this issue from "outside the box." They really do feel that they can be a positive and strong element of this dialogue and look forward to participating in the process. The Irish Americans, Italian Americans, Portuguese Americans and Arab Americans have expressed the most enthusiasm and a strong desire to be a part of this initiative.

EDUCATION

- Following up on prior meetings, I met with the national leadership of the League of United Latin American Citizens (LULAC), and specifically asked them for an endorsement for voluntary national standards. After discussing many of their concerns, they agreed to work with us during the next several weeks to achieve this goal. discuss national standards.

JUVENILE JUSTICE

- Police Commissioner Paul Evans and District Attorney Ralph Martin from Boston will be at the taping of this week's radio address. The Boston law enforcement groups are pleased that the President consistently refers to their successful program when speaking about juvenile crime. Their program is highlighted in this week's *TIME* magazine.

CONSTITUENT AND OTHER ISSUES

JEWISH OUTREACH

- A broad coalition of Jewish groups, along with other religious denominational groups, anxiously await action on the Workplace Religious Rights Bill, currently only sponsored by Senator Kerry (D-MA). They are hopeful that Sen. Coats (R-IN) will agree to co-sponsor soon. The groups are disappointed that House members have yet to sponsor their own version and are looking to you for leadership on this issue. We are currently planning an event at the end of July that will highlight your views and support for religious freedom.

GENETIC SCREENING EVENT

- The overall reaction from the groups on this event was terrific. The groups continue to want the Administration to also include ovarian, lung, prostate, and not just breast cancer in your remarks. We coordinated the 20 letters of support from groups praising your leadership and commitment to the issue.

GAY & LESBIAN

- Keith Boykin, who served as Director of Specialty Press at the White House early in the first term and who is now Executive Director of the Black Gay and Lesbian Leadership Forum will be part of the United States Delegation traveling to Zimbabwe as part of the African/African-American Summit. Anti-gay views expressed by Zimbabwe's President Mugabe have drawn sharp criticism from human rights activists.
- Gay anti-violence groups were working closely with law enforcement officials in light of the murder of Gianni Versace in Miami on Tuesday. The national attention given the so-called "gay killer" brings into focus media prejudice and other misunderstandings related to

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perceptions of gays. Stories about the murder and the search for the suspect were loaded with inappropriate and stereotypical imagery.

BUSINESS

- We are working with Todd Stern and CEQ on organizing next week's event to discuss the facts concerning global climate change with scientists. We will have representatives from business, labor, agriculture, children's groups, health groups, environmental groups and women's organizations in attendance. There will also be representation from state elected officials, Congress and the Cabinet.

CHILDREN

- The National PTA was very excited about both the V-chip and the Internet event. They were glad to see the commitment of the Administration on both of these issues. They noted the difference between the generations regarding two similar issues. While the younger generation does not like the V-chip, they are strongly supportive of child protections on the Internet. They were also proud to see the Administration take a bipartisan/common ground approach to both issues.
- Children/education groups have seen the tobacco/Joe Camel issue as a strong sign of the power and respect that children are gaining in Washington.

AIDS

- Republicans in the House Labor-HHS Appropriations Sub-Committee took credit for leading the effort to provide a \$132 million increase in funding for the AIDS Drug Assistance Program. The fact is that HHS worked behind the scenes to better the Republican proposal. The result, which obscured your commitment to increase ADAP funding, was necessitated by the vagueness of the budget process.

AFRICAN AMERICAN

- In cooperation with the NSC, Africa Division, our office worked to locate participants for the fourth African/African American Summit U.S. Presidential Mission headed by Secretary of Transportation Rodney Slater and Reverend Jesse Jackson.
- Your appearance on Thursday, July 17 at the NAACP Convention in Pittsburgh, Pennsylvania and the National Association of Broadcast Journalist (NABJ) Convention in Chicago, Illinois were very positively received. The President's speaking engagement was widely reported Thursday on national and local syndicated African American radio and television stations. For example, the "Tom Joyner Morning Show," and "BET NewsTalk" reported your message on the Standards Initiative.

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WOMEN'S OUTREACH

● OPL met with Congresswoman Carolyn Maloney (D-NY), along with Janet Murguia and Ellen Lovell to discuss the possibility of forming a Presidential Joint Task Force (or other suitable vehicle--council, committee) on a National Museum of Women's History. We are in the process of pulling together a larger meeting in the next few weeks with key women's groups and Administration officials to continue these discussions.

● OPL worked to identify a list individual working women and their families to incorporate into the communications strategy and media outreach for the WH, Senator Daschle, and the Democratic Policy Committee. We continued our work with NEC to identify people who could tell their stories for new roll-out activities.

NATO ENLARGEMENT

● We set up a conference call with the Central and Eastern European Coalition, Dan Fried and Jeremy Rosner. Jeremy and Dan briefed the members of the coalition about the President's trip to Madrid and the next steps in the NATO enlargement process. The coalition is excited about this process and are very committed to helping the Administration get the treaty ratified. OPL received lots of positive feedback from the groups on the President's trip to Madrid, Poland and Romania. The Romanian Americans were particularly enthused by the President's visit to their homeland.

● OPL scheduled the first meeting with representatives from labor unions to begin the process in gaining their support for NATO expansion. Jeremy Rosner and Sandy Vershbow briefed members from AFL-CIO and various other unions about NATO. They were receptive but still have a lot of questions before they will publicly support this policy. We plan a series of meetings at different levels to gain Labor's support. We believe that they want to be supportive of NATO enlargement but need more information and need to feel comfortable that their concerns have been properly addressed.

cc: First Lady
Erskine Bowles
Sylvia Mathews
Craig Smith
Kitty Higgins
Bruce Reed
Gene Sperling
Susan Liss

Mrs. Gore
John Podesta
Doug Sosnik
Rahm Emanuel
John Hilley
Micky Ibarra
Mike McCurry
Goody Marshall

THE WHITE HOUSE
WASHINGTON
July 18, 1997

THE PRESIDENT HAS SEEN
7-21-97

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN HILLEY *John Hilley*

SUBJECT: WEEKLY LEGISLATIVE REPORT

Copied
Hilley
COS

House of Representatives

1. **Interior Appropriations:** On Tuesday, July 15, the House passed (238--192) H.R. 2107, the Interior Appropriations Act for FY98. This \$13 billion measure is the second of the thirteen annual appropriations bills to pass the House and provides \$132 million less than the Administration's request. Your Senior Advisors have recommended that this legislation be vetoed due to the lack of funding in the bill for the National Endowment for the Arts. While considering the Interior bill, the House:

a. Rejected (96--228) Representative Chabot's (R-OH) amendment which would have eliminated the \$110 million in the bill for the National Endowment for the Humanities.

2. **VA/HUD Appropriations:** On Wednesday, July 16, the House passed (397--31) H.R. 2158, the Veterans Administration, Housing and Urban Development Appropriations Act for FY98. While considering this \$91.7 billion measure, the House:

a. Passed by voice vote an Administration-opposed amendment by Representative Tiahrt (R-KS) which would cut \$200 million of the \$403 million from the AmeriCorps program, setting aside \$30 million of the amount cut for additional medical research into veterans and Gulf War illnesses. The Administration's policy statement says that Senior Advisers would recommend that this bill be vetoed if it includes provisions eliminating the AmeriCorps program. Democrats were worried about a possible weak vote on this issue given the juxtaposition with veterans spending. Thus, they chose not to fight at this time.

3. **Agriculture Appropriations:** This week, the House began consideration of H.R. 2160, the Agriculture Appropriations Act for FY98. Citing unfair treatment by Rules Committee Republicans on the Rule issued for the Foreign Operations Appropriations bill, Democrats led by Representative Nancy Pelosi (D-NY), ranking member of the Subcommittee for Foreign Operations, demanded several votes on procedural matters in protest. The Rules Committee issued a Rule which did not allow a Pelosi substitute amendment to Representative Smith's (R-NJ) "Mexico City" amendment to prohibit funding for international population programs. Further consideration of the Agriculture bill was abandoned. It is expected the House will again take this legislation up next week.

reduces, however, DoD's Cooperative Threat Reduction (CTR) program by \$60 million from the Administration's request. The CTR program is an important and highly effective means of enhancing U.S. security through eliminating weapons of mass destruction and preventing weapons proliferation.

2. Energy and Water Appropriations: On Wednesday, July 16, the Senate passed (99--0) S. 1004, the FY98 Energy and Water Appropriations Bill. While the Administration has not issued a veto threat on the \$21.2 billion spending measure, serious concerns remain, particularly the decision to fund the restoration of California's Bay-Delta ecosystem at \$50 million, a level \$93 million below the President's request.

3. Foreign Operations Appropriations: On Thursday, July 17, the Senate passed (91--8) S. 955, the FY98 Foreign Operations Appropriations Bill. The Administration-supported \$16.8 billion spending measure includes aid for the Middle East and nations that emerged from the former Soviet Union.

a. The Senate rejected (38--60) a Sen. McCain sponsored amendment to discontinue the annual certification process that targets countries that do not cooperate with the United States in the effort to reduce drug trafficking. The amendment would have authorized instead a bipartisan commission to develop multilateral strategies for countering the flow of narcotics into the United States.

4. Nominations: On Thursday, July 17, the Senate confirmed (88--12) the nomination of Joel Klein to be Assistant Attorney General for Antitrust at the Justice Department. The Senate also confirmed (100--0) the nomination of Eric Holder to be Deputy Attorney General.

The Week Ahead

Senator Lott indicated that the Senate may turn to consideration of the FDA reform bill. Senator Lott also stated that he hopes to turn to consideration of the Budget Reconciliation Conference Report beginning Wednesday. Additionally, the Senate will continue to process Appropriations measures as they become available.

cc: The Vice-President
Erskine Bowles
John Podesta
Sylvia Mathews

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Emanuel
COS

THE WHITE HOUSE

WASHINGTON

July 18, 1997

THE PRESIDENT HAS SEEN
7-21-97

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

1997 JUL 19 PM 1:26

CRIME/DRUGS: Someone at Justice leaked to Newsweek the sentencing recommendations from the Attorney General and General McCaffrey. The reporter had the memo and the 10 to 1 ratio. I confirmed that the 10 to 1 ratio is what the Administration would propose. The individual that leaked this memo may have done more harm to getting any adjustment than anyone else. The Republicans will now offer their adjustment of 20 to 1. The leak has cut-off any dialogue we could have on this issue.

The annual Household survey by HHS will show a drop in teen drug use. This is the first improvement since 1992. They are ready to release the data next week.

We organized regional interviews for Ray Kelly at ATF on the Youth Handgun initiative. He talked to all the major papers in the cities mentioned in the report as well as the ten new cities.

I talked to General McCaffrey about a new prison reform effort relating to drug testing and treatment. I suggested we withhold state prison grants until a state confirmed a strategy to combat drug abuse in prisons. Confrontation of this nature may enable us to secure more funding for the President's drug testing and treatment initiative.

CAMPAIGN FINANCE: Senator Feingold wants to announce the September target to pass campaign finance reform. I told him that we would be willing to have the members and others at the White House to announce such a drive. The sponsors are meeting to determine how to re-draft the legislation with the clear intention that we will not propose just soft money reform.

TOBACCO: We continue to receive good and extensive coverage of the White House Review process. This week we had the industry, tobacco farmers, and whistle blowers in to meet with the Administration.

MISCELLANEOUS: I have attached an article on regional voting patterns by Barone. He wrote the article in the most recent issue of National Journal. I question his conclusions, but it is worth reading.

✓ Rick Berke from the New York Times is writing a story this weekend on the relations between the White House and Hill Democrats. Doug and I tried to show how much we do in the form of travel and money, and how we have taken the Democratic Party out of the wilderness when it comes to middle class voters.

✓ I have suggested to McCurry that if we get a tax and budget bill the President should hold a prime time press conference the night before the signing. The press conference would put the Administration's spin on the legislative session and provide an opportunity to address entitlement reform.

✓ I have also attached the results from a recent survey for Handgun Control in Ohio. This research reveals the strong support for the Brady bill. This type of public support should be used in the effort to extend Brady to juveniles and in the big fight over Brady.

✓ **BUDGET:** We need to be careful how we craft the final days of the tax negotiations. The final items will focus on Capitol Gains, IRAs, etc. We know these final items will define that tax bill and not the entire package. The specific victories in the tax bill need to be coordinated with the victories on the spending side. We know that our victories on children's health, the education budget, and Medicaid were part of an entire negotiation which included the tax side.

When we announced the budget deal, the GOP celebrated their victory and we appeared defeated. The final days of negotiations need to focus on all our victories, not just the elimination of indexing.

THE PRESIDENT HAS SEEN
7-21-97

PETER D. HART RESEARCH ASSOCIATES, INC.
 1724 Connecticut Avenue, NW
 Washington, DC 20009
 (202) 234-5570

Interviewer: 603 voters
 Dates: July 10-12, 1997

FINAL

Study #4945
 Ohio Survey
 July 1997

47 Male
53 Female
[5]

AREA		TYPE	SAMPLE POINT			FORM	DATE	1997
[6]	[7]	[8]	[9]	[10]	[11]	[12]	July [13]	[14]

1. Are you registered to vote at this address?

Registered	100	CONTINUE	[15]
Not registered	-	TERMINATE AND DO NOT	
Not sure	-	COUNT TOWARD QUOTA	

2a. Thinking back over the past several years, do you think the problem of handgun violence here in Ohio has been getting better, getting worse, or staying about the same?

Getting better	7	[16]
Getting worse	42	
Staying about the same	43	
Not sure	8	

2b. Would you say that the current gun control laws here in Ohio that deal with the sale and possession of handguns (a) go too far and are more restrictive than they should be, (b) are about right, or (c) do not go far enough and need to be strengthened?

Go too far/more restrictive than they should be	10	[17]
About right	27	
Don't go far enough/need to be strengthened	52 ✓	
Not sure	11	

3. As you may know, the U.S. Congress passed the Brady Law in 1993, which requires a five-day waiting period before a person can buy a handgun, and required law enforcement officials to perform a criminal background check during that period. What is your reaction to the Brady Law — very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable?

Very favorable	56	[18]	81
Somewhat favorable	25		
Somewhat unfavorable	8		
Very unfavorable	8		16
Not sure	3		

4a. The U.S. Supreme Court recently ruled that the decision on whether to perform criminal background checks on potential handgun buyers cannot be required by the federal government, but instead should be left up to each state and locality. Before I just mentioned this, were you aware of this decision?

Yes, aware of Supreme Court decision	52	[19]
No, not aware of Supreme Court decision	47	
Not sure	1	

- 4b. Do you think the state of Ohio should or should not continue to perform criminal background checks on potential handgun buyers?

Ohio should continue to perform checks	90	[20]
Ohio should not continue to perform checks	8	
Not sure	2	

- 4c. Last week, Ohio's attorney general announced that Ohio would no longer require background checks on all handgun purchasers, and would conduct a background check only if the purchaser voluntarily agrees. Do you strongly favor, somewhat favor, somewhat oppose, or strongly oppose this decision to no longer require background checks on all handgun purchasers, and to only conduct background checks if the purchaser voluntarily agrees?

Strongly favor	9	[21]
Somewhat favor	8	
Somewhat oppose	12	
Strongly oppose	68	
Not sure	3	

- 5a. According to official state statistics, background checks in Ohio have stopped one thousand two hundred and six felons and other prohibited persons from purchasing a handgun since the Brady Law took effect in 1993. Given this fact, do you think Ohio should or should not continue to require background checks on all handgun purchasers?

Ohio should continue to perform checks	89	[22]
Ohio should not continue to perform checks	8	
Not sure	3	

- 5b. If Ohio changed its policies to conduct background checks only if the handgun purchaser voluntarily agrees, do you think this voluntary system would be much less effective, somewhat less effective, or no less effective in preventing criminals from purchasing handguns than the current system of requiring background checks for all handgun purchases?

Much less effective	66	[23]
Somewhat less effective	15	
No less effective	14	
More effective (VOL)	1	
Not sure	4	

6. Under the Brady Law, state and local law enforcement officials currently can take up to five business days to complete background checks on handgun buyers. Some people say that the period for background checks should be reduced to two days, so legitimate gun purchasers are not inconvenienced by the waiting period. Other people say that law enforcement officials should continue to have five days, so they have the time they need to do a complete and thorough check.

Which way do you feel—that law enforcement officials should continue to be given up to five business days for conducting background checks, or that the period for background checks should be reduced to two days?

Continue with five days	81	[24]
Reduce to two days	12	
Other/neither (VOL)	5	
Not sure	2	

7a. On a separate issue, would you favor or oppose changing the law in Ohio to make it easier for people to obtain permits to carry concealed handguns in public?

Favor	19	[25]
Oppose	75	
Not sure	6	

7b. If a candidate for major statewide office supported changing the law to make it easier for people to obtain permits to carry concealed handguns in public, would this make you more likely or less likely to support that candidate, or would it make little difference either way?

More likely to support	12	[26]
Less likely to support	55	
Makes little difference	27	
Not sure	6	

8. Leading public officials from surrounding states say that Ohio is becoming a center for gun purchases by out-of-state residents who want to take advantage of Ohio's weaker gun control laws; as a result, these officials have urged Ohio to strengthen its gun control laws. Do you think this is an important reason or not an important reason for strengthening Ohio's current gun control laws?

Important reason	76	[27]
Not important reason	19	
Not sure	5	

FACTUALS: These last few questions are for statistical purposes only.

F1. In what age group are you--(READ LIST)?

18-24	6	[28]
25-29	9	
30-34	7	
35-39	11	
40-44	11	
45-49	12	
50-54	8	
55-59	8	
60-64	6	
65 and over	20	
Refused	2	

F2. How would you describe your overall point of view in terms of the political parties? Would you say you are mostly Democratic, leaning Democratic, completely independent, leaning Republican, or mostly Republican?

Mostly Democratic	26	[29]
Leaning Democratic	9	
Completely independent	25	
Leaning Republican	9	
Mostly Republican	26	
Not sure	5	

F3. Thinking about your general approach to issues, do you consider yourself to be liberal, moderate, or conservative?

Liberal.....	16	[30]
Moderate.....	42	
Conservative.....	36	
Not sure.....	6	

F4. For statistical purposes only, could you please tell me whether your total household income for last year was above \$35,000 or below \$35,000?

(IF "ABOVE \$35,000," ASK:) Would you say your household income was above \$50,000 or below \$50,000?

(IF "BELOW \$35,000," ASK:) Would you say your household income was above \$20,000 or below \$20,000?

Above \$50,000.....	26	[31]
\$35,000-\$50,000.....	22	
\$20,000-\$35,000.....	20	
Below \$20,000.....	13	
Not sure/refused.....	19	

F5a. Do you, or does anyone in this household, own a handgun?

Yes, own a handgun.....	27	[32]
No, do not own a handgun.....	70	
Not sure.....	3	

F5b. Are you, or is anyone in this household, a dues-paying member of the National Rifle Association?

Yes, NRA member.....	6	[33]
No, not an NRA member.....	92	
Not sure.....	2	

F6. What is your race – are you white, black, Hispanic, or something else?

White.....	89	[34]
Black.....	9	
Hispanic.....	1	
Other.....	-	
Not sure.....	1	

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7-21-97

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
7-21-97

July 18, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
SUBJECT: NEC Weekly Report

Climate Change. We held meetings early this week to prepare for Janet Yellen's testimony before the House Commerce Subcommittee on Energy and Power on Tuesday. The focus of our discussion was the release of a staff-level inter-agency draft report on the economic impact of various hypothetical emissions reduction policies. Once the relevant principals within the Administration had looked over this staff work and the peer review comments on it, it was decided that shaping a definitive answer using only economic models or a set of models would be futile. Since the report's existence had already become public knowledge and Bliley and Dingell were demanding it, we decided to release it in draft form in conjunction with Janet's testimony. She then emphasized during her testimony that the Administration had not yet chosen a policy and that we will be using a variety of tools -- including the professional judgement of the Administration's top economists -- to evaluate possible policies.

We also began holding working group meetings in specific areas this week. The six areas that the working groups will be studying are: domestic emissions trading, developing country commitments, international emissions trading and joint implementation, technology programs, regulations and standards, and transition assistance. Under the leadership of NEC and CEQ staff, these working groups will be writing background discussion papers for the NEC/CEQ Principals meetings that are scheduled for the next several weeks.

Children's Health. Frank Raines, Josh Gotbaum, Chris Jennings, Jeanne Lambrew, and I met with Marian Wright Edelman on Thursday night. As you know, she strongly supports the Senate proposal to include \$24 billion for children's health over the next 5 years. She praised you and the First Lady for your leadership, but was concerned that members of Congress were not hearing clearly that we were going to insist on the extra \$8 billion from the tobacco tax. Frank and I responded that we could not commit to getting exactly \$24 billion, but that we felt that children's health was one of the pearls of the budget and that we would fight hard for it. On Monday, I will be meeting with Jack Lew, Chris Jennings, and a broad range of children's health groups to discuss this issue. And on Wednesday, you will be discussing children's health at an event on immunization. On each of these occasions, there will be the opportunity to reinforce our shared concerns.

Medicare. Erskine, Frank Raines, Secretary Rubin, John Hille, Chris Jennings, and I met with the Senate's Centrist Coalition to discuss raising the eligibility age and the income-related premium. We emphasized our opposition to the Senate proposal to raise the eligibility age, noting once again that in its current form it would result in loss of coverage for many elderly and that there was no support for it on the House side. We made clear, however, that we were in favor of an income-related premium provided that the Treasury, not HHS, administers the provisions and that we address the adverse selection problem. Chris did a follow-up meeting the next morning, where we made progress on having Treasury administer the system.

Boeing-McDonnell Douglas. The European Union appears poised to prohibit the proposed merger of Boeing and McDonnell Douglas Corp. next week, despite the FTC's unconditional approval of the deal on July 1. After making some progress, Boeing and EU officials have reached a serious impasse in their negotiations to remedy European objections to the merger. Dan Tarullo is working actively with others in the Administration to let European leaders know of the potentially adverse consequences of prohibiting the merger. To reinforce that message, we would like you to call several European heads of state. Tomorrow, we will give you a briefing memo and talking points for these calls. Early next week, we will give you a decision memo on possible retaliatory actions we might want to take toward the EU.

Fast Track. We continue to gear up for the Fast Track effort. NEC this week held several meetings to reach consensus on key policy issues, including labor and environment protections and the uses of Fast Track authority. We hope to send you a decision memo on this issue early next week. Two Congressional meetings are being set up for later in July.

Education and Training Priorities. I met with Jack Lew to discuss strategy for ensuring that your education and training priorities -- especially the items protected in the budget agreement -- are not lost as the appropriations process moves forward in Congress. There are a few key areas in which we will need to fight hard. The House Labor-HHS-Education Appropriations Subcommittee failed to live up to the agreement in key areas such as America Reads, Goals 2000, and our Out of School Initiative (for training and employing youths from high-poverty areas). They funded America Reads at the full \$260 million level, but not until FY 1999 and only if authorized. On Goals 2000, the Subcommittee cut \$16 million -- instead of adding the \$128 million that we requested. OMB agreed that the SAP language should be very firm on this issues, even when the funds may have gone to areas that you support. Where possible, we will point them to areas within the relevant bill that can be reduced in order to meet the terms of the agreement and our other priorities. Nonetheless, we've had remarkable turnarounds from previous years in many of our priorities. The Subcommittee fulfilled your requests in areas such as Head Start, Job Corps, dislocated workers, school-to-work, bilingual and immigrant education, education technology and Title I. On Pell grants, while they failed to provide full funding for the expansion of Pell grants to an additional 218,000 low-income students, they did raise the maximum to \$3,000 and provide over \$1.5 billion of the \$1.7 billion increase we requested.

Community Development Financial Institutions Fund. The VA-HUD bill reported by the Senate Appropriations Committee this week provides no funding for the Community Development Financial Institutions Fund, a clear violation of the budget agreement. Under the agreement, the CDFI program, as a protected domestic discretionary priority, was to be funded at the level proposed in the Administration's FY 1998 budget (\$125 million). The Committee report, by way of justification, expresses concern about accountability in the awarding of the initial round of CDFI grants. *The Wall Street Journal* ran a very damaging story on the subject earlier this week. The House-passed VA-HUD bill, however, provides the full \$125 million for the CDFI Fund, thanks to considerable support from the Appropriations Subcommittee chair and ranking member. We will be advocating strongly for the full CDFI request when the VA-HUD bill reaches the Senate floor next week (probably Monday).

Income-Contingent Repayment. Ever since the Direct Loan Program was established for student loans, we have needed to fix a glitch: residual debts are forgiven at the end of the 25-year repayment period, but borrowers must pay income taxes on the forgiven amount. A tax exemption was included in your budget plan as part of a small community-service loan forgiveness provision, and that provision was adopted as part of both the House and Senate tax bills. But direct loan opponents have now sprung into action and caused tax conference staff to remove the direct loan provision from the bill. Today, the *Wall Street Journal* ran a column by former CBO director Rudy Penner attacking the provision (Penner has been on the payroll of the student loan industry). We are working with Education, Treasury, and Senator Dodd to preserve the exemption and counter the arguments that are being made.

Senator Torricelli's Tax Provision for Severance Pay. Senator Torricelli called me several times about his proposal to exclude up to \$2,000 on severance packages for laid-off workers. It will not apply to anyone receiving a severance package worth more than \$125,000. Some of the technical staff at Treasury expressed some concerns because we tax unemployment benefits and it therefore would seem incongruous not to tax severance payments. Senator Torricelli, however, strongly believed that it is a way of sharing some of our balanced budget dividend with those affected by major and visible layoffs. Since Torricelli's proposal is consistent with our overall theme of easing worker transitions between jobs, we let him know that we decided to support it.



THE PRESIDENT HAS SEEN
7-21-97

July 18, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINLEY

CC: ERSKINE BOWLES

RE: CEQ WEEKLY REPORT

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COS*

PROTECTING COMMUNITIES FROM TOXICS

Appropriations for the Kalamazoo initiatives

CEQ is working with OMB to support a floor amendment to the VA-HUD Appropriations bill that would fully fund the \$650 million increase in funding for accelerated toxic waste cleanup. You will recall that this funding was first announced as part of the toxics initiative you announced in Kalamazoo, Michigan, last August, and was among the major environmental provisions secured in the budget agreement. Despite the provisions of the budget agreement, the ~~Senate Appropriations Committee omitted this funding entirely from the VA-HUD bill.~~ The House failed to provide the request. OMB is working to find appropriate offsets for the amendment, a task made more difficult by the fact that the Senate bill incorporates a much lower baseline than its House counterpart. The amendment would be offered when the VA-HUD bill comes to the floor, which we expect on Tuesday.

RESOURCE STEWARDSHIP

Land and Water Conservation Fund

As expected, the Senate Interior Appropriations Subcommittee provided \$700 million for the Land and Water Conservation Fund as called for in the Bipartisan Budget Agreement. However, the subcommittee placed certain restrictions on this funding that undermine the budget agreement as we understand it. First, the bill gives \$100 million of the funds to state and local governments instead of using all of it for Federal projects. Second, and more seriously, it conditioned use of the money for Headwaters or Yellowstone upon passage of authorization legislation.

Since the chairman of the Senate authorizing committee, Senator Frank Murkowski (R-AK), has stated he opposes the Headwaters and Yellowstone agreements and would give all of that money to state and local projects, any conditioning of funding on an authorization bill is a clear attempt to hold up the Administration's priorities. The Administration has already sent a legal analysis

THE PRESIDENT HAS BEEN
7-21-97

to the Senate showing that no additional authorization is necessary, and Senators Max Baucus (D-MT), Dianne Feinstein (D-CA), Dale Bumpers (D-AR) and Tom Daschle (D-SD) have sent a letter to the Appropriations Committee calling for funding the Administration's proposal without authorization requirements. It is important that we work closely with these senators as this bill moves through the Senate to get our message out on this issue.

INTERNATIONAL LEADERSHIP

Climate change

W Congressional attention to climate change continues to grow. In recent hearings, the Joint Economic Committee took an extremely positive look at emissions trading on acid rain, with numerous witnesses commending this approach as a market-friendly solution to climate change.

In the House Commerce Committee hearings, members of Congress criticized the Administration for not advocating stronger participation from developing nations. (Our proposals are the strongest on the international negotiating table). They raised competitiveness concerns about American industry moving offshore to developing nations with no binding targets and timetables. They also criticized the Administration for failing to complete detailed economic analysis of climate mitigation.

The Senate Environment and Public Works Committee hearing was more positive with better understanding of valuable lessons learned in our draft economic analysis regarding roles of emissions tradings and technology deployment. Senator Robert Byrd's (D-WV) resolution passed the Foreign Relations Committee on a voice vote, paving the way for possible floor action next week. Senator John Kerry (D-MA) announced his intention to work to improve the resolution on the floor. In its present form, it gives the "Sense of the Senate" that developing countries should be bound by quantified emissions limits during the same compliance periods that apply to developed countries. This approach would blow up the international negotiations. The Rio Treaty contains a proposition that developed nations should lead the way in reducing emissions pursuant to "common but differentiated responsibilities." Our position is that developing countries must also assume binding obligations, but not until after developed countries (who have caused this problem) have at least begun to make progress themselves.

International Dolphin Conservation Program Act (S. 39)

The Administration supports passage of S. 39, the International Dolphin Conservation Program Act. Senator Trent Lott (R-MS) filed a cloture petition on S. 39 earlier this week, scheduled to mature today, Friday. In the interim, however, Senator Daschle announced that he would whip the vote opposing cloture and, more important, would view this issue as a party-line loyalty vote. Needless to say, this surprise changes the dynamics of the issue significantly.

Senator Daschle will host a meeting next week, that I will attend along with the Departments of State and Commerce, with all of the interested Senators in a last ditch effort to affect a compromise. As you may be aware, we have repeatedly attempted to forge a compromise on this

difficult issue without success. Nevertheless, we will participate in the meeting in a good faith manner, and I will report back to you on the outcome of this effort.

SUSTAINABLE COMMUNITIES

Metropolitan Sprawl Review

In Detroit during a recent Empowerment Zone conference, the Vice President asked Federal agencies to look at their programs in terms of how they affect the relationship of cities and suburbs, and whether they promote sustainable regional growth. This week CEQ hosted an interagency meeting to begin the analysis requested by the Vice President. CEQ and the Community Empowerment Board will co-chair a policy review that will seek to identify existing federal programs or policies that encourage or subsidize suburban sprawl and urban disinvestment.

American Heritage Rivers Initiative

We continue to make progress in educating the public about the American Heritage Rivers initiative. Generally supportive editorials from Idaho and Illinois are attached for your review.

On Saturday, July 12, I traveled to Spokane, Washington to address more than 200 members of the Western States Coalition, an organization of local and state politicians, natural resource industries and citizens concerned about Western lands. It was a difficult audience (strong property rights advocates) extremely suspicious of any action taken by the federal government, but I think we made some progress with the more moderate members of the audience. The House Resources Committee held an oversight hearing on American Heritage Rivers on Tuesday, July 15, where Secretary Babbitt, Secretary Glickman, and I presented testimony on behalf of the Administration.

OTHER

CEO budget

The Senate Appropriations Committee reported out the VA-HUD Appropriations bill this week. Like the House, the Senate essentially provided CEQ with our fiscal year 1997 budget with a small inflation increase. Unfortunately, this is about \$500,000 less than your budget request and would seriously impair our project to reinvent the National Environmental Policy Act so that it works better and costs less. We will continue to work with the appropriators to secure the full budget request.



JOURNAL STAR

A Copley Newspaper

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Mike Bailey
Associate Editor

Conspiracies and the Illinois River

So, apparently lots of folks are convinced that Bill Clinton's American Rivers Heritage initiative is really a United Nations plot to "control all land use." They evoke images of sinister black helicopters swooping down on unsuspecting farmers, of blue-helmeted U.N. troops seizing control of hog confinements and chicken coops, of wild-eyed, hairless, pigmentation-challenged world government types rousting innocent central Illinois families from their sleep and commandeering their homesteads.

Now, let's think about this a minute. First, what the U.N. would get if it took over the Illinois River is ton after ton of muck, which, so far as we know, doesn't have much practical benefit. They can have it. Second, we can think of many more effective ways to conquer North America than by barge.

Finally, we suspect that many of the people who are buying this latest theory also believe that LBJ not only had JFK killed but RFK and MLK,

too (he had a "K" thing); that the CIA introduced AIDS to homosexuals to keep them out of the military; that Madonna's child is really an alien baby, implanted in her womb while shooting on location in Roswell, N.M.; and that the American media are in cahoots with the feds in a giant brainwashing experiment. Interestingly, most of these people live out West, where even county clerks are under deep suspicion most of the time, though we trust a few central Illinoisans are fringe-dwellers, too.

We think this: If the westerners are so keen on standing idly by while their waterways are steadily robbed of life, it's their funeral. Most of us here in central Illinois will take all the help in saving our river that we can get. As for those black helicopters, they could land here at the Journal Star, but we got rid of our heliport years ago. Guess we'll just have to build another one. That and some place to house the troops.

Editorial

More time needed to build support for river initiative

The American Heritage Rivers Initiative is a good program for protecting and enhancing some of the nation's important waterways. It deserves better treatment than it is getting from all sides in our nation's capital.

Like a fishing line snagged on a log, the initiative is tangled up in politics. Some members of the House, including Idaho's Rep. Helen Chenoweth, are accusing the administration of infringing on Western water policy. President Clinton says he is merely interested in revitalizing riverside communities.

Setting aside politics, the initiative provides an efficient way for local people to take action on behalf of rivers that have environmental, cultural and economic value. It will streamline and focus the federal bureaucracy, making it easier for citizens to use the services paid for with their hard-earned tax money.

The trouble is that the program appears to have been rushed into existence. Congress and the public need more time to study it, assess costs and gain the confidence that this makes good sense.

It's easy to see why Clinton's detractors are able to kick up so much dust over a relatively small issue. The Clinton administration has done a terrible job of gaining the trust and respect of many Westerners, including their

representatives in Congress.

The recent land grab in Utah is a fresh wound and a painful reminder of what's wrong with federal-state relations. Clinton's ham-handed designation of the 1.7 million-acre Grand Staircase-Escalante National Monument in southern Utah has not been forgotten.

But that's not all. Clinton has proposed, reversed and flip-flopped on grazing, mining and timber policies so many times that many Westerners have grown understandably suspicious.

As a result, the rivers initiative program has spun out of control. To restore sense and order, the administration needs to extend the three-month comment period another three months. More time will allow fears — real and perceived — to be put to rest.

Chenoweth and others have raised questions about private property rights, federal intrusion and constitutional issues. They deserve answers.

When the program is better understood, the American Heritage Rivers Initiative will gain the Western support it deserves and enable communities to clean up and revitalize the rivers they treasure for jobs, recreation and quality of life.

THE PRESIDENT HAS SEEN

7-18-97

Bob J. Winston
Right
BC

William Raspberry

A Question of Color

This conversation on race that President Clinton wants us to have may be a little tougher than some of us thought. I've been having a sort of off-and-on conversation on race in this column for three decades now, and...

Well, let me start at the beginning. I wrote a Fourth of July column in which I talked about the still existing barriers that keep some black Americans from feeling fully accepted by the white-dominated society. It wasn't just actionable discrimination or overt racism I had in mind but what the late Red Heffner once described as sometimes "feeling like a bastard at a family reunion."

I thought that might have been a problem for some readers. It apparently wasn't. What was a problem was my attempt to describe the angst some of us feel at times of national celebrations. I likened America to a series of ethnic, racial and religious islands whose inhabitants, over time, become less islanders and more citizens of the mainland. Americanization, I suggested, is the process of depopulating those islands until, finally, they exist only as retreats for such special occasions as St. Patrick's Day or Oktoberfest.

Among the points I had hoped to make was that depopulation requires mutuality. Ethnicity may decide to venture from the limiting comfort of their islands, but they cannot mandate their own acceptance.

I won't defend the island analogy, or spend much more time explaining it. The purpose of an analogy is to communicate, and if mine doesn't communicate, I'm willing to drop it.

But I would like to try again to make the point that so many of my readers missed—especially those who took issue with my conclusion that real integration is "a question only white people can answer."

One gentleman quoted Frederick Douglass: "When we are noted for enterprise, industry

"There seems no doubt that Matteson will soon become virtually an all-black (albeit affluent) community and that the black families' quest for integration will be frustrated."

and success, we shall no longer have any trouble in the matter of civil and political rights." Another was rather less subtle.

"Give me a break. . . . You can be an American and be an individual at the same time. It is sad that blacks can't decide what to be called (Negro, colored, black, brown, Afro Americana), whether to be 'equal' or 'special,' minority or included, to move in or live in ethnic communities."

Was Douglass right? It seems clear enough to me that "enterprise, industry and success" can take us a long way and are plainly worth pursuing. But it seems equally obvious that there have always been enterprising and industrious Americans—by no means all of them black—who have been constrained to remain on their ethnic islands.

I have some sympathy for the man who is exasperated at the frequency with which we change what we wish to be called. But can he truly believe that it is within the power of black Americans (that it was, at an earlier time, within the power of Jewish or Japanese

Americans) to decide whether they will be "equal" or "special," minority or included?

Does he believe, as several readers suggested, that the question of inclusion/exclusion turns principally on the behavior, preparation and attitude of blacks and that it is, therefore, a question blacks must answer?

The few minutes I've just spent trying to verify that Douglass quote turned up a fistful of other Douglass quotes I could use to advantage—including his plaint that "in all the relations of life and death, we are met by the color line." My purpose, though, is not to win a debate but to advance mutual understanding.

Let me mention again that TV special Tom Brokaw recently did on the Chicago suburb of Matteson. The story, unusually well told, was of black Chicagoans, seeking a better life for themselves and their families, moving to formerly white suburbs. These were people with education, social graces and money. They could, I am sure, have found nice homes in Chicago's best majority-black neighborhoods. But they wanted to leave their ethnic island and lay full claim to the America we all hope one day to see.

As it turned out, their new neighbors seemed less interested in the enterprise, industry and success of the newcomers than in their color. There seems no doubt that Matteson will soon become virtually an all-black (albeit affluent) community and that the black families' quest for integration will be frustrated.

My complaining readers would have understood instantly if the suburb had been enforced by burning crosses or Klan marches rather than by decent, family-loving, *liberal* white people who, nonetheless, couldn't wait to move to a yet more distant suburb.

Isn't this worth talking about?

Copied

Judy Winston

COS

FRIDAY, JULY 18, 1997
The Washington Post

THE WHITE HOUSE
WASHINGTON

Date 7/21

To: Gene Speeding

From: The Staff Secretary

Do you want to put a
cover note on this before
I forward to POTUS. Should
send to him by Wed 7/23.
Phil Cople



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

July 18, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY RICHARD W. RILEY

SUBJECT: HOPE AND "LIFELONG LEARNING" TAX CREDITS

I. SUMMARY

As I briefly mentioned to you yesterday, I think the "real hole" in the House and Senate tax cut plans is the omission of your 20% tax credit for lifelong learning. It is clear that the 20% tuition tax credit to serve juniors, seniors, graduate students and lifelong learning was part of the agreement signed off on by Speaker Gingrich and Majority Leader Lott (see attached letter). Given the urgency of the situation, your direct involvement to raise national visibility and attention on this issue -- in my estimation -- is paramount.

I lay out below why this lifelong learning tax credit is so important to the country's future and why the time is right for you to engage.

II. DISCUSSION

For years, experts in education, business, and the economy have talked about two impending "sea changes" in America life: (1) the necessity to change jobs perhaps as many as seven times in a lifetime to stay employed and support a family; and (2) the critical importance of learning for a lifetime in order to navigate these changing times and changing skill demands.

The early negative impact of this "sea change" on American families was seen in the "anxiety" shown in the late 1980s and early 1990s before the strong economic recovery began. Many working and middle-income families had their confidence eroded in their ability to support themselves and their families and handle these changes. This fundamental concern is still just below the surface. That is why a tax credit to help Americans afford access to lifelong learning is absolutely vital as a way to deal positively with this "sea change."

IMPORTANCE

The HOPE scholarship is one very important big idea because it will help provide an incentive for many working and lower middle-income families to send their children to college in the first place. However, the second "big idea" is the 20% lifelong learning tax credit to affect positively, over the long term, tens of millions of Americans at critical transitions in their adult lives: (1) help adults go to college to get additional education and training in order to get ahead or prepare for a change in jobs and skill requirements; (2) assistance to finish a 4-year degree; and (3) provide an incentive for graduate school in this education era. In the first year alone, 7,000,000 additional Americans will be helped by the lifelong learning tax credit -- and in the future, all Americans who return to college would benefit.

The 20% lifelong learning tax credit will result in important advances educationally, economically, and politically. Each year when taxpayers see their ability to write off 20% of the cost for tuition to upgrade their education at a college, whether they use it or not, they will feel like someone is on their side to navigate this changing economy. The American people clearly know that getting more education and skills at a college or post-secondary institution is the way to get ahead -- that is why recent surveys show that almost 95% of parents want their kids to go to college. Yet, 75% of Americans do not have school-age children. So without the 20% tax credit, this group of adults without school-age children will not realize an important benefit.

The 20% lifelong learning tax credit addresses a huge group of taxpayers, voters and employees who often may not have an incentive or cannot quite afford to upgrade their education. It could be one of the major defining issues for you and your Administration.

TIMING

Because all of the early attention was given to the HOPE tax credit, and now that it is included in the House and Senate versions, it is only natural that the American public and higher education community are now just in the very early stages of tuning in to the 20% lifelong learning tax credit. However, the head of the community colleges, David Pierce, rightfully observed recently that the 20% tax credit is the "powerful sleeper" in the President's package.

While HOPE is grand for half-time and full-time students in the first two years of college, it doesn't help those millions of adults who need and want to go back periodically to take an important course or two at a community or technical college. The lifelong learning tax credit is the "backbone" for access to "higher education for all Americans."

To lay the groundwork for heightening awareness on this issue, last Friday the U.S. Department of Education mailed a letter (copy enclosed) to 10,000 leaders of post-secondary institutions, colleges and universities explaining the importance of the lifelong learning tax credit and sent out to media outlets a breakout showing how many more persons in their state would benefit from the lifelong learning tax credit. This week the key leaders in higher education came together and agreed to make a concerted effort to promote the Clinton lifelong learning credit.

Because of the urgency of raising visibility on the lifelong learning tax credit, we need our President to get fully and openly involved in engaging the American public and informing them of the positive effect of the 20% lifelong learning tax credit on the vast majority of adults in America. The groundwork has been laid for you to mobilize action.

Congress of the United States

Washington, DC 20515

May 15, 1997

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20515

Dear Mr. President:

We would like to take this opportunity to confirm important aspects of the Balanced Budget Agreement. It was agreed that the net tax cut shall be \$85 billion through 2002 and not more than \$250 billion through 2007. We believe these levels provide enough room for important reforms, including broad-based permanent capital gains tax reductions, significant death tax relief, \$500 per child tax credit, and expansion of IRAs.

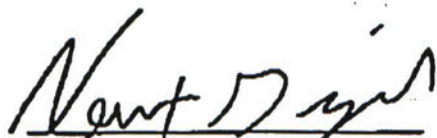
In the course of drafting the legislation to implement the balanced budget plan, there are some additional areas that we want to be sure the committees of jurisdiction consider. Specifically, it was agreed that the package must include tax relief of roughly \$35 billion over five years for post-secondary education, including a deduction and a tax credit. We believe this package should be consistent with the objectives put forward in the HOPE scholarship and tuition tax proposals contained in the Administration's FY 1998 budget to assist middle-class parents.

Additionally, the House and Senate Leadership will seek to include various proposals in the Administration's FY 1998 budget (e.g., the welfare-to-work tax credit, capital gains tax relief for home sales, the Administration's EZ/EC proposals, brownfields legislation, FSC software, and tax incentives designed to spur economic growth in the District of Columbia), as well as various pending congressional tax proposals.

In this context, it should be noted that the tax-writing committees will be required to balance the interests and desires of many parties in crafting tax legislation within the context of the net tax reduction goals which have been adopted, while at the same time protecting the interests of taxpayers generally.

We stand to work with you toward these ends. Thank you very much for your cooperation.

Sincerely,



Newt Gingrich
Speaker



Trent Lott
Senate Majority Leader



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

July 1997

Dear College President:

I am writing to inform you of President Clinton's tax cut proposal which he unveiled on Monday, June 30. As the President's proposals were being considered over the past six months, you and your colleagues made suggestions for improvement, and the President responded with changes that have made his plan stronger and more progressive: the tax credit is no longer offset by Pell Grants; the grade requirement was replaced with "satisfactory academic progress," making it consistent with the Federal student aid programs; and now the deduction has been shifted to a more progressive 20 percent tax credit. With your help, we have a solid plan that offers opportunity in the rapidly changing economy by helping people improve their education and upgrade their skills throughout their lives.

In the next few weeks, Congress will consider three versions of tax cuts. The President's proposal provides two-thirds of the tax cuts to the middle sixty percent of families — more than twice the share that the House and Senate plans provide for these families. If we act now, we can secure these important tax cuts for working families.

For higher education, the difference is clear. The President's plan will provide help to seven million more students in 1998 than the House and Senate passed plans, because the President's plan is the only one on the table that offers tax relief for families paying tuition out-of-pocket for:

- Juniors and seniors
- Part-time students seeking to improve or acquire job skills
- Graduate students

The President's proposal helps these students by providing a 20 percent tuition credit on expenses up to \$5,000 initially and \$10,000 beginning in 2001. At a time when older workers need to improve their education and upgrade their skills, it is critical that the education tax cuts promote lifelong learning.

The President's proposal makes the 13th and 14th years of education -- the first two years of college -- universally available by providing a modified two-year \$1,500 HOPE Scholarship. First and second-year students would receive a 100% credit for the first \$1,000 of tuition and fees plus 50% of the next \$1,000. A student going to a typical community college with tuition of \$1,200 would receive a \$1,100 credit under the President's proposal. After 2002, the tax credit would increase to \$2,000: 100% of the first \$1,500 and 50% of the next \$1,000.

President Clinton's tax plan incorporates other higher education provisions that have broad-based bipartisan support, including: a permanent extension of the tax preference for employer-provided

President Clinton's Higher Education Tax Cuts: Greater Benefits for More Families

While providing the greatest help in the first two years, the Administration's plan has always gone *much* farther, granting a substantial tax cut for virtually *any* investment in postsecondary education or training. Unlike the Congressional plans, the President's tax credits cover *more types and ages of postsecondary students*, including:

- part-time students (less than half-time) seeking to improve or acquire job skills;
- students beyond their first two years of undergraduate study;
- graduate students.

Although the Administration, House and Senate plans all provide modest assistance for students who borrow or families who have special education savings accounts, for many situations that families find themselves in, the House and Senate plans provide little or no help. Consider the following:

Tuition Tax Credits Under Various Situations	President	House Plan	Senate Plan
<i>Two kids in college:</i> Married couple, \$60,000 income, with two kids in college: one at a community college with \$2,000 tuition and \$200 books, the other a junior at a private college with \$10,000 tuition.	\$2,500 (\$3,500 after year 2000)	\$1,100	\$1,500
<i>Divorced parent, same income:</i> Single parent with \$50,000 income, one child going to an average community college full-time (\$1,200 tuition and fees)	\$1,100	\$0	\$0
<i>Returning to school less than half-time:</i> Family with \$30,000 income, one parent going to a public four-year college part-time to change careers (\$2,000 tuition and fees)	\$400	\$0	\$0
<i>Child is beyond first two years:</i> Family with \$40,000 income, one child is junior at average private college (\$12,000 tuition and fees)	\$1,000 (\$2,000 after year 2000)	\$0	\$0
<i>Returning to school full-time to become a teacher:</i> Homemaker, family income of \$70,000, attending graduate teacher training program at public university after being out of college for 20 years (\$3,500 tuition).	\$700	\$0	\$0
<i>Graduate student:</i> Single graduate student with \$15,000 income and tuition of \$15,000.	\$1,000	\$0	\$0

PRESIDENT CLINTON'S HIGHER EDUCATION TAX CUTS

*The President's Hope Scholarship and
Tuition Tax Credit Help 12.6 Million Students --
7 Million More Students than Congressional Versions*

SUMMARY DOCUMENTS

July 8, 1997

A Comparison: Higher Education Tax Cuts

HOPE Scholarship and Tuition Tax Credit	President	House	Senate
Students in their first two years of college, attending at least half-time	100% tax credit on the first \$1,000 of tuition and required fees, 50% on next \$1,000. After 2002, a 100% credit on first \$1,500 and 50% on the next \$1,000.	50% tax credit on up to \$3,000 on tuition, required fees, books, and supplies.	75% tax credit on up to \$2,000 for community colleges; 50% tax credit on up to \$3,000 for other institutions for tuition, required fees, books, and supplies.
Students beyond the first two years, enrolled at least half-time	20% tax credit on up to \$5,000 in 1998 and up to \$10,000 starting in 2001.	None	None
Graduate students	20% tax credit on up to \$5,000; up to \$10,000 starting in 2001.	None	None
Part-time (less than half-time) students seeking to acquire or improve job skills	20% tax credit on up to \$5,000; up to \$10,000 starting in 2001.	None	None
5-year revenue cost:	\$35 billion	\$22 billion	\$20 billion
Estimated number of beneficiaries in 1999	12.6 million	5.6 million	5.6 million

Other provisions	Administration	House	Senate
Employer-provided education assistance (Section 127)	Permanent extension for graduate and undergraduate courses. 10% Small Business Credit.	Six month extension, only for undergraduates.	Permanent extension for graduate and undergraduate courses.
Student loan interest deduction	Up to \$2,500 may be deducted each year for five years of repayment.	None	Up to \$2,500 may be deducted each year for five years of repayment.

Other provisions	Administration	House	Senate
Savings incentives	<p>Penalty-free IRA withdrawals for higher education.</p> <p>Optional Kidsave education accounts. Maximum per-child contribution of child credit plus \$500 each year. Earnings free from tax if used for various purposes including child's postsecondary tuition and fees.</p>	<p>Penalty-free IRA withdrawals for higher education.</p> <p>Education investment accounts and new qualified tuition programs. Maximum per-child contribution \$5,000 each year, \$50,00 total. Earnings used for higher education not taxed (subject to limits).</p>	<p>Penalty-free IRA withdrawals for higher education.</p> <p>Requires contributions to Educational IRAs or qualified tuition plans for parents to obtain the child credit for children 13 and over.</p> <p>Education IRAs and expanded qualified tuition programs; tax-free distributions for educational expenses. Maximum per-child contribution \$2,000 plus child credit each year (no limits on State-sponsored plans).</p>

President Clinton's Higher Education Tax Cut Proposal

A Fact Sheet

President Clinton's HOPE Scholarship and 20% Tuition Tax Credit help 12.6 million students and their families — seven million more students than under Congressional versions. While all of the plans encourage saving and help with student loan payments, only the Administration's proposal provides tax credits to working families who use their earnings to pay for college beyond the first two years, for part-time study to improve or acquire job skills, or graduate study. The higher education tax cut plans passed by the House and Senate are limited in their scope, providing some of the largest benefits to higher-income families who can afford to save large amounts.

- **HOPE Scholarship.** A maximum \$1,500 credit for the first two years of postsecondary education. Students attending on at least a half-time basis would receive a 100% credit for the first \$1,000 of tuition and required fees and a 50% credit for up to the next \$1,000. For example, a student attending a community college with tuition costs of \$1,400 would receive a \$1,200 HOPE Scholarship. Scholarships would be phased out for joint filers with income between \$80,000 and \$100,000, and for single filers with income between \$50,000 and \$70,000. After 2002, the HOPE Scholarship increases to a 100% credit for the first \$1,500 and a 50% credit for the next \$1,000 of tuition and required fees.
- **20% Tuition Tax Credit.** Undergraduates beyond their first two years, graduate students, plus working people going to school part-time to improve or acquire job skills, would benefit from a 20% tax credit on the first \$5,000 of tuition and required fees through the year 2000 and after 2000 a 20% tax credit on the first \$10,000 of tuition and required fees. The credit would be phased out at the same income levels as HOPE.
- **Education and Retirement Savings Accounts.** Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers eligible for the child tax credit are given the opportunity to deposit their child tax credit plus an additional \$500, in a Kidsave Account for the child's education, first-time home purchase or the taxpayer's retirement. Earnings would accumulate tax-free in the Kidsave Account and no taxes would be due upon withdrawal for an approved purpose.
- **Employer-Provided Education Benefits.** Extends permanently Section 127 of the tax code, which allows people to exclude \$5,250 of employer-provided education benefits from their taxable income. Eligibility for graduate education benefits would be reinstated retroactively back to June 30, 1996, with both undergraduate and graduate education eligible in the future. Additionally, a 10% employer credit for small business training is included. This credit would apply to payments made to third parties to cover expenses of education for employees under employer-provided education assistance programs. The credit would be available to employers with average annual gross receipts of \$10 million or less for the prior three years.
- **Student Loan Interest Deduction.** Allows a deduction for up to \$2,500 per year of interest on education loans for expenses of students enrolled at an institution of higher education. The deduction would be allowed for the first 60 months interest is due on a loan. The deduction would phase out for taxpayers making between \$45,000 and \$65,000 (\$65,000 and \$85,000 for married taxpayers filing jointly). This deduction would be available even if the taxpayer does not itemize deductions.
- **Community Service Loan Forgiveness.** In most circumstances, a loan that is forgiven is considered income and is therefore taxable. To encourage programs that offer loan forgiveness to borrowers who take lower-paying, community-service jobs, loan amounts forgiven through programs run by nonprofit tax-exempt charitable or educational institutions, and loans forgiven under the Direct Loan Program's income-contingent repayment program, would be excluded from income. Currently, the exclusion generally covers only certain forgiveness arrangements between students and government entities.
- **Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities.** Repeals the \$150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal would apply to tax-exempt bonds issued by these institutions to finance new capital expenditures.

**Distribution of Higher Education Tuition Tax Credits by Student's State of Legal Residence 1/
(Beneficiary Calculations FY 1998/Dollar Amounts FY 1999)**

	Number of Beneficiaries 2/ (in thousands)			Dollar Amounts of Benefits (in millions)			Dollar Difference: (in millions) President Compared to	
	President	House/Senate	Difference	President	House	Senate	House	Senate
Alabama	195	87	108	\$111.6	\$78.2	\$72.3	\$33.4	\$39.3
Alaska	27	12	15	15.4	10.6	9.8	4.8	5.6
Arizona	244	108	136	139.4	97.0	89.6	42.4	49.8
Arkansas	79	36	43	45.3	32.0	29.5	13.4	15.8
California	1,654	733	922	944.9	655.9	605.8	289.0	339.1
Colorado	219	97	122	125.0	86.7	80.0	38.3	44.9
Connecticut	149	66	83	85.1	58.8	54.2	26.3	30.9
Delaware	42	18	23	23.8	16.4	15.2	7.4	8.7
District of Columbia	74	32	41	42.0	28.9	26.7	13.1	15.3
Florida	553	246	306	316.1	220.6	203.8	95.5	112.3
Georgia	266	119	147	152.0	106.3	98.2	45.7	53.8
Hawaii	61	27	34	35.0	24.1	22.2	10.9	12.8
Idaho	51	23	28	29.3	20.6	19.0	8.8	10.3
Illinois	669	296	374	382.2	264.6	244.4	117.6	137.8
Indiana	259	115	144	148.2	103.1	95.3	45.1	52.9
Iowa	150	67	83	85.9	59.9	55.4	25.9	30.5
Kansas	151	67	84	86.5	60.2	55.6	26.3	30.9
Kentucky	154	69	85	88.3	61.9	57.2	26.3	31.0
Louisiana	166	75	91	94.9	67.0	62.0	27.9	33.0
Maine	50	22	28	28.7	20.0	18.5	8.7	10.3
Maryland	243	108	136	138.9	96.2	88.9	42.7	50.1
Massachusetts	383	169	214	218.4	151.2	139.6	67.3	78.9
Michigan	493	219	274	281.4	195.6	180.7	85.8	100.7
Minnesota	258	115	143	147.4	102.5	94.7	44.9	52.7
Mississippi	97	44	53	55.4	39.3	36.3	16.2	19.1
Missouri	259	115	144	148.3	103.3	95.4	45.0	52.9
Montana	32	15	18	18.6	13.1	12.1	5.4	6.4
Nebraska	104	46	58	59.2	41.1	38.0	18.0	21.2
Nevada	61	27	34	34.5	23.8	22.0	10.7	12.6
New Hampshire	57	25	32	32.8	22.7	21.0	10.1	11.8
New Jersey	304	134	169	173.5	120.3	111.1	53.2	62.4
New Mexico	87	39	48	49.9	35.0	32.3	15.0	17.6
New York	897	402	495	513.5	360.0	332.7	153.5	180.7
North Carolina	333	148	186	190.4	132.1	122.0	58.3	68.3
North Dakota	34	15	19	19.3	13.5	12.5	5.7	6.7
Ohio	482	214	267	275.2	191.9	177.3	83.3	97.9
Oklahoma	156	70	86	89.1	62.6	57.8	26.5	31.3
Oregon	147	65	82	84.2	58.5	54.0	25.7	30.2
Pennsylvania	545	242	303	311.3	216.5	200.0	94.8	111.4
Rhode Island	67	30	37	38.4	26.6	24.6	11.7	13.8
South Carolina	150	67	83	85.9	60.0	55.4	25.9	30.5
South Dakota	31	14	17	17.6	12.4	11.5	5.2	6.1
Tennessee	212	94	117	121.1	84.5	78.1	36.6	43.0
Texas	841	374	467	480.5	334.8	309.3	145.7	171.2
Utah	128	56	70	72.3	50.5	46.7	21.8	25.6
Vermont	31	14	17	18.0	12.5	11.6	5.5	6.4
Virginia	321	142	179	183.3	127.1	117.4	56.2	65.9
Washington	255	113	142	145.8	101.3	93.6	44.5	52.3
West Virginia	75	34	41	42.8	30.0	27.7	12.8	15.1
Wisconsin	277	122	155	158.2	109.6	101.2	48.6	57.0
Wyoming	27	12	15	15.4	10.7	9.9	4.7	5.5
US Totals	12,600	5,600	7,000	\$7,200.0	\$5,012.0	\$4,630.0	\$2,188.0	\$2,570.0

1/ Includes HOPE Scholarship plans and the President's 20% tax credit for lifelong learning.

Calculations do not include interest deductions and tax benefits that could be received in outyears from savings incentives in all three plans.

2/ The number of beneficiaries is the same under the House and Senate plans, though the amounts of benefits differ.

Source: Education Department estimates based on State-level enrollment and Pell Grant recipient data.

Methodology of State-by-State Analysis

Using a nationally-representative sample of postsecondary students and data on Pell Grant recipients, an estimate was derived for the proportion of the total national number of recipients of the tax benefit in 1998. Using that ratio, the number of recipients for each State was determined. Based on the Joint Tax Committee and Treasury revenue estimates of the three plans for 1999, a dollar amount for each State was derived using the same ratio as the State/national number of beneficiaries.

Send to Dorland?



Standard Register.

Yes

No

Agency Liaison

FAX TR

to

NAME Carolyn Huber

COMPANY The White House

FAX NO: _____

NUMBER OF PAGES TO FOLLOW 1

from

NAME Nancy Tompkins

THE STANDARD REGISTER COMPANY
3655 SOUTH SCHOOL
FAYETTEVILLE AR 72701-8027

TELEPHONE NO: (501) 521-6900

FAX NO: (501) 582-6988

Carolyn, I got put on the spot by Freddie's cousin! Could you please fax this to the Military. Thanks!
Nancy

Withdrawal/Redaction Sheet

Clinton Library

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001. letter	[Personally Identifiable Information] [partial] (1 page)	07/16/1997	b(6)

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Staff Secretary
Todd Stern
OA/Box Number: 10304

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Chron Files: Monday, July 21, 1997

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- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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RR. Document will be reviewed upon request.

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

July 16, 1997

Mr. President & Mrs. Bill Clinton:

We are writing on behalf of our daughter, Airman 1st Class Krista B. Jeter # (b)(6)

Krista is presently stationed at Goodfellow Air Force Base in San Angelo, TX, with the 316th TRS, after completing the Defense Language Institute at the Presidio of Monterey, Calif. as a Korean Linguist.

She is married with a 10 1/2 month old child, Thomas, but is currently filing for divorce, which is in the best interest of her and our grandson.

Krista was given her orders in May 1996, to report to Ft. Meade, MD, after completion of her schooling, which will be September 1997. On July 14th 1997, she was issued new orders to report to Osan Air Base in Korea on October 10, 1997, for a one year stint. These new orders were brought about by one of her teachers at Goodfellow who pushed to have all students go to Korea.

To fulfill this one year tour of duty in Korea, she can not take her son with her, which is understandable because of the volatility of that country. But because of her personal life at this point, it would mean giving custody of the baby to her husband, who is incapable and unable to care for any child right now. It could also stop the divorce process and hurt her rights of sole custody of the baby.

Krista is willing to serve her tour of duty in Korea at a later date, when she can feel her child is being cared for properly. She would then be able to leave Thomas with my husband and myself for the year.

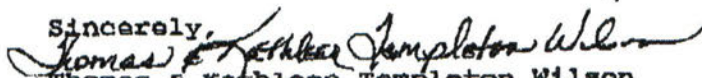
We have, as parents, tried to teach, by example, good parenting skills and we feel she is trying to parent as best she can, but the military system puts lots of roadblocks in the way of female recruits, who also happen to be parents.

I was raised in the small town of Prairie Grove, Arkansas, with traditional family values and love of friends and family, which I've instilled in Krista. Her father and I are very proud of her accomplishments in and out of the military. She is a very ambitious and intelligent young lady and we feel an asset to our country.

If you have any suggestions that would assist her in fulfilling both military and parenting roles, please, please contact us.

We thank you very much for taking the time to listen to us and appreciate anything you may suggest.

Sincerely,



Thomas & Kathleen Templeton Wilson
3641 Elderberry Court
Snellville, GA 30078
(770) 985-4523

'97 JUL 15 PM8:31

THE PRESIDENT HAS SEEN

PRESIDENT WILLIAM J. CLINTON
FAMILY-FRIENDLY INTERNET EVENT
OLD EXECUTIVE OFFICE BUILDING
JULY 16, 1997

P 2, 6, 7

cc: *Raina Capps* ✓

Acknowledgments: VP Gore; Lois Jean White, Pres.,
[PTA]

National Parent-Teachers Assoc.; Steve Case, CEO,

America Online.

SEN. LEAHY WYDEN
MURRAY

SEC. DALEY

REP. GOODLATTE
GORDON
WHITE

REP. BOULDER

FTC COMM. VARNEY

ACTING DEP. ATTY. GEN WAXMAN

LOFGREN
MARKET
ESHOO

The Internet has sparked a revolution every bit as profound as the one the printing press launched in the 15th century. Today, at the click of a mouse, children can tap into the tremendous resources of the Library of Congress, tour a great museum, or communicate with classrooms around the world. The Internet even allows us to journey beyond the Earth. Since July 4, NASA's Mars Pathfinder web site has received more than 27 million visits. The Internet has truly come of age.

But, as we all know, the Internet has some material that is clearly inappropriate for children. Before parents can feel truly comfortable with this new medium, we need to know that when our children log onto the Internet to get a look at the Red Planet they won't end up in a red-light district. We need to know our children -- and our values -- are safe in cyberspace.)

~~After~~
~~Last month~~, the Supreme Court struck down major portions of the Communications Decency Act. ~~But this~~

~~to protect children on the internet, cannot be~~
does not mean an end to our efforts. To move forward,

we ~~have~~ brought together industry leaders and groups

representing teachers, parents, and librarians. ~~to discuss~~

~~This issue~~

This morning, ^{my} ~~we~~ sketched out a new plan to pave the way to a family-friendly Internet without paving over our Constitutional guarantees of free speech and free expression.

Our plan has three components: new technologies, vigilant enforcement of existing laws, and the active participation of parents.

First, technology. As you've heard already, the computer industry is developing a whole toolbox full of technologies that can do for the Internet what the v-chip will do for television.

Some of these tools are already in wide use, ~~giving~~
~~parents the power to lock digital doors to objectionable~~
~~content.~~ Now we must make ^{them} ~~these tools~~ available to
every parent and teacher in America.

Today, several industry leaders are helping us take
major steps in that direction.

I am pleased to announce, first, that Netscape
Communications has committed to add family-friendly
controls to the next release of its popular Internet browser.
Parents who use the Netscape browser to explore the
Internet will be able to tell the browser precisely what
types of materials they don't want their children to see.

Microsoft, which also offers a popular Internet browser, has already incorporated this technology.

Therefore, with Netscape's pledge today, we now have assurance that 90 percent of all software used to explore the Internet will have family-friendly controls built right in. It is also important to note that all of the major companies that offer Internet service now provide some form of family-friendly controls, and I commend them for that

For family-friendly controls to work to their full potential, we also need to encourage every Internet site -- whether or not it has material that is harmful for young children -- to label its own content, as the Vice President described a few minutes ago.



To help speed the labeling process along, several Internet search engines -- they're like ~~giant~~ Yellow Pages in cyberspace -- will begin to ask that all web sites label content when applying for a spot in their directories.

Thank you to Yahoo, Excite, and Lycos [LIE-kose] for this important commitment. You are helping greatly to assure that self-labeling will ^{BECOME} ~~be~~ standard practice ~~in no~~

~~time.~~

~~When it comes to protecting our children in~~

~~cyberspace, we cannot rely on technology alone. That is~~

Key tech

~~why~~ the second part of our plan calls for the strict enforcement of our existing anti-stalking, child pornography, and obscenity laws in cyberspace.

In the past three months alone, the FBI has expanded by 50% the staff committed to investigating computer-related exploitation of minors. ~~The FBI has also~~ established a task force to target computer child pornography and solicitation. In the past six months, the Department of Justice has increased the number of lawyers working in its Child Exploitation and Obscenity Section by 50%. This Administration will not allow child pornographers and pedophiles to ~~divert the Internet to~~ **EXPLOIT THIS MEDIUM TO ABUSE OUR CHILDREN** ~~their immoral ends.~~

Above all else, responsibility for our children's safety belongs to parents.

Cutting-edge technology and criminal prosecutions cannot substitute for caring mothers and fathers. Parents simply must make the commitment to sit down with their children and learn, together, about the benefits and challenges the Internet offers. We are giving you new tools to protect your children; now it's up to you to invest the time to put them to good use.

Today, thanks to the creativity and commitments of many of you assembled here today, we have taken constructive steps toward assuring a family-friendly Internet. But we still have much to do.

Parents groups and educators must work to hone our labeling systems to help screen out the materials we don't want our children to see. And, with equal energy, you must help highlight the materials that serve our children best.

The Internet community must work to make Internet labels as common as food labels are today. ~~You must~~ continue to expand access to family-friendly tools, ^{easy for less tech adept parents to use} including software to protect children's privacy from unscrupulous vendors. ~~And, on behalf of those of us who are less technologically adept, you must make your tools easy for us parents to use.~~

With a combination of technology, law enforcement,
and parental responsibility, we can -- and will -- ensure
that the Internet is both safe and rewarding for all
(branch of ...)
~~children. Together, we can shape the Internet into one of~~
the greatest educational resources ever known.

THE WHITE HOUSE
WASHINGTON

Date

7/21

To:

Don Kerrick

From:

The Staff Secretary

We received this letter from
President Carter this morning.
I think the President should
see it tomorrow during his
office time, but I think a cover
memo from NSC would be
appropriate -- update on the Russian bill.

Phil Caplan

1997 JUL 21 4 5

Stro
Su

JIMMY CARTER

7/16/97

To President Bill Clinton

I was with a large group
of Christian leaders ^{and} last night,
who are deeply concerned about
Russia's move to restrict severely
the activities of evangelicals.

This legislation, sponsored by
the Russian Orthodox Church,
is now being considered by
President Yeltsin.

All of us hope that you
will intercede strongly on
behalf of religious freedom
in Russia -

Best wishes,

Jimmy

THE WHITE HOUSE
WASHINGTON

Date 7/21

To: Don Trullo

From: The Staff Secretary

It seems a little silly
to do a thank you for an 8-week
old performance letter/report.
Potts and Branner have a lot of
water under the bridge since.
Unless you feel strongly, I'd
not forget it. Phil

THE WHITE HOUSE
WASHINGTON

JUL 18 1997

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: DANIEL K. TARULLO *DK*

SUBJECT: Letter responding to US EPA Administrator's report on meeting w/ Environmental Ministers of Nations of the Eight & reports about Climate Change/Environment

Purpose

Thank Administrator Browner for the summary of the May 1997 Miami meeting of the Eight's Environmental Ministers and the text of the Declaration on Children's Environmental Health. Your response informs her of the progress made on environmental issues at the Denver Summit of the Eight and encourages her continued support on issues of climate change and development of export credit agency guidelines.

RECOMMENDATION

That you sign the letter at Tab I.

Approve _____

Disapprove _____

Attachments

Tab I Letter to EPA Administrator Carol Browner
Tab II Incoming from Administrator Carol Browner

cc: Vice President
Chief of Staff

THE WHITE HOUSE
WASHINGTON

Dear Carol,

Thank you for your note summarizing the Miami meeting with your counterparts from the Eight. I was pleased that you were able to forge a consensus among the Eight of the health threats posed to children from environmental hazards.

As you probably know, environmental issues were prominent in our discussions at Denver. We made progress on forging common principles and strategies on many issues -- forests, oceans, freshwater and reform of UN environmental institutions. Over the next year, we have much work to do in two important areas: addressing climate change and developing common guidelines for export credit agencies. I thank you for your hard work on these issues, and look forward to your continued efforts on this important agenda in the coming months.

Sincerely,

Ms. Carol M. Browner
Administrator
U.S. Environmental Protection Agency

Staff Sec.

JOHANSEN

S I N C E 1 8 7 6

77 JUL 21 4 51 PM '97

President Bill Clinton
The White House
1600 -

July 21 1997

7/21/97

Send to Dowland?

Yes _____

No _____

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employ 500 workers and make approxi-
mately 800 pairs per day of women's dress shoes.

Our strategy is to reposition our distribution away from our traditional but rapidly disappearing base of independent retailers to the department stores and mass merchandisers and eventually to the top quartile of shoe stores. Once this strategy is fully implemented, we estimate the daily production demand to be 4,000 to 4,500 pairs, which will increase employment by 500 to 700 as well as a need for an expansion of our production facilities. Importantly, we must remain competitive with off-shore resources.

To execute this repositioning we will require assistance and funding to retrain our current work force, to hire and train additional workers, and improve professionalism throughout the organization.

I would very much appreciate your help in directing me to the appropriate Federal agency(ies) that provide such funding and assistance to the domestic footwear resources such as Johansen Brothers Shoe Company.

JOHANSEN BROS. SHOE CO., INC.

1915 W. Main St. • Corning, Arkansas 72422-2499 • 1-800-624-9079 • FAX (501) 857-5222

Hot Springs



S I N C E 1 8 7 6

57 01 01 48 82

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

July 16, 1997

Dear Mr. President:

As you may be aware, my company recently employed ~~Mr.~~ Mr. Marvin Haber as Vice President Marketing and Sales. Mr. Haber is a 40 year veteran of the shoe industry, of which 20 years were spent with Don Munro of Hot Springs, Arkansas, and brings to our company the necessary expertise to begin the re-positioning and growth we must have in order to survive.

Our company was founded 121 years ago and remains a family owned, Arkansas based business. We have two (2) manufacturing facilities -- Corning and Harrisburg. We employ 300 workers and make approximately 800 pairs per day of women's dress shoes.

Our strategy is to reposition our distribution away from our traditional but rapidly disappearing base of independent retailers to the department stores and mass merchandisers and eventually to the top quartile of shoe stores. Once this strategy is fully implemented, we estimate the daily production demand to be 4,000 to 4,500 pairs, which will increase employment by 500 to 700 as well as a need for an expansion of our production facilities. Importantly, we must remain competitive with off-shore resources.

To execute this repositioning we will require assistance and funding to retrain our current work force, to hire and train additional workers, and improve professionalism throughout the organization.

I would very much appreciate your help in directing me to the appropriate Federal agency(ies) that provide such funding and assistance to the domestic footwear resources such as Johansen Brothers Shoe Company.



Further, we will seek similar advice at the state level as well as to seek capital funds from private institutions.

Thank you for your help in this matter. If I may be of further assistance, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul E. Johansen, Jr.".

Paul E. Johansen, Jr.
President

Mayor
Bob Kramer

Vice Mayor
Dave Golonski

CITY OF BURBANK

OFFICE OF THE CITY COUNCIL

Council Members

Ted McConkey
Stacey Murphy
Bill Wiggins

'97 JUL 18 PM 3:02

July 9, 1997

Betty Currie
Secretary to the President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Ms. Currie:

On June 30, 1997, I extended an invitation to President Clinton to deliver the Keynote Address at the dedication ceremony for the City of Burbank's Police-Fire Headquarters building (see attached letter).

I realize that President Clinton receives hundreds of invitations weekly to attend worthwhile national and international events, but I believe this dedication ceremony is worthy of the President's consideration as it is consistent with his law enforcement stance. The ceremony will also provide Burbank's 100,000 residents with an opportunity to show their support for President Clinton's efforts.

I would respectfully request that you bring this letter to President Clinton's attention. If I can provide you with any additional information on this event, please feel free to call me at (818) 238-5751 or my Chief of Staff, Chris Foss at (818) 238-5820.

Sincerely,



Bob Kramer
Mayor

BK:CF:kt

Attachment

7/18/97

Send to Scheduling?

Yes

No

Mayor
Bob Kramer

Vice Mayor
Dave Golonski

CITY OF BURBANK

OFFICE OF THE CITY COUNCIL

Council Members

Ted McConkey
Stacey Murphy
Bill Wiggins

June 30, 1997

The Honorable William J. Clinton
President of the United States of America
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear Mr. President:

On behalf of the citizens of the City of Burbank, I would like to invite you to deliver the keynote address for the dedication of our new Police/Fire Headquarters building.

The City of Burbank, as home to The Walt Disney Company, Warner Bros., and NBC, has a well-deserved reputation as the COMMUNITY OF CHOICE in Southern California. We have employment, housing, and recreational opportunities that are unsurpassed, and our residents have come to expect the finest police and fire services in the country. Our new 120,000 square foot Police/Fire Headquarters will be the centerpiece of our new Civic Center and will provide the men and women of our safety services with a state-of-the-art building to meet the community's needs well into the 21st century.

I believe that your presence at our dedication facility will remind our residents, as well as those around the country, of the commitment safety employees make to their communities on a daily basis 365 days per year. It could also help focus attention on those communities that are making a difference and providing a safe environment for today and the future.

The dedication facility has been tentatively scheduled between October 30 and November 7, 1997, depending on your availability. The details of the event (time and length of the ceremony, etc) could be arranged to meet your scheduling requirements. My staff will work closely with your scheduling office to make all of the necessary arrangements for your visit.

I hope that you will accept our invitation to participate in the dedication ceremonies. Burbank is a special community, and I would like to share a little piece of it with you. If you have any questions about this letter or the dedication ceremony, please feel free to contact me at (818) 238-5751 or Robert R. "Bud" Ovrom, City Manager, at (818) 238-5800.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Kramer". The signature is fluid and cursive, with the first name "Bob" being more prominent than the last name "Kramer".

Bob Kramer
Mayor

BK:ch

'97 JUL 21 AM 7:40



STANLEY GLANZ
SHERIFF

WILLIAM R. THOMPSON
UNDERSHERIFF

TULSA COUNTY SHERIFF
500 S. DENVER
TULSA, OKLAHOMA 74103-3832
(918) 596-5601
July 15, 1997

JIM C. HELM
CHIEF DEPUTY

ROBERT L. MACKECHNEY
CHIEF DEPUTY

The President of the United States
The White House Office
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500

Dear Mr. President:

Let me introduce myself, I am Deputy Sheriff Roy Cannon, Tulsa County Sheriff's Office in Tulsa, Oklahoma. Deputy Jared Upton and myself are Post Advisors of the Tulsa County Sheriff's Law Enforcement Explorer Program. We will be visiting Washington, D.C. from July 20-25, 1998, for the National Exploring Conference held at Maryland State University. We will be bringing eight Explorers between the ages of 14 to 18 and six adults to attend the conference. We are very aware that your time is very limited, however, we need just 10 minutes of your time to meet you and possibly take some photos with you and the children.

Sir, we would be more than grateful to come a week early or stay a week longer if these dates are not an opportune time for you. We realize your time is very valuable, however, we feel this would be the perfect boost needed for our program to become a beacon to lead children who want to participate. Law Enforcement today could use more programs to keep our youth focused on the "positive" instead of worrying about peer pressure and gang violence. In addition, we intend to send a copy of the photos to our local press once we return home. If you foresee a possibly problem with any of the ideas we have enlisted, please let us know. We would appreciate your time and consideration. Please let us know if you are able to help us out in any way.

Very Respectfully yours,

Roy Cannon,
Deputy Sheriff

7/21/97

cc: Todd Stern, Assistant to the President
Deputy Assistant in Charge of Scheduling Appointments
Jim Inhofe, Senator
Stanley Glanz, Sheriff

Phil -

Please note dates -

Send to Scheduling?

Yes

No

C

THE WHITE HOUSE
WASHINGTON

Date

7/21

To:

Mickey Ibarra

From:

The Staff Secretary

You should work with
Jim Dorstkind's office on
coordinating a reply to the
attached.

Phil Cople

cc: Jim Dorstkind

MARK R. NICHOLS

Mark R. Nichols
MD

July 15, 1997

PERSONAL

President William J. Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

'97 JUL 18 PM 9:21

Attention: Nancy Hernreich

Dear President Clinton:

On a couple of occasions I have mentioned the Cabazon tribe's and my own personal interest in South Pacific affairs. We have been working for some time towards empowering the indigenous people of the Mariana Islands.

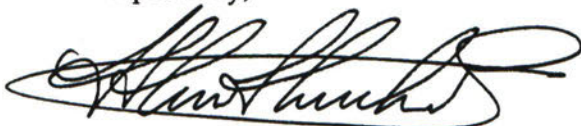
Last year, Chairman James and I participated in a mission to the island and have had delegations visit as our guests here in the United States. As part of our diplomatic efforts, meetings have been held with Representative Underwood and members of the Tao Tao Guam Association, the Chamorro Nation and the Indigenous Land Owners Association. We have had brief discussions with Governor Guttierrez and many others. As a result of our technical assistance, a substantial number of the indigenous Chamorro peoples have adopted a constitution and have come to identify themselves as the Chamorro Tribe of the Marianas. It is my understanding that they have now enrolled approximately 5,000 members and the various indigenous groups have begun to coalesce into one unified voice. Our continued monitoring of events on Guam has shown that a shift within the political spectrum has occurred and the tribal membership has grown exponentially with a desire and focus on the need for a Chamorro referendum, indigenous rights and future of their land. My last discussion with Governor Guttierrez has indicated that he has serious inclinations towards independence, and others report that the Bishop of the Catholic Church on Guam has shifted on his position.

The Cabazon Band has been invited and elected to undertake a second mission to the island. We are planning to be there from approximately July 28th through August 4th, and will be meeting with representatives from each of the indigenous peoples organizations, as well as visiting with the Governors of Saipan, Rota, Guam, and various other elected leaders.

It is our hope you would dispatch a representative from your office to accompany us and to meet with these indigenous people in order to start receiving an appropriate level of feedback from this disenfranchised element on the island. One of the criticisms that has been referred to in the past has centered on the fact that the Chamorros do not speak with a united voice. This has changed and it is now possible to have fruitful meetings with (the Chamorro people).

If you could take just a moment from your schedule to impart a word of encouragement to the Chamorro people, it would be greatly appreciated.

Respectfully,



Mark Nichols

84-245 Indio Springs Drive Indio, California 92203

619.342.2593

GUAM ITINERARY

DAY ONE

JULY 28, 1997 MONDAY

- 8:30 A.M. Breakfast with Former Governor Joe Ada.
- 10:00 Governor Carl Gutierrez
- 11:15 Former Lt. Governor Frank Blas
- 12:30 P.M. Lunch with CTM¹ members
- 2:30 RETURN TO HOTEL FOR REST.
- 6:30 Dinner at cultural show with Mike Torres (businessman, political consultant), Ben Sanchez (community leader, political pioneer)

¹ Chamorro Tribe of the Marianas

DAY TWO

JULY 29, 1997 TUESDAY

8:00 A.M.

Breakfast

9:30

Speaker Antonio Unpingco of the 24th Guam Legislature and other Senators.

11:00

Mayor McDonald and Mayors Council of Guam.

12:30 P.M.

Lunch at the Chamorro Village with Dr. E. Robert Stathram U.O.G. Political Science.

1:30

Meeting with V.A. Director John Blas.

3:00

Guam Visitors Bureau Chairman Jimmy Dee Flores.

4:00

RETURN TO HOTEL FOR REST.

5:30 or 6:30

Dinner

7:00

Talk Show with Jesus Chamorro KUAM Radio, to include Mark Nichols, John James, Patrick San Nicolas, Ben Sanchez.

DAY THREE

JULY 30, 1997 WEDNESDAY

- 8:00 A.M. Breakfast with Joe Murphy (Pacific Daily News columnist and editor emeritus) at his office.
-
- 9:30 Senator Angel Santos (D) at his office.
- 10:45 Senator Mark Forbes (R) at his office.
- 12:00 P.M. Lunch with Michael Schwab, Assistant U.S. District Attorney, at Top O' the Mark.
- 1:30 Southern Village tour and meeting with mayors of the villages in Umatac, AGAT.
- 4:30 Return to the hotel.
- 6:00 Dinner with two members of the United Land Owners Association of Guam (President Patti Garrido and Vice President David Munoz).
- 7:30-8:00 **FREE TIME**
-

DAY FOUR

JULY 31, 1997 FRIDAY

SAIPAN

9:00 A.M.

Depart for Saipan

10:00

Breakfast/Check in at hotel

11:00

Meeting with Ben Santos, Chamorro rights activist

12:00 P.M.

Arrival Saipan/Lunch

1:30

Courtest visit with Governor Froilan Tenorio.

3:00

**Visit with Senate President and legislative members of
the CNMI²**

4:00

Tour of government facilities

5:00

REST PERIOD

7:00

Dinner with Governor Tenorio.

² Commonwealth of the Northern Mariana Islands

DAY FIVE

AUGUST 1, 1997 FRIDAY

ROTA

8:00 A.M.

Leave Saipan

9:00

Arrive on Rota Island

10:00

Meeting with Mayor Jose Inos

11:00

Lunch/Golf

4:00 P.M.

Tour Rota Island

6:00

Grand Finale Celebration

DAY SIX

AUGUST 2, 1997 SATURDAY

GUAM

9:45 A.M.

Hotel Check-In

10:30

Breakfast with Senator Mark Charfarous.

12:00 P.M.

Picnic meeting at one of Guam's beautiful beaches with Chamorro Nation leaders and Organization for Preservation of Indigenous Rights and members.

4:00

Return to hotel.

6:00

Dinner

7:00

Dancing/Singing

DAY SEVEN

AUGUST 3, 1997 SUNDAY

GUAM

8:30 A.M.

Breakfast

10:30

Professor Richard JH. Wyttenbach-Santos (Chamorro rights activist)

12:00 NOON

Lunch with Frank Camacho (Finance Chairman of the Guam Fishermen's Co-op).

1:30 P.M.

Meeting with Republic of Guahan President Norbert Perez.

2:30

Underwater tours (Atlantis submarine)

4:00

Return to hotel.

DAY EIGHT**AUGUST 4, 1997 MONDAY****8:30 A.M.****Breakfast****10:00****Courtesy visit with Senator Edward Cruz, M.D.****11:00****Courtesy visit with Senator Elizabeth Barrett-Anderson
(former Attorney General of Guam).****NORTHERN ISLAND TOUR****12:00 NOON****Lunch with Barrigada village Mayor Raymond Laguana.****1:30 P.M.****Meeting with Dededo Mayor Rivera.****3:00****Meeting with village Mayor Robert Lizama****4:30****Last meeting with the members of CTM****6:30****Dinner/Free Time/Dancing/Singing**

Copied
Marshall
COS

THE WHITE HOUSE
WASHINGTON

197 JUL 22 PM 7:10
THE PRESIDENT HAS SEEN
7-21-97

July 18, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. TM

SUBJECT: Summary of Cabinet Weekly Reports
July 11 - 18, 1997

DEPARTMENT OF TREASURY

- Must
to meet*
- **NAFTA/NADBank:** On July 15, Representative Torres sent you a letter signed by 15 other Members of Congress regarding the Latino Coalition's criticism of NAFTA and the NADBank. The letter conditions fast track support on response to its criticism. Representatives Becerra, Torres, Sanchez and Serrano joined national Hispanic organizations at a July 16 press conference to highlight the Latino Coalition study. Secretary Rubin has been meeting with Representatives Torres, Reyes, Fan and others to address their concerns. On July 18, the NADBank Finance Committee will meet again to discuss the direct lending program.
 - **Brady Law:** On July 16, Secretary Rubin and Attorney General Reno met with state and local law enforcement leaders at Treasury to discuss how to keep handguns away from violent criminals, in light of the Supreme Court's recent decision striking down the Brady Law background check requirement. The meeting focused on the need for cooperation between federal, state and local law enforcement.
 - **Bosnia:** The 1997 Donors Conference for Bosnia, which seeks to raise \$1.4 billion in pledges for Bosnian reconstruction, is set for July 23-24. The conference has been contingent on achieving an IMF stand-by agreement: an earlier date was postponed for lack of progress. The IMF requirements have been resolved, save for one -- the design of the new currency.
 - **Loans to Croatia:** Treasury and State have forged international consensus on denying Croatia assistance based on their poor record of Dayton Accord implementation. During the week of July 7, the following items for Croatia were delayed: a World Bank

7-21-97

guarantee, an investment in a venture fund, and an IMF loan. Maintaining pressure on Croatia to comply with its Dayton obligations will require further concerted action from the international community.

- **Egypt:** On July 15, Assistant Secretary Lipton and Under Secretary of State Eizenstat co-chaired a meeting with senior Egyptian officials pursuant to the Gore-Mubarak partnership. The meeting focused on Egypt's economic stabilization, but much remains to be done on the structural side. Lipton emphasized the need for trade liberalization, an area where reform has lagged, with tariffs averaging 25 percent. Eizenstat reassured the Egyptian officials that the Administration is working to protect Egypt's earmark, currently under attack in Congress. The Egyptians expressed appreciation, but emphasized that their economic future depends on fostering trade and investment, rather than on securing foreign aid.

✓ **Washington Aqueduct:** On July 17, the Treasury will close on a \$75 million loan to the Army Corps of Engineers to finance the modernization of the Washington Aqueduct. The Aqueduct provides drinking water for D.C., Arlington County, and the City of Falls Church.

- **IRS Commission Hearing:** On July 24, the House Ways and Means Oversight Subcommittee has scheduled a hearing on the IRS Commission report. Three Administration witnesses are contemplated, along with private sector representatives. Representative Portman is expected to introduce his legislation on the IRS Commission's recommendations prior to the hearing. Treasury is working on details of the Administration's IRS legislation, which Representative Coyne is expected to introduce in the coming weeks.

DEPARTMENT OF JUSTICE

- **Internet Child Pornography:** On July 9, Benjamin Isgut was sentenced to 19 months for transmission and possession of child pornography. This case was part of the nationwide "Innocent Images" investigation into the use of America Online to transport and receive child pornography.
- **Securities Fraud:** The former CFO of the Bennett Funding Group, Inc., and three others were indicted for their participation in a massive nationwide securities fraud scheme. The fraud resulted in losses of more than \$700 million to investors in 46 states.
- **NJB v. Reno:** On July 10, Attorney General Reno directed the Board of Immigration Appeals (BIA) to refer for her review a BIA decision interpreting the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) to apply the Act's new stricter physical presence eligibility rules to aliens who had pending deportation proceedings and applications for suspension of deportation at the time of the enactment.

This new "stop-time" rule essentially made these aliens ineligible for deportation relief. The Administration is preparing a legislative package that would delay the effective date of the Act's stricter suspension eligibility requirements so that deportation cases pending before April 1, 1997, and aliens covered by the Salvadorian ABC class action settlement agreement and the Nicaraguan Review Plan, would be governed by the old suspension eligibility rules.

- **COPS Grant:** On July 16, the COPS Office announced the awarding of over \$49 million to 233 jurisdictions nationwide to hire 596 additional officers.
- **Juvenile Justice Bill:** On July 10-11, the Senate Judiciary Committee continued its markup of Senator Hatch's juvenile justice bill. Two amendments were adopted: the Ashcroft-Feinstein amendment to increase penalties for using minors to sell drugs, selling drugs to minors and growing or manufacturing drugs on federal land, and the DeWine amendment to make it easier to prosecute federal carjacking cases.

DEPARTMENT OF COMMERCE

- **Census 2000:** On July 22, in Cleveland, OH, and on July 24, in Detroit, MI, Census Director Riche will lead two more in a series of Census 2000 Partnership Rollout meetings. These are designed to inform state, local, tribal and community representatives of Census 2000 plans and to discuss ways to improve methods of communication and community involvement.
- **Boeing-McDonnell Douglas Merger:** The European Commission expects to complete its review of the Boeing-McDonnell Douglas merger by July 31. Staff is preparing the final recommendation for submission to the European Commission on July 23. Sources report that the Commission staff will recommend denial of the merger unless Douglas Aircraft is sold to a third party and Boeing's exclusive purchase arrangements are broken.
- **WTO Dispute Settlement Cases:** The Trade Compliance Center (TCC) reported that action is expected on several dispute settlement cases in which the U.S. is a plaintiff or a defendant: (1) an Appellate Body hearing will take place on the EU bananas case July 21-22, the final panel report found the EU banana import regime to be in violation of multiple WTO rules; (2) a panel report on the U.S. case against the EU hormone ban is expected in late July; (3) the final case involving the first set of consultations in the EU complaint against U.S. textiles rules of origin is scheduled for July 16; and, (4) consultations regarding the EU complaint about the MA Burma sanctions will take place the week of July 21.
- **Baldrige Award "Education Summit":** On July 22, Acting Assistant Secretary for Administration Raymond Kammer will moderate an Education Summit with leaders in the education community to discuss plans to expand the Malcolm Baldrige National

Quality Award to cover the proposed new education category. Among the leaders attending this session with National Institute of Standards and Technology (NIST) managers will be Wayne Clough, President of the Georgia Institute of Technology, and Arnold Weber, Chancellor of Northwestern University, both new directors of the Baldrige Award Foundation. You have urged establishment of this award and another for health care, and your FY98 budget request includes these initiatives, which are in trouble in Congress as the House and Senate consider NIST appropriations.

- **Drinking Water:** NIST expects to announce a new performance evaluation program that will provide high-accuracy water quality standards and accreditation for laboratories supplying standards to environmental testing labs. NIST's new program will enable the EPA to shift its evaluation of environmental testing labs to the private sector.
- **Red River Disaster Survey:** The preliminary findings of the National Oceanic and Atmospheric Administration (NOAA) Red River of the North Disaster Survey Team will soon be announced. The NOAA Deputy Assistant Administrator for Weather Service Operations will brief Members of Congress on July 25. The Weather Service Survey Team Leader will travel to Grand Forks, ND, to conduct similar briefings the same morning for the mayors of Grand Forks and East Grand Forks, MN and ND state officials, and the media.
- **Multiracial Classification:** The House Government Reform and Oversight Subcommittee on Government Management, Information and Technology has tentatively scheduled a July 25 hearing on OMB's decision to create a multiracial category for dissemination, including the decennial census. On July 8, OMB announced that it would allow people to choose more than one racial category when self-identifying. That decision is now subject to a 60-day public comment period.

DEPARTMENT OF LABOR

- **United Airlines:** On July 12, United Airlines and the Association of Flight Attendants reached tentative agreement on a new contract following a final 25-hour bargaining session. The union's Master Executive Council at the carrier has approved the agreement, and recommends its ratification by the membership. The agreement which covers 22,000 flight attendants based in the U.S. and abroad, reportedly will run through 2006, but no other information is available on its terms.
- **Kaiser Permanente Strike:** On July 17, the California Nurses Association went on strike at Kaiser Permanente's 47 hospitals and clinics in northern CA.
- **Teamsters/UPS:** On July 31, with their master contract at United Parcel Service expiring, Teamster members have concluded a strike vote, the results of which have yet to be announced. Covered by the agreement are some 185,000 drivers, loaders, and

package sorters at UPS sites across the country. Meanwhile, shippers are exploring their options in the event of a UPS walkout. While some delivery companies reportedly are setting conditions for the acceptance of new customers, others have been non-committal.

- **Wheeling-Pittsburgh Strike:** In the strike at the Wheeling-Pittsburgh Steel Corporation, the union is continuing its "streets and suites" campaign against major institutional investors in the WHX Corporation.
- **Health Care Commission:** On July 21-22, Secretary Herman will travel to Burlington, VT, to co-chair, along with HHS Secretary Shalala, the third meeting of the Health Care Commission.

DEPARTMENT OF TRANSPORTATION

- **TWA 800 Anniversary:** On July 17, Secretary Slater attended a memorial service and read a message from you for the victims of TWA 800 on Long Island. The Secretary also toured the hangar where the 747 aircraft is being reconstructed. NTSB Chairman Hall also represented the Administration at TWA 800 commemorative events in NY.
- **National Airport Opening:** On July 27, the Secretary will participate in a ribbon-cutting ceremony for the new terminal building at Washington National Airport.
- **Park Overflights:** On July 8-9, the National Park Overflight Working Group (NPOWG) held its third meeting. The next meeting is scheduled for August 4-5, in Denver, CO. Their final report is due this fall and is expected to contain a recommended regulatory process for managing air tours within National Parks. The report will be submitted to the FAA Aviation Rulemaking Advisory Committee and the National Park Service Advisory Board.
- **Airline Merger:** Western Pacific Airlines and Frontier Airlines have entered into an agreement under which WestPac would acquire Frontier through a merger. The carriers will operate under a code-sharing agreement beginning on August 1, and will complete the merger by December 15. Western Pacific currently operates 19 B-737 aircraft and Frontier operates 7 B-737s.
- **Pennsylvania Station Redevelopment Corporation:** On July 10, the Pennsylvania Station Redevelopment Corporation (PSRC) Board voted to move forward with a new \$315 million AMTRAK rail station in the James Farley Building in New York City, a project suggested by Senator Moynihan. Renovations and safety improvements to the 84 year-old building, transforming it into a grand passenger station, are set to begin shortly.

- **Aviation Talks**
 - **France:** The French canceled the aviation negotiations scheduled for July 16-17 in Paris, and offered no immediate explanation. In canceling the talks, the French did not offer alternative dates but expressed reservations about September.
 - **Romania:** The Romanian Government canceled the consultations scheduled for July 10-11, in Washington, and requested that the talks be rescheduled for September, with the focus on negotiating a new air services agreement. The United States has proposed meeting September 1 in Washington.
 - **Japan:** As a result of informal discussions in Portland July 8-10, it was agreed that enough progress had been made to begin formal negotiations. The first session of formal talks is scheduled to take place in Tokyo August 4-6. The U.S. side is continuing to seek an agreement that would transition to a fully liberal regime. The two sides set as a goal resolution of outstanding cargo and other issues in a September time frame.
- **Disadvantaged Business Enterprise (DBE) Program:** On July 9, the House Judiciary Constitution Subcommittee reported out the Canady bill which repeals certain affirmative action programs, including DOT's DBE program.

SMALL BUSINESS ADMINISTRATION

- **Section 8(a) Program:** On July 23rd, Administrator Alvarez will meet with members of the Congressional Black Caucus and the members of the Congressional Hispanic Caucus to present SBA's proposed changes to the 8(a) program rules.

DEPARTMENT OF INTERIOR

- **U.S. v. Alaska:** The Supreme Court ruled that lands under the lagoons and inter-tidal areas were reserved by the Federal government when it applied to Congress to establish the Arctic National Wildlife Refuge (ANWR) in 1957. The dispute over fixing the offshore boundary between state and federal lands along Alaska's oil rich north slope had been pending before the Court for more than 17 years. To develop an implementation plan pursuant to the Court's recent decision, MMS has met with representatives of NOAA and AK to discuss specification of the precise Federal/State boundaries.
- **NM Gaming Compacts:** Last week, DOI received identical tribal-state gaming compacts from ten NM tribes. The new compacts were dictated by the NM legislature, without input from the Governor or the tribes. Given that the Indian Gaming Regulatory Act (IGRA) requires that the terms of the tribal-state compacts be negotiated agreements

7-21-97

between tribes and states, DOI is concerned about the policy implications of the NM State legislature's approach. DOI is also carefully considering other issues raised by the tribes, including whether the revenue sharing provision (requiring the tribes to give the state sixteen percent of tribal profits) and the regulatory fee structure (requiring the tribes to pay the state unusually high sums to "cover" the costs of state regulation) are appropriate under IGRA. The 45 day statutorily-mandated period ends on August 22. Before that date the DOI may approve, disapprove or choose to take no action on the compacts.

- **Big Bend Park:** On September 1, a new TX law goes into effect authorizing a special Big Bend National Park license plate. The legislation was introduced with the support of the Friends of Big Bend National Park. Most of the fees for the plates will be transferred to a designated non-profit organization whose primary purpose is to support improvement or preservation of the park.
- ✓ **New World Mine:** The BLM and Forest Service have completed the final Environmental Impact Statement (EIS) for the Cooke City area mineral withdrawal. The EIS recommends a 20-year administrative withdrawal of the area surrounding the New World mining district. The withdrawal will prohibit the location of mining claims on public lands within the New World Mine agreement. The Record of Decision and the Public Land Order implementing the withdrawal are scheduled to be signed in August.
- **FDR Memorial:** The bill directing the National Park Service to review and evaluate adding to the FDR Memorial to further portray Roosevelt's disability has been passed by Congress. NPS will appoint a study commission as soon as you sign the legislation.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Dioxin In Poultry:** On July 9, USDA provided Food Safety and Inspection Service district managers and plant owners and operators with guidance about poultry, livestock and eggs that may be contaminated with residues of dioxin at levels that would render the resulting food products adulterated. The levels of dioxin in feed and in foods produced from animals that consumed the feed present no immediate public health risk for food consumers or handlers. USDA, the Food and Drug Administration and the EPA are acting to protect the public from dioxin contaminated feed and food. On July 8-9, USDA, EPA and FDA officials briefed House and Senate Agriculture Committee staff regarding procedures that will govern further use and distribution of poultry, livestock, and eggs that may be contaminated with unsafe levels of dioxin. Members from affected states such as AR and MI have concerns about the cost of testing required for affected product to be sold to consumers, as well as the level of dioxin that the agencies have indicated will trigger adulteration.

- **Food Stamps:** On June 30, USDA announced FY96 error rates for the Food Stamp Program declined for the third consecutive year to 9.22 percent, the lowest error rate ever achieved, resulting in savings of \$660 million.
- **New Technology:** The USDA Forest Products Laboratory and Consolidated Papers of Wisconsin Rapids will produce by early August the first commercial-scale run of paper made with biopulping technology, a new technique that uses wood-decay fungi to soften wood chips before they are pulped for making paper. This process could potentially save the paper industry millions of dollars in energy costs while producing stronger paper.
- **Modoc National Forest:** On July 8, the Modoc National Forest in CA announced its decision to deny the Sierra Pacific Power Company's request for a right-of-way for a project that would bring power 160 miles from northeastern CA to Reno, NV.
- **Bison Lawsuit Filed:** On July 30, the Sierra Club Legal Defense Fund filed a lawsuit in the U.S. District Court in Helena, MT, seeking additional analysis of the Yellowstone-Montana Interim Bison Management Plan. The lawsuit states that although the existing plan promised to decrease the killing of bison in the park, bison mortality actually doubled since the plan was initiated.

DEPARTMENT OF ENERGY

- **Climate Change:** On July 11, DOE released a report entitled: *Impacts of High Energy Price Scenarios on Energy Intensive Sectors: Perspectives from Industry Workshops*. The report is based on a series of workshops conducted in June and July 1996 by Argonne National Laboratory under DOE contract. The workshops explored the possible effects of new climate change commitments of the basic chemicals, iron and steel, petroleum refining, paper and allied products, aluminum and cement industries. It is predicted that the industries under review would experience reductions in output and in baseline levels.
- **Gore-Chernomyrdin:** On July 20-23, Secretary Peña will meet with Ministers Nemtsov and Mikhailov in Russia. The Nemtso meeting will focus on the September Gore-Chernomyrdin Commission meeting and on planning for The Eight Energy Ministerial for 1998. The Mikhailov meeting will focus on a host of nuclear nonproliferation issues. On July 17, the Secretary will discuss his trip to Russia at the National Press Club's morning news maker's breakfast.

DEPARTMENT OF EDUCATION

- **Minority Admissions at UC Law Schools:** DOEd's Office for Civil Rights (OCR) will investigate charges of racially discriminatory admissions policies at UC's three law schools, Boalt Hall School of Law (Berkeley), UCLA, and UC-Davis. The decision results from a complaint filed in March alleging discrimination against minorities and women. OCR did not find sufficient evidence to investigate the sex discrimination charges.
- **Secretary's Schedule:**
 - **House Education Caucus:** On July 23, Secretary Riley will speak to the newly formed group, which includes Members of Congress who have been educators.
 - **Congressional Hispanic Caucus:** On July 24, the Secretary will meet with the caucus.

ENVIRONMENTAL PROTECTION AGENCY

- **Common Sense Initiative:** On July 21-22, the Administrator will chair EPA's Common Sense Initiative (CSI), an industry-by-industry effort to find innovative and cost-effective solutions that protect public health and the environment. The Council will focus on environmental information management and identify key themes that the six CSI industry sectors can use to ensure an industry-wide approach toward regulatory reinvention and sustainability. The Administrator will also announce an acceleration of EPA's efforts to achieve electronic reporting and access to environmental data.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **Vaccine Coverage:** All national vaccination coverage goals that were set in 1993 for 1996 were exceeded in 1996. On July 23, you will announce final 1996 data at a Childhood Immunization Initiative at a White House event.

✓ NY **Medicaid Waiver Approved:** On July 15, Deputy Secretary Thurm joined Governor Pataki in announcing approval of a Medicaid demonstration proposal allowing NY state to enroll more than 2.4 million people in managed care plans. The demonstration includes coverage for more than 370,000 people not currently enrolled in Medicaid. This is the sixteenth Medicaid waiver approved by the Administration.

THE PRESIDENT HAS SEEN

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- **Child Care Regulations:** Last year's welfare law provided new Federal child care funds and repealed child care programs authorized under Title IV-A of the Social Security Act. The unified program is now designated as the Child Care and Development Fund. Next week, the first proposed rule implementing the Fund will be released at the White House event announcing vaccination coverage levels.
- **Radioactive Materials:** On July 14, the Nuclear Regulatory Commission announced that it would probe possible violations of rules for the use of nuclear materials in medical research at CDC. The announcement does not mean that a violation has occurred or that enforcement action will be necessary. The apparent violations are on procedural matters, so at no time were any employees or citizens at risk. On July 17, the CDC will participate in a public predecisional enforcement hearing at NRC regional headquarters.
- **Health Fraud Scheme Results in \$3.9 Million Fine:** As a result of an Inspector General investigation, TX psychiatrist Henry Bonham and his office manager Beverly Bulger were sentenced for their part in a health care fraud scheme. Bonham and Bulger billed Medicare, Medicaid, the Civilian Health and Medical Program of the Uniformed Services, and private insurance companies for psychiatric services as if Bonham had performed them, when his nurses and therapists had actually done so without his being present or supervising.
- **Child Welfare Waiver:** On July 18, HHS will announce approval of a demonstration project to improve child welfare services in IN. This will be the seventh waiver granted by the Administration for states to undertake innovations in child welfare programs. The IN project focuses on the enhancement of family preservation and family support services and the expansion of eligibility for Title IV-E funds. The expansion will focus on services to a subset of children currently placed in residential care facilities.
- **AIDS Drug Side Effects:** According to an NIH study published on July 15 in the *Annals of Internal Medicine*, HIV-infected adults who take indinavir, the most widely prescribed protease inhibitor in the United States, may experience symptomatic urinary tract disease and transient kidney dysfunction as a result of crystal formation in the urine. The manufacturer of the drug recommends that patients drink at least one and a half liters of liquid daily. Senior investigators caution that if kidney or urinary symptoms become severe or recur, or if renal insufficiency develops, doctors may want to consider switching to another protease inhibitor. Additional studies will be required to determine long-term consequences.

- **Infectious Diseases:** The July 18 *Morbidity and Mortality Weekly Report* will present data on notifiable infectious disease morbidity in the United States. The National Notifiable Diseases Surveillance System (NNDSS) data reported by CDC indicates higher rates of gonorrhea among young women than young men. Among adults, the report documents higher incidence rates among men than women for all of the most commonly reported infectious diseases. Data was collected in all 50 states between 1992 and 1994.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **Conference on Empowerment Zones and Enterprise Communities:** On July 21-22, the Vice President and Secretary Cuomo will visit Boston, MA, for the second regional White House Conference on Empowerment Zones and Enterprise Communities. The conference will bring members of the EZ boards, business leaders and 21 Mayors from the northeast region together to discuss the Administration's progress with the Empowerment Zone/Enterprise Community Program and the goals for the upcoming year.
- **Section 8 Housing:** Chicago Housing Authority begins accepting new applications for Section 8 Housing for the first time in 17 years. Through HUD intervention, the Chicago Housing Authority was able to implement a technical assistance plan that allowed the Authority to increase the number of new families signing new leases to 200 per month. Based on this activity level, the Authority expects to exhaust the current waiting list for Section 8 Housing by the end of August 1997.
- **MI Tornado:** HUD established a task force to respond to Detroit Metropolitan area damage by tornado and storms earlier this month. The task force has worked with Detroit's Corporation Counsel and Head Planner to consolidate CDBG, HOME and other program funds for use in disaster relief.
- **Welfare to Work:** HUD, DOEd and HHS have joined together on an initiative to promote self-sufficiency for public and assisted housing residents. The interagency project, "Community Partnerships for Resident Uplift and Economic Development," provides funding for collaborations between community organizations, residents and public housing authorities to promote business development and provide jobs.

VETERANS AFFAIRS

- **Tobacco Use In Military:** On July 15, a “Summary of Precedent Opinions” of the VA General Counsel on service connection for tobacco-related disability or death was published in the *Federal Register*. VA is providing guidance to adjudicators to use as they begin to process 4500 pending tobacco-related claims. Considerable media interest is expected. On July 23, the issue of compensation for smoking-related illnesses also will be on the agenda for the Senate Veterans' Affairs Committee legislative hearing.
- **Equitable Allocation:** The Veterans Equitable Resource Allocation system (VERA), implemented on April 1, remains a concern for certain Northeast and Midwest Members of Congress, where some medical facilities had their budgets reduced. Members are battling over appropriations report language to either support or oppose the continuation of VERA.
- **Critical Benefits Program:** A July 10 *Washington Post* article reported on a National Academy of Public Administration draft report that is critical of VA's benefits program, saying the program has gotten worse and could face potentially disastrous consequences in coming years. The million dollar study concluded that the Veterans Benefits Administration is in crisis and that reforms must begin with the selection of an Under Secretary for benefits. The report also criticizes VA's approach to resolving the year 2000 computer problem and the revamping of its field and claims office structure.
- **HIV/AIDS Prevention:** On July 11, VA announced a national survey of VA HIV/AIDS treatment and prevention programs, to provide current information on the status of prevention and treatment services for its HIV patients.

OFFICE OF NATIONAL DRUG CONTROL POLICY

- **Southwest Border Visit:** Director McCaffrey will travel through the Southwest region in August to review Federal drug efforts to look at furthering U.S. cooperative efforts, visit High Intensity Drug Trafficking Areas, and build upon cooperative efforts with Mexico.

SOCIAL SECURITY ADMINISTRATION

- **Self-Support (PASS):** PASS is a statutory provision which allows the exclusion of a Supplemental Security Income recipients' income and resources that are set aside to pursue an occupational goal. The purpose is to help disabled and blind individuals pursue educational goals or purchase items to assist in their employment efforts. The General Accounting Office and SSA's Inspector General criticized the program as vulnerable to misuse. SSA is holding public forums throughout the country to solicit views from a broad spectrum of PASS stakeholders.

GENERAL SERVICES ADMINISTRATION

- **NY Computers to Schools:** On July 15, GSA presented 13 computers and six modems to Buffalo's Grover Cleveland High School. This school is an inner-city school of approximately 1,000 students with an 83 percent minority enrollment, an 85 percent economically disadvantaged enrollment and 67 percent of students who are limited in English proficiency. The computers will be used for both the regular school session as well as for summer and evening sessions that provide English as a second language and GED instruction to students, parents and adult community members.
- **D.C. Schools:** GSA provided design and construction management services to the D.C. Public Schools for the replacement of five roofs. All construction was completed by June 1997, well ahead of schedule.

OFFICE OF PERSONNEL MANAGEMENT

- **Government Shutdown Request:** OPM coordinated the response to a suggestion by Virginia's Secretary of Natural Resources that federal offices in Washington, D.C. shut down because of poor air quality. OPM made available to the media the Metropolitan Washington Council of Government's Ozone Action Days program, which provides voluntary guidelines for action during days of bad air quality. OPM made clear that the situation does not call for a federal shutdown.

THE PRESIDENT HAS SEEN
7-21-97

cc:

The Vice President

Erskine Bowles

Franklin Raines

Mack McLarty

John Podesta

Sylvia Mathews

Ron Klain

Rahm Emanuel

Melanne Verveer

Michael McCurry

Doug Sosnik

Craig Smith

Mickey Ibarra

Don Baer

Maria Echaveste

John Hilley

Janis Kearney

Ann Lewis

Bruce Reed

Gene Sperling

John H. Gibbons

Kathleen McGinty

DEPARTMENT OF STATE

- **Bosnia:** Tensions continued in the Republika Srpska (RS) in the wake of the SFOR operation against indicted war criminals near Prijedor. At the Drljaca funeral over the week, Bosnian Serb leaders hailed the slain Serb as a hero and criticized the SFOR action in the strongest terms. A campaign of propaganda is now being directed against SFOR and the international community from both official and unofficial sources. There have been small explosions near international workers, but the security situation in the RS remains stable. The power struggle in the government of the RS continues. State delivered strong demarches to both Krajisnik and Milosevic to maintain calm in the RS and to guarantee that Plavsic has access to the mass media. Steps are being considered to ensure that independent voices in Srpska have access to the media during the current crisis and beyond. The Bosnia Donor's Conference is scheduled for July 23-24, with pledges of more than \$1.4 billion expected. Given the noncooperation of the RS leadership in implementing Dayton, very little of this aid will reach the RS.
- **Cambodia:** The evacuation of American citizens and drawdown of embassy staff neared completion. Approximately 650 Americans have left Cambodia; the Embassy estimates another 325 are waiting to leave. In a meeting on July 11 with Acting Secretary Pickering, ousted Prime Minister Ranariddh emphasized the need for the international community to unify and condemn Hun Sen. The next week will be spent in building international consensus, in advance of the upcoming ASEAN meetings in Kuala Lumpur July 27-29, on a coordinated policy designed to pressure Hun Sen to return to the status quo ante.

UNITED NATIONS

- **SYG Annan's Reform Package:** On July 16, SYG Kofi Annan unveiled his long awaited UN reform package. Ambassador Richardson welcomed the announcement, stating that the U.S. would study the package, and underscored U.S. support for the ongoing reform process. The Ambassador suggested that the General Assembly take action to establish an Ad Hoc Committee to consider the SYG's reform proposals. Reaction to the package has been mixed, with some members of Congress claiming that the SYG's proposed measures do not go far enough.
- **Richardson Trip to Haiti:** On July 14-15, Ambassador Richardson traveled to Haiti and met with President Preval, former President Aristide and other UN and Haiti officials. Preval agreed to send a letter to the Security Council requesting a follow-on force for the UN Support Mission in Haiti (UNSMIH) which ends on July 31, 1997. In a separate meeting, Aristide -- who has spoken critically of the "foreign presence" in Haiti -- promised to support Preval's decision on post-UNSMIH.

- **Ambassador's Schedule:** On July 18, Ambassador Richardson will travel to the Balkans to visit with UN and U.S. military officials. He will also stop in Rome and Bonn to speak with Italian and German officials to discuss UN reform proposals and the U.S. arrears package.

CENTRAL INTELLIGENCE AGENCY

- **DCI Swearing-In:** On July 23, the Vice President will preside at the public swearing-in ceremony of George Tenet as the nineteenth Director of Central Intelligence at CIA Headquarters.

THE WHITE HOUSE
WASHINGTON

Date

7/21

To:

Bob Nash

From:

The Staff Secretary

How do you want to
handle this?

Phil Cullen

Left on plane
gets after the
Mtg of Hispanic
Leaders 6/15

-
10
17

July 15, 1997

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

Dear Mr. President:

I have been pleased to support you and the Vice President in your campaigns and Administration for the past several years, and was proud to have contributed to the electoral victory in Florida and the significant increase in the Hispanic community's support and enthusiasm for your Administration. I also am honored to have served as your representative to the U.S. Advisory Commission on Public Diplomacy, and I believe that I have effectively represented the United States in my overseas visits.

I looked forward to continuing to serve the Administration after the election, preferably in an ambassadorial post, and had discussed this possibility with you at earlier meetings. You gave me a positive and encouraging response. I believe that I am well prepared to contribute to your foreign policy objectives, and would bring to the post a combination of professional accomplishment, knowledge and personal empathy. I gave information to your staff which discusses these qualities in greater detail.

However, I recently became aware that I had been rejected for at least two posts, on advice of the White House General Counsel because of "unresolved issues with the Department of Energy". I am hurt and deeply saddened by this revelation. Not only because of the lost opportunities; I had reconciled myself to that possibility much earlier. But, I was not prepared for the insensitivity and indifference of your staff for failing to even ask me for an explanation of the incident.

I have been a loyal Democrat most of my adult life, and I have supported you and other Party members, even in the face of personal and public attacks by the Cuban-American community in Florida. If, for no other reason, I deserved to be treated more professionally and more courteously.

As to the facts of the incident in question. First, there is no "unresolved issue" with the Department of Energy. My company, META, has a pending appeal to a Departmental Hearing Officer's decision that an employee was improperly terminated because he had made "protected disclosures" about environmental issues being examined by META under its contract with DOE. It was brought out during the hearing that he had made a similar charge against a former employer who was under contract to the Environmental Protection Agency (EPA)

The potential financial loss to my company is significant, and an appeal is a legitimate, reasonable, and responsible action to take. The employee was terminated after direction by DOE that we reduce the contract staff. We contend that it was a proper action, and were supported by the DOE oversight manager. The Hearing Officer disagreed. We are appealing his decision, as is provided for in the DOE regulation.

Anyone with a business enterprise inevitably confronts such employee-management problems. META officers, and I personally, have acted responsibly and professionally in terminating the employee, and in the conduct of the entire quasi legal proceedings. We simply disagree with the investigation and the Hearing Officer's decisions.

But, we have no issue with the Department, "unresolved" or otherwise. In fact, we believe that we are representing the DOE's interests by pursuing an appeal, because the precedents that will result if the decisions are not reversed will create great difficulties for the Department in the future.

In any case, I fail to understand how such a relatively unremarkable and normal business activity would jeopardize my confirmation. I am confident that most members of Congress are familiar with such conflicts involving employees, and would not challenge my nomination because of this situation.

I have learned, however, that we have no control over much that happens in our lives. This is one of those times. I looked forward to serving the Administration in your second term. I believe you have a unique opportunity to profoundly change the future. I had wanted to play a meaningful role in that endeavor.

Sincerely,

A handwritten signature in cursive script, appearing to read "Maria Elena Torano". The signature is written in black ink and is positioned above the printed name.

Maria Elena Torano