Clinton to Seek Boost in Funds For Education

By CHRISTOPHER GEORGES
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WASHINGTON – President Clinton will propose a major education initiative to recruit and train tens of thousands of teachers across the nation in an effort to reduce class sizes.

The program, which would cost $7.3 billion over five years, is part of Mr. Clinton's overall plan to boost federal education funding by more than $15 billion over the next five years. The president's sweeping education plan, which also includes $5 billion in new funds for school construction, is outlined in White House budget documents. The plan will be formally unveiled in February with the rest of the administration's fiscal 1999 budget.

Mr. Clinton's plan, which also includes large increases in spending for children in poor and urban areas, sets the stage for a number of election-year conflicts with Republicans over education issues, in particular national testing and federal funding increases for school construction and charter schools.

Still, congressional GOP education leaders said they would likely support a number of items in the nearly 20-point Clinton education plan. A senior GOP congressional aide praised some of the president's proposals, but said a key concern would be whether the programs could be paid for while keeping the budget in balance.

Administration officials declined to detail exactly how the new spending would be offset, except to say that the president's budget wouldn't violate the balanced-budget agreement or rely on projections of future budget surpluses. Instead, the new spending, in education as well as in other areas of the president's budget, is expected to be paid for by proposed revenue raisers such as user fees and billions of dollars in new funds from an anticipated tobacco settlement.

Mr. Clinton's plan continues his long-standing tendency to push education and training programs to the top of his domestic agenda. But the funding boosts also take on added political significance this year. House Democrats have argued strongly in meetings with administration officials for such programs in hopes of enhancing their chances to unseat Republicans in the coming election.

Polls show that spending increases for school construction and hiring more teachers – which mean smaller class sizes – are strongly supported by voters. Campaigning Democrats aim to use their support for such initiatives to put Republicans on the defensive.

Mr. Clinton's plan also requests nearly

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$200 million in new funds to aid Hispanics, a growing voting bloc for whose support Democrats and Republicans are vying. The budget plan, for example, highlights spending boosts for bilingual education, education aid for migrant children and colleges that serve Hispanic students.

While Republicans are likely to support some of these and other proposals in the overall education plan, they traditionally have argued that school-funding issues are best left to states and localities.

Charter Schools

Still, Mr. Clinton's plan takes steps to head off the growing dispute between the parties over school vouchers by proposing to fund start-up costs for more than 1,300 charter schools – schools that are set up by local communities and are free from most school-board regulations. Currently, there are more than 700 charter schools in the U.S. Republicans, while generally not opposed to charter schools, have typically pushed instead for school-voucher programs that help parents pay for private school.

Among the most costly proposals is the $7.3 billion teacher recruitment and training program. The aim is to help reduce class sizes, especially in poor and inner-city areas, to 15 to 18 students. Along those lines, Mr. Clinton seeks to spend $1.5 billion over five years to create "educational opportunity zones." Fifty poor, low-achieving districts would receive funds to institute reforms to help boost grades and test scores and finance programs allowing parents to choose which public schools their children attend.

One innovative proposal, labeled "College-School Partnerships," would allocate $2.5 billion over five years to match college students and educators with more than 1.6 million high-school and grade-school children. The mentoring program, aimed at 3,300 high-poverty-area schools, would inform the younger students about the advantages of a college education and ways to get financial aid.

More Spending for Computers

The plan also proposes more spending to introduce computers into classrooms and train teachers in new technology. It also seeks more funds for the "Safe and Drug-Free Schools" program and for students with disabilities. Mr. Clinton also proposes to raise the maximum Pell Grant award to $3,100 from $3,000.

Meanwhile, Vice President Al Gore announced a plan yesterday to train more workers for high-tech jobs. The Departments of Labor and Education will disburse as much as $6 million in grants for industry groups that expand their school-to-work programs. In addition, the Labor Department will spend $3 million more on projects designed to train dislocated workers for technology jobs.

The administration move comes amid the release of a study estimating that 346,000 computer-programmer and systems-analyst jobs are vacant at U.S. companies with more than 100 employees. "It is critical that American workers are prepared to take advantage of these new high-skill, high-wage jobs," Mr. Gore said in a statement.

Separately, White House spokesman Mike McCurry said President Clinton may ask Congress to approve another increase in the minimum wage. "It's being looked at," Mr. McCurry told reporters yesterday. "I don't think there's been any decision at all one way or the other."

Two years ago, President Clinton and Congress agreed to a minimum-wage increase of 90 cents to $5.15 an hour, which fully took effect last September. Later this month, Sen. Edward Kennedy (D., Mass.) is expected to introduce legislation to boost the minimum wage by an additional $1.50 in the next three years.

Improving Education

President Clinton's major education proposals for 1999

- ***$7.3 billion over five years*** to recruit and train elementary and secondary school teachers
- ***$5 billion over five years*** for school construction
- ***$2.5 billion over five years*** to help colleges promote the importance of education to primary and secondary students to stay in school
- ***$1.5 billion over five years*** to assist schools in poor areas
- ***$200 million in 1999*** for programs to assist Hispanic students
- ***$20 million in 1999*** to help set up more than 1,300 charter schools

Census Director Resigns After Three-Year Tenure

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON – Census Director Martha Farnsworth Riche, who has battled Republican lawmakers over how to count the population in the 2000 census, is resigning, effective Jan. 30.

During Ms. Riche's three-year tenure, she has had to wage battles in Congress for a relatively apolitical agency. The biggest one: trying to convince Republican members that a practice called statistical sampling would be a better way to count people than trying to count every head. Republicans fear that sampling, a way to calculate the number of people who can't be found based on the people who can, would result in more people counted in largely Democratic urban areas.

The two sides reached a compromise last fall, allowing sampling to be used in test censuses, but leaving a final decision on the national head count until later. Now, Ms. Riche said, is the right time for her to leave and let the Clinton administration pick a new person to handle the day-to-day business of preparing and running the 2000 count.

Ms. Riche, a former private-sector demographer, said she is considering writing a book on the history of the census, including all the debates over ways to count people.

Deputy Census Director Brad Huther will run the bureau until Ms. Riche's successor is named.

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File:
Education

POLITICS & POLICY

Asian Woes Cause Headaches for U.S. Foreign Policy

By ROBERT S. GREENBERGER
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Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON – The tremors rattling Asia's financial markets already are shaking up American foreign policy.

Take South Korea. In 1994, the U.S. brokered a deal under which a thriving South Korea would pay most of the $5 billion tab to build modern nuclear-power plants in North Korea. The deal was central to a plan designed to halt North Korea's nuclear-weapons program and promote peace on the peninsula. But now, mounting unemployment and business failures raise concerns about Seoul's ability to follow through.

And that's not all. Policy makers worry that tensions created by the wave of currency devaluations could erode security cooperation that the U.S. has so carefully nurtured around Asia. Economic problems already are forcing cutbacks in military spending, and in a speech last week, former Secretary of State Henry Kissinger warned that the U.S.-backed austerity being imposed by international financial institutions could trigger a wave of anti-Americanism.

The administration also worries about actions that Congress may take to undercut the administration. Lawmakers return from a lengthy recess on Jan. 26.

Recognizing the diplomatic dimension of the financial crisis, the State Department added Stanley Roth, its senior Asia hand, to Deputy Treasury Secretary Larry Summers' emergency mission to the Far East this week. Later, he will join Defense Secretary William Cohen for the remainder of his 12-day Asian tour, which also began this past weekend.

Although foreign-policy officials – including Secretary of State Madeleine Albright – remain deeply involved in all administration strategy sessions, there is some frustration among them. That's because foreign-policy specialists say they're caught in a bind. As diplomats, they would like policies that would let them maintain cordial relations with Asian leaders. But they know that soft approaches that don't produce economic results wouldn't serve any useful purpose now.

'Always in a Catch-Up Mode'

In short, today's interconnected economic problems are making it more difficult to conduct normal foreign policy. "One thing that we do know is that financial markets move with dazzling speed, and governments inevitably move slower – so we're always in a catch-up mode," says Michael Armacost, president of the Brookings Institution and a former undersecretary of state and ambassador to Japan.

Right now, much energy is focused on the mounting problems in Indonesia, a nation that for decades has been a key to stability in Southeast Asia. But the financial crunch is putting Jakarta's own stability at risk; many Indonesians who didn't fare well during recent decades of relative prosperity could well decide to blame others for what they perceive as economic unfairness. The leading candidates come from the highly successful and visible Chinese minority. Anti-Chinese riots, which have occurred before, would raise tensions across the region and perhaps prompt an angry reaction from Beijing itself.

The Ides of March

Some key events that will affect Asian stability for better or worse

■ **INDONESIA**

March 1 to 11: 500-member parliament, bolstered by 500 presidential appointees, selects new president; whether Suharto will seek a seventh five-year term remains unclear.

March 15: IMF must decide whether to release a second $3 billion aid installment.

■ **WASHINGTON**

Expected in March: U.S. Congress to vote on fiscal 1998 supplemental budget, including a controversial request for about $18 billion for the IMF.

■ **SOUTH KOREA**

Expected in March: Revision of labor law governing worker layoffs; reports by Korean industrial conglomerates should reveal their true foreign debts.

"It could get pretty violent," warns Robert Manning, a former State Department official now at the Council on Foreign Relations. "It could lead to a lot of anti-American resentment" if the U.S. is considered the enforcer of austerity.

The 13,000-island nation of Indonesia is important to the U.S. With 202 million people, it's the world's fourth-most-populous nation and the dominant country in Southeast Asia, a counterweight to China's influence. As an oil exporter, it helps set world petroleum prices and has become an important global trader. The Clinton administration counts Indonesia among the 10 leading developing nations that it expects will offer the U.S. important economic opportunities in coming years.

For the U.S., there are also military implications to Asia's financial debacle. Thailand recently said it wants to delay buying eight Boeing Co. F-18 fighter jets. And last Friday, Indonesia said it will delay purchasing 12 Russian Sukhoi Su-30 fighters, part of a $500 million acquisition announced last August. Such cutbacks could dampen an unwanted Asian arms race, but they are worrisome to the U.S. because a lack of modern equipment – especially communications gear – degrades the ability of Asians to train and operate alongside the U.S. military. Such joint exercises help create closer political ties to Asian leaders.

Uncertainty About Congress

During his current 12-day trip across Asia, Mr. Cohen will discuss revising arms-acquisition plans in several nations. But his trip also has a broader purpose in these days of great worry. "It is to convey and reinforce to the peoples of the region that the United States is a friend and a solid ally in good times and in bad," he said over the weekend in Malaysia.

At the same time, the administration needs its own friends and allies on Capitol Hill, where there are competing views about how to handle the Asian crisis. An odd coalition of conservatives and liberals are calling for a close look at the International Monetary Fund's bailout plans for East Asia, including the U.S. role. Sen. Alfonse D'Amato, the New York Republican who heads the Senate Banking Committee, said his panel would investigate the issue when Congress reconvenes. A key test looms in March when Congress will consider a supplemental spending bill that is expected to include about $18 billion for the IMF.

Congressional actions also could produce some mixed outcomes troubling to both Indonesia and the U.S. For example, asks Mr. Manning of the Council on Foreign Relations, what if the Indonesian government does exactly what the IMF tells it to do – but uses troops to enforce a harsh law and order? That could undercut congressional support for financial aid to that Asian nation, already widely criticized here for human-rights abuses.

Further, the Asian financial crisis could bring new congressional criticism of Japan. U.S.-Japan relations have been relatively tranquil in the past year, as the trade surplus with the U.S. narrowed and lawmakers focused more attention on China as the region's primary villain. But Japanese efforts to export their way out of a protracted economic slowdown, plus continued resistance to opening their markets, "could reawaken frustration in the Congress," says Mr. Armacost, the former ambassador to Tokyo.

Some U.S. lawmakers also are less than enthusiastic about the U.S.-brokered nuclear deal on the Korean peninsula. The White House had agreed to pay an estimated $50 million yearly to supply North Korea with heavy heating oil until the new reactors are on line. The cost has proved to be nearer $65 million, and congressmen don't want to vote the difference.

That's a bad signal to send South Korea, especially when it could face rising domestic opposition to spending large sums in the north. Departing President President Kim Young Sam gave President Clinton a written assurance that he would support the project, and President-elect Kim Dae Jung has generally agreed to honor that pledge. But as austerity straps Seoul's economy, "the South Korean people will be less inclined to extend money to North Korea," predicts James Lilley, a former U.S. ambassador to Seoul.

If Congress balks at multibillions for the IMF and the relatively small multimillions for fuel oil, the consequences could be striking. Ever since the Vietnam era, notes retired U.S. Navy Adm. Richard Macke, Asian nations have been wary of any U.S. move or signal that could be interpreted as disengagement. "No matter how often you tell them, the question always remains: Are we still there for the long term to help with the security and stability of Asia?" he says.

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