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9-15-97

C. C. Summary

SPECIAL ANALYSIS

Promises and Pitfalls in Regulating Managed Care

As enrollment in HMOs and other managed care organizations has grown, Federal and state government interest in regulating these organizations has increased as well. Although some forms of regulation can improve consumer information and the quality of care, others may adversely affect the ability of HMOs to control costs.

Information requirements. One category of proposed regulations would require HMOs to disclose important information such as how doctors are paid, how the plan determines what procedures are considered "experimental," what options members have for second opinions, and how satisfied members are with the plan (using satisfaction ratings similar to those published for the Federal Employees Health Benefits Plan). These regulations should help ensure that consumers have the information they need to weigh features and costs when choosing a health plan. Moreover, requiring plans to disclose more information gives plan providers an incentive to improve the quality of care and eliminate undesirable features.

Blurring distinctions. Another class of regulations would alter managed care plans in ways that would make them more like traditional plans. For example, some recent proposals would require all HMOs to have an out-of-network option and ban or limit the use of financial incentives (such as capitated payments) that encourage physicians to limit treatment. To the extent that these regulations would prohibit practices that have helped HMOs control utilization and spending, they could undermine the ability to control costs in the future. They would also be unnecessary if disclosure requirements gave consumers adequate information to make their own choices about what features they want in a health plan.

Standardization. Regulations requiring standardization of plan features and coverage are aimed at a variety of goals: simplifying health insurance decisions, enhancing competition among plans, and improving the quality of care. By ensuring purchasers that they are getting at least minimal coverage or by presenting information in an accessible format, such regulations can help consumers navigate what is currently a bewildering array of options. Regulations that require all plans to cover particular treatments run the risk of increasing costs by inducing treatment that is not cost-effective, but they may also correct for under provision of some kinds of care. For example, with widespread plan switching, coverage of preventive care may be limited by a concern that people will have switched to another plan before the future cost savings from such care can be realized. Finally, standardization of plan offerings may facilitate competition among plans, which could keep premiums down.

Conclusion. Regulation of managed care must balance the benefits from better information and quality against the risks of raising costs and limiting affordability.

9-15-97

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Consumer Credit Jumped in July. Consumer borrowing increased at a 6.4 percent annual rate in July, following 2 months of weak growth. The July spurt reflected a strong rebound in credit card use and in borrowing to buy new cars. Motor vehicle sales increased from an annual rate of 14.5 million units in the second quarter to an annual rate of 15.6 million units in July and August. July's 12.5 percent annual rate of increase in revolving credit (mainly credit card accounts) follows a 3-month period of moderate gains after a rapid upward trend in late fall and early winter. Following double-digit growth rates in 1994 and 1995, growth in consumer credit slowed in the first half of 1996. Notwithstanding the jump in July, consumer credit grew 5.2 percent over the past 12 months.

One in 20 U.S. Residents Will Be Placed Behind Bars. If incarceration rates recorded in 1991 remain unchanged, an estimated 5.1 percent of all persons in the United States will be incarcerated in a state or Federal prison during their lifetime, according to a recent study by the Department of Justice Bureau of Justice Statistics. The lifetime chances that a person will go to prison are higher for men (9.0 percent) than for women (1.1 percent) and higher for blacks (16.2 percent) and Hispanics (9.4 percent) than for whites (2.5 percent). The report also finds that nearly two-thirds of those admitted to prison for the first time will have been on probation and one-third will have served a sentence in a local jail or juvenile facility. The incarceration rates reported in the study do not include people whose only spell was in a local jail or juvenile facility.

Efficiency Versus Equity in the Home Mortgage Market. In an effort to increase efficiency and diversify risk many lenders have begun to rely on mortgage brokers who purchase loans and then sell them on secondary markets as mortgage-backed securities. All loans must attain a minimum credit score determined by an automated method that uses historical credit information to rate credit worthiness. Given that minorities have lower incomes and tend to have lower credit scores than whites, on average, they may be less able to gain access to home loans under the automated system. In a recently released report, the Association of Community Organizations for Reform Now (ACORN), a community watchdog, found that the number of conventional mortgages to white applicants rose by 19 percent in 1996, whereas loans to African Americans and Latinos decreased by 1 percent. ACORN points to these new automated methods of determining credit worthiness as being a reason for these results, arguing that the new automated methods do not assess unquantifiable characteristics such as "character." The ACORN results are based on an analysis of Home Mortgage Disclosure Act (HMDA) data on conventional home purchase loans of financial institutions in 15 metropolitan areas in 1995 and 1996. A different analysis of HMDA data by the Federal Financial Institutions Examination Council finds qualitatively similar results for 1995-96. But it shows growth in loans over the 1993-96 period of 19.4 percent for whites, 48.5 percent for Latinos, and 67.2 percent for African Americans.

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S. Green

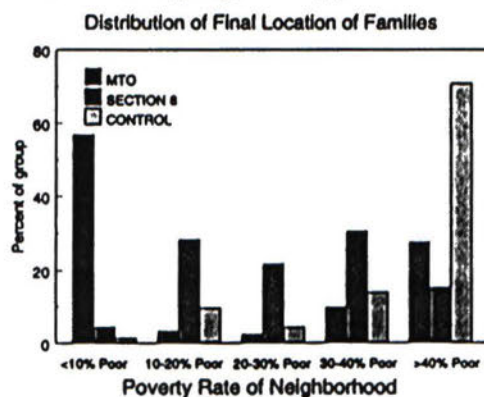
Moving to Opportunity: Some Early Results

Early results from the Los Angeles site of the Department of Housing and Urban Development's five-city study of the Moving to Opportunity housing voucher demonstration program point to success in integrating disadvantaged families into higher-income neighborhoods.

The demonstration program. The Moving to Opportunity Program (MTO) draws low-income families from public housing projects in the poorest neighborhoods of five cities and helps them to move to neighborhoods with low poverty rates. Eligible families are randomly assigned to one of three groups. Families in the MTO group receive a Section 8 housing voucher that they may use only if they move to a census tract with a poverty rate of less than 10 percent; they also receive housing location and transitional support services. Families in the Section 8 group receive a normal Section 8 housing voucher that they can use in any neighborhood, but no additional support services. Families in the Control group do not receive a housing voucher but may continue to live in public housing.

Preliminary findings. Early results from Los Angeles show that the MTO program has been successful in promoting residential mobility of disadvantaged families. Although members of the MTO group were initially drawn from the small number of neighborhoods in LA with poverty rates above 40 percent (the dark areas in the map on the next page), after entering the program they were widely dispersed throughout the LA area (dots on the map show final locations of MTO families). Families in the Section 8 group also moved out of these high poverty neighborhoods, although they did not move as far away as the MTO group.

The results from LA reveal three basic patterns (see chart). First, both the MTO and the Section 8 programs appear to have encouraged families to move out of highly



disadvantaged neighborhoods. Only 28 percent of MTO families and 15 percent of Section 8 families remained in neighborhoods with poverty rates over 40 percent, compared with over 70 percent of the control group.

Second, the MTO program seems to be much more successful than the standard Section 8 program in encouraging families to move to areas with very low

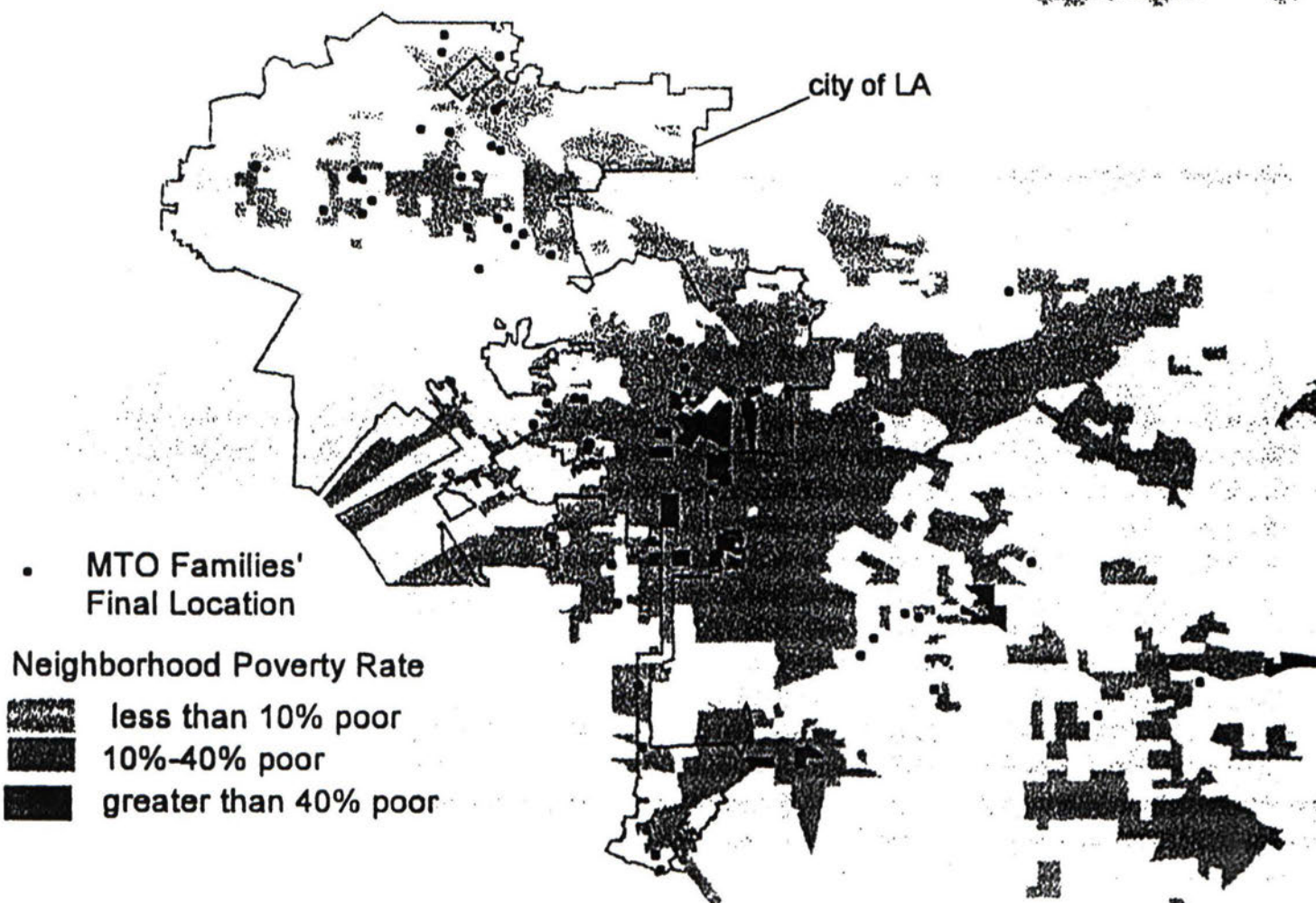
poverty rates. In particular, 57 percent of MTO families moved to neighborhoods with poverty rates below 10 percent, compared with only 4 percent of Section 8 and 1 percent of control group families.

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Finally, because MTO families were less likely to move than families in the Section 8 program, they were somewhat less likely to move out of areas with poverty rates over 40 percent. This could be because it is hard for some MTO participants to meet the program requirement that they move to a low-poverty neighborhood before they can use their housing voucher.

Implications. These results suggest that housing vouchers, especially when coupled with financial incentives and supportive services, can be effective in encouraging low-income families to move to more-advantaged neighborhoods. More information on whether these results hold in other contexts will soon be available from HUD as results come in from the other four cities involved in the MTO experiment.

Final Location of Families in LA MTO Group



SPECIAL ANALYSIS

How Much Does It Cost to Reduce Mortality Risk?

Government and private parties undertake a variety of actions to reduce mortality risk. Government actions include health, safety, and environmental regulations. Private actions include medical interventions and the use of pharmaceutical products.

Measuring cost effectiveness. What are the merits of these different actions in terms of their cost per unit reduction in mortality risk? An assessment method preferred in the public health and medical fields—and of growing interest in the environmental field—is the incremental cost to society per statistical life-year gained, net of the value of benefits unrelated to mortality. For example, if patients in an experimental group receiving a new drug treatment live 1 year longer, on average, than those receiving a placebo, the treatment is said to have achieved one statistical life-year gained (SLYG).

A wide range of outcomes. An ambitious survey of more than 500 different ways of reducing mortality risk provides a basis for several generalizations about what types of interventions are relatively less expensive. Of course the sensitivity of the results to the sample may limit the validity of such generalizations.

Dividing the interventions into medicine, safety improvements, and control of toxic chemicals suggests that the median medical intervention costs only \$19,000 per SLYG, the median action to promote safety costs \$48,000 per SLYG and the median control of toxic chemicals costs about \$2.8 million per SLYG. A different breakdown of the nonmedical interventions suggests costs of \$36,000 per SLYG in the area of consumer products and services, \$56,000 per SLYG for transportation-related innovations, \$350,000 per SLYG for occupational health and safety improvements, and \$4.2 million per SLYG for environmental interventions.

This focus on the average or median cost obscures tremendous differences within categories. For example, the most cost-effective medical actions (such as many types of prenatal care) reduce mortality risk while also reducing health care spending, so that their incremental cost per SLYG is negative. At the other end of the spectrum some pneumonia vaccines for children and a variety of intensive-care interventions have costs per SLYG in the hundreds of thousands of dollars. The box on the next page contains a list of selected interventions and their incremental cost per SLYG.

Conclusion. Although the precision of any particular estimate is subject to dispute, and gaps between published estimates of the costs of the same intervention may be as large as a factor of 5, the wide range of estimates is striking. Nearly 20 percent have costs in excess of \$1 million per SLYG; another 10 percent have negative costs per SLYG. This range suggests substantial opportunities to reduce mortality risk and to save money by reallocating efforts from the high-cost interventions to the low-cost opportunities.

Costs of Selected Live-Saving Interventions

<u>Intervention</u>	<u>Cost per Statistical Life-Year Saved (1992\$)</u>
Driver and passenger automatic shoulder/ manual lap belts (vs. manual belts) in cars	\$5,400
Airbag/manual lap belts (vs. manual lap belts only) in cars	6,700
Driver and passenger airbags/manual lap belts (vs. airbag for driver only and belts) in cars	61,000
Seat belts for passengers in school buses	2,700,000
Oxygen depletion sensor systems for gas space heaters	13,000
Reduce lead content of gasoline from 1.1 to 0.1 grams per leaded gallon	*
Defibrillators in emergency vehicles for resuscitation after cardiac arrest	39
Screen blood donors for HIV (estimate was developed prior to recent drug treatments for HIV)	13,000
Hypertension screening for men age 45-54	5,200
Neonatal care for infants weighing 1000-1499 grams	5,700
Smoking cessation advice for men age 45-49	1,050

* less than or equal to zero

Note: Results come from a variety of different studies using different methodologies and may not be strictly comparable.

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Marshall

THE PRESIDENT HAS SEEN

9-15-97

THE WHITE HOUSE
WASHINGTON

September 12, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: THURGOOD MARSHALL, JR. TM

SUBJECT: Summary of Cabinet Weekly Reports
September 5 - 12, 1997

DEPARTMENT OF TREASURY

- **Hong Kong/China Trip:** On September 17, Secretary Rubin, Deputy Secretary Summers and other Treasury officials will depart for Hong Kong for the International Monetary Fund/World Bank Annual Meetings. Meetings in Hong Kong will focus on the recent currency turmoil in Asia and efforts to strengthen financial stability in emerging market economies. This is critical to the growth of the U.S. economy, as well as other countries around the world. Secretary Rubin will then travel on to China to co-chair the Joint Economic Committee meeting with the senior Chinese leadership. The Secretary will highlight the importance of the U.S. bilateral economic relationship.
- **IRS:** On September 8, Representatives Coyne, Rangel, Hoyer, Waxman and Matsui introduced the Administration's IRS legislation in the House. The proposal would establish stronger governance and increase management flexibility to modernize the IRS, and would require the Secretary and Deputy Secretary to appear before Congress every year to report on the IRS.

NADBank: On September 4, the Finance Committee of the NADBank's U.S. Community Adjustment and Investment Program (CAIP) approved the first three loans in the program to businesses in Watsonville, CA, El Paso, TX and Mt. Vernon, GA. On September 11, the Finance Committee will meet to discuss expanding the program into a dozen new communities and will also discuss new loans and outreach efforts. On November 21, NADBank's Presidential Advisory Committee will hold a meeting in El Paso, TX, to discuss the program. Local residents are expected to testify to the impact of NAFTA on their communities.

- **Child Care:** Treasury continues to participate in the interagency process on child care policy, emphasizing two principles: first, that new funding should come from the spending side (through increased subsidies to states for child care spending), and not the tax side and second, that spending should focus on increasing access to child care rather than setting new standards for child care.

DEPARTMENT OF JUSTICE

- **MT Freeman Defendant Sentenced:** Following his conviction for conspiracy to intimidate a federal law enforcement officer, attempting to interfere with federal tax law administration, bank fraud conspiracy, and interstate transportation of fraudulently obtained property, the leader of the MT Freemen was sentenced to 360 months in prison. His codefendant received 144 months. The court granted the government's motion for upward departure and sentenced the defendants as domestic terrorists.
- **Indictment under Violence Against Women Act (VAWA):** A defendant was indicted for shooting at his estranged wife while she was working in a schoolyard where 25 children, aged 18 months to four years, were playing. The defendant had previously agreed to a restraining order.
- **Three Strikes Conviction:** A UT defendant was sentenced to life imprisonment plus a consecutive 45 years under the "three strikes" provision after his conviction for three bank robberies, two Hobbs Act robberies, three counts of use of a firearm during a violent crime, and two counts of felon in possession of a firearm and ammunition. The convictions arose out of a crime spree over a three-month period in 1994. The defendant had absconded from state parole and federal supervised release in OR.
- **Don't Ask, Don't Tell:** The Ninth Circuit sustained the constitutionality of the military's policy, holding that the "military may discharge a service member based on an inference of homosexual conduct from his admission of homosexual orientation, without corroborating evidence of conduct or intent." The court found that the policy is consistent with the First Amendment because it provides for discharges based upon homosexual conduct, rather than speech, and does not violate the equal protection clause. In this decision, the Ninth Circuit has joined the Second, Fourth, and Eighth Circuits.
- **Winstar Damages Trial:** On September 2, the government began to present its case in Glendale Federal Bank, FSB v. United States, the first of 130 Winstar-related breach of contract cases to proceed to trial. Glendale seeks almost \$2 billion in lost profits and direct damages allegedly resulting from a change in capital accounting requirements mandated by the Financial Institutions Recovery, Reform, and Enforcement Act. The plaintiffs in the other Winstar-related cases may seek over \$20 billion.

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- **WA Sex Offender Registration and Community Notification Law:** The Ninth Circuit has joined the Second and Third Circuits in rejecting constitutional challenges to sex offender registration and community notification laws. The court upheld the law as a reasonable public safety measure whose possible negative impact on an offender does not amount to punishment, that the information the law publicizes is not constitutionally protected, and that the offenders have no constitutional interest in this information that would limit its disclosure.

Rader
Subcommittee
Hearings
9/15/97

Gun Free School Zones: On August 20, four parents challenged the constitutionality of the Gun Free School Zones Act. The Act, which had been struck down by the Supreme court in 1995, was amended in 1996.

Border Shooting Incident: On September 18, the House Immigration and Claims Subcommittee will hold a hearing regarding the death of a U.S. citizen in Redford, TX, as a result of a shooting by a member of the U.S. Marine Corps.

DEPARTMENT OF COMMERCE

- **MD River Fish Kills:** NOAA has been directly involved in responding to fish kills in the lower Pocomoke River on the border of MD and VA. NOAA/MNFS and EPA each granted \$250,000 to MD agencies in August to support State response efforts, including intensive water quality and fish sampling as well as surveys of contaminant runoff from Pocomoke sub-watersheds and surveys of agricultural practices in the whole Pocomoke watershed.
- **Climate Change:** On September 15, Secretary Daley will travel to Pittsburgh, PA, to participate with Secretary Peña in climate change events. Secretary Daley will attend a lunch round table with area CEOs, deliver remarks to a public forum at Carnegie Mellon University Heinz School of Public Policy and meet with the *Pittsburgh Post-Gazette* editorial board. The Secretary will also visit a manufacturing plant with Rep. Klink.
- **Information Technology Worker Shortage:** On September 18, Secretary Daley will launch an effort to address the information technology worker shortage. DOC is working with the Information Technology Association of America and the University of CA at Berkeley in this effort.
- **THAP Grants:** During the week of September 22, the National Telecommunications and Information Administration will to announce the FY97 Telecommunications and Information Infrastructure Assistance Program (THAP) grants. THAP provides matching grants to non-profit organizations and state and local governments to purchase equipment and software that improve the quality of and public access to education, health care, public safety and other community-based services. NTIA expects to fund 55 projects out of the 924 applications submitted in this year's competition.

- **Economic Indicators to be released next week:**
 - Quarterly Financial Report for Manufacturing, Mining and Wholesale Trade (2nd Q) September 15
 - Manufacturing and Trade (July) September 16
 - Inventories and Sales (July) September 16
 - Housing Starts and Building Permits September 17
 - U.S. International Trade in Goods and Services (July) September 18
 - State Per Capita Personal Income (1996, revised) September 19

DEPARTMENT OF LABOR

- **School-to-Work:** During the week of September 29, ETA will award 40 school-to-work Urban/Rural Opportunities Grants to municipalities or organizations which serve youth in high poverty urban and rural areas. These grants total \$14 million. DOL is developing an event around this announcement, with possible White House involvement.
- **Upcoming Data Releases:**
 - Sept. 11 - Average Annual pay by State and Industry for 1996
 - Sept. 12 - Producer Price Indexes for August, 1997
 - Sept. 16 - Consumer Price Index for August, 1997
 - Sept. 17 - U.S. Import and Export Price Indexes for September, 1997
- **New Welfare-to-Work Grants:** ETA is working to issue policy guidance for the new formula and competitive grants to help guide implementation at the State and local levels and to facilitate coordination with welfare agencies. ETA has already issued guidance to the employment and training system and partners encouraging full participation in welfare-to-work implementation efforts. Development of technical assistance material, fact sheets and other useful information is underway.
- **International Labor Affairs:** On September 20 - October 1, Acting Deputy Under Secretary Samet will travel for meetings and events in Asia, China, Bangladesh and India.
- **BART Strike:** A strike by employees began on September 7, prompting the shutdown of the Bay Area Transit (BART) which serves 270,000 weekday riders. The stoppage followed the September 4 rejection of management's final offer by train operators and station agents represented by the ATU, and maintenance and clerical workers represented by the SEIU. The wage package and the two-tier pay system are the principal areas of disagreement. Talks are continuing.
- **Amtrak Dispute:** The Presidential Emergency Board appointed to help resolve the dispute between Amtrak and the Brotherhood of Maintenance of Way Employees held hearings during the week of August 25. Its report is due September 21, after which the parties will have 30 days to use it as the basis for a negotiated settlement.

- **Poultry Processing:** DOL staff will join DOC staff at a series of briefings for the poultry processing stakeholders in Baltimore, MD, on September 9. Atlanta, GA, on September 10 and Little Rock, AR, September 11. The briefings will outline DOL's poultry processing survey.

DEPARTMENT OF TRANSPORTATION

- **NEXTEA:** Secretary Slater is meeting with key Members of Congress to reinforce Administration priorities as surface transportation legislation advances in the House and Senate. Senator Chafee released a draft of the bill and plans to introduce it soon. A markup is tentatively scheduled for September 17. The House bill (BESTEA), was introduced on September 4 and included some provisions that amplified Administration priorities, however, overall funding levels exceed the budget agreement.
- **Haitian Ferry:** On September 8, an overloaded 60 ft. Haitian ferry capsized within 60 ft of a pier at Port de Montrouis, 30 miles north of Port au Prince. 42 bodies have been recovered. Recovery is continuing. Secretary Slater called President Preval and offered condolences and assistance. The Coast Guard deployed a helicopter to assist.
- **Japanese Port Practices:** DOT continues to support the sanctions imposed by the Federal Maritime Commission on Japanese ocean transportation companies and is working with both Japan and the carrier representatives to find a mutually agreeable resolution to the issues.
- **National Airport Outage:** On September 11, FAA Administrator Garvey will meet with Congresswoman Morella to discuss the system outages at National Airport and accelerating deployment of modernized equipment at National Airport.
- **First African-American Admiral:** The Coast Guard Flag Board has nominated five officers to the rank of Rear Admiral. Among those selected was Capt. Erroll Brown, the Coast Guard's first African-American recommended for that rank.
- **Welfare-to-Work:** Federal Highway Administration has hired 15 welfare recipients, achieving its FY97 goal. DOT is continuing to interview candidates and plans to hire an additional 15 individuals into this program.
- **American Airlines/British Airways:** American Airlines and British Airways have applied for antitrust immunity to operate as if they are one airline. DOT issued an order setting procedural dates for answers and exhibits to be filed, and setting the case to be heard in an oral. DOT has determined that the data filed by the applicants are substantially complete and the case should proceed.

- **U.S. Japan Aviation Talks:** Negotiations resumed between the U.S. and Japan on ways to expand the aviation bilateral agreement between the two countries. Talks will continue in Tokyo on September 22.

UNITED STATES TRADE REPRESENTATIVE

- **EU Bananas:** On September 9, the WTO Appellate Body endorsed the conclusions of a WTO panel finding most features of the EU's banana regime inconsistent with its WTO obligations. This case represents the first interpretation by a panel and the WTO Appellate Body of the General Agreement on Trade in Services (GATS), and establishes important precedent. The findings confirm the broad scope of GATS and will be important in eliminating barriers to U.S. exports in distribution and other service sectors. The EU announced its intentions to comply with the panel conclusion by no later than October 25.
- **India IPR:** The WTO panel concluded that India has failed to comply with its obligations with respect to patent protection for pharmaceuticals and agricultural chemicals. This case is the first intellectual property rights dispute to go through the WTO panel process. All developing countries are now on notice that they must implement their obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights.
- **Canada Barley:** On September 8, Ambassador Barshefsky announced an agreement with Canada under which Canada would suspend application of its tariff-rate quota (TRQ) on barley and barley containing products from the U.S. The Canadian TRQ will remain in place for imports from all other countries.

SMALL BUSINESS ADMINISTRATION

- **Section 8(a) Program:** On September 9, press reports noted that the share of federal procurement contracts awarded to Asian-American business owners through SBA's 8(a) program has more than doubled over the last decade. At the same time, the newspapers correctly note, the share of those contracts that have gone to African American entrepreneurs has dropped.
- **Women's Business Centers:** On September 5, Administrator Alvarez joined the Vice President and Governor Shaheen in Portsmouth, NH, to announce ten grants to Women's Business Centers.
- **Welfare-to-Work:** On September 9, Administrator Alvarez announced that a network of women-owned small business organizations has committed to create 10,000 new jobs for welfare recipients.

FEDERAL EMERGENCY MANAGEMENT AGENCY

- **Fiscal Year to Date Declaration Activity:**

• Total Actions	70
• Major Disasters	47
• Emergencies	6
• Fire Suppression Assistance Grants	3
• Withdrawals	0
• Turn-downs	14
- **Director's Schedule:** Director Witt will attend the Second US/Japan Earthquake Policy Symposium in Kobe, Japan during the week of September 15.

DEPARTMENT OF INTERIOR

- **FY98 Appropriations:** Early next week, the Senate expects to consider the Interior and Related Agencies Appropriations bill. Major attention has been focused on provisions of the bill that would impose a means test on BIA "tribal priority" funding and waive the sovereign immunity of Indian tribes that accept such funding. Both will be subject to motions to strike on the Senate floor and both have received major press attention. Another floor fight is likely over a provision of the bill that would limit the authority of Secretary Babbitt to proceed with regulation of the surface effects of hardrock mining.
- **CA Fee Demonstration:** Golden Gate National Recreation Area collected over \$1 million in user fees as of the end of July. These fees fund the following: fire protection for the Nike Missile Site, replacement of the Muir Beach wayside exhibit, and repair of a road to the Sheldance Nursery and a bridge on Alcatraz.
- **Climate Change:** On September 21-26, Secretary Babbitt will tour university campuses to discuss global climate change.

UNITED STATES DEPARTMENT OF AGRICULTURE

- **Civil Rights Update:** On September 24-30, mediation will proceed on the class action filed against USDA by African American farmers who were denied farm loans. On September 12, Secretary Glickman will speak on civil rights and helping small and socially disadvantaged farmers at the Congressional Black Caucus Braintrust Conference.
- **Tobacco:** On September 16, USDA will release the September Tobacco Situation and Outlook which will provide the first estimates of 1997 tobacco product consumption and updates of trade in tobacco leaf and products on a calendar and crop year basis.

DEPARTMENT OF ENERGY

- **RIFs:** After discussions on Capitol Hill, Secretary Peña held back 1500 Reduction in Force notices scheduled to be sent to 1500 DOE employees. Negotiations with House and Senate appropriations committee members to increase FY98 funding levels continue.
- **Brookhaven Laboratory:** On September 5, Secretary Peña met with Senator D'Amato and Representative Forbes to discuss their request to close the High Flux Beam Reactor at Brookhaven National Laboratory. The reactor was temporarily shutdown by DOE in December following the discovery of tritium contamination in the groundwater. Secretary Peña will not restart the reactor if it poses a threat to the health and safety of workers or the surrounding community and has established a four-month comment period on the High Flux Beam Reactor before a decision is made in January 1998.
- **Climate Change Events:** On September 15, Secretary Peña will travel to Pittsburgh, PA, to participate in climate change events with Secretary Daley at Carnegie-Mellon University. The Secretary's remarks will provide an overview of 47 technology pathways that could lead to significant reductions in greenhouse gas emissions.

DEPARTMENT OF EDUCATION

- **Voluntary National Tests:** Next week, DOEd staff will seek to block riders that would prohibit DOEd from developing Voluntary National tests. On September 9, Secretary Riley met with the Blue Dog Democrats and the New Democrat Coalition to discuss the initiative.
- **Safe and Drug-Free Schools Report:** GAO is expected to release to Congress soon a report entitled "Safe and Drug-Free Schools: Balancing Accountability with State and Local Flexibility." A draft report shared with DOEd concluded that states and localities are developing a wide range of activities and services under the Safe and Drug-Free Schools Act and that accountability mechanisms have been established and appear to be operating in ways consistent with the Act, but that the lack of uniform information on program activities and effectiveness may create a problem for federal oversight of the programs.
- **Math Reports:** On September 23, Secretary Riley will release a report on the importance of challenging math courses.
- **School-to-Work:** On September 30, Secretary Riley and Secretary Herman will join members of Congress at a satellite press conference to announce the award of new School-to-Work grants.

ENVIRONMENTAL PROTECTION AGENCY

- **Shintech Facility:** On September 10, Administrator Browner granted two Clean Air Act Title V petitions that objected to the Louisiana Department of Environmental Quality's recent issuance of operating permits to Shintech, Inc., for a proposed polyvinyl chloride facility. The petitions raised concerns regarding environmental justice and potential violations of the Clean Air Act, and were submitted on behalf of several community-based organizations.
- **Pfiesteria Piscicida:** A microscopic organism has been identified as the cause of a significant number of the fish kills in the Pamlico and Neuse Estuaries of the southeastern U.S. and the Pocomoke River in MD. EPA has committed \$250,000 for water quality and sediment testing in the Pocomoke River, having previously awarded a \$500,000 research grant to Dr. Joan Burkholder of NC State University, the nationally renowned researcher on Pfiesteria. EPA has also committed \$100,000 to the NC Department of Environment Health and Natural Resources to coordinate fish-kill response efforts.
- **Auto Pollution Prevention:** On September 8, EPA and the "big three" auto companies unveiled an environmentally-friendly new paint technology for cars and trucks. The technology employs a dry-powder coating process instead of liquid coating. Dry-powder coating virtually eliminates the solid waste, water and air discharges associated with the liquid alternative and will reduce air emissions.
- **NAPA:** A NAPA report concludes that EPA faces a paradox in maintaining environmental programs with some level of consistency nationwide while allowing programs to be tailored to diverse and changing regional and local conditions. NAPA commends EPA for several efforts, including the development of Project XL and the Common Sense Initiative, the National Environmental Performance Partnership System, the integration of planning and budgeting functions, and the Agency's early implementation of the Government Performance and Results Act.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- **New Antibiotic:** On September 8, Rhone-Poulenc Rorer, Inc., announced that it had submitted an application for Synercid, a new antibiotic which the company claims is effective against the most drug-resistant germs. If approved, the drug would represent the first new antibiotic in more than 10 years and the first new class of antibiotics in 25 years. FDA has put the application on a priority 6-month review schedule.
- **NJ Welfare Report:** On September 11, NJ released an interim evaluation report on the first three years of its Family Development Program (FDP), a welfare waiver demonstration that was approved and implemented in 1992. The FDP treatments

included a family cap for new children born to welfare recipients, an earnings disregard of 50 percent of earnings for families affected by the family cap, a two-year Medicaid extension for families leaving the rolls due to employment, and the elimination of differences in eligibility rules for two-parent families.

- **Governors Association:** On September 11- 12, the National Governors Association is hosting a meeting in Washington, DC, to discuss the recently passed children's health legislation.
- **International Conference on Vaccination:** On September 13, the National Vaccine Information Center, an organization formerly known as Dissatisfied Parents Together, and formed by parents who believe their children were permanently harmed by vaccination, will hold their "First International Public Conference on Vaccination." CDC has developed a communication campaign involving partners, providers and scientists to provide accurate information on childhood immunization and has also widely publicized its National Immunization Hotline to parents as a source of additional information.
- **Thalidomide:** On September 5, an FDA advisory panel recommended that FDA approve thalidomide for treatment of leprosy symptoms. The panel urged FDA officials and the manufacturer to limit distribution and take measures that would assist in preventing birth defects and other side effects of thalidomide exposure. Thalidomide was originally marketed for morning sickness and insomnia outside the U.S. from the 1950's to early 1960's, until it was linked with severe birth defects. The product has never been approved for use in the U.S.
- **Medicare Fraud:** Florida Blue Cross & Blue Shield reported that a criminal conviction has been handed down in a \$3 million Medicare fraud case. Three licensed physicians, the owner of a large FL clinic, the owner of a cardiovascular testing lab and four others were convicted of filing false Medicare claims, conspiracy, kickbacks and money laundering.
- **Health Insurance Portability Act Rule:** On September 8, the Office of Inspector General (OIG) published in the *Federal Register* a proposed rulemaking designed to revise and strengthen the OIG's existing sanction authorities pertaining to exclusions from Medicare and state health care programs.
- **Tobacco:** The Senate Labor and Human Resources Committee will hold a hearing on the proposed comprehensive tobacco settlement on September 16, provided you have made and announcement by that time. Secretary Shalala has been invited to testify.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- **San Francisco Housing Authority:** On September 5, Assistant Secretary for Public and Indian Housing Kevin Marchman met with the new San Francisco Housing Authority (SFHA) Board to turn administrative operation of the SFHA back to the city. The board voted to accept possession of SFHA properties so HUD no longer has board authority. HUD released a report outlining progress made at SFHA, as well as concerns that still need to be addressed by the board to complete the agency's recovery. Mayor Willie Brown had requested return of the Housing Authority to the city.
- **Camden Housing Authority:** On August 15, the Camden Housing Authority Board of Commissioners signed a resolution delivering possession of the Camden Housing Authority (CHA) to HUD in order to correct CHA mismanagement. Expedited procurement actions have begun to address each of the areas of concern.
- **Fraud and Abuse:** A New York City mortgage company, accused of falsifying financial information to make fraudulent home mortgage loans insured by HUD, has agreed to reimburse the Department for up to as \$2 million. On September 5, in a settlement announced by Secretary Cuomo, InterAmerican Mortgage Corp. agreed to reimburse HUD for losses plus civil money penalties.

VETERANS AFFAIRS

- **VA/Medicare Subvention Demonstration:** VA is continuing its efforts to move the VA/Medicare subvention pilot project legislation. The goal is to find an acceptable legislative vehicle to pass authorizing language before the end of the current congressional session. A critical element of this strategy is a VA/HHS Memorandum of Agreement, recently signed by Secretary-Designate Goyer and Secretary Shalala. The House Ways and Means Health Subcommittee Chair opposes action on the VA subvention proposal in this session.
- **Sexual Harassment:** The Veterans Affairs Committees are interested in approving legislation that would modify VA's system of handling sexual harassment complaints. VA is negotiating with House Committee staff because the congressional intent will be fully met by the complaints resolution system now being developed.

SOCIAL SECURITY ADMINISTRATION

- **Social Security Advisory Board:** On September 17, the Social Security Advisory Board will meet. The Board's tentative agenda includes discussions on return-to-work issues for disabled SSI beneficiaries and plans for study of the SSI program in CA. The Board will hear from congressional staff, representatives from State vocational rehabilitation agencies and advocacy groups.

- **Privatization:** SSA expects ABC's "20/20" to air a segment this month examining the pros and cons of privatizing the program through the eyes of various economists and social insurance experts, with the main focus on the Chilean Social Security system.

GENERAL SERVICES ADMINISTRATION

- **Washington, DC Assistance:** GSA continues to assist the District of Columbia on procurement projects ranging from repairs to schools and police department holding cells to construction at the Convention Center.

cc:

The Vice President
Erskine Bowles
Sylvia Mathews
John Podesta
Franklin Raines
Paul Begala
Sidney Blumenthal
Maria Echaveste
Rahm Emanuel
Jack Gibbons
John Hilley
Mickey Ibarra
Janis Kearney
Ron Klain
Ann Lewis
Mike McCurry
Katie McGinty
Bruce Reed
Craig Smith
Doug Sosnik
Gene Sperling
Melanne Verveer

Smith
COS

September 12, 1997

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: Craig Smith

THE PRESIDENT HAS SEEN
9-15-97

SUBJECT: Weekly Political Update

ARIZONA

Gov. Jane Dee Hull (R) was sworn in on Monday by US Supreme Court Justice Sandra Day O'Connor. Hull is Arizona's fourth unelected chief executive in the past two decades. Hull vowed to continue the policies of former Gov. Fife Symington (R). Hull is expected to appoint Maricopa County Supervisor Betsy Bayless (R) to succeed her as the Secretary of State. Hull said that her top priority will be the children of the state. In the next few weeks, Hull is expected to formally announce her campaign for a full term.

The Arizona Republic reported that "Gov. Jane Hull on Thursday began to make good on a promise to consider all viewpoints by paying a surprise visit to House Democrats, something that her predecessor never did." She was scheduled with Sen. John McCain (R) and Senate Democratic leaders on September 12.

✓ Steve Forbes spoke at a Phoenix GOP fundraiser. Forbes warned that GOP congressional leaders "are pushing the GOP to the brink of political disaster." In an interview, Forbes "stopped short of calling" for a change of House leadership, saying that Speaker Newt Gingrich's recent endorsement of the flat tax is a positive sign.

CALIFORNIA

This week California Senator Dianne Feinstein, in a rare interview regarding her political future, spoke glowingly of the chance to return home as the state's chief executive, calling it a "very, very attractive" possibility. The deadline to enter the June 2nd primary is February 9th. Insiders expect that if she does run, she'll wait until the last moment to file. Most insiders think Feinstein is now going to run.

A day after Representative Jay Kim (R) announced that he would seek re-election in spite of pleading guilty to accepting and hiding illegal contributions, two state legislators Gary Miller (R) and Fred Aguiar (R) indicated that they are seriously considering a bid.

COLORADO

A preliminary ruling issued Monday recommended dismissing a complaint against Lt. Governor Gail Schoettler (D) which alleged that her campaign committee accepted 68 donations of more than \$250. The state Republican Party filed the complaint and isn't likely to appeal.

CONNECTICUT

Rep. Barbara Kennelly (D-01) will go beyond September 15 in her deliberations on whether to run for governor. Reports say she is giving her possible run a "laser-like focus."

The Connecticut State Ethics Commission is calling for possible further action against Gov. John G. Rowland (R) for failing to provide proof of his claim that he paid for concert tickets given to him by friends.

According to Republican members of the panel, there are no plans to call Sen. Christopher J. Dodd (D) as a witness before the Senate committee investigating campaign finance abuses, partly because colleagues are reluctant to summon a fellow senator to testify under oath.

FLORIDA

The state Democratic Convention, scheduled to begin October 3 in Tampa, continues to be the big political story in Florida. It is being touted as the "equivalent of a debutante ball where likely [gubernatorial] contenders strut and flirt." The MacKay (D) campaign is downplaying the convention in the event that MacKay "bombs with the party faithful," but the campaigns of State Senator Richard Dantzler (D) and State Representative Keith Arnold (D) see this as an opportunity to make a splash. There is a great deal of speculation surrounding the possible candidacy of Attorney General Bob Butterworth (D), who has refused to declare whether or not he will run for the nomination. Butterworth's popularity remains high after his \$11.3 billion dollar tobacco settlement.

The press is also describing the convention as a preview of the 1999 Presidential straw poll. The Vice President is the keynote speaker, and House Minority Leader Dick Gephardt will be attending part of the conference.

On September 5, the voters of the City of Miami voted to maintain the municipality by a five to one margin. However, they decided to overhaul the city's elected power structure, creating five separate single-member districts which will ensure that there is at least one African-American commissioner.

Miami businessman and probable Republican gubernatorial candidate Jeb Bush is expected to file his papers and open his campaign account on September 12. State Senate President Toni Jennings (R-Orlando) has yet to decide whether or not she will run for the Republican nomination. She has described herself as at a "crossroads," and will make a final decision by October 1.

GEORGIA

Republican gubernatorial candidate Mike Bowers has decided to challenge Guy Millner to the first debate of the political season at a gathering of GOP activists later this month at the GOP Advance which is expected to draw 400 delegates. However, it has been reported that Millner has a scheduling conflict that will prevent him from attending.

IDAHO

Rep. Helen Chenoweth's (R) major financial contributor in the '96 campaign, construction owner Jim Nelson, has decided to back Chenoweth's 1998 primary challenger and businessman Tony Paquin (R).

ILLINOIS

On Tuesday, Attorney General Jim Ryan ended a possible run for the U.S. Senate. Republican leaders are now looking to state Comptroller Loleta Didrickson to run against Democratic Senator Carol Moseley-Braun. Didrickson, 56, an abortion rights supporter with statewide campaign experience, took herself out of the Senate race in May and is eyeing the Secretary of State's office. Gubernatorial hopeful George Ryan (R), the outgoing Secretary of state, is hoping party leaders can talk her into giving the Senate another look. It seems that State Comptroller Loleta Didrickson's name is likely to appear somewhere down the Republican ballot in the 1998 primary. State Senator Peter Fitzgerald (R), a multimillionaire, is already airing television spots. Former state Representative Al Salvi (R) of Wauconda is also considering a campaign.

According to recent Republican polls, '96 Senate nominee Al Salvi (R)'s reversal on the gun control issue was apparently a success, gaining him more support than he lost. A little less than half of the Republicans surveyed said that they would be more likely to vote for Salvi in the future, due to his switch from being anti-gun control, while 30.5% said they would be less likely to do so.

IOWA

DGA Chair Gov. Howard Dean (D-VT) visited Iowa to bolster support for both state Sen. Tom Vilsack (D) and ex-Supreme Court Justice Mark McCormick (D), who are facing each other in the Democratic gubernatorial primary.

Jack Kemp (R) has chosen his candidate for the Republican gubernatorial nomination. He will attend a Cedar Rapids fundraiser next month for the frontrunner, former Rep. Jim Ross Lightfoot (R). Also running for the Republican gubernatorial nomination are Lt Gov. Joy Corning, businessman Dave Oman and Secretary of State Paul Pate.

KENTUCKY

With rumors continuing to circulate that Gov. Paul Patton (D) does not support his Lt. Governor's bid for the Senate, Patton stated this week that Lt. Governor Steve Henry (D) remains a "loyal, dedicated and valued member of our administration." Patton also stated that he would prefer if members of his staff worked only for Henry.

LOUISIANA

David Duke (R) was elected chair of the GOP Executive Committee of St. Tammany Parish. The state GOP executive director played down the significance of the election. They labeled the St. Tammany Parish "a renegade group" and said that Duke is "outside the mainstream."

Sen. John Warner (R) of Virginia ordered investigators into the 1996 Louisiana Senate probe to "conduct a prompt vote-by-vote fraud analysis in about 30 precincts in the challenge to the election of Sen. Mary Landrieu." Meanwhile, Democrats on the Rules Committee are very concerned about Warner's decision to give confidential committee documents on the probe to the Republican D.A. in Baton Rouge but not to the Democratic prosecutor in New Orleans. Warner also subpoenaed gambling industry officials from Louisiana to appear at a hearing questioning the use of gambling proceeds. It is alleged that the proceeds were used to pay for Democratic

get-out-the-vote efforts on Election Day.

MASSACHUSETTS

The *Boston Globe* reported that Democratic National Committee Chair Steve Grossman will not run for the Democratic nomination for governor. Grossman explained that his decision not to run was "rooted in a strong sense that I made a commitment to the President and Vice President in the Oval Office to lead this party and to rework it from the grassroots up, and I have not completed that task." Rep. Martin Meehan (D-05) said on Wednesday that he also will not run, declaring, "there is not enough time to mount a successful campaign." Meehan's decision is considered a boost for former State Senator Patricia McGovern (D). She and former Boston Mayor Ray Flynn (D) are reportedly planning to challenge Attorney General Scott Harshbarger (D) in the gubernatorial primary. Former Representative Brian Donnelly (D) and Boston Mayor Thomas Menino (D) are still being discussed as possible contenders.

MICHIGAN

Rep. Bart Stupak (D) announced that he will not enter the gubernatorial race. He said that the recent labor endorsements of 1994 and 1998 gubernatorial candidate Larry Owen (D) were "somewhat of a factor" in his decision. Stupak also said that the "field is far from complete" and mentioned Detroit Mayor Dennis Archer (D) and former Sen. Don Rieggle (D) as "viable candidates." Archer says he has no interest in the race. Rieggle is still considering it.

Mayor Archer (D) won an astounding 82% of the vote in the mayoral primary election on Tuesday. State Rep. Ed Vaughn (D) placed second with 16% of the primary vote and will face Archer again in the general election this November.

MINNESOTA

Mayor Sharon Sayles Belton (D) and Barbara Carlson (I) advanced to the Minneapolis mayoral general election receiving 51% and 35%, respectively, in Tuesday's primary.

Mayor Norm Coleman (R) received 55% to state Senator Sandy Pappas' (D) 42% in Tuesday's primary. They will face off in the November general election.

MISSOURI

Sen. Kit Bond (R) dropped his longtime media consultant Don Sipple, citing publicity on allegations that Sipple abused his wives. Bond's spokesperson said, "We're just not going to let these allegations be a distraction from (Bond's) strong record against domestic violence."

Gov. Mel Carnahan (D) survived an attempt to override his veto when the Senate fell just one vote short of enacting a bill to ban partial birth abortions. Prior to the vote, Carnahan spent \$60,000 of his campaign funds on newspaper ads outlining his opposition to the bill. While he opposes partial-birth abortion, he thinks that the bill lacks a clause protecting the health of the expectant mother.

Attorney General Jay Nixon (D) proposed a plan to end the voluntary busing system now in place in St. Louis public schools. The lead attorney for the NAACP called Nixon the

“preeminent state segregationist of the 1990s” for proposing such a plan.

NEBRASKA

Rep. Jon Christensen’s (R) announced that he will seek the governor’s office set of speculation as his successor.

NEW JERSEY

A *Star Ledger/Eagleton* poll of 673 registered voters, conducted 9/2-7, showed Governor Christine Todd Whitman (R) leading challenger Jim McGreevey (D) by 12%.

General Election Matchup

							<u><i>Asbury Park</i></u> <u><i>Press</i></u> <u>8/21-23</u>	<u><i>Quinnipiac</i></u> <u><i>College</i></u> <u>6/11-15</u>
	<u>Now</u>	<u>GOP</u>	<u>Dem</u>	<u>Ind</u>	<u>Men</u>	<u>Women</u>		
Whitman	47%	78%	27%	44%	54%	40%	35%	49%
McGreevey	35%	11%	58%	35%	31%	38%	33%	33%

Whitman Job Approval

Excellent/Good	47%
Fair/Poor	51%

Pollsters are attributing the considerable disparity between the *Star Ledger* poll and the recent *Asbury Park* poll (which put McGreevey in a virtual dead heat with Whitman) to methodology and the question-wording used. Half of the sample in the *Star Ledger* poll also was tested on a three-way matchup that included Libertarian candidate Murray Sabrin. Whitman remained at 47%, McGreevey dropped to 32%, and Sabrin picked up 3%.

Governor Whitman was criticized on September 10 for not attending a People’s Forum Event that was held to hear the gubernatorial candidates’ views on lowering auto insurance. The forum was attended by nearly 200 people, McGreevey, and seven third-party candidates. An empty seat on stage served as a glaring reminder of her absence from the event. Since Whitman had instead opted to attend a GOP fundraising event, Michael Perrone Jr. of the Independent Progressive Party drew loud applause from the crowd when he said, “Her majesty the governor is not here. How much money does she need?”

NEW MEXICO

The *Albuquerque Journal* surveyed 422 registered voters, from Sept. 2-4, regarding the October mayoral race. It showed that 18% would vote for former NM Gov. David Cargo; 15% would vote for former Bureau of Land Management Director Jim Baca; 13% would vote for City Council President Vickie Perea; 8% would vote for City Councilor Sam Bergman; 4% would vote for former County Attorney Joe Diaz; 3% would vote for former County Assessor Kirk Anderson; and 1% would vote for businessman Carlton Pennington. With a month left before the election, 36% of voters polled are still undecided.

NEW YORK

On September 23, Manhattan Borough President Ruth Messinger will face the Rev. Al Sharpton in a runoff for the Democratic mayoral nomination. Messinger was considered the frontrunner in the three-way primary but fell just short of the 40% required vote to avoid a runoff.

<u>Primary Results:</u>	<u>Votes</u>	<u>%</u>
Messinger	155,913	39%
Sharpton	126,799	32%
Albanese	83,402	21%
Others	30,001	8%

Approximately 400,000 of the 2,246,987 registered Democrats voted in the primary (18%) which also featured competitive races for Manhattan Borough President and a few City Council seats. Mayor Rudolph Giuliani (R), obviously delighted by the turn of events, was quick to point out that "the very, very, dramatic lack of voter turnout was the lowest in the history of the city" and could be attributed to "the negative, almost vicious personal campaigning that went on by all of the candidates in that primary."

Sharpton appeared to benefit from the Louma police brutality incident by associating himself early on with the case, and by believing correctly that anger over the case might translate into votes for him, especially in the African-American community. The high voter turnout for C. Virginia Fields, the victorious African-American candidate for Manhattan Borough President, also apparently helped Sharpton.

Messinger and Sharpton both say that they will concentrate their efforts on attacking Giuliani in the next few weeks and they will support whomever wins the runoff election. Giuliani, seizing on the turmoil created by the primary, said that he did not care who won the runoff because "the two are politically identical." Giuliani quickly began running a new television ad featuring the endorsement of a Democrat, Queens Borough President Claire Shulman.

The *New York Times* reported that Democratic leaders have begun to criticize the Messinger campaign strategy, including a tactical decision by Messinger to forgo a heavy "get out the vote" operation that has always been integral to winning primary elections in the city. *Crain's Insider* reported that "the biggest losers" of the primary were Messinger's top advisers, media consultant Mandy Grunwald and campaign manager Jim Andrews. *Crain's* reported, "They recommended [Messinger] hold on to her money for [TV] ads after the primary and not use any of it for a primary day field operation. That now looks penny-wise and pound-foolish."

The press also has been critical of Messinger's lack of a cohesive message. A *New York Daily News* editorial said "Messinger now must fight to save her own political life as well as the Party's. It would help if she came up with some ideas for actually governing the city. The next one she gets will be the first one she's had." A *New York Times* editorial said, "The message that was delivered Tuesday could not have been clearer. People need a positive reason to show up to vote... and Ms. Messinger did not give them one."

A post primary New York *Daily News* poll of 602 registered voters conducted by Blum & Weprin Associates 9/10-11, showed Messinger far ahead of Sharpton among Democratic voters.

<u>Democratic Runoff Matchup</u>	<u>Democrats</u>	<u>Albanese Voters</u>
Messinger	53%	72%
Sharpton	25%	10%
Undecided	22%	19%

General Election Matchups

Giuliani	49%	Giuliani	61%
Messinger	38%	Sharpton	27%
Undecided	12%	Undecided	11%

Sharpton acknowledged on Thursday that he owes thousands of dollars in overdue personal income taxes and that he has failed to disclose his financial interests to the city. Sharpton insists that he is "very close" to settling his tax debt with state authorities. Messinger has declined to comment on Sharpton's tax problems, and has refrained from criticizing him for fear of alienating his supporters.

Senator Al D'Amato (R) is competing for a place in the spotlight by launching his own \$100,000/week TV ad campaign aimed at bashing Giuliani's potential Democratic mayoral adversaries. The ads focus on the issue of education and slams Democratic candidates as "liberals beholden to the powerful teacher's union", while D'Amato portrays himself as a reformer who will stand up to the union.

A Rochester *Democrat and Chronicle* poll of 710 adults, conducted 8/28-9/2, showed Governor Pataki (R) with only a 43% approval rating. The slow economic recovery upstate seems to be hurting Pataki's ratings in that region.

Pataki Job Approval:

	<u>All</u>	<u>Upstate</u>	<u>NYC Suburbs</u>	<u>NYC</u>
Excellent/Good	43%	41%	46%	42%
Fair/Poor	53%	56%	52%	53%

NEVADA

Businessman Bruce James (R) was being endorsed last week by former President Gerald Ford (R) in his bid against Sen. Harry Reid (D). On the endorsement James said, "I think having the former president of the United States here at this point of the campaign proves a great deal." He is also quoted as saying the "endorsement Saturday by former President Ford proves he is a serious Republican candidate." Ford said, "James' background as a successful business owner and a community volunteer makes him an ideal candidate." James' (R) campaign would disrupt the GOP hopes for an uncontested primary against Rep. John Ensign (R) who is expected to announce his candidacy this fall. Other candidates names now circulating are state Sen. Mark James (R), Clark Co. Judge Don Chairez (R) and ex- Henderson Mayor Bob Groesbeck (R).

OHIO

State Democratic county chairs voted last weekend to endorse former Attorney General Lee Fisher (D) for governor over his only primary opponent to date, Toledo businessman Bruce Douglas (D). The county chairs also endorsed former Cuyahoga County Commissioner Mary Boyle (D) for the U.S. Senate. So far, she is the only Democrat to enter what will surely be an uphill fight against Governor George Voinovich (R).

The Cleveland AFL-CIO expressed their displeasure with Mayor Mike White (D) by endorsing one of his little-known opponents, Helen Smith. The primary election for this race will be held on September 30.

OKLAHOMA

Gov. Frank Keating (R) and the state Ethics Commission asked the State Supreme Court to assume jurisdiction in their travel dispute. If jurisdiction is granted the jury trial phase would be bypassed. Penalty possibility under the State Supreme Court are \$10,000 and Keating would have to pay all of his own legal expenses. Under a jury trial Keating(R) faced a maximum fine of \$620,000.

Potential (D) candidates for the governor's race are ex-LG Jack Mildren (D) and state Rep. Laura Boyd (D). Mildren has high statewide name recognition as a former state official and a famous OU quarterback. In a Sooner Survey poll taken in July, 75% had at least heard of Mildren, 43% gave him a favorable rating, and a 10% unfavorable rating. A potential Republican candidate is Hoppy Heidleberg.

State Rep. Randall Erwin (D) is considering a campaign bid against Freshman Rep. Wes Watkins (R). Before seeking the Democratic nomination to challenge Watkins, Erwin said that he will consider his poll standing, the "caliber of other Democrats" seeking the nomination, and his assessment of financial resources available. Erwin said that he would run as a conservative, anti-abortion, anti-gun control candidate.

PENNSYLVANIA

Former Aging Secretary of Pennsylvania Linda M. Rhodes (D) has decided not to challenge Senator Arlen Specter (R) in 1998. The *Philadelphia Daily News* wrote: "Rhodes issued a brief statement saying a Senate campaign could cost \$10 million and blaming current campaign finance laws for her decision not to run." The *Philadelphia Inquirer* has quoted Rhodes as saying: "I found that the cost to me and my family in raising this kind of money is simply not a price I am willing to pay at this time in my life." This leaves the Democratic Party without a challenger for the race since State Senator Allyson Schwartz (D) is also not running and said she will not reconsider her decision.

TEXAS

Calling himself "the centrist Democrat", Houston Businessman Paul Hobby declared his candidacy for the office of state comptroller. Hobby, 37, is head of a computer company and is a former assistant U.S. attorney. Hobby's grandfather, William P. Hobby, served as Lt. governor and governor. His father, Bill Hobby, served as Lt. governor. Hobby said that he opted to run for

comptroller because it is "a more stable environment" when compared with the Lt. governorship, a position he strongly considered seeking. Hobby stated he wished to improve public education and cut government waste. Hobby is a close friend of former Lt. Gov. Bob Bullock (D) and served as his chief of staff in the 1991 legislative session.

The 468 new law school students who started class last month at the University of Texas included four blacks and 26 Hispanics. Last year there were 31 blacks and 42 Hispanics. The drop has been blamed on the Hopwood ruling by the 5th U.S. Circuit Court of Appeals, which has resulted in universities being barred from considering race as a factor in admissions and scholarships. Black and Hispanic lawmakers called Thursday for the resignation University of Texas law school professor Lino Graglia who said minorities can't compete academically with white people. Political officials, Sen Gregory Luna -D San Antonio, and Sen. Royce West, D-Dallas, have called for Graglia's resignation. UT officials have defended the professor's constitutional right to say what he wishes.

Dan Quayle will help campaign for '96 GOP nominee Rudy Izzard at a fundraiser in Abilene and Graham on 10/15. Izzard is running against Democratic Rep. Charles Stenholm (TX-17). Stenholm's seat is targeted by the Republican Party. Izzard remarked, "the visit by Quayle is proof of just how serious Republicans are about winning this seat."

More candidates have announced their intentions to run for the 20th Congressional District seat being vacated by Rep. Henry B. Gonzales (D). High school teacher and Balcones Heights councilman Steve Walker (R) announced and stated that he will promote education and veterans' rights, and will oppose downsizing the military. Former San Antonio Councilwoman Helen Ayala (D) and former congressional staff attorney Armando Falcon Jr. (D) are also reportedly considering entering the race. State Rep. Christine Hernandez (D) has declared her candidacy. State Rep. Hernandez was the '92 Clinton/Gore Political Director for Texas. She comes out of the labor movement and serves on the state house appropriations committee. Former Democratic City Councilman Roger Perez officially announced and "emphasized youth issues as a key concern for the traditionally Democratic district." Governor Bush has not set a date for the election.

VERMONT

Vermont Republicans are listening carefully to whether or not state Sen. Barbara Snelling (R) will challenge Gov. Howard Dean (D). At a recent GOP gathering in Montpelier, no one came forward to say they would take on Gov. Dean (D) or Sen. Patrick Leahy (D). The *Rutland Daily Herald* reports both have "substantial war chests already."

1996 Democratic Congressional nominee Jack Long has switched to the GOP and says he has been "welcomed" by Vermont Republicans. He said it was a "welcome change after the cold reception the state and national" Democrats gave him when he jumped into the race against Rep. Bernie Sanders (I) in 1996.

VIRGINIA

Lt. Gov. candidate John Hager (R) moved the debate for both his campaign and the gubernatorial

race to the issue of affirmative action this week when he said that Virginia should end its affirmative action program. Both gubernatorial candidates have said they oppose "racial quotas," but Lt. Gov. and Democratic gubernatorial nominee Don Beyer said that he believes the abolition of affirmative action in California and Texas has been disastrous. Gilmore responded with a three-page statement in which according to the *Washington Times*, he was "'careful not to stray' from Hager's message, but 'also careful not to alienate' blacks and Democrats." There is speculation that Gilmore is treading even more carefully because he wants the support of former Governor Douglas Wilder (D), who has yet to publicly endorse either candidate. The Beyer and Gilmore campaigns have both begun airing attack ads. Gilmore is currently attacking Beyer in the press for his plans to raise teachers' salaries to the national average.

WASHINGTON

Sen. Slade Gorton (R-WA) quietly slipped two measures into a \$13 billion spending bill for new park lands and National Endowment for the Arts last month. This enraged Native American Tribes across the country. Tribes say that Gorton is trying to bankrupt them by removing their historical protection against lawsuits. Sen. Ben Nighthorse Campbell says that he will do everything he can to stop the provisions from passing. Campbell said, "The tribes would lose up to half of their budget- or \$767million - if they don't waive sovereign immunity from civil lawsuits. Additionally, the Gorton legislation would change the way Federal funds are distributed by forcing the tribes to provide details about their income."

The frontrunners in the Seattle mayoral race there are City Councilwoman Jane Noland (D), Metropolitan King County Councilman Greg Nickels (D) and Seattle Port Commissioner Paul Schell (D). The three plan to bombard the television viewers with 30-second spots until the primary election scheduled September 16.

¶ The *Seattle Times* reported the "top five candidates in the Seattle mayoral race already have raised more than \$600,000 among them," but most of the remaining candidates said that they are "having difficulty gathering enough money to run effective campaigns." Noland reported raising \$197,147; Schell reported raising \$168,588; Nickels raised \$91,252; City Councilwoman Cheryl Chow raised \$104,840 and City Councilman Charlie Chong (D) raised \$56,862.

The state Republican Party acknowledged yesterday that it had misspent \$285,000 in last year's congressional races. This announcement came in lieu of the party being investigated for its handling of campaign funds. GOP chairman Dale Foreman, who is thinking of a US Senate bid in '98, said that in running get-out-the vote drives, sending political mailings and otherwise supporting its congressional candidates, the party improperly spent money. The money which was misused was actually supposed to help gubernatorial and other state races. The state Public Disclosure Commission records shows that the party also reported paying for a poll last March with money used for federal campaigns. The polls were given to 13 state candidates instead of federal candidates. Two candidates receiving the poll were Dale Foreman (R), then a gubernatorial candidate and Ellen Craswell (R), the eventual Republican gubernatorial nominee. State Democratic officials said the "misspent money may have made the difference in at least two close congressional elections of Reps. Jack Metcalf (R) and Linda Smith (R)."

WEST VIRGINIA

Gov. Cecil Underwood (R), 74, announced that he will run for reelection in 2000 if he remains in good health.

WHITE HOUSE 2000

Minnesota Sen. Paul Wellstone (D) has announced a busy schedule that will test the waters in early caucus and primary states. Appearances include Sen. Tom Harkin's (D) annual steak fry this weekend. Future stops will be made in Madison, WI; Tampa, FL; Springfield, IL and Austin, TX. His staff also is working on a New Hampshire trip.

According to polls, Jesse Jackson has lost some popularity among African-American voters. Jackson's approval ratings decline as respondents move up the social and educational scale. Jackson is well-regarded by 82% of blacks who earn less than \$15,000 a year, while only 65% of those making more than \$90,000 favor him. One expert attributes the decline to a shift in popularity away from Jackson toward Colin Powell.

DNC

Attached is the weekly report from the DNC.

cc: The First Lady
Mrs. Gore
Erskine Bowles
Sylvia Mathews
John Podesta
Doug Sosnik
Maria Echaveste
Ann Lewis
Rahm Emanuel
Bruce Reed
Mike McCurry
John Hilley
Mickey Ibarra
Goody Marshall
Paul Begala

MEMORANDUM TO THE PRESIDENT OF THE UNITED STATES

FR: Chairman Steve Grossman
Governor Roy Romer
BJ Thornberry

DT: September 11, 1997

RE: WHITE HOUSE WEEKLY REPORT

.....
THE CHAIRMEN

Tuesday, Chairman Grossman met with New York gubernatorial candidate Peter Vallone. Wednesday included meetings with Chicago businessman Howard Tullman, Puerto Rico Democratic State Chair William Marinda Marin and a speech to the George Washington University College Democrats. Thursday, the Chairman met with the President Yzaguirre of the National Council of La Raza, Mary Elizabeth Teasley of the National Education Association and Louisiana Trial Attorneys Michael St. Martin and Calvin Fayard. A large portion of the Chairman's time was spent ameliorating relations with DNC contributors in the wake of Tuesday's *New York Times* article.

Governor Romer traveled to Houston on Thursday to meet with several DNC contributors prior to President Clinton's September 26 visit to the state. The Governor also met with Texas Democratic Party Chair Bill White and former Lieutenant Governor Bill Hobby. In addition, the Governor appeared on "The Hunter and Jones Radio Show." On Friday, Governor Romer was in Washington. He focused on Fundraising and attended events with the Congressional Black Caucus. Finally, the will Governor travel to West Virginia on Saturday to deliver the keynote address to the state Party's annual Jefferson-Jackson Dinner.

FINANCIAL SUMMARY:

The DNC has deposited \$578,000 to date in September - \$224,000 is from Direct Mail and \$354,000 from Major Donor events. The total fundraising goal for the month is \$4.8 million.

The current balance of uncollected commitments is \$1.2 million. The DNC's gross debt is \$17.8 million and cash on hand is \$581,000 leaving a net debt of \$16.6 million.

As of August 31, our year to date Direct Mail receipts are \$471,00 under goal and Major Donor events are \$1.1 million under goal.

CAMPAIGN DIVISION

Developed specialty message plans for New Jersey and Virginia Coordinated Campaigns. This includes mail, brochures and surrogate speaker talking points. Continued Coordinated Campaign activities in Virginia and New Jersey. Established locations for training academies (Indianapolis, Seattle, Atlanta and DC) and months (January, March, May and July respectively).

COMMUNICATIONS/PRESS

Governor Romer will be interviewed on *Inside Politics Weekend* on Saturday to discuss the hearings and the Democratic agenda for the fall. Chairman Grossman was interviewed on National Journal on the financial state of the parties. The Governor was interviewed on American Urban Radio Network and the Louisiana Radio Network.

Released a statement on the election of David Duke to a Republican party position in Louisiana. The statement was picked up by the New Orleans Times Picayune and an Associated Press story was picked up in several second tier markets across the country.

On September 17, the Governor will meet with the editorial board of the *New York Times*.

Worked with state parties and surrogates to amplify President Clinton's speech at American University on the Administration's fall agenda.

CORRESPONDENCE DIVISION

- I. *Budget Agreement* -- Letters are generally positive although there are some critics of its perceived benefits to the wealthy. We respond with documents outlining the tax cuts and the education, child health, and environmental initiatives.
- II. *Princess Diana* -- Quite a number of calls and faxes were received urging the President to attend Princess Diana's funeral.
- III. *Tobacco* -- We continue to receive mixed messages. Some Democrats say it is unfair to single out the industry. Other have praised our work and have complained about the proposed \$50 billion tax break for the tobacco companies. Our response focuses on our fight to keep tobacco products out of the hands of children.
- IV. *Campaign Finance* -- Letters on campaign finance are declining. They are split between those who are disgusted with the Democrats and those who believe the GOP is being hypocritical.

September 12, 1997

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: MARIA ECHAVESTE

SUBJECT: OPL WEEKLY REPORT - September 6 to September 12

ACTIONS SUPPORTING PRESIDENTIAL INITIATIVES

RACE

- The ethnic communities involved were encouraged by the opportunity we provided for them to discuss domestic issues with you and the Vice President this past Tuesday. They were pleased that you were willing to visit with communities that have inter-ethnic, inter-racial community programs and feel they can be effective in the race dialogue. They were also moved by the Vice President's eloquent remarks at the end of the session and felt he truly understood their unique perspective on the race initiative. Pictures from the event are being mailed to the ethnic press and most of participants gave press interviews with various ethnic papers and local media. We were besieged by calls from the ethnic press with questions on the roundtable; there was considerable disbelief and wonderment that the President actually met with a Ukrainian, Greek, Hungarian, Arab, etc.

CLIMATE CHANGE

- This week we hosted over 100 opinion leaders representing the small business, religious, children, health, youth and women's communities. The goal of the meeting was to educate this group of influential community leaders, an objective which we certainly achieved gauging from their response and questions asked. The Vice President's presentation could not have been better. He was informal, humorous and, of course, informed and provided the audience with a detailed account of the issue that kept them attentive for the length of the 70-minute presentation. As a result, we understand that one of the youth organizations is engaging in forming a coalition with several of the seniors organizations.

- We participated in a meeting with Todd Stern and the members of a coalition that began airing "educational" ads on global climate change. Their basic view is that steps should not be taken to control emissions unless and until there is definitive science as to the real, as opposed to the potential, consequences of global warming.

FAST TRACK

- This week we hosted 80 Washington representatives from the manufacturing community. Our speakers were Ambassador Barshefsky, Secretary Daley, Mack McLarty and Jay Berman. The briefing provided us with an opportunity to reassure the business community of our commitment to this legislation and explain some of the consultative process in which we were engaged.
- On Wednesday we had several small and medium-sized companies and agricultural leaders represented at the Fast Track kick-off event. Afterwards, Joe Gorman of TRW and Hank Greenberg of AIG attended and spoke with the press. Greenberg's comments were supportive and were featured on CNN's Moneyline that evening. As for our plan to continue outreach efforts, we are looking at setting up conference calls next week to key business leaders, just prior to the transmittal of the legislation to Congress.

EDUCATION/STANDARDS

- We have become aware of the serious concerns held by the National PTA with the process of testing and standards. They are concerned that parents have been absent during discussions about the planning and implementation of the programs at the national and state levels in communities that already have testing. They feel that the Administration and supporters of testing only talk about the test itself, while missing the larger issue of how the tests will be administered and scored, how scores are read and what they mean, and the preparation of children to retake the test should they fail. They understand the test is designed as a tool to hold schools accountable, but feel that students rather than schools will be punished for failure. The PTA and related groups are eager to work with the Administration on these issues and help focus on what is best for students.
- We have received wide enthusiastic response to your remarks at American University. The groups in attendance said they were re-energized by the Administration's vision and key initiatives for the coming months.
- I participated in a taping of a Univision talk show that will air this Sunday on standards and testing. The other participants included a Latino member of a school board in Montgomery County. She was supportive of standards and agreed that the reading test needed to be in English.

IMMIGRATION

- OPL organized a meeting with immigration advocacy groups this week to discuss current status and future prospects of the Administration's Central American legislation introduced in August to address the unfairness of last year's immigration bill. Legislative, NSC, DPC, and INS participated in the discussion. The concern is that there is only one viable appropriations bill in the Senate (Interior) to which this legislation can be added. The advocates are mobilizing pressure in certain key states like Florida to generate more bipartisan support.

CONSTITUENT AND OTHER ISSUES

AIDS

- AIDS activists are alarmed by House approval of an amendment to the LHHS Appropriations Bill that would strip the HHS Secretary of discretionary authority to use federal funds for needle exchange programs. The 266-157 vote is not so lopsided as to preclude a successful retention of HHS's authority impossible in conference. The Senate version of the bill maintains existing language.

RELIGION

- Jewish organizations are generally pleased with John Shattuck's testimony this week in opposition to the Freedom from Religious Persecution Act sponsored by Rep. Wolf (R-VA) and Sen. Specter (R-PA) on persecution of Christians and other religious minorities abroad. This has been a difficult issue for the Jewish community because this new bill is modeled after the efforts of American Jews to help Soviet Jews emigrate as refugees under the Jackson-Vanik bill; however, many of the refugee provisions would pit distressed groups against each other and many in the mainstream religious community (Jews and non-Jews alike) are wary of the several conservative groups that have made this issue their rallying cry leading up to the International Day of Prayer in November.

DISABILITY OUTREACH

- Wednesday's disability meeting was extremely well received by the advocates. Even ADAPT was positive, which we thought was going to be tough on the Administration. The participants were thrilled with your positive reaction to the proposed Executive Order on Employment, which we hope you can sign in October, which is Employment for People with Disabilities Month. We are sending a picture and summary of the meeting to 250 disability publications. We will be following up on a number of issues from the meeting. On the issue of personal assistant services, we are organizing a conference call in which departing HCFA

Administrator Vladeck can introduce Nancy-Ann Min to ADAPT. On the issue of Supplemental Security Income eligibility for children, we have communicated your request for a report on the review process at SSA, which we expect by October 10.

SENIOR OUTREACH:

- OPL will invite national leaders to the White House this month to listen to their recommendations. The reference to Social Security in your American University speech has generated many calls from the aging organizations.
- The senior community is reacting very positively to your appointment of Jane Gould as Dep. Commissioner at SSA and Jeanette Takamura as the Assistant Secretary for Aging at HHS.

HISPANIC OUTREACH

- We met with members of the La Myer Obrera (Working Women) from El Paso. They communicated their grave concern with the delivery of training programs to displaced workers. They feel that while resources have been allocated to El Paso for NAFTA related training, the programs are not effective, particularly for Spanish speaking garment workers.
- We met internally to discuss your speech for next week's Hispanic Caucus dinner. We felt there needed to take special care given to the current debate with the Caucus over the English reading test and Fast Track.
- OPL participated in a briefing for a leadership group sponsored by Cong. Dooley for the third straight year. This group is diverse, although mostly Latino's from the Central Valley. We spoke to them about Education and the Race Initiative.

RURAL OUTREACH

- OPL coordinated a White House briefing for 235 representatives of the National Farmers Union (NFU) who are in town this week for their annual "fly in." Secretary Glickman and James Lee Witt spoke to the NFU on agriculture issues and disaster relief. The Board of Directors also had a photo op with the Vice President.

MIDDLE EAST

- American Jews are closely watching Secretary Albright's trip to the Middle East. Organizational feedback will not be clear until the Secretary's return next week. On a related note, Sen. Lieberman (D-CT) had signed onto a letter to you circulated by Senator Alfonse D'Amato (R-NY) which was highly critical of the administration's efforts in the Middle East. The letter was subsequently placed in full-page ads in *The New York Times*. Sen. Lieberman, a critical opinion leader in the Jewish community, has since expressed regret at signing the

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letter and has called the Secretary to express his remorse. The Senator has also expressed his willingness to circulate a letter of support for the Secretary around the Senate (a similar effort is underway in the House) and to aid with appropriate media response upon the Secretary's return. His voice should be an essential component in any post-trip strategy.

WOMEN'S OUTREACH

- Audrey Tayse Haynes, the new Director of the Women's Office, has made numerous calls of introduction to key women leaders in the community and to Administration officials. We are working with Business and Professional Women USA and the Council of Presidents on planning a welcoming reception in Audrey's honor later this month.
- OPL held an issues briefing for 20+ representatives of the National Hispana Leadership Institute on Wednesday, September 10, focusing on Fast-Track, NAFTA, Education (National Testing), Immigration Reform, Welfare to Work, Presidential Appointments, and the Race Initiative. Leaders were impressed by the number and caliber of senior Latina administration officials, five of whom gave presentations and were pleased with having the opportunity to express their concerns.
- We met with key family planning and environmental advocates to discuss legislative strategy on the "Mexico City" policy and population amendments to the foreign operations appropriations bill. The advocates were unified in their support for the Gilman-Pelosi amendment, opposed to any kind of metering strategy particularly in terms of its long term impact on the delivery of quality family planning services.

ASIAN OUTREACH

- Thyhan
a point
to Secretary*
- The Asian Pacific American Legal Consortium held a press conference on Thursday, announcing they and a coalition of other Asian Pacific American groups were filing a petition with the US Commission on Civil Rights seeking hearings into the discriminatory impact on APA's by members of Congress, the DNC, the NRC, and numerous politicians and media. Despite the incident regarding White House guests, the White House took a limited hit at the press conference, but the DNC took the brunt of harsh criticism.
 - OPL spoke with the community at length regarding an incident involving White House clearance. The leaders stated this incident reflected poorly on the Secret Service, and not the Administration. They understand the Administration acted quickly and decisively on this issue. Although the media has tied the story of the petition to the incident at the OEOB, the community was clear in saying that you have taken steps to ensure that Asian Pacific Americans receive equal treatment.

- The religious community hosted a reception for Bill Lee so that they could "get to know him" in an informal setting. It was a wonderful opportunity for both Bill and the community to talk constructively yet formally. The conservatives on the Hill are beginning to attack Lee on some of his work while at the NAACP. We are working with our supporters to make sure they have the information that they need to defend his nomination.

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

Mrs. Gore
John Podesta
Doug Sosnik
Rahm Emanuel
John Hilley
Mickey Ibarra
Mike McCurry

9-15-97

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They have
a petition
to the
Secretary

'97 SEP 12 PM 7:36

Hilley
cos

THE WHITE HOUSE

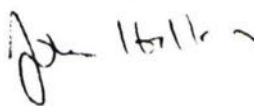
WASHINGTON

THE PRESIDENT HAS SEEN

9-15-97

September 12, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN HILLEY 
SUBJECT: WEEKLY LEGISLATIVE REPORT

House of Representatives

1. **FY98 Labor/HHS/Education Appropriations:** The House spent the majority of the week continuing consideration of H.R. 2264, the \$279 billion Labor/HHS/Education Appropriations bill. There are strong Administration objections to the bill because it funds NIH, Education for the Disadvantaged (Title I) and Special Education significantly above the President's request, while cutting Pell Grants, Goals 2000, and other programs by more than \$1 billion in total. While considering H.R. 2264, the House:

- a. Passed (220--201) Representative Castle's (R-DE) amendment which requires that groups who use federal family planning funds encourage family participation in the decision of minors to receive contraceptive drugs and other birth control devices. This vote, with moderate Republicans joining Democrats in opposition, gutted an amendment by Representative Istook (R-OK) which would have instead required parental notification;
- b. Passed (270--150) Representative Hyde's (R-IL) Administration-opposed amendment to prohibit the use of federal money, through Medicaid, to pay for abortions. Hyde, working with Representative Lowey (D-NY), modified the language of this amendment to make sure managed care plans may not use federal money to provide abortion services to Medicaid recipients;
- c. Passed (266--158) Representative Hastert's (R-IL) Administration-opposed amendment to bar HHS from using money in the bill to give free needles to users of illegal drugs.

When the House resumes consideration of H.R. 2264 on Tuesday, September 16, it is expected to consider several more amendments, including: Representative Goodling's (R-PA) amendment to block any funding in the bill for the Administration's national test initiative; an attempt to block grant education programs similar to a Gorton amendment which passed the Senate during consideration of the Labor/HHS/Education bill; an amendment prohibiting the use of any federal funds in the Teamster's elections; and an amendment prohibiting the Education Department from withholding federal assistance as a penalty for not using affirmative action programs in

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education. It is expected that the House will complete the Labor/HHS/Education bill by Wednesday, September 17.

The Week Ahead

Next week, in addition to the Labor/HHS/Education bill, the House is expected to consider: the FY98 Military Construction Appropriations Conference Report; the FY98 Commerce, Justice, State and the Judiciary Appropriations bill; and the FY98 Treasury, Postal Appropriations bill. Upon conclusion of these bills, the D.C. Appropriations bill will be the only remaining appropriations bill.

Senate

1. FY98 Labor/HHS/Education Appropriations bill: On Thursday, September 11, the Senate passed (92--8) S. 1061, the FY98 Labor/HHS/Education Appropriations bill. While the bill provides requested funding for many of the Administration's priorities, a contentious amendment sponsored by Senator Gorton converting some federal funds from federal K-12 education programs to block grants for state and local school districts was passed. The Gorton amendment, which was not expected to be offered, was not addressed in the original Senior Advisors' veto threat; however, the Administration is strongly opposed to the Gorton proposal and a veto threat on the amendment is forthcoming. During consideration of the \$269 billion measure, the Senate:

- a. Passed (95--3) a Durbin amendment repealing the tobacco companies' \$50 billion settlement credit included in the Balanced Budget agreement;
- b. Passed (58--42; Senators Byrd, Feinstein, and Hollings joined Republicans in voting in favor) an Administration-opposed Nickles amendment prohibiting the use of funds in the bill for supervising the Teamster's election unless certain requirements are met. The conditions require: (i) a certification by the President that the Teamsters do not have enough money to conduct the election and (ii) that the Teamsters repay the Treasury Department for any costs incurred;
- c. Defeated (49--51; with Senators Chafee, Jeffords, Snowe, and Specter joining Democrats in voting to table) a motion to table an Administration-opposed Gorton amendment converting more than \$11 billion that the Education Department now targets explicitly for such purposes as improving classroom technology and teacher training, into open-ended block grants that state and local school districts can spend however they choose. The debate surrounding the proposal was heated and at least two Republican members who initially supported the motion to table switched their vote on the floor. The Senate then passed the Gorton amendment by voice vote. Senator Harkin's staff hopes this amendment will be dropped from the final legislation presented to the President since both Senators Specter and Harkin, the chairman and ranking members of the relevant subcommittee, oppose the proposal; and

01-15-97

d. Passed (87--13) an amendment sponsored by Senator Gregg endorsing a modified version of the President's national testing initiative to have fourth and eighth grade students take national tests in reading and math. The compromise requires that the test be managed entirely by the National Assessment Governing Board. In addition, the makeup of the 25 member board will change. Two mayors, one from each major party, will be added to the panel, as will several more representatives from business and industry. A third governor, chosen from whichever party does not control the White House, will also join the board. The Administration will work to keep the amendment in conference; however, Representative Goodling has already stated his opposition to any national testing initiative, even with the changes the Senate made to the President's plan.

*2. Clinton may
be interested in
the House moving
forward with the
as an amendment
say*

FDA Reform Bill: On Thursday, September 11, Senator Lott filed a motion to invoke cloture on S. 830, the FDA Reform Bill. The measure streamlines the FDA approval process and renews crucial fees supporting the agency. The Administration has reached agreement with Senator Gregg on the issue of preemption of state regulation of over-the-counter drugs and cosmetics. According to the agreement, states would be allowed to continue to issue warning labels for over-the-counter drugs and cosmetics and to take steps to remove defective products unless the FDA had already issued labeling regulations on the respective product. The Administration has also reached agreement with Senator Jeffords to codify our current regulation regarding the requirement that the FDA disclose the environmental impact of the new products that it approves.

A proposal by Senator Coats relating to equivalence determinations for newly marketed devices and the Prescription Drug User Fee Act (PDUFA) trigger remain unresolved. Discussions with Senator Coats' staff are on-going, but the Administration is not optimistic about getting Coats to make any concessions since Senator Dodd and several other key Democrats support the Coats provision in its current form. OMB has already begun discussions with the House regarding the PDUFA trigger. With the environmental impact and preemption issues resolved, however, the Administration can declare good progress and begin to work with the House to make further improvements.

The Week Ahead

The Senate will resume consideration of H.R. 2107, the FY98 Interior Appropriations bill. The Senate will also vote on a motion to invoke cloture on S. 830, the FDA Reform Bill, on Tuesday, September 16. Upon disposition of the FY98 Interior Appropriations bill, the Senate will have passed twelve of the thirteen annual appropriations bills, with only the District of Columbia Appropriations bill awaiting action.

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

THE WHITE HOUSE

WASHINGTON

'97 SEP 12 PM5:38

September 12, 1997

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

CRIME/DRUGS: We have prepared an Executive Order on Sexual Predators and federal participation in the National Registry. The Executive Order has been waiting for the President's signature for three months. We do not need to do an event we should just have a Presidential statement and release a photo.

In addition to the Executive Order, we have a draft letter from the President to 41 Governors. The letter calls on the Governors to complete the National Registry by sending in the state files. I believe we should send the letter the same day we sign the Executive Order.

We should know in one week whether the Chairman of Smith & Wesson has been successful in organizing the gun industry into adopting voluntary trigger locks.

Medicare: After 45 days, HHS has finally produced a serious proposal to combat fraud in the Home Health Care industry. It is scheduled for the President to announce on Monday at the S.E.I.U speech. The proposal has three parts to announce ; 1) a moratorium on approving new providers, 2) doubling of audits, and 3) a new regulation at HCFA.

Ceg
Corporate Welfare: I met with Al From and Rob Shapiro to discuss corporate welfare. They provided a list for line item veto and tax subsidies. I think this is an issue we should be more forceful about.

New Poll: The Wall Street Journal is in the field this weekend with a 2,000 person poll. The focus of the poll is the political landscape and issue agenda for 1998.

Strategy: We went into the 1994 election without a strategy of what issues and what voters we need to focus on to hold seats and pick up new seats. It would be a grave error not to know who are the voters we need to persuade in 1998 as we prepare our agenda. It is essential that 1998 not repeat 1994.

Progressive Agenda: Stan Greenberg has organized a book with 14 thinkers each writing a

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chapter on different policy. The DLC, under Al From's leadership has held two forums on the road from here. The White house policy shops have prepared a memo for the President on a post balance budget agenda.

Each of the above individual organizational efforts address the same question. The President's re-election and the balance budget agreement have resolved a 20 year debate in the country and party.

I think the White House should convene a dinner or Camp David weekend with 15 outside experts and our policy directors to help design and draft the New Progressive agenda. It would help the Vice President, the President and serve the party well. The President and Vice President should be at the center of this great policy debate in the party. In an indirect way it would ensure his signature on the emerging new agenda for the party.

*Let's set up
dinner*

THE PRESIDENT HAS SEEN

9-15-97

THE WHITE HOUSE

WASHINGTON

COS
Spelling

'97 SEP 13 PM4:19

September 13, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
RE: NEC Weekly Report
cc: ERSKINE BOWLES

Climate Change: We held a principals meeting on climate change on Thursday which included the economic agencies and environmental agencies as well as State and Defense. This followed a series of preparatory meetings with the small White House oversight team that we have assembled on the issue. To structure the discussion, we created three illustrative "scenarios" of integrated policy packages for Kyoto and beyond. We then examined the possible economic and environmental effects of the various scenarios, as well as the likely international and domestic reactions.

The scenarios, I believe, proved to be quite successful in forcing participants to think broadly about the problem: not just in terms of specific questions like "targets and timetables," or our stance on developing country participation, but rather in terms of *all* the components and ramifications of this extremely complicated issue -- environmental, economic, political, and diplomatic. There is still wide disagreement, but I believe progress has been made in making all sides realize the different trade-offs in each of their positions and the need for creativity in reaching a solution. We will refine the scenarios with further White House oversight meetings, as well as another principals meeting, early next week. We then hope to meet with you about them sometime later in the week.

Social Security: I have received several calls over the last couple of weeks from people informing me of their views or plans on Social Security. Senator Gregg's office and Bill Hoagland with Senator Domenici notified me that the Senate Budget Committee is appointing a seven-person bipartisan task force. Gregg will be the chair along with other Republicans, Grassley, Grams and Gorton. The Democrats have not been named yet. Gregg's office made it clear that they would like to include us as much as possible.

Charles Stenholm also called to say that he will be working with a bipartisan group on raising the profile of Social Security reform. In addition, John Rother has also spoken to me at length about the AARP's views on the need for a public service education effort. Their research shows that the public is receptive and interested, but that their awareness is still soft, and their views on reform are more conflicting than well-defined. They plan to concentrate their efforts in 1998 to raise public awareness.

Medicare Commission: Based on your comments and the views of Donna and the NEC team, I have circulated a new short-list that we will discuss in a meeting early next week. We will forward our recommendations to you shortly thereafter.

Fast Track: As with most of your economic team, I have been participating in several Congressional briefings with Vicki, Jay, Charlene and others. Two points I would note: (1) While the Hispanic Caucus is clearly upset and feels there is a credibility gap because of the slowness in meeting the commitments under NAFTA, there appears to be some hope that with the commitments made by Alexis, Bob Rubin and others to fix the existing problems, we could open up a dialogue on what more we can do on economic adjustment to try and get some of their support. (2) Alexis, Jay and I met with Charlie Rangel. He is interested in broader urban economic development to be included as part of fast track. Unfortunately, he was talking about a very expensive public works initiative that would be a non-starter with Republicans. We will work with him, however, to see if we can come up with a more realistic package. Bill Daley and I are going to talk to Mayor Daley and Mayor Archer about how they could help.

Product Liability: Bruce Lindsey and I held an internal strategy meeting, followed by a meeting with Senator Rockefeller's staff to discuss the Senator's new draft product liability bill he gave us after hearing our bottom lines. On most of the issues on which you have taken a stand, Senator Rockefeller's proposal adopts your position. Our discussions with staff indicate that there is some possibility of additional movement on all but one critical point: whether states that do not now authorize punitive damages will be required to allow them. Dingell, however, wants an unacceptable statute of repose proposal. Rockefeller contacted me to get our assurances that we would hold firm on our pro-consumer position on a statute of repose in our conversation with Dingell. I assured him we would.

Senator Rockefeller is urging a quick decision by you to support his legislation; Senator Lott, as well as the House leadership, will almost certainly bring this bill to the floor before the recess, and Senator Rockefeller would like to make certain the bill that comes to the floor is his. While consumer groups would not likely find any specific provision offensive, they still would not be pleased with your support of the bill (even if Rockefeller were to change the punitive damages position, which he won't) because it allows legislation that they'd successfully blocked for years to become law, and because of fears that the precedent of federal product liability legislation will lead to a slippery slope.

Securities litigation preemption: We distributed a draft memo being prepared for you to relevant White House and Cabinet offices. We have received comments suggesting there may be an opportunity for a consensus recommendation that the government participants regard as good public policy and that will be acceptable to the high tech community, which has been pushing for this legislation. The memo is being recirculated for comments and should be ready to go to you early next week, before your trip to California.

9-15-97

Meeting on IRS Reform: On Monday, I, along with Rahm and Paul Begala, met with Secretary Rubin and Bob Boorstin to discuss our public strategy on IRS reform. Since the signing of the balanced budget, Republicans in Congress have stepped up their attacks on the IRS. Both the House and Senate tax committees have begun to hold or scheduled hearings on the IRS, with Secretary Rubin testifying next week in the House. Republicans, at least in the House, appear determined to try to move a bill this fall that incorporates recommendations from the Kerrey-Portman Commission report. The centerpiece of the bill is to turn the IRS over to a board dominated by private sector representatives of the business community.

There was consensus among your advisors that we would adopt the posture of unsatisfied reformers stressing the positive IRS reform that has been already taken place and push for continued good reforms and fight against the misguided alternative. We also agreed to highlight what the real regressive Republican tax agenda here is and the degree that a private board could lead to serious manipulation and conflicts of interests by its well-to-do members. To demonstrate our commitment to continue to improve the IRS, Representatives Rangel, Coyne, Hoyer, Waxman, and Matsui introduced an alternative bill, drafted by Treasury (IRS Improvement Act of 1997) which focuses on codifying the Administration's efforts to improve the IRS management structure, encouraging electronic filing, and improving personnel flexibility and training.

Student Aid Management: We are taking action to ensure there is a swift response to the problem relating to the suspension of student loan consolidation. We have been working closely with OMB and Education to (1) ensure that the direct loan consolidation process comes back on line as soon as possible, and (2) address continuing assaults, from both Congress and higher education groups, on the Department's student aid management and structure. We have targeted next week to make an announcement on both topics.

On consolidation, Education today completed negotiations with EDS on a plan that would eliminate the backlog by the end of November. A review of the plan by Price Waterhouse will be finished on Monday. On the broader management issues, Bob Shireman on my staff met with Mike Smith (Acting Deputy Secretary of Education) and Ed DeSeve (Controller/Acting Deputy Director for Management at OMB) late this afternoon to review a restructuring plan. It includes the creation of a management board (like the one for IRS), bringing in a Chief Operating Officer for student aid, and enlisting the help of the information technology experts from other agencies (the Information Technology Review Board).

Student Loan Interest Rate: One of the student benefits of the loan reforms in OBRA 1993 was a change -- due to take effect next July 1 -- in the method by which the borrower's interest rate is determined. The new rate is 50-100 or more basis points lower than the current rate, bringing upwards of \$3 billion in savings to borrowers over the next five years (we are in the process of getting new estimates). The banks and Sallie Mae have been working the Hill to repeal the change.

The latest rumor is that Rep. Bart Gordon (D-Tenn.), a long-time opponent of direct loans, might take it on. Another approach, a draft by Goodling's staff, would extort the repeal by attaching it to provisions implementing your proposed expansion of Pell Grants for low-income independent students. Higher education groups have already made Republicans aware that they will scream "student loan cuts" if they move forward with this. We are preparing to respond similarly.

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Education and Training Appropriations: Our opportunity to negotiate with Congress on the Labor-HHS-Education Appropriations Bill is coming up soon. We have been working with OMB to ensure that our message does not give the impression that national testing (and now the Gorton block grant) are the only issues that might spell veto. As you know, the Republican leadership is trying to pit our priorities --including items like America Reads and Pell Grant expansion, which are *in the Budget Agreement* -- against their increases for special education and health programs. I think we need to take a strong stand that the Republican leadership must keep their word on America Reads and Pell Grants. We can't let them force us to "cut" from the areas where they have put money.

Learning on Demand: On the recommendation of Tom Kalil on our staff, we are calling together Labor, Education and Defense to develop a "learning on demand" initiative. The goal is to promote distance education so that adults have access to learning opportunities "anytime, anywhere." This could be enormously helpful to adults who want to upgrade their skills, but who don't have time to go to a traditional campus. The initiative would look at issues such as the elimination of legal and regulatory barriers to distance education, such as the financial aid system; and the development of high-quality instructional software, especially for basic skills. Governor Roemer is a big fan of this concept and has been working on a Western university version of this idea.

Senate Workforce Bill and Skill Grants: The Senate is expected to introduce the bipartisan Workforce Bill this Tuesday, September 16. Negotiations with interest groups and the agencies over many important details are continuing. If the bill continues to reflect our general approach, we should applaud its general architecture and the bipartisan approach in which it was put together. Anne Lewis, on our staff, is convening a group of agency, OMB and White House legislative affairs on Monday to be sure that we are aware of all the substantive issues. If we reach agreement, we will put out a short statement from you to help reestablish our ownership.

EFT '99: We worked with the Treasury Department to ensure that the EFT 99 proposed rule provided an opportunity for comment on the terms and structure of the default accounts for benefit recipients who do not currently have accounts at financial institutions. This program has the potential to vastly increase safety and convenience for benefit recipients and to bring many more Americans into the financial mainstream, but it also has the potential to make life costly and inconvenient for some. Treasury has done a very good job so far of balancing equities, but the real crunch will come when comments on this proposed rule are received and the default account is shaped. We will continue to work with Treasury as this project proceeds.

DC pensions: Ellen Seidman attended a meeting with Treasury, OMB, PBGC and representatives of the District to make certain were all on the same wave length concerning how the transfer of pension responsibilities and assets from the District to the Treasury will work, and how the interim administration of the federal program by the District will function. This should work quite smoothly; Treasury's first order of business will be to choose which assets it wants and which to leave behind and to give the District instructions on how to manage the putative federal assets.

9-15-97

Kelly Air Force Base: As you know, last week the Air Force announced that Robins Air Force Base in Georgia had won the "public-private" competition for the C-5 maintenance workload now performed at Kelly; the loser was Lockheed-Martin, which would have kept the work in San Antonio. Lockheed's proposal was superior to Robins' in nearly every respect. But because Robins gamed the system (last year, the depot shifted to its overhead the cost of several hundred workers who are under-employed and should have been RIFed), it was able to show that it could save \$150 million in non-C-5 overhead costs by performing the C-5 work. That tipped the balance and rewarded Robins for its inefficiency.

Senior DoD officials were extremely frustrated by that outcome, and they have (wisely) decided to delay for several months the other two competitions -- for the McClellan and the remaining Kelly workloads, in order to fix the process. Dorothy Robyn on my staff is tracking it and keeping the OMB procurement experts involved.

Reaction to last week's C-5 announcement was low key. There was no national coverage, and press coverage in Texas was balanced, with public officials expressing hope that San Antonio will do well in the remaining competition. Dorothy will continue working with Sacramento and San Antonio officials on the reuse of these facilities.

→ This is outrageous
we should have talked
hell about it
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Vellen
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'97 SEP 12 AM 10:05

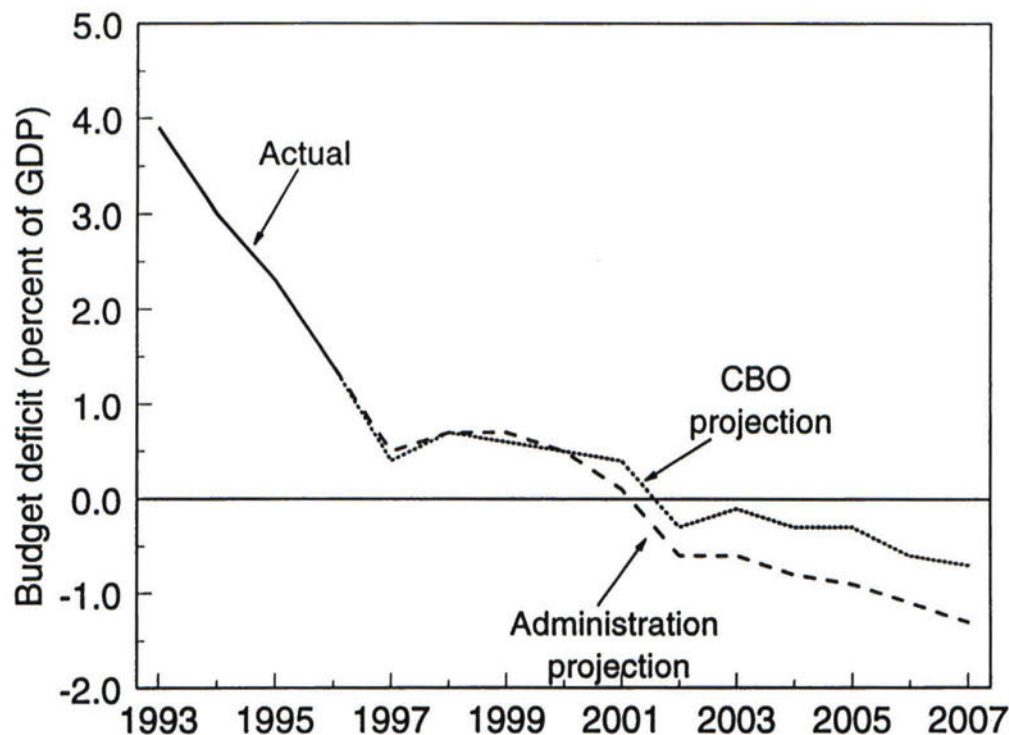
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

September 12, 1997

CHART OF THE WEEK

Administration and CBO Deficit Projections



Both the Administration and the Congressional Budget Office have just released new estimates of projected budget deficits under the recent budget agreement. In the past, CBO estimates have been substantially more pessimistic than the Administration's. Now, however, both agree that the deficit will be eliminated by 2002 and that the budget will be in surplus through 2007.

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"And, in our continuing effort to minimize surgical costs, I'll be hitting you over the head and tearing you open with my bare hands."

CURRENT DEVELOPMENT

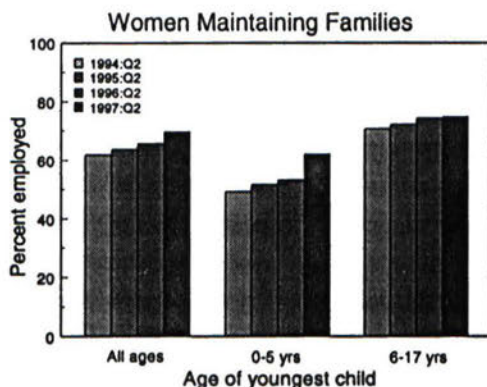
Has Welfare Reform Increased Employment?

THE PRESIDENT HAS SEEN
9-15-97

Direct evidence about the impact of welfare reform on employment of single mothers is scant. But intriguing indirect evidence suggests that welfare reform has boosted job growth among single mothers.

Unmarried women in the labor force. Since August 1996, estimated employment among women who maintain families (about 61 percent of whom have children under 18) rose by more than 600,000 to 7.9 million. The unemployment rate for this group increased from a low of about 7.8 percent in the first quarter of 1996 to over 9 percent by early 1997, indicating a surge in job seeking. Since February, however, the unemployment rate has fallen back to about 8 percent as employment has continued to rise.

Was it just the economy? Among all single mothers with children, the proportion employed has increased over the past 3 years, with some acceleration over the



last 4 quarters (see chart). Although this pattern might simply be due to the continuing strength of the economy, the acceleration has been especially rapid among the group of single mothers likely to be most affected by welfare reform—those with young children. The employment-to-population ratio for single mothers with young children rose 8.9 percentage points (from 53.2 percent to 62.1 percent) between the second quarter of 1996 and the second quarter of

1997. This compares with an increase of just 4.0 points from the second quarter of 1994 to the second quarter of 1996. By contrast, the employment-to-population ratio for single mothers with older children increased just 0.5 percentage point over the last 4 quarters (to 74.9 percent).

Conclusion. Although these results are not definitive, they suggest that in the current strong economy, welfare reform has increased employment of single mothers, especially those with young children.

9-15-97

cc Consumer

SPECIAL ANALYSIS

Promises and Pitfalls in Regulating Managed Care

As enrollment in HMOs and other managed care organizations has grown, Federal and state government interest in regulating these organizations has increased as well. Although some forms of regulation can improve consumer information and the quality of care, others may adversely affect the ability of HMOs to control costs.

Information requirements. One category of proposed regulations would require HMOs to disclose important information such as how doctors are paid, how the plan determines what procedures are considered "experimental," what options members have for second opinions, and how satisfied members are with the plan (using satisfaction ratings similar to those published for the Federal Employees Health Benefits Plan). These regulations should help ensure that consumers have the information they need to weigh features and costs when choosing a health plan. Moreover, requiring plans to disclose more information gives plan providers an incentive to improve the quality of care and eliminate undesirable features.

Blurring distinctions. Another class of regulations would alter managed care plans in ways that would make them more like traditional plans. For example, some recent proposals would require all HMOs to have an out-of-network option and ban or limit the use of financial incentives (such as capitated payments) that encourage physicians to limit treatment. To the extent that these regulations would prohibit practices that have helped HMOs control utilization and spending, they could undermine the ability to control costs in the future. They would also be unnecessary if disclosure requirements gave consumers adequate information to make their own choices about what features they want in a health plan.

Standardization. Regulations requiring standardization of plan features and coverage are aimed at a variety of goals: simplifying health insurance decisions, enhancing competition among plans, and improving the quality of care. By ensuring purchasers that they are getting at least minimal coverage or by presenting information in an accessible format, such regulations can help consumers navigate what is currently a bewildering array of options. Regulations that require all plans to cover particular treatments run the risk of increasing costs by inducing treatment that is not cost-effective, but they may also correct for under provision of some kinds of care. For example, with widespread plan switching, coverage of preventive care may be limited by a concern that people will have switched to another plan before the future cost savings from such care can be realized. Finally, standardization of plan offerings may facilitate competition among plans, which could keep premiums down.

Conclusion. Regulation of managed care must balance the benefits from better information and quality against the risks of raising costs and limiting affordability.

9-15-97

A
G. Fleming
S. R. R. R.

SPECIAL ANALYSIS

How Much Does It Cost to Reduce Mortality Risk?

Government and private parties undertake a variety of actions to reduce mortality risk. Government actions include health, safety, and environmental regulations. Private actions include medical interventions and the use of pharmaceutical products.

Measuring cost effectiveness. What are the merits of these different actions in terms of their cost per unit reduction in mortality risk? An assessment method preferred in the public health and medical fields—and of growing interest in the environmental field—is the incremental cost to society per statistical life-year gained, net of the value of benefits unrelated to mortality. For example, if patients in an experimental group receiving a new drug treatment live 1 year longer, on average, than those receiving a placebo, the treatment is said to have achieved one statistical life-year gained (SLYG).

A wide range of outcomes. An ambitious survey of more than 500 different ways of reducing mortality risk provides a basis for several generalizations about what types of interventions are relatively less expensive. Of course the sensitivity of the results to the sample may limit the validity of such generalizations.

Dividing the interventions into medicine, safety improvements, and control of toxic chemicals suggests that the median medical intervention costs only \$19,000 per SLYG, the median action to promote safety costs \$48,000 per SLYG and the median control of toxic chemicals costs about \$2.8 million per SLYG. A different breakdown of the nonmedical interventions suggests costs of \$36,000 per SLYG in the area of consumer products and services, \$56,000 per SLYG for transportation-related innovations, \$350,000 per SLYG for occupational health and safety improvements, and \$4.2 million per SLYG for environmental interventions.

This focus on the average or median cost obscures tremendous differences within categories. For example, the most cost-effective medical actions (such as many types of prenatal care) reduce mortality risk while also reducing health care spending, so that their incremental cost per SLYG is negative. At the other end of the spectrum some pneumonia vaccines for children and a variety of intensive-care interventions have costs per SLYG in the hundreds of thousands of dollars. The box on the next page contains a list of selected interventions and their incremental cost per SLYG.

Conclusion. Although the precision of any particular estimate is subject to dispute, and gaps between published estimates of the costs of the same intervention may be as large as a factor of 5, the wide range of estimates is striking. Nearly 20 percent have costs in excess of \$1 million per SLYG; another 10 percent have negative costs per SLYG. This range suggests substantial opportunities to reduce mortality risk and to save money by reallocating efforts from the high-cost interventions to the low-cost opportunities.

Costs of Selected Live-Saving Interventions

<u>Intervention</u>	<u>Cost per Statistical Life-Year Saved (1992\$)</u>
Driver and passenger automatic shoulder/ manual lap belts (vs. manual belts) in cars	\$5,400
Airbag/manual lap belts (vs. manual lap belts only) in cars	6,700
Driver and passenger airbags/manual lap belts (vs. airbag for driver only and belts) in cars	61,000
Seat belts for passengers in school buses	2,700,000
Oxygen depletion sensor systems for gas space heaters	13,000
Reduce lead content of gasoline from 1.1 to 0.1 grams per leaded gallon	*
Defibrillators in emergency vehicles for resuscitation after cardiac arrest	39
Screen blood donors for HIV (estimate was developed prior to recent drug treatments for HIV)	13,000
Hypertension screening for men age 45-54	5,200
Neonatal care for infants weighing 1000-1499 grams	5,700
Smoking cessation advice for men age 45-49	1,050

* less than or equal to zero

Note: Results come from a variety of different studies using different methodologies and may not be strictly comparable.

9-15-97

CGG
B. Reed

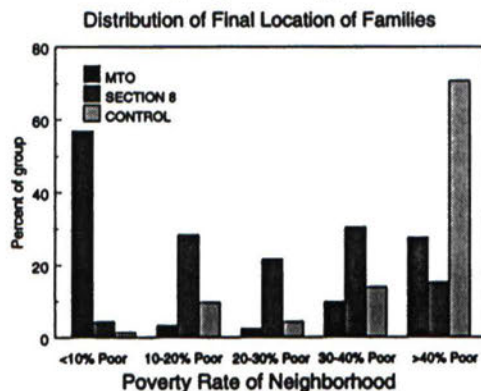
Moving to Opportunity: Some Early Results

Early results from the Los Angeles site of the Department of Housing and Urban Development's five-city study of the Moving to Opportunity housing voucher demonstration program point to success in integrating disadvantaged families into higher-income neighborhoods.

The demonstration program. The Moving to Opportunity Program (MTO) draws low-income families from public housing projects in the poorest neighborhoods of five cities and helps them to move to neighborhoods with low poverty rates. Eligible families are randomly assigned to one of three groups. Families in the MTO group receive a Section 8 housing voucher that they may use only if they move to a census tract with a poverty rate of less than 10 percent; they also receive housing location and transitional support services. Families in the Section 8 group receive a normal Section 8 housing voucher that they can use in any neighborhood, but no additional support services. Families in the Control group do not receive a housing voucher but may continue to live in public housing.

Preliminary findings. Early results from Los Angeles show that the MTO program has been successful in promoting residential mobility of disadvantaged families. Although members of the MTO group were initially drawn from the small number of neighborhoods in LA with poverty rates above 40 percent (the dark areas in the map on the next page), after entering the program they were widely dispersed throughout the LA area (dots on the map show final locations of MTO families). Families in the Section 8 group also moved out of these high poverty neighborhoods, although they did not move as far away as the MTO group.

The results from LA reveal three basic patterns (see chart). First, both the MTO and the Section 8 programs appear to have encouraged families to move out of highly



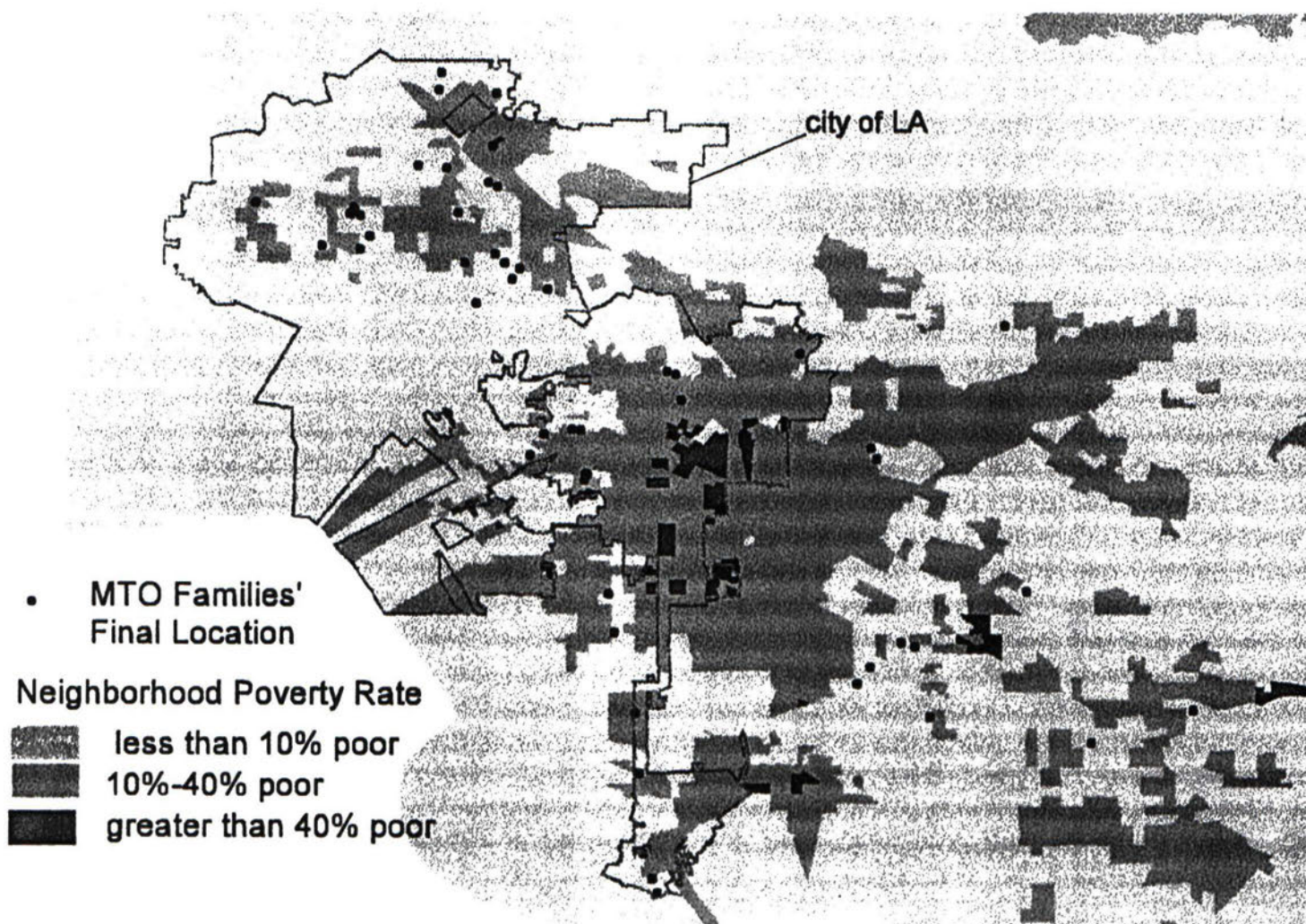
disadvantaged neighborhoods. Only 28 percent of MTO families and 15 percent of Section 8 families remained in neighborhoods with poverty rates over 40 percent, compared with over 70 percent of the control group.

Second, the MTO program seems to be much more successful than the standard Section 8 program in encouraging families to move to areas with very low poverty rates. In particular, 57 percent of MTO families moved to neighborhoods with poverty rates below 10 percent, compared with only 4 percent of Section 8 and 1 percent of control group families.

Finally, because MTO families were less likely to move than families in the Section 8 program, they were somewhat less likely to move out of areas with poverty rates over 40 percent. This could be because it is hard for some MTO participants to meet the program requirement that they move to a low-poverty neighborhood before they can use their housing voucher.

Implications. These results suggest that housing vouchers, especially when coupled with financial incentives and supportive services, can be effective in encouraging low-income families to move to more-advantaged neighborhoods. More information on whether these results hold in other contexts will soon be available from HUD as results come in from the other four cities involved in the MTO experiment.

Final Location of Families in LA MTO Group



9-15-97

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Consumer Credit Jumped in July. Consumer borrowing increased at a 6.4 percent annual rate in July, following 2 months of weak growth. The July spurt reflected a strong rebound in credit card use and in borrowing to buy new cars. Motor vehicle sales increased from an annual rate of 14.5 million units in the second quarter to an annual rate of 15.6 million units in July and August. July's 12.5 percent annual rate of increase in revolving credit (mainly credit card accounts) follows a 3-month period of moderate gains after a rapid upward trend in late fall and early winter. Following double-digit growth rates in 1994 and 1995, growth in consumer credit slowed in the first half of 1996. Notwithstanding the jump in July, consumer credit grew 5.2 percent over the past 12 months.

One in 20 U.S. Residents Will Be Placed Behind Bars. If incarceration rates recorded in 1991 remain unchanged, an estimated 5.1 percent of all persons in the United States will be incarcerated in a state or Federal prison during their lifetime, according to a recent study by the Department of Justice Bureau of Justice Statistics. The lifetime chances that a person will go to prison are higher for men (9.0 percent) than for women (1.1 percent) and higher for blacks (16.2 percent) and Hispanics (9.4 percent) than for whites (2.5 percent). The report also finds that nearly two-thirds of those admitted to prison for the first time will have been on probation and one-third will have served a sentence in a local jail or juvenile facility. The incarceration rates reported in the study do not include people whose only spell was in a local jail or juvenile facility.

Efficiency Versus Equity in the Home Mortgage Market. In an effort to increase efficiency and diversify risk many lenders have begun to rely on mortgage brokers who purchase loans and then sell them on secondary markets as mortgage-backed securities. All loans must attain a minimum credit score determined by an automated method that uses historical credit information to rate credit worthiness. Given that minorities have lower incomes and tend to have lower credit scores than whites, on average, they may be less able to gain access to home loans under the automated system. In a recently released report, the Association of Community Organizations for Reform Now (ACORN), a community watchdog, found that the number of conventional mortgages to white applicants rose by 19 percent in 1996, whereas loans to African Americans and Latinos decreased by 1 percent. ACORN points to these new automated methods of determining credit worthiness as being a reason for these results, arguing that the new automated methods do not assess unquantifiable characteristics such as "character." The ACORN results are based on an analysis of Home Mortgage Disclosure Act (HMDA) data on conventional home purchase loans of financial institutions in 15 metropolitan areas in 1995 and 1996. A different analysis of HMDA data by the Federal Financial Institutions Examination Council finds qualitatively similar results for 1995-96. But it shows growth in loans over the 1993-96 period of 19.4 percent for whites, 48.5 percent for Latinos, and 67.2 percent for African Americans.

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INTERNATIONAL ROUNDUP

Japanese Economy Continues to Struggle. This week, the Japanese Government announced that GDP fell 2.9 percent (seasonally adjusted) in the second quarter (this represents an 11.2 percent decline on an annualized basis). This quarterly performance is the worst Japan has experienced since 1974. Weak domestic demand was the driving force, in particular weak private demand. Analysts expected a weaker performance in the second quarter because of the April consumption tax hike, but the magnitude of the decline caught most observers off guard. For the first half of 1997, the picture is slightly less bleak. GDP grew 1.2 percent compared with the same period last year. Still, the weak performance in the second quarter implies that the official forecast of 1.9 percent growth for 1997 will be hard to meet.

Stalled French Privatization Program Regains Some Momentum. This week, France's Socialist-led government announced that it would go forward with the sale of minority stakes in France Telecom and Air France. About 20 percent of France Telecom will be sold through an initial public offering and an additional 3 to 4 percent will be transferred to employees. The details of the Air France sell-off are not yet known. The privatizations of both enterprises were on hold before the Socialists took power in June, and upon taking power, Prime Minister Jospin exhibited little enthusiasm for resuming the sell-offs. Some analysts regard his change of tune as emblematic of Jospin's newly acquired "leftist realism." Because both companies will face increased competition as Europe becomes more integrated, they should benefit from restructuring.

Economists Question the Reliability of Human Development Indices. The appearance of another index that ranks countries by their social conditions is raising questions about the reliability of human development indices more generally. This particular study has drawn fire because it generates some seemingly bizarre results. For example, Bulgaria ranks ahead of the United States in quality of life. The author of the study claims that the poor showing of the United States results from the persistence of poverty and the widening income gap. In general, the difficulty with such indices is the lack of a consensus about how to measure social conditions, much less how to weigh different measures and combine them into a meaningful index.

RELEASES THIS WEEK

Producer Price Index

****Embargoed until 8:30 a.m., Friday, September 12, 1997****

The producer price index for finished goods rose 0.3 percent in August. Excluding food and energy, producer prices rose 0.1 percent.

Retail Sales

****Embargoed until 8:30 a.m., Friday, September 12, 1997****

Advance estimates show that retail sales rose 0.4 percent in August following an increase of 0.9 percent in July. Excluding sales in the automotive group, retail sales increased 0.3 percent.

Productivity

According to revised estimates, nonfarm business productivity rose at an annual rate of 2.7 percent in the second quarter. Manufacturing productivity rose 2.4 percent.

MAJOR RELEASES NEXT WEEK

Consumer Prices (Tuesday)

Industrial Production and Capacity Utilization (Tuesday)

Housing Starts (Wednesday)

U.S. International Trade in Goods and Services (Thursday)

U.S. ECONOMIC STATISTICS

	1970- 1993	1996	1996:4	1997:1	1997:2
Percent growth (annual rate)					
Real GDP (chain-type)	2.7	3.2	4.3	4.9	3.6
GDP chain-type price index	5.4	2.3	1.9	2.4	1.5
<u>Nonfarm business (NFB) sector:</u>					
Productivity (chain-type)	1.5	1.2	1.8	1.4	2.7
Real compensation per hour:					
Using CPI	0.6	0.2	-0.1	2.1	2.1
Using NFB deflator	1.3	1.4	1.6	2.4	2.0
Shares of Nominal GDP (percent)					
Business fixed investment	10.9	10.2	10.4	10.2	10.4
Residential investment	4.5	4.0	4.0	4.0	4.0
Exports	8.2	11.4	11.6	11.6	11.9
Imports	9.2	12.6	12.7	12.9	13.0
Personal saving	5.3	3.1	2.8	2.7	3.0
Federal surplus	-2.7	-1.4	-1.0	-0.7	-0.4
	1970- 1993	1996	June 1997	July 1997	August 1997
Unemployment Rate	6.7**	5.4**	5.0	4.8	4.9
Payroll employment (thousands)					
increase per month			222	365	49
increase since Jan. 1993					12954
Inflation (percent per period)					
CPI	5.8	3.3	0.1	0.2	N.A.
PPI-Finished goods	5.0	2.8	-0.1	-0.1	0.3

**Figures beginning 1994 are not comparable with earlier data.

New or revised data in boldface.

PPI data embargoed until 8:30 a.m., Friday, September 12, 1997.

9-15-97

FINANCIAL STATISTICS

	1995	1996	July 1997	August 1997	Sept. 11, 1997
Dow-Jones Industrial Average	4494	5743	7991	7948	7661
Interest Rates					
3-month T-bill	5.49	5.01	5.05	5.14	5.00
10-year T-bond	6.57	6.44	6.22	6.30	6.39
Mortgage rate, 30-year fixed	7.95	7.80	7.50	7.48	7.53
Prime rate	8.83	8.27	8.50	8.50	8.50

INTERNATIONAL STATISTICS

Exchange Rates	Current level September 11, 1997	Percent Change from Week ago	Year ago
Deutschemark-Dollar	1.782	-2.0	18.1
Yen-Dollar	119.6	-0.9	8.5
Multilateral \$ (Mar. 1973=100)	98.08	-1.5	11.9

International Comparisons	Real GDP growth (last 4 quarters)	Unemployment rate	CPI inflation (last 12 months)
United States	3.5 (Q2)	4.9 (Aug)	2.2 (Jul)
Canada	3.7 (Q2)	9.0 (Jul)	1.8 (Jul)
Japan	2.6 (Q1)	3.5 (Jul)	1.8 (Jul)
France	2.2 (Q2)	12.7 (Jun)	0.9 (Jul)
Germany	2.0 (Q2)	7.8 (Jun)	1.9 (Jul)
Italy	-0.4 (Q1)	12.7 (Apr)	1.6 (Jul)
United Kingdom	3.4 (Q2)	6.9 (Jul)	3.4 (Jul)

FAX

Embassy Vatican
PSC 59
APO AE 09624

Date 09/15/97

Number of pages including cover sheet _____

'97 SEP 15 AM 7:26

To:

MS CAROL CLEVELAND

Phone _____

Fax Phone 202-456-2215

CC: _____

From:

Phil Skotte

Home (39-6) 855-9949

Phone (39-6) 4674-3433

Fax Phone (39-6) 5730-0682

REMARKS:

☒ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Carol: Attached is a copy of Ambassador Flynn's resignation letter. It looks like a more expanded letter will follow at a later date, but I pushed him for this one in order to get things moving administratively. We are rushing everything to move him out on Saturday. Anything you can do to expedite the TM-4 would be appreciated.

Best regards,

Phil Skotte

9/15/97

Send to Deriskind
& Clerk -

Yes ☒

No ☐



EMBASSY OF THE
UNITED STATES OF AMERICA
TO THE HOLY SEE

Rome, Italy

September 15, 1997

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

Dear Mr. President:

I hereby resign my position as U.S. Ambassador to the Holy See, effective September 20, 1997. I will send a more expanded letter shortly.

Sincerely,

A handwritten signature in cursive script that reads "Raymond L. Flynn".

Raymond L. Flynn
United States Ambassador
to the Holy See

HONORARY PARTICIPATION REQUEST

Please return to Woyneab Wondwossen, Room 93

Today's Date: September 15, 1997

Date of Request: 9/15/97

Request for: POTUS/FLOTUS

'97 SEP 15 PM3:47

Type of Request: Honorary Co-Chairs

Requestor Name: Mr. and Mrs. Jim Brady

Title: Board of Trustees

Address: Center to Prevent Handgun Violence
Suite 1100
1225 Eye Street, N.W.
Washington, D.C. 20005

Contact Tel. #: 202/289-5799

Event Date: 10/28/97

Event Description: Sixth Annual Stop the Violence Benefit

Notes: This event brings together business and civic leaders to heighten awareness of gun violence and raise funds for the Center's prevention programs. The President and First Lady accepted this request in 1994, 1995, and 1996.

The President and First Lady should ACCEPT.

Recommendations:

MV _____ TS PA
(Unless otherwise noted, a yes answer
will automatically generate a message
as well as acceptance of the honorary
position).

Comments:

THE WHITE HOUSE
WASHINGTON

FROM THE OFFICE OF:
RAHM EMANUEL
SENIOR ADVISOR TO THE PRESIDENT

DATE: _____

PAGES: _____

TO: Jim

FROM: Michelle 62531

FAX NUMBER: 6 2993

COMMENTS: _____

I know this is last min.

Sarah & Jim Brady

Fax Cover Sheet

Date: September 10, 1997

To: Michelle

Company: The White House

Phone:

Fax: 456-2530

RE: Honorary Host Committee
Sixth annual "Stop The Violence" benefit

Number of pages (including cover sheet): 2

Message: The President's Mrs. Clinton have been our honorary co-hosts every year. We expect their participation again this year. I look forward to hearing from you with a positive response. My direct line is (202) 289-5799. Thanks so much for your help.

-Peggy O'Neill

Sarah & Jim Brady

July 9, 1997

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

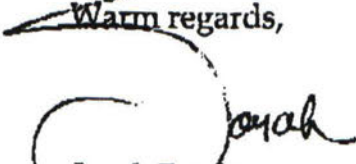
Dear Mr. President:

On Tuesday, October 28, 1997, the Center to Prevent Handgun Violence will hold its sixth annual **Stop the Violence** benefit at the Sequoia Restaurant, Washington Harbour in Washington, D.C. We would be honored if you and Mrs. Clinton would join us during this special evening and agree to once again serve as Co-Hosts. Needless to say, your attendance and participation would bring much needed attention to this public health epidemic. Your participation in the **Stop the Violence** benefit will help make this year's event the most successful ever. We are delighted that folk legends Peter, Paul and Mary will be providing the evening's entertainment.

[The purpose of the evening is to bring together business and civic leaders, as well as concerned individuals to help stop the epidemic of gun violence that is tearing apart our country] By highlighting the Center's education and gun violence prevention programs aimed at reducing gun violence, particularly among children, we will heighten awareness and raise much needed funds. Time is of the essence. Each year in this country we lose 37,000 Americans to gun violence, including 16 children age 19 and under every day.

Thank you so much for considering our invitation. We do hope that we can count on your continued support and that your schedule will permit you to join us. If you have any questions about the benefit, please call our office at (202)289-5799.

Warm regards,



Sarah Brady
Chair
Center to Prevent
Handgun Violence



Jim Brady
Board of Trustees
Center to Prevent
Handgun Violence

THE PRESIDENT HAS BEEN
9-15-97

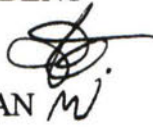
THE WHITE HOUSE
WASHINGTON

September 15, 1997

'97 SEP 15 PM12:50

MEMORANDUM FOR THE PRESIDENT

FROM: TERRY EDMONDS
MICHAEL WALDMAN



RE: REVISED NEWSWEEK ARTICLE

Per Newsweek's request and your instructions to Sylvia Mathews, we have slightly revised your Central High article to lead with more of your personal reflections. Newsweek has told us that the deadline for this new draft is tomorrow, Tuesday, September 16. Upon your review and approval, we will get it to the publication.

Copied
Edmonds
Waldman
COS

Revised Draft 9/15/97

PRESIDENT WILLIAM J. CLINTON
CENTRAL HIGH ARTICLE FOR NEWSWEEK MAGAZINE

Forty years ago, when the eyes of the world were transfixed by the crisis at Central High, I was an 11 year old student in a Hot Springs, Arkansas school system ^{50 miles away} that would remain ^{like other in the South, was segregated} and ^{so} segregated until after I graduated from high school. ~~I was confused by the contradiction between~~ ^{I had a lot of interesting and heated arguments about} my family's beliefs in racial equality and the overwhelming presence of racial division that was ^{the Central High crisis because I supported school integration. I had been taught to do} commonplace in the community at that time. Fortunately, as a young boy in Hope, Arkansas, I ^{was by} ~~spent a lot of time in my grandfather's grocery store, where I learned that everyone, black~~ ^{and} ~~white, wanted to be treated~~ ^{equal} with dignity and respect. Both my grandparents taught me that prejudice and segregation were wrong, but I was denied the chance to live by that creed for too long. Little Rock began to change that, ~~and was an early lesson that government can be a force for good.~~ ^{So by word and example.}

On September 25, 1957, the brave determination of nine black children to walk through a hate-filled mob to integrate Little Rock Central High School changed the course of history. The governor called out the National Guard to keep them out of school. Then President Eisenhower federalized the guard and brought in more soldiers to guarantee the children's right to attend Central High, marking the first time court-ordered school integration was enforced by the federal government. Thus, the Central High crisis answered a fundamental question: whether constitutional rights, once defined by courts, would be made real through effective enforcement; and in a larger sense, whether we would be one America under law.

Thank goodness the answer was yes. Over the last four decades, school integration has

expanded opportunity for millions of African Americans and other minorities; it has enriched the lives of white students; and it offers us a roadmap for the 21st century, as we become the world's most racially diverse democracy.

Of course, integration has not solved all our school problems. In too many places it doesn't exist, because of segregated living patterns. Far too many minorities still live in places without adequate educational or economic opportunity. And the failure to embrace high standards of academic excellence has hindered the education of children of all races.

Still, no one can doubt we are a better nation because of what happened at Little Rock. Ten years ago, the Little Rock Nine returned to Central High to mark the 30th anniversary of the crisis. As Governor, I was honored to host them in the Governor's Mansion, which had once been the symbol of opposition to their dreams. I was proud of the productive lives they had gone on to lead, and of the chance they gave to millions of other children to do the same.

Today, at the dawn of a new century, all Americans can be proud that most of our children, of all races, want to live, learn, and work with Americans of other races.

As we look back over 40 years, what are the lessons of Little Rock? First, when our fundamental values are at stake, we must act as one nation, if necessary through a national government strong enough to take effective action. Second, and more important, the work of building one America will always be at bottom an affair of the heart. Do we believe all our people

are entitled to an equal opportunity to live out their dreams? Do we believe our own lives are enriched when we live and work together with people of different races and backgrounds who share our values? Do we feel better about all our lives when we lift others up rather than hold them back?

We begin to answer these questions as young children. As Thurgood Marshall, who led the legal drive to integrate Central High said, "Unless our children begin to learn together, there is little hope our people will ever learn to live together."

9-15-97

Send to Denmark?

Yes ☒

No ☐

C.

PP

9-15-1997 10:28AM FROM: MARY LINDA WARD 501 396 3314 P. 1

IMMANUEL BAPTIST CHURCH

1000 Bishop Street
Little Rock, Arkansas 72202
Fax # (501) 396-3314

'97 SEP 15 PM3:15

FAX COVER PAGE

DATE: September 15, 1997
FROM: Mary Linda Ward,
Secretary to Dr. Rex M. Horne, Jr.
TO: Nancy Hernreich
FAX
NUMBER: 202-456-6703

IF YOU DO NOT RECEIVE ALL OF THE PAGES INDICATED,
PLEASE CALL (501) 376-3071. THANK YOU.
FAX # (501) 396-3314

NUMBER OF PAGES: 3

Dear Nancy,

Dr. Horne is out of the office today in a revival in Texas but asked me to send this to you as a matter of urgency. It does seem to Dr. Horne that it is worth passing along to the president. Randel has outlined the matter well, in Dr. Horne's opinion. Since time is "life and death" in this particular case, Dr. Horne asks that you please pass it along as soon as possible.

Dr. Horne is very appreciative of your help in this matter.

September 15, 1997

Dear Rex,

Thank you for your assistance with the Mario Murphy case.

Mario Murphy is a Mexican citizen who is scheduled to die in Virginia this Wednesday, September 17, for his part in a murder committed in 1991. He confessed to his part in this crime and was the only defendant who cooperated with police. Yet he was the only one of the six who was sentenced to death.

There are several reasons why intervention is needed in this matter:

1. Many believe justice has not been served in the case of Mario Murphy.
2. The rights guaranteed by Article 36 of the Vienna Convention on Consular Relations have not been honored.
3. In May, President Clinton and President Zedillo issued a joint statement pledging to honor the Vienna Convention.
4. Rights of Americans traveling or working abroad are endangered. Specifically, Jerry Rankin, president of the Southern Baptist Convention Foreign Mission Board wrote a letter to Governor Allen stating that our 4200 full time missionaries in 130 countries are dependent on the protection of the Vienna Convention.

Those of us who know President Clinton know him to be a person of compassion. I know he will do what he can in this matter. Certainly he does not want to usurp the authority of Governor Allen, yet his reasons for staying the execution would be completely different from the Governor's. The Governor and the Supreme Court had to decide the case based on due process. The President's decision would be related to the Vienna Convention.

Mr. Jeff Davidow, the Assistant Secretary of State is fully aware of the Mario Murphy case. The Petition for Clemency was filed by Robert F. Brooks, of Hunton & Williams, in Richmond.

Charles Colson has taken a personal interest in this case because of his work with more than 600 prisons, and the fact that he was in the White House in 1969 when the Vienna Convention on Consular Relations was up for ratification. In Colson's national radio broadcast today, he will speak on the Murphy Case. Claude Rhea, an attorney with Colson's Prison Fellowship has done much work on this case.

09-15-1997 09:42AM FROM

TO

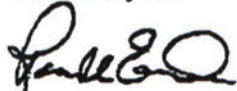
15013963314 P.03

The *Washington Post* had a significant article about this in yesterday's, September 14, paper. The Murphy Case has caused quite a stir in the Mexican press. I pray that President Clinton might find a way to intervene in this unusual situation.

I would be happy to contact any of the individuals working on this case if they can be of help. I can be reached at the office, 703-534-5700, or at home, 703-560-6890.

Thank you for all of your help. Our prayers are certainly with you and Becky.

God bless you.



Randel Everett
Senior Pastor



AMERICAN PORTLAND CEMENT ALLIANCE

1225 EYE STREET, N.W. • SUITE 300 • WASHINGTON, D.C. 20005
TELEPHONE (202) 408-9494 • FACSIMILE (202) 408-0877

FAX

'97 SEP 15 PM12:36

TO:

Nancy Herrreich

COMPANY:

The White House

FAX #:

456-2215

FROM:

Peggy Hudson

DATE:

Sept. 15, 1997

COMMENTS:

Nancy, I know how busy
the President's schedule is but I
hope he will consider the attached
invitation for November. I'm
sure this is a real "long shot"!!
Call me if you have a question - 408-9494

Take care -B.9/15/97Send to Scheduling-YesheNo. of Pages (Incl. Cover Page) 2C.



AMERICAN PORTLAND CEMENT ALLIANCE

1225 EYE STREET, N.W. • SUITE 300 • WASHINGTON, D.C. 20005
TELEPHONE (202) 408-9494 • FACSIMILE (202) 408-0877

September 12, 1997

The Honorable William Jefferson Clinton
The White House
Washington, DC 20500

Dear Mr. President:

On behalf of the Board of Directors of both the American Portland Cement Alliance and the Portland Cement Association, it is my honor to invite you to speak at their next Board of Directors meeting, November 9-11, at the Four Seasons Hotel in Washington, DC.

Out of respect for your time, we would be delighted to welcome you any time between the welcoming reception on Sunday night, November 9, and breakfast on Tuesday morning, November 11. In addition, the Board of Directors would be pleased to reconvene at a venue more convenient to you, in order to hear your remarks. This group consists of approximately 150 people, including the CEOs of virtually every portland cement manufacturer in North America.

The American Portland Cement Alliance and Portland Cement Association represent virtually all domestic cement production. The \$4.5-billion industry manufactures cement in 118 plants in 38 states. The three largest cement producing states are California, Texas and Pennsylvania. As you know, portland cement is the generic name for the main ingredient in concrete, the building block for economic growth in virtually every city, county and state in the nation. Concrete is the major component in roads and bridges, schools and factories, and airports and transit lines from coast to coast.

We hope you can join us, and look forward to hearing from your staff soon. Please feel free to have members of your staff contact me at (202) 408-9494 with any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Peggy R. Hudson', is written over a circular embossed or stamped seal.
Peggy R. Hudson
Vice President

*I hope you
will consider
for you soon -
B.*

send to
Doriskind ?
coordinate w/
Lindsey,
REEO/KAGAN

9-15-97

✓ yes

— no

**OFFICERS****PRESIDENT**

A. Stuart Hanson, M.D.
HealthSystem Minnesota

SECRETARY/TREASURER

John Edward Ryan, RRT
MN Society for Respiratory Care

PRESIDENT-ELECT

Roger K. Johnson
Ramsey Medical Society

PAST PRESIDENT

Sue Zuidema
Hennepin Co. Community Health Dept.

BOARD OF DIRECTORS**Dottie Berg**

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Hennepin Medical Society

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Association for Nonsmokers - MN
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Jaime Martinez

Community Prevention Coalition
Carolyn McKay, M.D.
MN Medical Association

James M. Smith

American Cancer Society, MN Div.
Ruth Stanoch
West Information Publishing Group

September 10, 1997

The Honorable William Jefferson Clinton
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

The Minnesota Smoke-Free 2000 Coalition strongly opposes the proposed deal between the tobacco industry and some attorneys general. Like the great majority of public health organizations and professionals, our members recognize that the proposal will have negligible effect on the 400,000 smoking related deaths that occur in this country each year. We urge you to look to the recommendations of Doctors Koop and Kessler as you craft effective tobacco control policies for our nation.

Mr. President, tobacco's burden on the public's health will only be lessened when the consumption of tobacco products is significantly reduced, especially among young people. Despite the claims made by its supporters, however, the proposed deal is unlikely to achieve these goals. The proposed settlement has many loopholes, ineffective penalties and would actually reduce current government authority to regulate nicotine. The pervasive influence that the tobacco industry continues to wield in Congress suggests that legislative implementation of this deal will further benefit the profitability of the tobacco industry and fail to adequately protect the public from the hundreds of thousands of unnecessary deaths each year.

Your leadership is critical to ensure that any Congressional action includes the following essential provisions:

- FDA authority to regulate tobacco must remain complete and unfettered, without special limitations or exception.
- All currently available avenues of litigation must be preserved. This includes the right of the State of Minnesota and BlueCross BlueShield to go to trial with the tobacco industry, as scheduled, in January. The tobacco industry should not be excused for having misled the public about the dangers of tobacco use.
- All internal tobacco industry documents that bear upon the public health should be disclosed. Federal legislation should not be enacted until the public knows the full extent of research and marketing plays the industry withheld from consumers and health professionals.
- A federal agency must be vested with the authority to comprehensively regulate tobacco advertising, without preempting local, state, and federal policy makers from enacting legislation that appropriately restricts tobacco advertising and promotion.

- A portion of the tobacco industry payments must be allocated to education, cessation and enforcement programs designed to reduce tobacco use.
- Penalties for failing to meet standards for reducing teen tobacco use (lookback penalties) must be truly effective, that is, they must significantly exceed current and expected industry profits from teen tobacco sales.
- Tobacco industry fines and penalties must be commensurate with the damage done by the industry and those fines and penalties should not be tax deductible or reduced in any other way.
- The passage of any tobacco industry settlement must include provisions that effectively deter the tobacco industry from promoting their products in global markets.
- The passage of any tobacco settlement should include legislation that eliminates exposure to secondhand tobacco smoke, enforceable at local, state, and federal levels.

The Clinton Administration has always been a champion of our nation's public health. It would be a travesty if the Administration were to be remembered instead for its support of policies that serve the private interests of the tobacco industry. We urge you to do what is best for America's public health and reject any legislation that does not include the above provisions.

On behalf of the members of the Minnesota Smoke-Free Coalition which represent more than 80 health, business, religious, and youth serving organizations, thank you for your serious attention to this matter.

Sincerely,



A. Stuart Hanson, M.D.
President of the Minnesota Smoke-Free Coalition

c:

Donna Shalala, Secretary of Health and
Human Services
Bruce N. Reed, Assistant to the President
for Domestic Policy
Bruce R. Lindsey, Deputy Counsel to the
President
Maria Echaveste, Director of Public Liaison
John D. Podesta, Deputy Chief of Staff for
Policy and Political Affairs
Gene B. Sperling, Director for the National
Economic Council
Andrew D. Hyman, Special Assistant to the
General Counsel

Minnesota Congressional Delegation

Senator Paul Wellstone
Senator Rod Grams
Representative Gil Gutknecht
Representative David Minge
Representative Jim Ramstad
Representative Bruce Vento
Representative Martin Olav Sabo
Representative Bill Luther
Representative Collin C. Peterson
Representative James L. Oberstar

Just a note from "Dick" 

Virginia Clinton Kelley
Heresanctonian Award
Present to West Shore Co -
Jerome Fisher. Ch of Board
Sept 30 Plaza Hotel N.Y

Meat Cancer benefit
need to do nice congrats
letter to -> Dick can replace?

9-12-97

To Donahue for response?

209 Baysid

7-4846

Yes ☒ No ☐

9-15-97

6048
'97 SEP 13 PM2:27

THE WHITE HOUSE

WASHINGTON

September 13, 1997

copied
Berger
COS

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

SAMUEL BERGER *B*

SUBJECT:

Your Speech to the United Nations General Assembly, September 22, 1997

Purpose

That you approve the following theme for your speech to the United Nations General Assembly.

Background

Both in 1995 and 1996, your speech to the UN succeeded in part because you chose to focus on one theme/subject (in 1995, terrorism and other new security threats; in 1996, CTBT and arms control). We should pursue the same approach this year, avoiding a Christmas tree speech in which every agency and interest weighs down the message with its favorite ornaments.

You could use this year's speech to explain what America sees as the international community's common challenge -- to set a strong foundation for free market democracy in the 21st century by shaping the forces of change to our benefit -- and how we are meeting that challenge. You also could show how the UN fits into this effort. (With comprehensive and controversial UN legislation pending before Congress and a new UNSYG pursuing reform, the moment is right to reaffirm American support for the UN, state our vision for its future and settle the issue of debts, dues and assessments.)

Your speech could begin by explaining the broad strategy of our foreign policy: to build new institutions and understandings that will lock in and expand the gains of democracy and free markets, while resisting their enemies. These institutions must be designed to seize the opportunities created by growing integration and interdependence but protect against the risks and dangers that inevitably accompany these broad trends. The building blocks are increasingly apparent as we define the world not in terms of what is ending ("post-Cold War") but in terms of what we are building: expanded security cooperation through regional organizations ranging from NATO to the ASEAN Regional

cc: Vice President
Chief of Staff

Forum; global and regional free trade arrangements like WTO and APEC; arms control regimes like CWC and CTBT; multinational coalitions to combat new threats for terrorism, crime and drug trafficking; binding international commitments to protect the environment and human rights. Together, these institutions act as a magnet drawing the international community together based on ever-more widely accepted international norms that protect those who live within them -- while making the price of isolation ever higher for those rogues or pariahs who would undermine them.

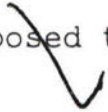
You will want to emphasize that these institutions and arrangements will only endure if they deliver for those who choose to play by the rules -- fairly spreading the benefits of globalization and distributing its burdens; giving every citizen a say in democracy; increasing security for all. In particular, we must make sure that, as the global economy creates ever greater wealth, it does not produce ever growing disparities between the haves and have nots.

The UN can play a key role in this effort. Its strengths -- directing the international community's attention and resources to common problems; expertise across a broad range of development activities; helping societies in conflict stay on the path to peace and democracy through peacekeeping, humanitarian and economic assistance -- are vital in convincing nations and people that they have a stake in belonging to and shaping the new international system we are building.

UNSG Annan's proposed reforms are pushing the UN in the right direction, more "hand up", less "hand out." Much as you have revitalized America by cutting the deficit, investing in people through education and training, and mending but not ending welfare, Annan is on course to revitalize the UN for a new century. By praising his efforts, you can help persuade UN member states to pursue reform and meet the conditions of the bill before Congress, including a change in the U.S. assessment rate. As its founder, host and largest contributor, no one should doubt America's determination to see the UN succeed as it reinvents itself for a new era.

RECOMMENDATION

That you approve the proposed theme for your speech to the UN.

Approve  _____

Disapprove _____

THE WHITE HOUSE
WASHINGTON

September 11, 1997

copied
Berger
COS

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER ✓

SUBJECT: Presidential Medal of Freedom for General John M. Shalikashvili

Purpose

To approve the award of the Presidential Medal of Freedom for General Shalikashvili.

Background

Shali will retire in a ceremony at Fort Meyer, Virginia on Tuesday, September 30, 1997, at 11:00 a.m. You have accepted an invitation to attend the ceremony. Bill recommends that you present Shali the Presidential Medal of Freedom for his more than 38 years of active duty service and I strongly agree. (You awarded Colin the Medal of Freedom [his second] when he retired.) A proposed citation is at Tab A.

RECOMMENDATION

That you approve the award of the Presidential Medal of Freedom for Shali.

Approve ✓

Disapprove

Citation should
also mention
Separation of NATO
CWC, any other big deals

Attachments

Tab A Proposed Citation in Blue
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

CITATION TO ACCOMPANY THE AWARD OF
THE PRESIDENTIAL MEDAL OF FREEDOM

General John M. Shalikashvili has made exceptionally distinguished contributions to national security and world peace during his thirty-nine years of dedicated and selfless military service. His personal leadership and advice to the Secretary of Defense and the President of the United States enabled our country to use its Armed Forces effectively in numerous operations, including the successful operations to end the war in Bosnia and foster democracy Haiti, while maintaining a high quality, combat-ready force. He also initiated and institutionalized NATO's Partnership for Peace, enabling the NATO Alliance to enhance democracy and improve stability in the nations of the former Eastern Bloc. General Shalikashvili's strategic vision - expressed in Joint Vision 2010 and the Quadrennial Defense Review - markedly improved the ability of our Armed Forces to shape the international security environment, to respond effectively to crises and to prepare for the challenges of the twenty-first century. The United States honors General Shalikashvili for his many lasting accomplishments, which have earned him the respect and gratitude of his nation.



THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

'97 SEP 5 PM4:57

5987

SEP 5 1997

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed Award of the Presidential Medal of Freedom

I strongly recommend the award of the Presidential Medal of Freedom for General Shalikashvili. His 39 years of exceptionally dedicated and selfless service enhanced the National Security of the United States and the cause of world peace. A gifted soldier-statesman, General Shalikashvili was the first Chairman of the Joint Chiefs of Staff who was a naturalized U.S. citizen, rose from the enlisted ranks, and was commissioned in the Army Officer Candidate School. His foresight and vision helped transform our fighting force to superbly accomplish the many complex tasks of the post-Cold War era, and to prepare for the challenges of the 21st Century.

William A. G. [Signature]

Attachment

Narrative Justification

In a military career that spanned over 39 years, General John M. Shalikashvili served his country in an exceptionally distinguished manner, one that has greatly enhanced the national security of the United States and the cause of world peace.

During his early career, General Shalikashvili proved himself a valiant, dedicated, and outstanding officer, distinguishing himself in combat in Vietnam, in politico-military assignments on the Army Staff, and in command of the 9th Infantry Division at Fort Lewis, Washington. In 1991, as the Deputy Commander in Chief, U.S. Army, Europe, General Shali, as he is known to his comrades, was chosen to lead Operation Provide Comfort, which created a haven in Northern Iraq and saved countless Kurds from the ravages of Saddam Hussein's army. In a subsequent assignment as Assistant to the Chairman of the Joint Chiefs, General Shali was instrumental in completing many of the key treaties and arms control agreements that marked the end of the Cold War.

Promoted to General in June 1992 and assigned as the Commander in Chief, U.S. European Command and NATO's Supreme Allied Commander in Europe, General Shalikashvili laid the groundwork for a new NATO and helped to bring our keystone alliance into the post-Cold War Era. Among his many accomplishments at SHAPE was the initiation and institutionalization of the Partnership for Peace Program, which has improved military-to-military contacts between NATO and more than 27 partner nations, that today include Russia, neutral nations, and the former Eastern Bloc countries.

Today, the Partnership for Peace Program, along with the educational efforts of the Marshall Center, stands as one of the Alliance's most important tools for improving democracy and enhancing stability in Central Europe, the Caucasus, and parts of Central Asia. Without his personal diplomacy and without the success of the Partnership for Peace, the enlargement of NATO's membership - another giant step toward peace and stability - would have been impossible.

In October 1993, General Shalikashvili was appointed Chairman of the Joint Chiefs, making him the first foreign-born American, the first draftee, and the first Officer Candidate School graduate to hold that post.

As Chairman, General Shali was the senior officer in uniform and the principal military adviser to the Secretary of Defense, the National Security Council, and the President. During his chairmanship, the United States Armed Forces performed magnificently in what has been a time of unparalleled peacetime military activity.

The major accomplishments of the Armed Forces during General Shalikashvili's tenure can be grouped under three headings: force management and readiness, the refinement of the use of military force in the modern world, and jointness. In sum, these accomplishments add up to readiness and operational excellence, now and in the future.

In light of the reduced threat at the end of the Cold War, General Shalikashvili, the Joint Chiefs, and the unified commanders in the field reduced our forces by a third, while our defense budget fell by nearly 40 percent. All of this was done without sacrificing the readiness, the quality, or the capability of our forces, which have been tested in 40 distinct operations since the Fall of 1993, including Bosnia, Haiti, air operations over Iraq, maritime intercept operations in the Persian Gulf, and operations in the Taiwan Straits, as well as several non-combatant evacuation operations in West Africa.

With General Shalikashvili's wise counsel, the United States has dramatically improved its ability to use force to meet its important and humanitarian interests in the post-Cold War world. Under his watchful eye, the soldier and the diplomat have learned to plan wisely together and work together on the ground, especially in humanitarian and peacekeeping operations. All of this has been accomplished without adversely affecting the Armed Forces' major mission, which is to fight and win our nation's wars.

In addition to using force wisely and prudently, our forces have made major strides in the development of jointness, the ability of our Services to work together, as well as with our coalition partners. In the near term, under General Shali's tutelage, our Armed Forces have made a quantum leap in the development of joint doctrine, dramatically improved our war plans, and expanded our joint exercise program. In the long term, we have taken jointness into the future. Joint Vision 2010, published in May 1996, for the first time in history, has given all of the Services and our unified commands a single operational template to guide force development and the acquisition of new systems for the force of the future. Joint Vision 2010, one of General Shalikashvili's most important initiatives, will allow us to march jointly toward a more

effective and a more efficient force in the early decades of the 21st Century.

Building on Joint Vision 2010, General Shalikashvili led the uniformed side of the Quadrennial Defense Review, the most comprehensive study of our future defense posture that has ever been undertaken. The results of that review have provided the nation with a roadmap to build and maintain the capabilities that it needs to shape the international environment to prevent war, to respond to conflict where necessary, and, at the same time, to prepare the Armed Forces for a challenging future.

In all, the legacy of General John M. Shalikashvili is readiness and operational excellence, today, tomorrow, and into the 21st Century. By dint of his exceptionally distinguished service in positions of the greatest responsibility, General Shalikashvili has made a singular contribution to our nation's security and to world peace. He is richly deserving of the Presidential Medal of Freedom.

C05

Rader
 still considers
 it a
 major
 risk

WA Sex Offender Registration and Community Notification Law: The Ninth Circuit has joined the Second and Third Circuits in rejecting constitutional challenges to sex offender registration and community notification laws. The court upheld the law as a reasonable public safety measure whose possible negative impact on an offender does not amount to punishment, that the information the law publicizes is not constitutionally protected, and that the offenders have no constitutional interest in this information that would limit its disclosure.

Gun Free School Zones: On August 20, four parents challenged the constitutionality of the Gun Free School Zones Act. The Act, which had been struck down by the Supreme court in 1995, was amended in 1996.

Border Shooting Incident: On September 18, the House Immigration and Claims Subcommittee will hold a hearing regarding the death of a U.S. citizen in Redford, TX, as a result of a shooting by a member of the U.S. Marine Corps.

DEPARTMENT OF COMMERCE

- **MD River Fish Kills:** NOAA has been directly involved in responding to fish kills in the lower Pocomoke River on the border of MD and VA. NOAA/MNFS and EPA each granted \$250,000 to MD agencies in August to support State response efforts, including intensive water quality and fish sampling as well as surveys of contaminant runoff from Pocomoke sub-watersheds and surveys of agricultural practices in the whole Pocomoke watershed.
- **Climate Change:** On September 15, Secretary Daley will travel to Pittsburgh, PA, to participate with Secretary Peña in climate change events. Secretary Daley will attend a lunch round table with area CEOs, deliver remarks to a public forum at Carnegie Mellon University Heinz School of Public Policy and meet with the *Pittsburgh Post-Gazette* editorial board. The Secretary will also visit a manufacturing plant with Rep. Klink.
- **Information Technology Worker Shortage:** On September 18, Secretary Daley will launch an effort to address the information technology worker shortage. DOC is working with the Information Technology Association of America and the University of CA at Berkeley in this effort.
- **THAP Grants:** During the week of September 22, the National Telecommunications and Information Administration will to announce the FY97 Telecommunications and Information Infrastructure Assistance Program (THAP) grants. THAP provides matching grants to non-profit organizations and state and local governments to purchase equipment and software that improve the quality of and public access to education, health care, public safety and other community-based services. NTIA expects to fund 55 projects out of the 924 applications submitted in this year's competition.

HIGH CAPACITY MAGAZINES (HCMs)

ISSUE:

Under the 1994 Crime Bill, it was made unlawful to transfer or possess "large capacity ammunition feeding devices," defined as magazines with the capacity to hold more than 10 rounds of ammunition, with exceptions made for law enforcement and other governmental use.

A grandfather clause was added stating that this restriction "shall not apply to the possession or transfer of any large capacity ammunition feeding device otherwise lawfully possessed on or before the date of enactment of this subsection," (September 13, 1994).

Additionally, the term 'large capacity ammunition feeding device' was defined as:

"(A) a magazine, belt, drum, feed strip, or similar device manufactured after the date of enactment of the Violent Crime Control and Law Enforcement Act of 1994 that has a capacity of, or that can be readily restored or converted to accept more than 10 rounds of ammunition; (B) does not include an attached tubular device designed to accept, and capable of operating only with, .22 caliber rimfire ammunition."

ATF Prohibition of Importation of HCMs Challenged:

The ATF originally interpreted the grandfather clause as applying only to such magazines that were lawfully possessed in the United States on or before September 13, 1994. Under that interpretation, ATF prohibited importation of these devices. ATF's interpretation was challenged by several Members of Congress, the firearms industry, and gun-owner groups, claiming that the intent of Congress was to apply the grandfather clause to any magazine manufactured, domestically or abroad, on or before September 13, 1994.

ATF issued new regulations in June of 1996 that provided that large capacity magazines manufactured on or before September 13, 1994 are eligible for importation to the United States. The BATF began allowing HCMs to be imported into the U.S. after July 1996. They provided the following statistics on applications and importations since then:

From July 1996 to April 1997:

Number of permits issued for HCMs	77
Number of HCMs approved for importation	1,815,399
Number of HCMs imported	159,578

■ **MILLIONS OF HCMs AVAILABLE FOR IMPORT**

ATF estimates that the number of HCMs available for importation under the current grandfather clause may be in the millions, including those that are in surplus military stockpiles around the world. Many date back to World War II.

■ **DATE OF MANUFACTURE IMPOSSIBLE TO VERIFY**

ATF has no way of determining the date of manufacture of HCMs, but relies on documentation from the company. The date of manufacture must be included in import documentation.

■ **INVESTIGATIONS ABROAD ARE DIFFICULT TO CONDUCT**

If BATF officials are made aware of possible violations in a foreign country, they can utilize the international arms of the FBI or State Department to investigate. **However, there has never been an investigation of international producers of HCMs.** An unidentified ATF official is quoted in a Los Angeles Times interview saying that it is *"impractical for the government to conduct investigations abroad to determine the date of manufacture of these foreign clips."*

■ **HUNDREDS OF THOUSANDS OF DOMESTICALLY MANUFACTURED HCMs IN CIRCULATION**

Although no firm estimates exist on the number of domestically manufactured HCMs in circulation, ATF estimates the number to be "in the high hundreds of thousands." News reports indicate that, prior to enactment of the 1994 law, domestic magazine manufacturers beefed up their stockpiles of HCMs in anticipation of the ban.

- For example, according to the LA Times, Calico Light Weapons Systems in Bakersfield, CA produced so many high capacity magazines that, as of April 1997, they still had 6,000 on hand.

■ **NO REGULATION OF AMMUNITION MAGAZINE INDUSTRY**

There is no regulation of the ammunition magazine industry in the United States. Magazine manufacturers are not required to file disclosures, reports, or provide any documentation to Federal agencies to indicate compliance with the 1994 Crime Bill. Therefore ATF has no legal vehicle to inspect manufacturers. The ATF does not even know how many manufacturers are operating in the United States.



United States Senate

WASHINGTON, DC 20510-0504

(202) 224-3841

September 15, 1997

Copied
Reed
Bergen
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Hilkey

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

Dear Mr. President:

I am writing you on an urgent matter that will have a devastating impact on California and at least 11 other states. California and 11 other states are facing an October 1, 1997 Child Support Enforcement System automation deadline imposed by the 1988 Family Support Act.

The 1988 Act and the 1996 Welfare reform require all states to have a child support enforcement system automation plan ready and certified by HHS by October 1, 1997 as part of the state plan requirement for receiving TANF funds.

As you may know, HHS has indicated that only 16 states have currently been certified and 22 states might be certified by December 1997. Twelve or more states, including California, will not meet the October 1, 1997 deadline or be certified by December 1997 and as a result could potentially lose all their TANF funds and the state's child support program funds.

Complete shut down in welfare and child support funding for 12 or more states would have a nationwide impact since 30% of all child support cases are interstate collection cases. This means children in Kansas or Georgia will not be able to get child support from fathers in California or Pennsylvania.

I urge you to support a temporary six month moratorium on the penalties imposed on all states who fail to comply with the system requirement allowing Congress to find a more permanent solution within that time. The 6 month moratorium amendment should be part of the Labor, HHS Appropriations Bill or a CR.

FY98 will be the first full year of welfare reform implementation and due to the Child Support Enforcement System deadline, welfare reform implementation will be in jeopardy since so many states will not get their TANF funds under the penalty. Millions of families and children in all the states who rely on TANF and child support for survival will be impacted by these penalties.

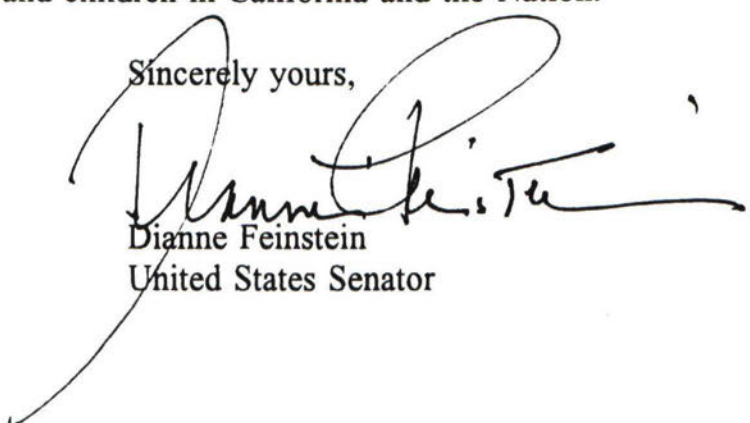
- For California, loss of TANF and child support funds amount to \$4 billion dollars.
- For South Dakota, loss of TANF and child support funds amount to \$25 million dollars.
- For New Mexico, loss of TANF and child support funds amount to \$129 million dollars.
- For Hawaii, loss of TANF and child support funds amount to \$ 113 million dollars.
- For Illinois, loss of TANF and child support funds amount to \$654 million dollars.
- For Ohio, loss of TANF and child support funds amount to \$836 million dollars.
- For Maryland, loss of TANF and child support funds amount to \$274 million dollars.
- For Michigan, loss of TANF and child support funds amount to \$857 million dollars.
- For Nevada, loss of TANF and child support funds amount to \$62 million dollars.
- For Pennsylvania, loss of TANF and child support funds amount to \$794 million dollars.
- For the District of Columbia, loss of TANF and child support funds amount to \$100 million dollars.

I believe that imposing extraordinary financial penalties on states that fail to meet this deadline will not hasten the development of workable systems but will result in harming the very people for whom the 1988 Family Support Act and the 1996 Welfare Reform were designed to serve.

The Honorable William J. Clinton
September 15, 1997
Page 3

I hope you will support a temporary 6 month moratorium on the penalties and I look forward to working with you in improving our child support program that would better serve our families and children in California and the Nation.

Sincerely yours,



Dianne Feinstein
United States Senator

U.S. States Senate
WASHINGTON, DC 20510-0504
OFFICIAL BUSINESS

THE PRESIDENT HAS BEEN
9-15-97

Bruce / cc S. Berger

Check use Gregg on this

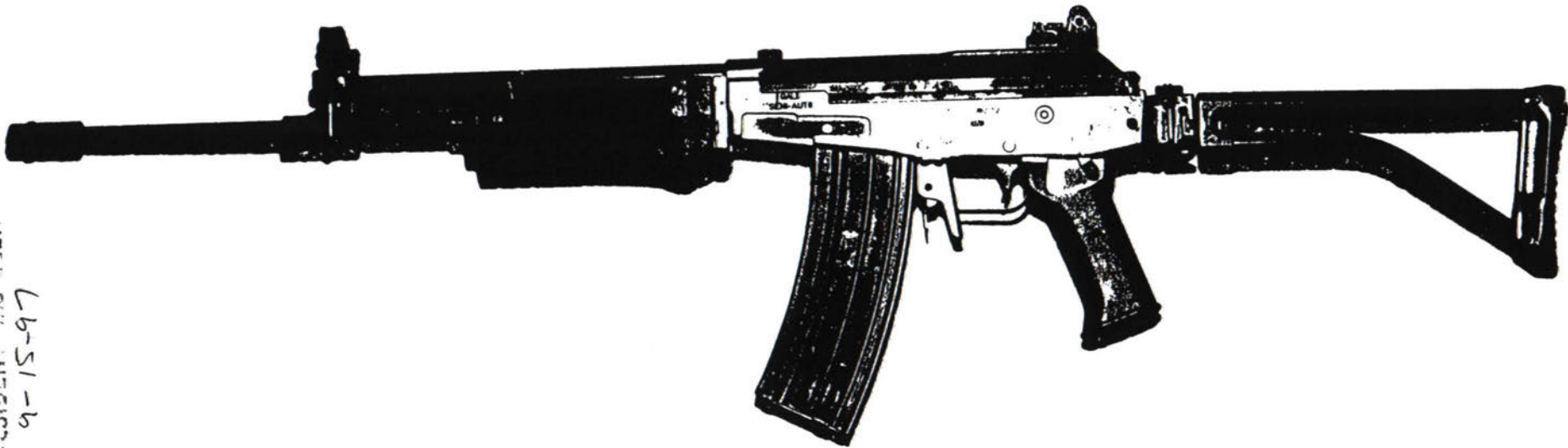
James Clinton
U.S.S.

The Honorable William J. Clinton
The White House
1600 Pennsylvania Ave.
Washington D.C. 20500

Pre Ban Galil

Features:

1. Pistol Grip that extends conspicuously beneath the action of the weapon
2. Folding stock
3. Bayonet Mount
4. Flash Suppressor



9-15-97

Byrne

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REED

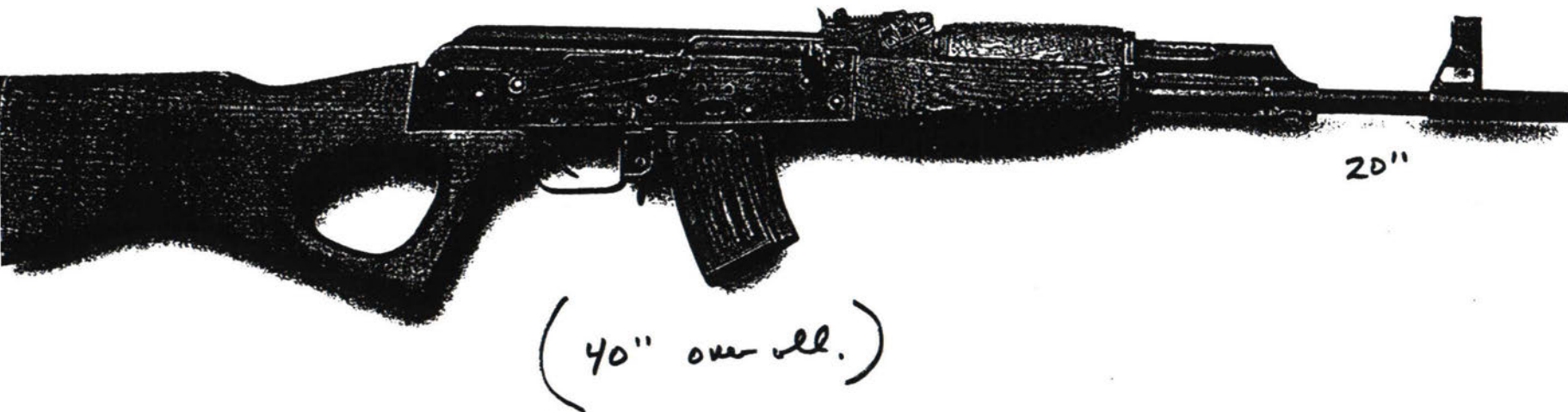
COS

Pre ban Galil

Post ban rifle based on the Galil design

Feature:

1. Pistol grip that extends conspicuously beneath action of weapon



NOTE: This weapon, a MAC-90, is very similar to the Galil recently approved for import. It is not that weapon exactly.

THE PRESIDENT HAS READ

9-15-97

THE WHITE HOUSE
WASHINGTON

OK

September 12, 1997

MR. PRESIDENT:

I would advise you to steer clear of the statement you made in your speech Tuesday to the effect that we could reduce greenhouse gas emissions by 20% tomorrow with available technology.

As you know, many people believe this is theoretically true if one assumed perfect dissemination of the most energy efficient refrigerators, air conditioners, light bulbs, insulation, etc. This point was made in a Weekly Economic Briefing that CEA sent you on July 25 (relevant page attached).

✓ However, as the WEB also pointed out, such perfect dissemination is unrealistic and even very broad dissemination would be tough to achieve; indeed, as the WEB pointed out, economists tend to be skeptical about broad dissemination in light of people's common resistance to many green technologies.

Copied
COSV
Stern

More to the point, the press and some others are misconstruing your remark to suggest that you really think we could promptly reduce emissions by 20% with no pain. So I would recommend avoiding that particular comment.

Todd Stern

SPECIAL ANALYSIS**Is There a Free Lunch in the Refrigerator?**

Economists are typically skeptical of the argument heard in energy policy debates that alternative energy-saving technologies are readily available at no extra cost to consumers. They recognize that people do not always take advantage of cost-effective, energy-efficient technologies that, in the long run, are good for both the pocketbook and the environment. At current energy and product prices, however, many consumers may not be willing to experiment with compact fluorescent light bulbs, improved thermal insulation, better heating and cooling systems, and energy-efficient appliances.

Consumer preferences. Although recent assessments of energy-savings opportunities based on engineering studies suggest that from 20 to 25 percent of existing greenhouse gas emissions could be eliminated at no additional costs, many people resist these new "green" technologies. Why? A reason is that people act as if they have a short time horizon, perhaps because they are uncertain about future energy prices and the reliability of the technology. Several studies have estimated that when consumers buy air conditioners, space-heaters, water-heaters, and refrigerators they implicitly apply a substantial discount to future cost-savings. Their time horizon appears to be much shorter than the time horizon reflected in market interest rates. Even when they are presented with estimates of the likely future cost savings, they pay more attention to immediate outlays. 11/2

Moreover, factors other than energy efficiency also matter to consumers. They care about quality and features, as well as the time and effort required to learn about a new technology and how it works. Consumers may perceive a risk that the energy savings will not be realized, and may be averse to such risks. Finally, even if a technology is cost-effective in its energy use on average, it may not be cost-effective for people who use little energy.

Environmental concerns. Why do we care whether people use energy-efficient technologies? A key reason is that the burning of coal and other fossil fuels results in environmental damage and global warming. Improved information about the benefits of buying energy-efficient technologies could affect consumer decisions. For example, the government requires appliance labels to include information about likely energy bills, which allows consumers to make informed choices. The evidence suggests, however, that many people still prefer conventional appliances—at least at current energy prices.

As our experience with the oil shocks of the 1970s shows, choices do change when prices rise. Thus, the economist's view is that the most effective way to curb energy consumption is to raise the price of energy to reflect the harmful effects on the environment of burning fossil fuels.

'97 SEP 15 PM 5:04

GENTLE, PICKENS & LANDON

ATTORNEYS AND COUNSELLORS AT LAW
SUITE 1500-COLONIAL BANK BUILDING
1928 FIRST AVENUE, NORTH
BIRMINGHAM, ALABAMA 35203

TELEPHONE (205) 716-3000
TELEPHONE (205) 324-1200
TELECOPIER (205) 716-3010

EDGAR C. GENTLE, III
DEBORAH A. PICKENS
CAROLYN LANDON
JEAN M. ELIASON
MICHAEL K. ABERNATHY
TERRY D. TURNER, JR.

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: M DATE: 9/14/97
7019-0774-5

September 3, 1997

PERSONAL AND CONFIDENTIAL

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

*To Doriskind for
reply?
Yes ☒ No ☐*

Dear Bill:

Please consider this letter to be a personal favor that I
our many years of friendship and the financial support that I
years.

This request involves a bill proposed by an apparent Native American hater, Senator
Slade Gorton, which will require the Nation's 554 indian tribes to waive \$767 million per year
unless they waive sovereign immunity.

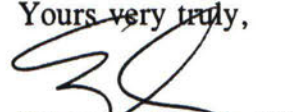
In my opinion, if this bill is enacted, then Native Americans need to be granted all
territory in the United States of America. Simply put, the current arrangement is one of the
concessions that the Indians gave to the white man in ceding vast tracts of land. It is unethical,
unfair and immoral to change now.

For your information, I attach an article from yesterday's New York Times concerning
this matter.

I urge you to do your utmost to prevent this proposal from becoming law.

On a personal note, I hope that you are doing well.

Yours very truly,


Edgar C. Gentle, III

ECGIII/anc
Enclosure

SEP 10 1997

where, plentiful sunshine, warm. Isolated thundershowers near the Appalachians. Weather map, page C22.



Linda Rosen for The New York Times

Officer Joe Wittleder, outside the 32d Precinct station house in Harlem, says children's suspicion of police brutality is hard to accept. "If we have our nightsticks with us, they ask us who we are going to beat up."

Whitewater Subpoenas Set Off Legal Battle Over a Manuscript

By DOREEN CARVAJAL

The New York publishing house of William Morrow & Co. is battling with Whitewater prosecutors over an unfinished manuscript for a memoir by the fallen Justice Department official and Clinton confidant, Webster L. Hubbell.

Morrow's lawyers are scheduled to appear in Federal court in New York today, seeking to quash a subpoena by the office of Kenneth W. Starr, the Whitewater independent counsel, that they complain is so sweeping it would entitle prosecutors to "each page of each draft as it comes out of the word processor."

"I have never seen a subpoena this broad," said Victor A. Kovner, the lawyer representing Morrow. "You might as well connect the modem between Morrow's editor and Mr. Starr's office."

In its challenge to the subpoena, Morrow argues that publishers, like journalists, deserve a "qualified privilege under the First Amendment" to protect their notes and unpublished material from disclosure.

Mr. Hubbell has come under scrutiny of Whitewater prosecutors who are investigating whether current or former members of the Clinton Ad-

ministration may have helped arrange consulting contracts for Mr. Hubbell to try to dissuade him from cooperating with prosecutors.

The subpoenas reflect the Government's continued interest in Mr. Hubbell, one of the president's closest friends, and political advisers. Mr. Hubbell served time in prison for bilking his clients and former law partners of almost \$400,000. Despite his prison term, Mr. Starr's investigators have suggested in court that he was never forthcoming in their investigation.

Four subpoenas were issued — to two publishers, an agent and an accountant who were involved with Mr. Hubbell's efforts to publish "Friends in High Places," a memoir of his plunge from the No. 3 official at the Justice Department to a prisoner serving 18 months for mail fraud and tax evasion. Morrow's subpoena, issued on Aug. 8, brought the project to a halt for several days while publishing executives pondered how to respond.

"It was intimidating," said Paul Fedorko, the publisher at Morrow.

Continued on Page A10

Torture Case Makes Police More Skittish

By NEIL MacFARQUHAR

A housing police officer on patrol in a central Bronx housing project hears abuse shouted from onlookers gathered near an altercation. "This ain't Brooklyn," someone yells.

In the East New York section of Brooklyn, two officers in a patrol car chase a suspicious vehicle and get into an accident. According to other officers in their precinct, the two are rebuked by a more senior officer for starting the chase. The message that goes out is that this is not the time for aggressive tactics.

In Harlem, a group of six officers arriving to try to quell a violent domestic dispute emerge from their cars with their police batons in hand and run into a group of 8-year-olds on the stoop. "The worst is the children," said Officer Joe Wittleder in the 32d Precinct. "If we have our nightsticks with us, they ask us who we are going to beat up."

The accusations that several officers from the 70th Precinct in Brooklyn beat and brutally sodomized a Haitian immigrant are rippling across the entire landscape of police work. In scores of interviews outside a dozen precinct station houses, police officers in all five boroughs said the brutality case has subtly altered the way officers respond to suspicious activity and has almost instantly reversed the high morale and good public relations generated by the city's sharply declining crime rate.

"People don't look at cops as someone who helps them," said Joe Guets, a housing police officer in the Bronx. "They look at us like an occupying force. This kind of thing makes that worse. You can tell by the way they look at you, by their body language, by what they say."

Many officers also expressed disbelief that fellow officers could have

Continued on Page C23

INSIDE

Bosnian Power Struggle

A long confrontation seems to lie ahead for rival Bosnian Serb governments, one headed by the official but essentially figurehead president, the

SENATE MEASURES WOULD DEAL BLOW TO INDIAN RIGHTS

OPERATING MONEY AT RISK

A Pair of Riders Causes Furor Among Nation's 554 Tribes — Sovereignty Is Issue

By TIMOTHY EGAN

SEATTLE, Aug. 26 — With little debate and no public hearings, a Senate subcommittee last month approved two measures that would knock out some of the oldest principles in how the nation's 554 American Indian tribes are governed and deprive them of basic operating money if they do not agree to the changes.

Little noticed in Washington, where they were buried as riders on a spending bill already freighted with the fate of the National Endowment for the Arts and money for new park lands, the proposed changes have caused a furor on the reservations.

The tribes say Congress is trying to erode their sovereignty because of a perception that Indian reservations are prospering with casino gambling, disregarding the fact that most of them remain among the poorest places in the nation.

The architect of the two riders, Senator Slade Gorton of Washington, a Republican who has had a running dispute with Indians in his home state for 25 years, says the measures are part of a campaign to force a fundamental change in Indian affairs.

"I find nothing in any Indian treaty that says they must be continuously supported by the Federal taxpayers," Mr. Gorton said in an interview. Mr. Gorton is chairman of the Appropriations Subcommittee on Interior and Related Agencies, which passed a \$13 billion spending bill last month that contains the Indian riders and many provisions dear to the Clinton Administration.

Bracing for a showdown, the Clinton Administration has threatened to veto the bill if it contains the Indian measures. Interior Secretary Bruce Babbitt called it "one of the most radical and unjust of a stream of recent Congressional proposals" and said it would "overturn almost two centuries of jurisprudence."

One of Mr. Gorton's riders would force tribes to waive sovereign immunity from civil lawsuits or lose up to \$767 million, nearly half the budget for daily operations on land that 1.4

Continued on Page A12

NASA's Face Red As Report of Fault On Mir Is Clarified

By MICHAEL R. GORDON

MOSCOW, Aug. 26 — When NASA said on Monday that Mir's two main oxygen-generating systems had broken down it seemed as if the Russian space station had suffered another humiliating setback.

But the glitch was not so much in space as on the ground. And the problem was not with the Russians, but with the Americans.

As NASA officials acknowledged today, the American space agency's alarming report about the oxygen-generating systems was out of date at the time it was issued. The two systems had indeed had problems, but the three crew members soon got them running again, regaining access to a fresh supply of air.

Urban Renewal Begins at Home



Senate Bills Would Deal a Blow to the Rights of Tribes

Continued From Page A1

million Indians live on or near. Under the other rider, tribes could be denied Federal money if their income was above a certain level.

Without sovereign immunity, the tribes say, they could face bankruptcy by lawsuits and would be unable to operate as governments. And subjecting them to income requirements, or what the government calls means-testing, would be singling them out, they say, because other city and state governments do not have to go through such tests for their share of Federal money.

"If Senator Gorton would ever be willing to come to a reservation, he would see very clearly that most tribal governments are barely getting by as it is," said John Blackhawk, chairman of the Winnebago tribe of Nebraska. "These two riders are outrageous. They are a total departure from the government-to-government relationship the tribes have always had with Washington."

Mr. Babbitt has said he would recommend a veto if the riders are left in the bill, but both items are entwined in a package that contains \$100 million to keep the National Endowment for the Arts alive and \$700 million for environmental purchases, like a gold mine that threatens Yellowstone National Park and a huge grove of ancient redwood trees that could be logged in California.

"I'm defending them on the N.E.A. and land acquisition," Mr. Gorton said, "so it would not behoove the Administration to come after me on these issues."

The only Indian in the Senate, Senator Ben Nighthorse Campbell, Republican of Colorado, said the measures would only be passed "over my dead body."

Sovereign immunity and basic Federal operating funds are not subject to shifting political winds. Mr. Campbell wrote in a letter to Mr. Gorton, but are "a result of solemn promises made by the United States to tribal governments in exchange for Indian lands."

When the full Senate takes up the Interior spending bill next month, Mr. Gorton and his supporters are counting on the fact that 17 states have no recognized tribes within their boundaries. Also, Mr. Gorton said, it may be time to force a significant change in the longstanding status that tribes have had as nations within a nation.

"The irony is that the very concept of sovereign immunity is descended from English Common law," he said. "And it's an anachronism."

Indian governments, as well as Federal and local agencies, often invoke immunity to guarantee that projects like sewage systems or road construction go ahead without the threat of financially crushing lawsuits. Individual Indians can be sued in Federal court, but the tribes themselves are generally protected.

The tribes say they are under assault by Mr. Gorton and others in Congress because of a perception that they are getting wealthy from casino gambling, which in turn has brought some flexing of newfound political muscle.

"This is straight out an attempt to get rid of tribal governments," said John Dossett, general counsel for the National Congress of American Indi-



Two Lummi Indians, Wayne Ballew and his son, Wayne Jr., unloading king salmon from Bellingham Bay yesterday near the Canadian border. The Lummi were behind an Indian effort to win fishing rights.

ans. "In order to do that, Gorton and others are playing off a perception that a whole bunch of tribes are getting rich off gaming. In fact, only a handful are making any money at it."

A report in December by the General Accounting Office found that 10 tribes took in more than 50 percent of the \$1.8 billion received by Indian reservations from tribal gambling. About one-third of all American Indian tribes have gambling centers. Unemployment on the reservations is more than three times the national average, and 38 percent of all Indian households with children ages 6 to 11 are below the poverty level, more than twice the national average.

Supporters of Mr. Gorton's measures say they resent the power that Indians have over non-Indians on or near reservations. They say it is difficult for someone who is not an Indian to win redress in tribal courts. "By being able to claim immunity from suit, tribes are not fully accountable in court for their actions like all the rest of us in America are," said Barbara Lindsey, president of a property rights group in Washington state, in a recent statement sent to Mr. Gorton. "It is simply not fair for us to be denied our constitutional due process rights while the tribes can sue us at will."

The Indians say Mr. Gorton has longstanding animosity toward the tribes that dates to his fight against Indian fishing rights in the Pacific Northwest. As Washington's attorney general in the mid-1970s, Mr. Gorton argued and lost a landmark Supreme Court case, known as the Boldt decision, in which Indians were found to have a right by treaty to take up to 50 percent of all the salmon caught in the waters of the Northwest.

"It's my opinion, shared by many



Senator Slade Gorton wants to change Federal Indian policy.

of my colleagues around the country, that Slade Gorton has a vendetta against the tribes," Mr. Blackhawk said.

As Mr. Dossett put it, "Clearly, he's on the most wanted list."

In 1995, Mr. Gorton led an effort to

cut \$200 million from the \$1.7 billion budget for Indian tribes.

"He's an Indian-fighter," said Darrell Hillaire, vice chairman of Washington's Lummi tribe. "This agenda is really just Slade Gorton's agenda. And he's counting on the ignorance of the rest of Congress to get it through."

The Lummi, a small tribe with a salmon-fishing culture, were behind the effort to win fishing rights two decades ago. They have since been singled out by a legislative rider Mr. Gorton inserted on an interior bill several years ago that would have deprived the Lummi of 50 percent of their Federal operating money if any tribal action had an adverse effect on non-Indians.

"This week, the Lummi tribe closed its casino near the Canadian border, saying it was losing too much money."

"Before, he was just going after one or two tribes, but now he's launched a broad attack on all the tribes," Mr. Dossett said. "As a result, Indians have stopped being able to accomplish anything positive in Congress and are just fighting all these defensive battles."

Asked about the tribal accusations of a personal vendetta, Mr. Gorton said he had won more cases in the Supreme Court against Indians than he had lost and did not feel a need to even the score. They are angry at him now, he said, because he is trying to break up an old system that many Indians have grown too comfortable with.

"Crying racism is the last refuge of a group of individuals who can't argue on the merits," Mr. Gorton said.

The tribes are particularly angry that on a matter that could so radically change the nature of Indian governments, there have been no hearings, no debate, no field trips to reservations.

"We see this as an abrogation of treaties," said Debra Dostator, chairwoman of the Oneida Tribe in Wisconsin. "We gave up vast amounts of land in return for sovereignty and certain obligations by the Federal Government. Now they want to throw that out. It would be devastating to us. Yet, we aren't even consulted."

Mr. Gorton said he thought his riders would prevail when the full Senate takes up the spending bill. But he said that even if they did not pass he would continue to use his position as chairman of the committee that oversees spending for the tribes to overhaul Indian affairs.

"These are matters of principle for me," Mr. Gorton said. "Indians are citizens of the United States. They should be governed by laws of the United States as everyone else is."

Doctors' Union With Governr

By ANDREA ADELSON

The Union of American Physicians and Dentists, one of the nation's few independent doctors' unions, plans to announce today that it will join forces with the American Federation of State, County and Municipal Employees, more than doubling the federation's physician membership.

In balloting that was to be completed yesterday, 90 percent of the 5,000 members of the doctors union are expected to approve teaming up with the federation, the A.F.L.-C.I.O.'s second-largest affiliate, to draw on its resources for lobbying, organizing and negotiating contracts with insurers, said Gary R. Robinson, the executive director of the doctors' union.

Robert L. Weinmann, the president of the doctors' union and a neurologist in San Jose, Calif., said, "The A.F.L.-C.I.O. can give us a tremendous boost."

A statement by Gerald W. McEntee, president of the government employees' union, expected to be released today, described the new alliance as a good fit.

About 20 percent of California's practicing doctors are members of the union, which is based in Oakland and includes only California doctors.

The government employees' union, with 1.3 million members, represents about 3,000 doctors in a dozen states. About 45,000 of the nation's 640,000 doctors, or 5 percent, are in unions that are growing at a time when membership in traditional doctors' organizations is slipping. Union doctors can still be members of the American Medical Association.

"It takes a great deal of strategy, resources and legal maneuvering to win a union campaign today," said Robert L. Redio, chairman of the labor center at the University of California at Berkeley.

More doctors are now saying that the A.M.A. has failed to safeguard their interests from powerful health maintenance organizations, which can restrict doctors and patient care.

In California, the political climate is making doctors impatient, said Julianne D'Angelo Fellmeth, director of the Center for Public Interest Law in San Diego, a consumer advocacy group. As in other states, there has been a push for tougher regulatory control of managed-care com-

S.A.T. Math Sc But Verbal Res

By WILLIAM H. HONAN

The nation's students continued to show improvement in mathematics this year on Scholastic Assessment Tests, the College Board announced yesterday.

The 1.1 million students who took the widely used college entrance examinations scored an average of 511 on the mathematics section of the College Board's reasoning test — three points higher than last year's average and the highest in 26 years. Their average score on the verbal section was 505, the same as last year. As it did last year, the board attributed the overall increase in the math scores to more students' taking harder courses, including those that lead to the board's Advanced Placement tests.

A record 32,000 students qualified to enter college this fall as sophomores or juniors on the basis of the credit they received through the Advanced Placement examinations.

Minority students made up 32 percent of the test takers, up from 22 percent a decade ago. Except for Mexican-Americans, minority students continued to maintain the same scores or show improvement.

"This is encouraging progress over all," said Donald M. Stewart, president of the College Board, although "non-Asian minorities still lag significantly behind whites and Asian-Americans in academic preparation for college."

Mr. Stewart said he was especially pleased to see that women were taking college entrance tests in greater numbers. Women are also improving at almost the same rate as men.

California Poised to Enforce Anti-Preferences Law

SAN FRANCISCO, Aug. 26 (AP) — Unless the Supreme Court intervenes, California can begin enforcing the law barring consideration of race or sex in affirmative action programs on Thursday, a Federal appeals court ruled today.

The United States Court of Appeals for the Ninth Circuit denied a request by civil rights groups to suspend the effect of its ruling upholding the law during an appeal to the Supreme Court.

That ruling, issued by a three-judge panel in April, was affirmed on Thursday when opponents failed to persuade a majority of the entire court to order a new hearing before

an 11-judge panel.

The American Civil Liberties Union, representing female and minority students, employees and contractors challenging the law, plans to appeal to the Supreme Court and seek a stay of the appellate ruling while the appeal is pending. The case could be prolonged through next summer if the Court decides to review the case.

The law resulted from a ballot measure known as Proposition 209. The measure, approved by 54 percent of the voters in 1996, prohibits race and sex preferences in affirmative action programs in state and local government education, employ-

ment and contracting.

Judge Thelton Henderson of Federal District Court barred enforcement of the law three weeks after it was passed and said opponents were likely to prove it unconstitutional. Judge Henderson said it affected only preferences for women and minorities while leaving intact other preferences, like those for veterans and the children of college alumni.

A panel of the appeals court overruled Judge Henderson in April, saying that Proposition 209 was a neutral measure that promoted equality. It said race-conscious programs were constitutionally suspect and could be abolished by a state.

THE PRESIDENT HAS BEEN

9-15-97

Street
COS

chapter on different policy. The DLC, under Al From's leadership has held two forums on the road from here. The White house policy shops have prepared a memo for the President on a post balance budget agenda.

Each of the above individual organizational efforts address the same question. The President's re-election and the balance budget agreement have resolved a 20 year debate in the country and party.

I think the White House should convene a dinner or Camp David weekend with 15 outside experts and our policy directors to help design and draft the New Progressive agenda. It would help the Vice President, the President and serve the party well. The President and Vice President should be at the center of this great policy debate in the party. In an indirect way it would ensure his signature on the emerging new agenda for the party.

Agree
Let's set up
dinner by a dinner

9-15-97

THE PRESIDENT HAS SEEN

(E)

Eli Segal Welfare-to-Work Update -- Your St. Louis visit was "a huge success." After your visit a Richard Wirthlin survey showed 66% of the local business community felt the city was heading in the right direction on welfare issues -- up from 52% before. Now has 2,500 "partners" -- a long way from the 5 you announced in the State of the Union; hopes to have 5,000 by year's end; notes positive NYT piece on changing attitudes; hopes you'll do an additional event this fall; suggests San Francisco in November. Also sends along two items: "A Blueprint for Business" and "St. Louis Welfare to Work Service Providers." *Items on file.*

(R)

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We have also received the following items:

Note from McCurry on NYT's Photo Use Policy -- Mike says in the wake of Princess Diana's death, the NYT is reconsidering its use of photos like the one it published of you and the First lady on the beach in Martha's Vineyard. He will keep you updated.

Harris Wofford Letter with Americorps Orientation Video -- Says, "As you return to this not so playful city, this may lighten your step." Also requests a meeting with you at your convenience. *Video is on file with Cabinet Affairs.*

Cong'l Correspondence from Susan Brophy -- Two items: (1) Note from Sen. Dale Bumpers; he and Betty were "immensely gratified by your remarks at the immigration announcement" because of their "love for you and because [their] children and grandchildren were present." Says, "such exhilarating moments, when one realizes that he or she has affected so many lives for the good, make public service a high calling." (2) Note from Sen. Jack Reed; "Thanks so much for visiting with us on Block Island. It was a great honor having you. The response was extraordinary. I hope you can visit again and stay longer."

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POTUS
STREETT
COS
CAB. AFFAIRS

See his
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for

(E)

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See
Cabinet
Secretary
500-2-1

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Put
in
file

CORPORATION
FOR NATIONAL
★ SERVICE

September 9, 1997

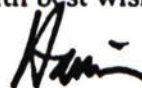
President William J. Clinton
The White House
Washington, DC

Dear Mr. President,

As you return from your island vacation to this not so playful city, the enclosed video may lighten your step. It is the new AmeriCorps orientation video that will be shown to all new AmeriCorps members this fall. We like it so much that we may also intend to use it for recruiting and other promotional activities.

When you have the opportunity, I'd like very much to spend a little time with you plotting how we take the next steps to create even more service opportunities, including especially reauthorization of AmeriCorps and the Corporation's other service programs.

With best wishes,



Harris Wofford

1201 New York Avenue, NW
Washington, DC 20525
Telephone 202-606-5000

Getting Things Done.
AmeriCorps, National Service
Learn and Serve America
National Senior Service Corps

9-15-97

THE PRESIDENT HAS SEEN

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COPIED
MCCURRY
COS

(E)

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'97 SEP 11 PM8:41

THE WHITE HOUSE
WASHINGTON

September 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: MIKE McCURRY *mds*

SUBJECT: THE NEW YORK TIMES

I have been in contact today with the Senior Photo Editor of *The New York Times*, Lonnie Schlein. Lonnie told me that in the wake of Princess Diana's death and the recent attention being paid to issues involving the "paparazzi," a series of high level discussions are now taking place among the *Times*' senior editors. The newspaper is revisiting their decision to publish the photograph taken of you and the First Lady on the beach during your recent vacation. Although it remains unclear exactly what course of action the editors will take, these meetings are undoubtedly an important step. I will keep you apprised of the situation.

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THE WHITE HOUSE

WASHINGTON

September 5, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: SUSAN BROPHY *SB*

SUBJECT: CONGRESSIONAL CORRESPONDENCE

Attached for your review are the following Congressional letters that I thought you would like to see:

1. Sen. Dale Bumpers (D-AR), thanking you for your remarks at the White House immigration announcement;
2. Sen. Jack Reid (D-RI), thanking you for visiting Block Island

United States Senate
WASHINGTON, D. C. 20510-040112:54
7/29/97

Dear Bill & Hillary,
Betty & I were immensely gratified
by your remarks @ the W.H.
immigration announcement. In the
scheme of things, it wasn't terribly
newsworthy, but it was a highlight
of mine. Betty is lit because of
our love for you, & because of our
children (sans Brent) & grandchildren
were present. Such exhilarating
moments when one realizes that he
or she has affected so many lives
for good, though rare, make
public service a high calling -
what a tragedy that about 95% of
it is so debilitating, unwarranted &
mean. Your high ratings prove that most
people desire that 95%. Love Dale



Jack Reed
Rhode Island

25-012125
August 18, 1997

Dear Mr President,

Thanks so much for visiting with us on Block Island. It was a great honor having you.

The response was extraordinary.

I hope you can visit again and stay longer.

Best wishes!

Jack

Not paid for at government expense.

9-15-97

THE PRESIDENT HAS SEEN

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COPIED -
POTUS
BROPHY
COS

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See full set of up and down
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Put in party in public
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THE WHITE HOUSE

WASHINGTON

September 5, 1997

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7/29/97

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people display that 95%. Love Dad



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Rhode Island

99-012795

August 18, 1997

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The response was extraordinary.

I hope you can visit again and stay longer.

Best wishes!

Not paid for at government expense.



Jack

9-15-97

THE WHITE HOUSE

WASHINGTON

September 13, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: SEAN MALONEY

SUBJECT: Recent Information Items

We are forwarding the following recent items:

Sperling Memo on Low-Wage Workers -- In advance of your visit to the Cong'l Black Caucus tonight, Gene outlines the positive impact recent economic growth has had on low-wage workers. Recommends relaying impressive statistics. E.g., Family income up 20% (or \$1000) in last 2 yrs for poorest 20%; 1994-95 saw largest decline in income inequality and largest drop in number of people in poverty (1.6 million) since 1968, while poverty rate fell to 13.8% -- down from 15.1% in 1993. By Race: Af-Am poverty rate lowest on record (down from 30.6% to 29.3%); higher share of Blacks employed than ever (59.6%), with family income up \$3000 since 1993 (to \$25,970), but still only 64% of median income for all families; lowest Af-Am unemployment rate in 24 yrs, with teen unemployment down to 29.4% from 37.0% in 1993; home mortgage lending to Blacks up 70% since 1993, with home ownership rising from 42.6% to 44.9%. Please see memo for additional statistics re: Hispanic community and the Administration's poverty programs.

Raines Memo on Community Service Block Grant (CSBG) Funding -- Responds to your question to him at dinner Tuesday night. Community Services programs received \$536 million in FY 1997 -- \$147 million more than was in your FY 1997 budget and \$100 million more than in 1996 appropriation. Says Gingrich wanted to be able to identify a program supported by GOP Caucus. Of \$536 million total, \$490 million is in CSBG, \$100 million more than requested. FY 1998 budget includes \$415 million for CSBG, and eliminates ineffective non-CSBG Community Services programs. House and Senate appropriations committees each funded Community Service programs at approx. \$540 million, or \$125 million above the FY 1998 budget level. Administration has not commented on this yet, except to note that Congress has increased spending \$1 billion above your requests for low-priority items, while cutting many high-priority items like Pell Grants, America Reads, and the Adoption Initiative.

1997 Pew Research Center Report from Rahm -- Research tracks *USA Today* story you recently sent to Rahm's attention. *Please see report for details.*

Business Week Article on School Uniforms from Rahm -- Article from Sept. 8 issue entitled, "Dressed to Drill," notes, "School uniforms are hot and merchants are cashing in." *Please see article.*

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very important
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get it out
to govt to
persuade people
of fact that we
are going toWe need
to be careful
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member

(1)

Might be wrong
about this

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WASHINGTON

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Thompson's memo

THE PRESIDENT HAS SEEN
9-15-97
EMANUEL

*cc Rahm
Bogala
This is very important
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to govt to
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*Unhappy
to be caught
Gingrich to
help on
House
member*

*→ a great deal of
prominence
prominence kept*

THE WHITE HOUSE
WASHINGTON

9-15-97

'97 SEP 9 AM 9:20

September 8, 1997

MEMORANDUM TO THE PRESIDENT
FROM RAHM EMANUEL
SUBJECT THE PEW RESEARCH CENTER REPORT

Attached is the August 15 1997 PEW report that I think you will find very interesting. This research tracks the USA Today story you recently sent to my attention.

9-15-97

Budget Legislation Cheered

A 75% majority of Americans have heard about the balanced budget legislation passed by Congress and signed into law by President Clinton, and they approve of it overwhelmingly — 70% vs. 18% who disapprove and 12% who are undecided.

Approval of the budget legislation is strong across the board. Equal proportions of Republicans and Democrats express approval — 72%. The tax cuts and spending initiatives hold appeal for upper, middle and lower income Americans, but those making over \$50,000 a year show the most enthusiasm. Non-whites are the only group expressing significant opposition to the budget legislation — 35% disapprove, while a bare majority (52%) approve. (See table page 20)

When asked to rate the importance of the balanced budget legislation relative to other recent government accomplishments, the budget agreement ranks at the top. It is clear that, in spite of cynicism toward government and elected officials, the public truly values several of the initiatives undertaken in recent years. Eight in ten say the Kassebaum-Kennedy health insurance "portability" bill, which allows people to keep their health insurance even if they lose their job or change jobs, has been *very* important for

Government Initiatives and Accomplishments

	Most Important For Me %	Very Important For Country %
Balanced Budget agreement	34	74
Health insurance portability (Kassebaum-Kennedy)	24	82
Family Leave Act	12	68
Minimum wage increase	9	64
Welfare reform	8	67
Tobacco deal	4	52
TV ratings system	3	34
NATO expansion	1	27

the country. Fully 74% rate the budget agreement as very important for the country. The Family Leave Act, welfare reform and the minimum-wage increase are also viewed as very important accomplishments by strong majorities of Americans (68%, 67% and 64%, respectively). A narrow majority (52%) view the recent deal between several state attorneys general and the tobacco industry as very important for the country, and even fewer place such value on the new television ratings system advocated by the President (34%) and the decision to expand NATO membership (27%).

The balanced budget agreement and the health insurance portability law top the list of government actions that have been most important *personally* for Americans and their families (34% and 24%, respectively). The Family Leave Act is judged most important by 12% of the public, followed by the minimum wage increase (9%) and welfare reform (8%).

The President's personal image has been boosted by the budget agreement. While Clinton scandals have not been purged from the public's mind, news about policy issues (23%) is now being spontaneously recalled as often as the President's problems (24%). Earlier in the year, when respondents were asked to cite anything they had heard about the President in the news, scandal mentions (32%), mostly Whitewater, far outweighed policy mentions (10%). In the current survey the budget agreement dominated policy related answers. News about allegations of sexual harassment was more often recalled than Whitewater or the fund raising charges. (In that regard, strong public interest in the campaign finance scandal is half as great as it was *before* the Thompson hearings began.)

The President is getting much higher marks from the public for his abilities, but his personal character evaluations remain low. Fully 64% of Pew respondents associated the phrase "*able to get things done*" with Bill Clinton — a 23% point improvement on this measure since the fall of 1994. But, as in earlier surveys, only 47% describe him as *trustworthy* and 45% as someone who *keeps his promises*.

**Things Americans Have Been
Hearing About Clinton In The News**

	Feb 1997 %	Aug 1997 %
Budget agreement	--	13
Alleged sexual harassment	--	12
Paula Jones	6	6
Tax bill	--	6
Whitewater	18	5
UPS strike	--	4
Campaign finance	7	3
Line item veto	--	3
Knee injury	--	2
His travels	--	2
Bad things, don't like him (general)	--	2
Welfare reform	2	1
Personal life (general)	4	1
Weight loss	--	1
Other	11	18
Don't know	47	41
Scandal News (NET)	32	24
Policy News (NET)	10	23

The Republican Congressional leadership has not reaped any benefits from the positive climate of national opinion. While approval ratings for GOP leaders have rebounded since June, when they slipped following the party's perceived mishandling of the disaster relief bill, their 42%-44% rating is well below the President's public evaluation and has not increased significantly over the past six months. With a considerable percentage of the public aware of bipartisan cooperation, undoubtably much of this has to do with opinion of Newt Gingrich. The Speaker's favorability rating remains as low as 30%.

EMANUEL

September 13, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: SEAN MALONEY 

SUBJECT: Recent Information Items

We are forwarding the following recent items:

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***Business Week* Article on School Uniforms from Rahm --** Article from Sept. 8 issue entitled, "Dressed to Drill," notes, "School uniforms are hot and merchants are cashing in." Please see article.

THE WHITE HOUSE
WASHINGTON

'97 SEP 9 AM 9:19

September 8, 1997

MEMORANDUM TO THE PRESIDENT
FROM RAHM EMANUEL
SUBJECT SCHOOL UNIFORMS

Attached is an article from the September 8 issue of Business Week on both the popularity and industry growth of school uniforms that I thought you would find interesting.

DRESSED TO DRILL

School uniforms are hot—and merchants are cashing in

Flared jeans, plaid miniskirts, and chenille, short-sleeved, V-necked sweaters are among the hottest back-to-school fashions for 1997. But whatever style mavens say is cool for school this year doesn't apply to students such as Zalencia Dorrough, a sixth-grader at the Daniel Chappie James Elementary School in Dallas. She'll be wearing a uniform—and she couldn't be happier. "It makes getting dressed in the morning a lot easier," says the 11-year-old, who on a recent school day donned navy shorts, a white blouse, and white and purple Nike tennis shoes. "It also looks a lot more sophisticated and a lot cooler than normal clothes."

Indeed, for a growing number of students nationwide, uniforms are the "in" academic fashion, though not by choice. Long the province of private and parochial schools, uniforms are being adopted in public schools across the U.S. Officials say they blur class distinctions, help curb gang activity, and save students the competitive angst of trying to keep up with trendy peers. California's Long Beach Unified School District was the first public district to mandate uniforms in 1994. But uniforms in public schools have become increasingly common since President Clinton endorsed the idea in his 1996 State of the Union address. Today, school districts in some 20 states have uniform requirements.

Uniforms are becoming a big business for retailers. Department stores, discounters, and even catalogers are stocking navy pleated skirts, white polos, and khaki pants. "Uniforms have become an important development in back-to-school sales," says retail consultant Walter F. Loeb. For many retailers, uniform sales are a good way to offset some of the revenue they're losing as kids in non-uniform schools opt for more casual clothes.

J.C. Penney, Sears, Macy's,

THE PRESIDENT HAS BEEN

9-15-97



BACK TO SCHOOL: A California student dons an outfit at a "uniform fair"

Target Stores, Wal-Mart Stores, and Kids 'R' Us are among the retailers now hawking uniforms. This year, Lands' End Inc. joined in, launching a school uniform catalog featuring tailored oxford shirts, khaki chinos, and navy blazers. Michael Grasec, the Dodgeville (Wis.)-based retailer's director of school uniforms, says Lands' End jumped in after its research showed 8% of all public schools had uniforms and 15% more may follow suit. "When almost one in four students could be wearing uniforms, that's big business," he says.

GRASSROOTS TREND. Because the public-school uniform movement is spreading at a grassroots level, retailing experts are hard-pressed to pinpoint the size of the market. But with the trend spreading so quickly—in Chicago public

schools, for example, 30% more students will wear uniforms this year than last—the potential appears huge. Isaac Lagnado, principal at Tactical Retail Solutions Inc., an industry research firm, estimates the market could reach "several billion dollars" if it takes hold nationally. The grand total for back-to-school sales this fall is expected to hit \$18.9 billion.

Retailers say uniform sales are already helping at the cash register. Macy's West, a division of Federated Department Stores Inc., says its uniform business has tripled since it began three years ago. Sears, Roebuck & Co., which launched its program in 1995, is expecting a 50% hike in school uniform sales this year. J.C. Penney Co., which hawks its school uniforms in some 500 stores and a "Class Favorites" catalog, expects its uniform sales to see double-digit gains in 1997. "It's really been a nice complement to our back-to-school fashion business," says Carol Brady, a Penney merchandise manager.

Not all kids are happy with their new duds. "We used to be able to wear designer brands," says 10-year-old Jessica Rios. But there she was at a Dallas-area Kids 'R' Us store with her mother, shopping for a blue skirt and a blouse with a Peter Pan collar—her school's new uniform. "Now we have to wear the same old stuff that everybody else is wearing." But Jessica has a plan. She'll spruce up her uniform with tights and a pair of black, chunky-heeled shoes. Even in uniforms, some kids will be slaves to fashion.

By Stephanie Anderson Forest
in Dallas

Uniform Approach

SCHOOL DISTRICTS	NUMBER OF SCHOOLS
BALTIMORE	120
CHICAGO	391
DADE COUNTY, FLA.	126
DALLAS	84
DAYTON	17
EAST BATON ROUGE, LA.	48
LONG BEACH UNIFIED, CALIF.	70
NEW YORK	100
OAKLAND, CALIF.	75
WASHINGTON	41

DATA: EDUCATION COMMISSION OF THE STATES,
LANDS' END, BUSINESS WEEK

9-15-97

THE WHITE HOUSE

WASHINGTON

September 13, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: SEAN MALONEY

SUBJECT: Recent Information Items

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Business Week Article on School Uniforms from Rahm -- Article from Sept. 8 issue entitled, "Dressed to Drill," notes, "School uniforms are hot and merchants are cashing in." *Please see article.*

COPIED
RAINES
COS

This is very important to get it out to govt to get it out of the pocket of the president

We need to be careful of the effect of the member

Must be written in a special way

THE WHITE HOUSE
WASHINGTON

September 13, 1997

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9-15-97
RAINES

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memo

cc Rahm
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of (Rahm's)
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We need
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→ a speech on
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EXECUTIVE OFFICE OF THE PRESIDENT '97 SEP 12 PM 12:20
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

September 11, 1997

MEMORANDUM FOR THE PRESIDENT

From: Franklin D. Raines
Subject: Community Services Block Grant Funding

Handwritten note:
memo to
committee
attached to
our member

At the dinner Tuesday night, you asked me for information regarding funding for the Community Services Block Grant (CSBG). If you need additional information, please let me know.

Background

Community Services programs received \$536 million in FY 1997 -- \$147 million more than was included in your FY 1997 budget and \$100 million more than the 1996 appropriation. This increase was announced at Speaker Gingrich's initiative in order to have an identifiable poverty program supported by the Republican Caucus.

Of the total, \$490 million is in CSBG, \$100 million more than the Administration requested in 1997. The CSBG was created in 1982 to replace the Community Services Administration (formerly the Office of Economic Opportunity). The CSBG funds a wide variety of antipoverty activities, including local program coordination, nutrition, emergency services, and employment services. Grantees receive funds from many other sources to operate related programs such as Head Start, weatherization, low-income energy assistance, emergency food and shelter programs, employment and training, and legal services.

The remaining \$46 million finance other Community Services grants, including Community Economic Development, National Youth Sports, Rural Community Facilities, and Community Food and Nutrition.

FY 1998 Budget

Your FY 1998 budget includes \$415 million for CSBG, \$75 million less than was appropriated in FY 1997. In addition, the FY 1998 budget proposed to eliminate Community Services activities other than CSBG (about \$50 million) -- as has each of this Administration's budgets since at least FY 1995 because these programs have shown little evidence of effectiveness. Grantees may use CSBG funds to support activities previously funded under the individual grant programs.

The House and Senate appropriations committees each funded Community Services programs at about \$540 million, or \$125 million above the FY 1998 budget level. The Administration has not commented on these increases except note that the Congress has funded \$1 billion above your request for a number of lower-priority items while cutting many of your priority programs, such as Pell Grants, America Reads, and the Adoption Initiative. We anticipate that the final funding level will be very close to the House and Senate committee levels.

9-15-97

THE WHITE HOUSE

WASHINGTON

September 13, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: SEAN MALONEY *SA*

SUBJECT: Recent Information Items

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COPIED -
EMANUEL
BEGALA
COS
A. LEWIS
SPERLING

Trinnoter memo

cc Rahm Begala
This is very important to get it out to govt to get people of Congress to get it out

We need to be careful not to let it be a negative story for the member

→ a great idea for a school uniform

THE WHITE HOUSE
WASHINGTON

September 13, 1997

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9-15-97

EMANUE

Thompson's memo

*cc Rahm
Bogala
This is being
forwarded
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to get it out
to groups
Per your
memo
of 9/10/97
signature too*

*Unneeded
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Gingrich
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Hoyer
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THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

9-15-97

September 12, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: Low-Wage Workers

*See letter on
corner sheets
for this talk*

There is no doubt that low-wage Americans suffer disproportionately from economic change. There is also no doubt that serious challenges still remain for them. Overall, though, low-wage workers have benefitted enormously under your economic strategy, which has included reducing the deficit, investing in the people, and opening markets. The facts and statistics below outline the positive impact your economic-growth strategy has had for low-wage workers and the challenges that still remain.

In talking about this to our supporters, I recommend that you (1) give people the impressive statistics, while recognizing the magnitude of the remaining problems; (2) remind supporters that the policies they supported and fought for (e.g., 1993 economic plan, EITC, minimum wage, education funding) are partly responsible for these improvements and they should be proud of their efforts; and (3) that we are not satisfied and we believe that there is still a lot of work to be done.

OVERALL:

- **Family Income Up 10 Percent -- \$1,000 -- In Last 2 Years For Poorest 20%.** Since the 1993 Economic Plan passed, the real average income of the poorest 20 percent of families has increased \$994 -- or 9.7 percent -- from \$10,275 in 1993 to \$11,271 in 1995. Over the same time period, the incomes of wealthy American households -- the top 20 percent -- increased 2.0 percent, from \$117,086 in 1993 to \$119,453 in 1995.
- **The Largest Decline In Income Inequality In 27 Years.** In 1995, household income inequality fell, as every income group -- from the poorest to the most well-off -- experienced a real increase in their income for the second straight year. One measure of inequality -- the Gini coefficient -- dropped more in 1995 than in any year since 1968.
- **The Number Of People In Poverty Fell By 1.6 Million -- Largest Drop In 27 Years.** The number of people in poverty dropped 1.6 million, from 38.06 million in 1994 to 36.43 million in 1995 -- that's the largest one-year decline since 1968.
- **Poverty Rate Fell To 13.8 Percent -- Biggest Drop In Over A Decade.** In 1995, the poverty rate dropped from 14.5 percent in 1994 to 13.8 percent -- that's the largest one-year fall in the poverty rate since 1984. Since President Clinton's Economic Plan was signed into law, the poverty rate has declined from 15.1 percent in 1993 to 13.8 percent last year -- that's the biggest two-year drop in the poverty rate since 1973.

BY RACE:

These statistics show clearly that African-Americans have benefitted from the recent economic growth. However, the African-American poverty and unemployment rates remain far above that for all workers. And while the increase in African-American median family income has out paced the rise for all families, African-American median family income level is still just 64 percent of overall median income. For Hispanics, the current prosperity has provided both good and bad news. The good news is that Hispanic unemployment and poverty have fallen. The bad news is that Hispanic median family income has declined too.

- **The African-American Poverty Rate Dropped To It Lowest Level On Record.** In 1995, the African-American poverty rate declined from 30.6 percent to 29.3 percent -- that's the first time it dropped below 30 percent and its lowest level since data were first collected in 1959. However, the African-American is still more than twice the overall poverty rate of 13.8 percent.
- **A Higher Share of African-Americans Are Working Today Than Any Time In History.** A larger percentage of African-Americans are now employed -- 59.6 percent -- than at any time in history.
- **Under President Clinton, The Typical African-American Family's Income Is Up \$3,000.** Since 1992, the median income of African-American families has increased from \$22,923 to \$25,970 -- that means their income was \$3,047 higher in 1995 than the year before President Clinton took office. This compares to a \$1,631 increase for *all* families. However, the African-American median family income is still 64 percent of the median income for all families, which was \$40,611 in 1995.
- **Lowest African-American Unemployment Rate in 24 Years.** The unemployment rate for African Americans has dropped from 14.1 percent in January 1993 to 9.3 percent today -- that's the lowest the African-American unemployment rate has been in 24 years. The African-American unemployment rate, though, still remains at nearly twice the overall rate of 4.9 percent.
- **African-American Teen Unemployment Rate Is Down.** In January 1993, the African-American teenage unemployment rate was 37.0 percent. Today, it is down to 29.4 percent. But this is still significantly higher than the current overall teen unemployment rate of 16.4 percent.
- **Home Mortgage Lending and African-American Homeownership Have Increased.** Since 1993, home-mortgage lending to African-Americans has increased by 70%. And the homeownership rate for African-Americans has increased from 42.6 percent in 1992 to 44.9 percent in the second quarter of 1996. This is significantly below the overall homeownership rate of 65.7 percent.
- **Highest Share of Hispanics Working In Two Decades.** The share of the Hispanic population working as high today -- 63.3 percent -- as any other month in the last two decades (when data were first collected).

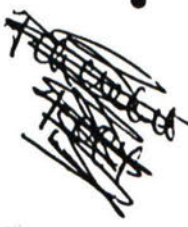
- **Lowest Hispanic Unemployment Rate in 8 Years.** The unemployment rate for Hispanics has dropped from 11.3 percent in January 1993 to 7.2 percent today -- that's the lowest it's been since 1989. The Hispanic unemployment rate is still nearly 50 percent higher than the overall unemployment rate.
- **Income DOWN for Hispanic Families.** The median family income for Hispanics fell from \$25,007 in 1994 to \$24,570 in 1995. This fall follows a slight increase in median Hispanic family income between 1993 and 1994 (from \$24,947 to \$25,007).
- **Poverty Down for Hispanics.** In 1995, the Hispanic poverty rate fell slightly from 30.7 percent to 30.3 percent. NOTE: In 1994, the Hispanic poverty rate increased from 30.6 to 30.7 percent.

PROGRAMS:

- **Minimum-Wage Increase.** The minimum wage increase directly benefited nearly 10 million workers. For someone working full-time at the old minimum wage of \$4.25, the 90-cent an hour increase means an additional \$1,800 per year. The increase directly benefitted 1.3 million African-American workers.
- **Increased Earned Income Tax Credit.** The expanded Earned Income Tax Credit provided tax relief for 15 million working families -- the average family with two kids who received the EITC got a tax cut of \$1,026. *In 1995, the EITC lifted over 810,000 African Americans, including almost 450,000 African American children, out of poverty.*
- **AmeriCorps College Support.** The AmeriCorps program has enabled 70,000 volunteers to earn money for college by serving their communities and their country, with African Americans comprising *one-third of all participants.*
- **Increased WIC Nearly \$1 Billion.** President Clinton increased funding for WIC -- which provides nutrition packages, nutrition education and health referrals to low-income pregnant women, infants, and children -- by nearly \$1 billion or 34% to \$3.83 billion in FY97. The program's participation has expanded by 1.7 million since 1993, from 5.7 to 7.4 million women, infants, and children.
- **Expanded Head Start -- \$1 Billion Higher Each Year.** President Clinton has increased funding for Head Start by 43%, from \$2.8 billion in FY93 to \$4.0 billion in FY97. He also created the Early Head Start program in 1994 to support zero-3 year olds and their families. And the Balanced Budget agreement increases funding so that 1 million kids will be enrolled in 2002.
- **Doubled Dislocated Worker Funding.** The funding for dislocated workers has been doubled, from \$651 million in FY93 to \$1,286 million in FY97. This year, the dislocated worker program will assist 580,000 workers, up about 300,000 since President Clinton took office.

- **Largest Pell Grant Increase in Two Decades.** The Balanced Budget agreement boosts the maximum 1998 Pell grant from \$2,700 to \$3,000, and expands the program to more poor independent students -- that's the largest increase in two decades.
- **Fought for Child Tax Credit That Benefitted Low-Wage Workers.** When congressional Republicans tried to deny the child tax credit to as many as 7.5 million* children from families with incomes below \$30,000, President Clinton fought to ensure that they benefitted. *Comparison to House passed bill; vs. Senate bill: 5.9 million.

EXAMPLES OF HOW HYPOTHETICAL LOW-INCOME FAMILIES ARE BETTER OFF SINCE 1993:

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- **Mother With Two Kids -- \$3,094 Better Off.** A mother with two kids earning the minimum wage. This family would have benefitted from both the increased minimum wage and the expanded Earned Income Tax Credit. The increased minimum wage the President fought for will raise the mother's earnings by \$1,800 per year, while the expanded EITC provides a \$1,294 larger tax credit than the family would have received under previous law. Thus, this family is \$3,094 better off today than they would have been without President Clinton's economic strategy.
 - **Rookie Police Officer With Two Kids -- \$3,119 Better Off.** A family of four with two children; the father is a rookie police officer making \$23,000, and the mother has chosen to stay at home. Both congressional bills would have denied this family, and millions of others, the child tax credit. Under tax bill signed into law, this family will receive a child tax credit of \$675. Income for families such as this one have experienced a \$1,286 increase in their family income, adjusted for inflation, since 1993. In 1992, this family would have not qualified for the Earned Income Tax Credit. In 1996 -- as a result of the expansion signed into law by President Clinton -- this family received an EITC of \$1,158. In total, therefore, this hypothetical family is approximately \$3,119 better off now than when President Clinton took office.

cc: Sylvia Mathews
Michael Waldman
Terry Edmonds