PODESTA
CHRON
FILES

THE WHITE HOUSE

WASHINGTON

March 10, 1993

MR. PRESIDENT:

We are sending up memos from Treasury regarding (i) the debt limit, and (ii) RTC funding. We are not forwarding the memos at this time for decision, since we have not yet received comment back from relevant senior staff. However, since there are differing views on how to handle these issues, and since they might come up at your 6 pm economic meeting, we wanted you to have a chance to look at them this afternoon.

John Podesta

THE SECRETARY OF THE TREASURY
WASHINGTON

93 MAR 10 P3:03

MEMORANDUM FOR THE PRESIDENT

LMB

FROM: Lloyd Bentsen

SUBJECT: The Debt Limit

ACTION-FORCING EVENT:

Congressional action to increase the statutory limit on the public debt will be needed soon to prevent disruption in Treasury financing. Our best estimate at present is that the Treasury will run out of cash and room under the current $4,145.0 billion debt limit on April 7 as social security recipients and others attempt to cash their checks. But there are always uncertainties about such projections, and the cash outlook has been improving in recent days, potentially giving us somewhat more leeway under the current debt limit.

We have received mixed signals from the Congressional leadership regarding a debt limit request: Some suggest that we request a lengthy extension of the debt limit, while others indicate that they would be receptive to an extension only through the end of September 1993. In any case, it is expected that the legislative process will be very difficult and that it may go right down to the wire, possibly delaying the start of a Congressional recess scheduled for April 2.

Another possibility is that the current improvement in the cash outlook, if sustained, will allow Congress to feel that it can recess without enacting a new debt limit. We nevertheless would recommend proceeding apace with a debt limit request.

OPTIONS:

Option 1. Request a temporary increase in the debt limit to $4,370 billion through September 30, 1993, with the intention of obtaining a permanent long-term extension when Congress enacts the budget reconciliation bill.

Option 2. Request a permanent extension of the debt limit adequate to get us into the spring of 1995, that is, well past the mid-term elections in 1994.

RECOMMENDATION:

We recommend that you approve Option 1.

Approve Option 1 ______; Approve Option 2 ______;

Let's Discuss ______

BACKGROUND/ANALYSIS:

Past Practice

The current debt ceiling of $4,145.0 billion was put in place in November 1990 as part of the Omnibus Budget Reconciliation Act. It was quite explicitly intended to last well through the 1992 elections and is the longest lasting debt limit we have had since 1946.

Its length was agreed upon as part of the negotiations on the Budget Enforcement Act, which was part of OBRA. There were six temporary debt limits in the 3 months leading up to adoption of the legislation. The series of very short-term extensions caused great uncertainty in the financial markets, prompted a number of auctions to be postponed at the last minute, and undoubtedly raised the cost of Government financing during that period.

The debt limit, as must-pass legislation, tends to attract a range of amendments; for example, the original Gramm-Rudman-Hollings Act used the debt limit as its vehicle. Currently, our objective is to get a debt limit extension that is as clean, and as long-lasting, as possible. The question is the best strategy for achieving that result.

Action on the debt limit is usually initiated by a letter from the Secretary of the Treasury to the heads of the relevant congressional committees requesting an increase in the debt limit. The House Ways and Means and Senate Finance Committees may then call for testimony from a Treasury witness on this topic.

In the House, the budget resolution creates a debt limit bill which is then deemed to have been passed by the House. For example, the upcoming budget resolution would create a debt limit increase bill compatible with spending through fiscal 1994. The Senate, however, does not have an analogous process, and so it acts on debt limit legislation outside of the budget resolution, which then opens the debt limit up to amendments.

Considerations this year

This year we may be asking for a debt limit increase before the budget resolution has passed, so a separate debt limit bill might have to be passed first by the House and then by the Senate. Of course, regardless of the size of the debt limit increase that we request, it may turn out that the best clean bill we will be able to get will be an extension through just June or July.

If the Congress does not act on the debt limit by the end of March, the consequences can range from inconvenient to dire, depending upon the length of the delay. The best-case scenario is that we get an increase in the debt limit before March 26, to allow us to adhere to our usual schedule for announcing the 52-week bill to be auctioned on April 1 for settlement on April 8. Worse-case scenarios can readily be envisioned, and we are currently compiling a list of potential contingencies to cope with possible significant delays in obtaining a debt limit increase.

Option 1

This option would involve requesting a temporary hike in the debt limit, adequate to take us through the end of the fiscal year. A short-term extension, such as this, may have several advantages. It is a more realistic request than a long-term extension, and it is more likely to pass cleanly and with a minimum of adverse attention.

The increase would be temporary and would revert back to $4,145.0 billion on October 1, 1993. A temporary increase is preferable to a permanent increase in this case, because the "drop-dead date" is unambiguous; no one can be accused of playing games with the estimate. If the temporary increase expired, outstanding securities would remain legal obligations of the Government, but we could not issue new securities. A temporary increase puts additional pressure on the Congress, because the expiration of the temporary ceiling would very quickly leave the Treasury unable to make any payments, including to honor social security checks.

A disadvantage of this six-month option is that Congress would have another shot at a debt limit bill later this year, with the potential for another crisis and another chance to acquire unwelcome amendments. The intention, however, would be to use the opportunity later this year to obtain a permanent extension that would be adequate to provide funding for the government into the spring of 1995 or later (that is, past the mid-term elections in 1994).

The Reagan Administration, facing an impending debt limit constraint within a month of taking office, chose this option. It requested, and got, a temporary debt limit increase to take the Government through the end of that fiscal year.

Option 2

The primary advantage of requesting a longer-term extension is that we might get it. The disadvantage of requesting a longer-term increase in the debt limit is that it may not be taken seriously. And, by putting forward this proposal, the Treasury may be seen as inflexible or out of touch with reality.

THE SECRETARY OF THE TREASURY
WASHINGTON

March 10, 1993

93 MAR 10 AM : 31

MEMORANDUM FOR THE PRESIDENT

FROM: Lloyd Bentsen

SUBJECT: Funding for the Resolution Trust Corporation (RTC) and the FDIC's Savings Association Insurance Fund (SAIF)

I. ACTION FORCING EVENT:

As Chairman of the Thrift Depositor Protection Oversight Board (Oversight Board), I am required to testify before the House and Senate Banking Committees on: (1) the progress RTC has made toward completing the savings and loan cleanup; and (2) the estimated cost to the government of meeting RTC's obligations. March 16 and 17 are the tentative dates for the testimony.

II. RECOMMENDATIONS:

That you authorize us to ask Congress to provide up to $45 billion more to be used by the RTC and the SAIF to cover savings and loan losses during the fiscal 1993 through 1998 period. OMB concurs with this recommendation. If you agree, I will present that request at the March 16 and 17 testimonies before the House and Senate Banking Committees and then confer with both the White House and the Congressional leaders about when to bring the request to the floor.

____________ Approve ____________ Discuss

III. BACKGROUND:

A. Why Now?:

- Providing timely funding will result in the most cost-efficient way of closing insolvent thrifts.

  Due to a lack of funding, the RTC currently has more than 80 insolvent thrifts in conservatorship. The deposits in these conservatorships are federally guaranteed, but RTC must be funded in order to close the institutions and pay off the depositors.

  For all practical purposes, federally insured deposits in RTC conservatorship institutions are federal government borrowings. However, insured deposits are significantly more expensive than Treasury borrowing. RTC estimates that if it does not get funding for another year, this higher borrowing cost, just for the over 80 conservatorships, would add to the taxpayers' cost by approximately $1 billion -- over $80 million per month.

- Requesting the funds now will confirm this Administration's commitment to fulfilling the government's obligation to depositors under the federal deposit insurance program.

- The funding vote will be a very hard vote for many members of Congress -- we should get it behind us while it is still seen as a Bush Administration problem.

B. Why $45 billion?:

- The baseline budget, which estimates that $32 billion will be needed to complete the cleanup, is still our best estimate and should not be changed.

- However, because this is such a difficult vote for members of Congress, the Administration, through the Oversight Board, should request more than the amount in the baseline budget to make sure that no additional funding requests will be needed.

- Treasury, RTC, OMB, and FDIC analyses indicate that, under pessimistic assumptions, approximately $45 billion would be needed.

- Past estimates have been understated and current projections depend on a variety of assumptions about economic conditions, real estate markets, and interest rates.

- The Congressional Budget Office (CBO) recently conservatively estimated that the savings and loan cleanup would need an additional $50 billion. However, CBO staff have indicated that $45 billion is within their range of likely costs because they have very little confidence in their loss estimates of $5 billion in each of fiscal years 1997 and 1998.

- A request of $45 billion, when added to the $87 billion already provided to the RTC, would bring the total cleanup costs to $132 billion.

C. Amount Requested for Losses Versus Budget Outlays:

- The chart on the next page clarifies how our baseline estimate of $32 billion in additional RTC losses differs from the $45 billion request. Under the pessimistic scenario, there could be $3 billion to $5 billion per year of additional net outlays during fiscal 1993 to 1995, but in 1997 outlays would be increased by only about $1 billion.

FY 1994 Budget: RTC/SAIF
Baseline Net Outlays vs. Pessimistic Scenario's Net Outlays

($ billions)	FY93	FY94	FY95	FY96	FY97	FY98	93-98
DIFFERENCE	+3	+5	+4	+1	+1	-1	+13

D. Reasons for Also Funding the SAIF at this Time:

- The cost of the SAIF's portion of the cleanup will be less if the SAIF has adequate funding when the FDIC becomes responsible for resolving newly insolvent savings associations -- on October 1, 1993, under current law. (The law provides that RTC will still have as long as December 31, 1996, to complete the sale of assets that it acquired through September 30, 1993.)

E. Potential Extension of Time RTC Accepts Insolvent Thrifts:

- Our estimates show that there could be significant thrift losses in fiscal 1994 that, under current law, the SAIF will have to resolve.
- One option would be to change current law and extend again the time RTC accepts insolvent thrifts. This would leave more resolutions with the RTC, which specializes in thrift asset dispositions.
- However, such a proposal would likely make the funding vote more difficult, since many members of Congress would view it as extending the life of the RTC, which they would like to see finished as soon as possible.
- Therefore, instead of proposing an extension, we would prefer to state in the testimony that the FDIC will be able to contract with the RTC to take advantage of the RTC's asset disposition expertise.

F. Legislative Issues:

- In 1992, the Senate passed (52 to 42) an RTC funding bill providing the RTC with $43 billion more to finish the cleanup. However, the House defeated (125 to 298) a bill providing the RTC with $18 billion more in funding.
- We have conferred with the leadership in Congress and they have agreed the funding vote should be soon.
- To demonstrate our determination to increase RTC's efficiency we will immediately implement administrative actions which include: (1) a new CEO for the RTC, (2) strengthened internal controls; (3) improved contractor oversight, and (4) better audit follow-up procedures.

[redacted]

THE WHITE HOUSE
WASHINGTON

March 10, 1993

MR. PRESIDENT:

I've asked Sandy for a reaction and a response, but I wanted you to see. [redacted]

John Podesta

[redacted]

John Sculley
Chairman
and CEO

March 8, 1993

Dear Mr. President:

I would like to give you a business perspective for your upcoming summit meeting with President Yeltsin.

My experience with the Soviet Union goes back to 1987 when President Gorbachev selected Armand Hammer, Bob MacNamara and me along with a few others to serve on the International Foundation for the Survival and Development of Mankind. Our Russian counterparts included Andre Sakarov (Nobel physicist), Raul Sagdeyev (head of the Soviet Space Agency) and Yevgeni Velikov (scientist in charge of the Chernobol clean-up). Pepsi-Cola(my career before Apple) was the first American consumer product ever to be sold in the then Soviet Union and my former boss, PepsiCo Chairman, Don Kendall is the most knowledgeable CEO in America about economic development in Russia having been directly involved with Pepsi's success there for over three decades.

Presidents Reagan and Bush only saw Russia through a political lens, not an economic one. Chancellor Kohl, on the other hand,had a different view and wisely took a large contingent of German business leaders and government leaders with him when he visited Gorbachev. The resulting meetings later formed the beginning of German/Soviet business cooperative agreements that are surviving to this day.

The best way you can help Yeltsin and the Russian economy is by getting American business leaders involved with major projects there particularly oil and gas commercialization in Siberia. Russia's lost oil productivity between 1988 and the end of 1993 will be the equivalent to about 8 percent of the world oil supply (Cambridge Energy Associates). The countries of the old Soviet Union could potentially produce 20 million barrels a day about equal to OPEC's current out put (Petroleum Intelligence Weekly).

Problem is the environment for US business investment in Russia is completely unstable at this time. Their regulatory, tax system and management is in chaos.

1) You should personally call on the US oil and gas industry CEO's to go to Russia. Then announce that you and Yeltsin have agreed that you will send a delegation of business executives to help streamline Russian oil and gas commercialization. There also needs to be a coordinated effort to get EXIM bank and OPEC credit. This can be potentially more important to Russia than actual US foreign aid.

2) You should create an organized program to bring Russian managers to the US for management training apprenticeships in American industry. Unlike the Chinese, Russian executives have no institutional memory of a free enterprise system.

I would suggest Don Kendall, retired CEO of PepsiCo, as someone who has all the necessary contacts in the US business community and Russia to put these efforts together if you have interest in pursuing them.

BEST REGARDS,

John

Apple Computer, Inc.
20525 Mariani Avenue
Cupertino, California 95014
408 974-2228
Fax: 408 862-5194

THE WHITE HOUSE

WASHINGTON

March 11, 1993

MR. PRESIDENT:

This is a letter to the Majority Leader affirming your support for Motor Voter, without weakening amendments.

Howard Paster needs you to sign this right away because Motor Voter is coming to the floor today.

TS

Todd Stern

THE WHITE HOUSE

WASHINGTON

March 11, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: HOWARD PASTER

SUBJECT: Letter to Majority Leader Mitchell

Attached is a letter for your signature to Majority Leader Mitchell which reiterates your support for the Motor Voter bill.

THE WHITE HOUSE

WASHINGTON

March 11, 1993

Dear Mr. Leader:

As the Senate continues to debate S. 460, the National Voter Registration Act of 1993, I want to reiterate my strong support for swift passage of this legislation. It is important that this measure be passed without unrelated or weakening amendments and without amendments which are contrary to the intent of the underlying bill.

I said in my address to the Joint Session of Congress in February that I am asking Congress to increase and improve access to the voting process for all eligible voters. Enactment of S. 460 will help us reach this goal.

Sincerely,

The Honorable George J. Mitchell
Majority Leader
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

DATE: 3/10

NOTE FOR: Bob Rubin, Rattner

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

Information ☑
Action ☐

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

17775

03/03/93 3:03 PM
RN9307729 PAGE 1

Assembly Joint Resolution No. 15

Relative to March Air Force Base.

March stuff

Fyi B

THE PRESIDENT HAS SEEN
3.10.93

WHEREAS, March Air Force Base has a long and distinguished record of military service which is well documented in the annals of United States Air Force history; and

WHEREAS, March Air Force Base, originally called Alessandro Aviation Field, opened on March 1, 1918. It was then renamed March Field in honor of Lieutenant Peyton C. March, who died in an aircraft accident the previous month; and

WHEREAS, Used initially during World War I to train pilots, March Air Force Base has served as a primary flying and antiaircraft training school, tactical bomber and pursuit training base, and aircraft test base, as well as a key installation of the former Strategic Air Command. Many aviation pioneers either served or trained at March Air Force Base, including General Jimmy Doolittle, General Henry "Hap" Arnold, General Carl "Tooey" Spaatz, and General Curtis Lemay; and

WHEREAS, In 1931, March Field then included the Headquarters, 1st Wing, 17th Pursuit Group, and the 19th Bombardment Group. The 9th and 31st Bomb Squadrons were also reactivated and assigned to March Field in July of that year; and

WHEREAS, In 1938, March Field became the central base for west coast bombing and gunnery training and, in 1940, the National Guards from California and Illinois were assigned to March Field to train in antiaircraft protection; and

WHEREAS, In 1941, tests were conducted at March Field that proved that jet-assisted takeoffs were feasible. In 1942, liquid rockets were successfully used to assist A-20's on takeoff, paving the way for the jet age; and

WHEREAS, As the United States entered World War II in 1941, March Field provided training for many soon-to-be-famous air and bombardment crews. During the height of the war, the base supported almost 75,000 troops; and

WHEREAS, Following the war, March Field retained its role as an operational fighter base until the Strategic Air Command took over control in 1949. The 22nd Bombardment Wing was assigned to March Air Force Base as the senior host tactical unit and, at that same time, the 15th Air Force, which is Air Force Headquarters for the Western United States, was transferred from Colorado Springs, Colorado, to March Air Force Base; and

WHEREAS, From 1949 through 1953, March Air Force Base's B-29 Superfortresses saw action in the Korean War. During a brief four-month period, they contributed to the elimination of all strategic enemy targets; and

WHEREAS, In 1963, March Air Force Base began a new era as eight global-range B-52 Stratofortresses arrived for duty. The base received its first KC-135 Stratotanker in support of its refueling missions to begin the following month. The B-52s also served in the Strategic Alert operation which represented the Untied States' primary defense against potential Cold War attacks; and

WHEREAS, In the Vietnam War, the 22nd Bombardment Wing flew hundreds of missions over Southeast Asia, including the famous Young Tiger, Rolling Thunder, Arc Light, and Linebacker II operations. Throughout the years of the conflict, March Air Force Base also served as a logistical springboard for the supplies and equipment en route to the Pacific. As the war drew to a close, the base operated as one of the many reception centers for returning prisoners of war; and

WHEREAS, In early 1976, March Air Force Base turned over a large area in western March Air Force Base to the Veterans Administration to be used as a Veterans Administration National Cemetery. The site, Riverside National Cemetery, officially opened on November 11, 1978. Also in 1976, the first Air Force Reserve unit to become part of the Strategic Air Command's tanker force, the 452nd Air Refueling Wing, was transferred to March Air

Force Base; and

WHEREAS, In 1982, as the B-52s were retired, the 22nd Air Refueling Wing embarked on yet another era with the delivery of the wide-bodied KC-10A Extender. The 22nd Air Refueling Wing, which conducts worldwide aerial refueling and airlift missions, represents the only such unit of the newly activated Air Mobility Command in the Western United States; and

WHEREAS, In 1989, March Air Force Base crews flew numerous critical missions in support of Operation Just Cause, the successful Panamanian operation that ousted General Manuel Noriega; and

WHEREAS, In 1990 through 1991, March Air Force Base performed a vital role in the Desert Shield and Desert Storm operations. The massive KC-10s importance became particularly apparent as it provided the "aerial bridge" necessary to deploy the thousands of troops and military equipment. The extensive training sorties involving the F117 Stealth fighter paid dividends as March Air Force Base crews transported the Stealth fighter for the first time on a major tactical air deployment. The KC-10 clearly played an invaluable role in the Gulf War victory; and

WHEREAS, In December of 1992, March Air Force Base became the primary western port of departure for marines headed to Somalia in support of Operation Restore Hope. KC-10s from March Air Force Base and other Air Mobility Command bases have flown over 200 missions departures, loaded and deployed more than 12.2 million pounds of cargo, deployed over 9,000 passengers, and delivered more than 4 million gallons of fuel to United States Air Force aircraft; and

WHEREAS, Thousands of retired military and civilian personnel reside within one hour of March Air Force Base, utilizing the hospital and facilities. Many of these retirees are active in civic and community groups that support March Air Force Base, including the Riverside and Moreno Valley Chambers of Commerce, the Silver Eagles, and the local Air Force Association chapter; and

WHEREAS, The March Field Museum is one of the largest Air Force museums in the nation with 53 different aircraft on display. Over 70,000 visitors pass through the museum each year, viewing the base's history and one of the largest collections of World War II memorabilia. The museum is currently in the process of expanding and expects double the number of tourists it receives each year; and

WHEREAS, Air Force Village West, a 153-acre retirement community for retired military officers, lies adjacent to March Air Force Base. The community provides our retired officers and their spouses with a skilled nursing facility, 24-hour security, and health care facilities; and

WHEREAS, March Air Force Base, the oldest Air Force base on the west coast and third oldest in the United States, spans over 7,000 acres and employs more than 6,000 military and civilian personnel and is a vital economic cornerstone in Riverside County providing some 13,000 jobs and over $1.5 billion in payroll and purchases each year. The base is strategically located in the southwest corner of the United States, poised to fly critical air refueling and air mobility missions in support of our nation's efforts throughout the Pacific and Latin America; and

WHEREAS, March Air Force Base is clearly one of the most vital national defense installations in the United States and is celebrating its 75th year of distinguished service in 1993; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the California State Legislature declares the month of March 1993 to be "March Air Force Base Month" and hereby appeals to President Clinton and the Defense Base Closure and Realignment Commission to retain March Air Force Base as a fully operational active duty military base; and be it further

THE WHITE HOUSE
WASHINGTON

DATE: 03/10/93

NOTE FOR: BOB RUBIN

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

Information XX

Action ☐

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

THE WHITE HOUSE
WASHINGTON

March 10, 1993

MR. PRESIDENT:

Bob Rubin wanted you to see this memo before your meeting with California state legislators this afternoon.

TDS
Todd Stern

THE PRESIDENT HAS SEEN 3/10

THE WHITE HOUSE

WASHINGTON

93 MAR 10 P12 : 22

March 10, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: SYLVIA MATHEWS AND DOROTHY ROBYN

SUBJECT: **Conversation with Senator Boxer on Defense Conversion**

This conversation may be something that you want to share with the California State Legislators this afternoon. This morning we spoke with Senator Boxer about defense conversion. We briefed her on the announcement we will make tomorrow. Boxer's conversion concerns include:

- Spending the defense conversion money previously appropriated by Congress
- Disproportionate effects of base closings on California
- Acceleration of environmental clean-ups on bases to create jobs.

Her first concern is met by our announcement tomorrow. We are analyzing the second, and the third will be included as an idea to examine as part of our interagency process.

Senator Boxer was pleased with the conversation and felt this would be the first of many.

Good idea

THE WHITE HOUSE
WASHINGTON

DATE: 03/10/93

NOTE FOR: HOWARD PASTER

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

Information ☑

Action ☐

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

THE PRESIDENT HAS SEEN 3/10

Memorandum for The President
From: Howard Paster
Subject: Senator Lieberman
Date: March 10, 1993

It is necessary for you to call Senator Lieberman as soon as possible so that he may tell the Connecticut press that he has spoken to you about the base closure problem. There are rumors in the media that you are going to issue orders to modify the list, and Joe is concerned that IF you do modify the list and Connecticut does not get relief that he will be hurt terribly. He has been a great team player, and is in real difficulty since Connecticut is hurt worse than California as measured by various yardsticks. Joe recognizes the chances are that you will not be able to help, but he has a real political need to make his appeal.

Please call him as soon as possible.

Thank you.

Phone: 224-9151

Groton sub base

Quartering

↳ DOD study shows Conn loses greater % of jobs over next 5 yrs

THE WHITE HOUSE
WASHINGTON

DATE: 3/10

NOTE FOR: Bob Rubin

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

Information ☑

Action ☐

If you haven't figured it out yet, I've done a little of everything in my career, including international piracy of intellectual property. When I was with Leahy, I commissioned the first major assessment by Government.

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

I know the issue & the community very well. Eric Smith & I have worked together a lot. Let me know if I can be helpful. John

cc:

Bob Rubin fyi — B

THE PRESIDENT HAS SEEN
3-10-93

COVER STORY

U.S. loses ground in crackdown

Pleas for enforcement fall on deaf ears

▶ Secure CDs, 1D

By James Cox
USA TODAY

As police burst through the doors one night in October, Berlin authorities cut power to 13 buildings.

Inside, investigators seized 25 computers and six gigabytes of bootleg software — the electronic equivalent of 2 million typewritten pages. The loot included illegal copies of nearly all the world's 250 most widely used computer programs.

Some of the disks contained computer viruses. Others were early beta versions of software not yet on the market. All of it was available to computer buffs dialing and downloading from Fortress of Files and 12 other computer bulletin boards shut down by police.

The Berlin raid and others like it around the world are increasingly common as U.S. software firms, movie studios, book publishers and record companies push foreign governments to move against piracy, which cost the four industries an estimated $18 billion last year. Despite hard-won victories in Singapore, Indonesia and other countries, the U.S. copyright industries are losing more each year.

"If we could make the problem go away overnight, our revenues would double," says David Curtis, a lawyer for Microsoft, maker of MS-DOS, Windows and other software.

The demand for bootleg goods is rising, particularly in developing nations where the number of computers, VCRs and tape decks is fast multiplying. Foreign consumers are hungry for U.S. movies and music. Governments, businesses and schools want computer programs and technical in-

Please see COVER STORY next page ▶

Continued from 1B

formation produced by U.S. software firms and book publishers.

Pirates often are the cheapest source of this intellectual property. Their overhead does not include payments to artists and authors, expenses for research and development or fees for licensing, importing or copyrights. Most pirate manufacturers use cheap labor and cut corners on quality.

"Thieves are making millions and millions of dollars a day off us," says Eric Smith, executive director of the International Intellectual Property Alliance, a coalition of record companies, publishers, software makers and Hollywood studios.

The IIPA is naming names in a stinging report filed with U.S. Trade Representative Mickey Kantor. Singled out are 28 nations where pirates flourish. In those countries, IIPA members put their 1992 losses at $4.6 billion. Worldwide, losses are estimated at $17.5 billion. Smith says the alliance wants "massive retaliation" in the form of trade sanctions against two nations it says are paradise for pirates — Thailand and Taiwan.

Frank Wells, president of Disney, and Jack Valenti, head of the Motion Picture Association of America, also have met with Kantor. They want sanctions against Italy, where Hollywood figures it lost $224 million to piracy last year. The Italian government "doesn't care about ripoffs of *Snow White*," says Smith. "They have a criminal enforcement system in total disarray."

Stopping piracy can be dangerous.

> **"Thieves are making millions and millions of dollars a day off us."**
>
> **— Eric Smith, International Intellectual Property Alliance**

Investigators often get death threats from gangsters who make their living as copyright pirates. A Taiwan music-industry official was wounded in a knife attack in 1991.

More often, however, the battle is tedious. The IIPA has harangued officials in South Korea, Italy and the Philippines for years, demanding that they pass tough copyright-protection laws. All three have made promises, then reneged or failed to enforce the laws.

Italy grants amnesty to movie pirates or gives them suspended sentences. In the Philippines, it is legal to reproduce any foreign book not sold there for less than $2.80.

South Korea refuses to revoke business licenses of companies known to be pirates. "It is unbelievably frustrating and unprecedented to have a government so completely implicated in piracy," says Neil Turkewitz of the Recording Industry Association of America.

Frustrating maybe, but not unprecedented. The Thai government knows of four pirate audio-tape plants and one illegal CD-stamping plant but refuses to raid them at night, IIPA says. So the plants crank out Thai-music recordings during the day and do their piracy after dark. Trucks loaded with illegal recordings leave before sunrise each day.

The Chinese government is one of the world's leading pirates, supervising the duplication of foreign software and books for internal consumption and the manufacture of CDs for export. Russia is so chaotic and rife with piracy that Hollywood studios refuse to distribute films there.

But even in Germany, which has strict laws and good enforcement, theft continues. Until recently, a quirky German law kept U.S. software makers from pursuing pirates there. The law so narrowly defined what could be protected that software firms feared a prosecution might prompt a German court to place their programs in the public domain.

Audio tapes, movies and books are easily pirated. Books are photocopied or, if time and equipment are available and color is needed, printed from offset plates. In countries such as Egypt and Turkey, most graduate-level scientific and medical texts are bootlegs. In China, there are more than 500,000 illicit copies of *Iacocca* in English and Chinese.

Hundreds of pirate tapes of a 40-minute album can be made in about a minute with a high-speed duplicator. On the street in Bangkok, a copy of Whitney Houston's soundtrack to *The Bodyguard* costs about $1. Movies are copied onto videotape in much the same way as audio tapes.

The music industry is worried now about the growing number of pirate-CD plants.

"The quality of a bootleg tape is not as good as a legitimate tape," says Smith. "But with a bootleg CD, there's no degeneration in quality."

There are several ways to steal software. Pirates in Asian countries manufacture counterfeit versions of Windows and other programs. Computer salesmen the world over load new PCs with illegally copied programs as inducements to buyers. Computer bulletin boards like the Fortress of Files in Berlin offer hundreds of programs to callers.

Among the biggest software pirates are respected businesses such as Germany's Hoechst and Italy's Montedison, both of which have been raided and agreed to pay settlements to software makers. Companies "will have 100 PCs and five copies of a particular program. They just keep loading the program into more machines until they have all they need," says Robert Holleyman, president of the Business Software Alliance, a group of eight software companies. That kind of piracy, called end-user piracy, is common in the USA, too.

The IIPA argues that companies making copyrighted products are vital to the U.S. economy. As a group, the four copyright industries have been growing at more than twice the rate of the overall U.S. economy and creating jobs almost three times faster. Individually, each leads the world in market share.

But the USA, fearful of looking like a bully, has been reluctant to move against countries providing haven for pirates.

The IIPA's Smith spends much of his time trying to convince the worst violators that they can't attract high-tech western investment as long as they tolerate piracy.

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THE WHITE HOUSE

WASHINGTON

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March 10, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: HOWARD PASTER

SUBJECT: Letters to Members of Congress

Attached is a letter for your signature which thanks Chairman Natcher (D-KY) for his support during the House Appropriations Committee markup of the economic stimulus package.

THE WHITE HOUSE

WASHINGTON

March 10, 1993

Dear Mr. Chairman:

I wanted to personally thank you again for your support during the markup of my stimulus package before your committee yesterday.

When history writes the story of our efforts to reorder the budgetary priorities of our country, you can be assured a place of prominence and leadership.

Thank you again for all your help.

Sincerely,

The Honorable William H. Natcher
Chairman
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Bob Rubin Fyi — B

THE PRESIDENT HAS SEEN
3-10-93

COVER STORY

U.S. loses ground in crackdown

Pleas for enforcement fall on deaf ears

▶ Secure CDs, 1D

By James Cox
USA TODAY

As police burst through the doors one night in October, Berlin authorities cut power to 13 buildings.

Inside, investigators seized 25 computers and six gigabytes of bootleg software — the electronic equivalent of 2 million typewritten pages. The loot included illegal copies of nearly all the world's 250 most widely used computer programs.

Some of the disks contained computer viruses. Others were early beta versions of software not yet on the market. All of it was available to computer buffs dialing and downloading from Fortress of Files and 12 other computer bulletin boards shut down by police.

The Berlin raid and others like it around the world are increasingly common as U.S. software firms, movie studios, book publishers and record companies push foreign governments to move against piracy, which cost the four industries an estimated $18 billion last year. Despite hard-won victories in Singapore, Indonesia and other countries, the U.S. copyright industries are losing more each year.

"If we could make the problem go away overnight, our revenues would double," says David Curtis, a lawyer for Microsoft, maker of MS-DOS, Windows and other software.

The demand for bootleg goods is rising, particularly in developing nations where the number of computers, VCRs and tape decks is fast multiplying. Foreign consumers are hungry for U.S. movies and music. Governments, businesses and schools want computer programs and technical in-

Please see COVER STORY next page ▶

Continued from 1B

formation produced by U.S. software firms and book publishers.

Pirates often are the cheapest source of this intellectual property. Their overhead does not include payments to artists and authors, expenses for research and development or fees for licensing, importing or copyrights. Most pirate manufacturers use cheap labor and cut corners on quality.

"Thieves are making millions and millions of dollars a day off us," says Eric Smith, executive director of the International Intellectual Property Alliance, a coalition of record companies, publishers, software makers and Hollywood studios.

The IIPA is naming names in a stinging report filed with U.S. Trade Representative Mickey Kantor. Singled out are 28 nations where pirates flourish. In those countries, IIPA members put their 1992 losses at $4.6 billion. Worldwide, losses are estimated at $17.5 billion. Smith says the alliance wants "massive retaliation" in the form of trade sanctions against two nations it says are paradise for pirates — Thailand and Taiwan.

Frank Wells, president of Disney, and Jack Valenti, head of the Motion Picture Association of America, also have met with Kantor. They want sanctions against Italy, where Hollywood figures it lost $224 million to piracy last year. The Italian government "doesn't care about ripoffs of *Snow White*," says Smith. "They have a criminal enforcement system in total disarray."

Stopping piracy can be dangerous.

> **"Thieves are making millions and millions of dollars a day off us."**
>
> — Eric Smith, International Intellectual Property Alliance

Investigators often get death threats from gangsters who make their living as copyright pirates. A Taiwan music-industry official was wounded in a knife attack in 1991.

More often, however, the battle is tedious. The IIPA has harangued officials in South Korea, Italy and the Philippines for years, demanding that they pass tough copyright-protection laws. All three have made promises, then reneged or failed to enforce the laws.

Italy grants amnesty to movie pirates or gives them suspended sentences. In the Philippines, it is legal to reproduce any foreign book not sold there for less than $2.80.

South Korea refuses to revoke business licenses of companies known to be pirates. "It is unbelievably frustrating and unprecedented to have a government so completely implicated in piracy," says Neil Turkewitz of the Recording Industry Association of America.

Frustrating maybe, but not unprecedented. The Thai government knows of four pirate audio-tape plants and one illegal CD-stamping plant but refuses to raid them at night, IIPA says. So the plants crank out Thai-music recordings during the day and do their piracy after dark. Trucks loaded with illegal recordings leave before sunrise each day.

The Chinese government is one of the world's leading pirates, supervising the duplication of foreign software and books for internal consumption and the manufacture of CDs for export. Russia is so chaotic and rife with piracy that Hollywood studios refuse to distribute films there.

But even in Germany, which has strict laws and good enforcement, theft continues. Until recently, a quirky German law kept U.S. software makers from pursuing pirates there. The law so narrowly defined what could be protected that software firms feared a prosecution might prompt a German court to place their programs in the public domain.

Audio tapes, movies and books are easily pirated. Books are photocopied or, if time and equipment are available and color is needed, printed from offset plates. In countries such as Egypt and Turkey, most graduate-level scientific and medical texts are bootlegs. In China, there are more than 500,000 illicit copies of *Iacocca* in English and Chinese.

Hundreds of pirate tapes of a 40-minute album can be made in about a minute with a high-speed duplicator. On the street in Bangkok, a copy of Whitney Houston's soundtrack to *The Bodyguard* costs about $1. Movies are copied onto videotape in much the same way as audio tapes.

The music industry is worried now about the growing number of pirate-CD plants.

"The quality of a bootleg tape is not as good as a legitimate tape," says Smith. "But with a bootleg CD, there's no degeneration in quality."

There are several ways to steal software. Pirates in Asian countries manufacture counterfeit versions of Windows and other programs. Computer salesmen the world over load new PCs with illegally copied programs as inducements to buyers. Computer bulletin boards like the Fortress of Files in Berlin offer hundreds of programs to callers.

Among the biggest software pirates are respected businesses such as Germany's Hoechst and Italy's Montedison, both of which have been raided and agreed to pay settlements to software makers. Companies "will have 100 PCs and five copies of a particular program. They just keep loading the program into more machines until they have all they need," says Robert Holleyman, president of the Business Software Alliance, a group of eight software companies. That kind of piracy, called end-user piracy, is common in the USA, too.

The IIPA argues that companies making copyrighted products are vital to the U.S. economy. As a group, the four copyright industries have been growing at more than twice the rate of the overall U.S. economy and creating jobs almost three times faster. Individually, each leads the world in market share.

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THE PRESIDENT HAS SEEN
3.10.93

Reviving the Education Department

President Clinton has wisely indicated that broad investment in education, like expansion of Head Start, retraining of workers and national service to help pay for college, is a vital part of his economic recovery program. But beyond these lofty proposals there are two key reforms his Administration needs to make: revitalize the moribund Department of Education, and revamp the Chapter 1 program, the main vehicle for Federal aid to improve the academic skills of poor children.

Mr. Clinton's choice of a trusted mentor, Richard Riley, as Secretary of Education was well received. Mr. Riley led a comprehensive effort to improve schools during two terms as Governor of South Carolina. His new deputy, former Gov. Madeleine Kunin of Vermont, also had a strong interest in education.

Created as a cabinet-level agency in 1980 at the end of the Carter Administration, the department has endured 12 years of neglect. Ronald Reagan wanted to abolish the agency, but was frustrated by his own Secretary of Education, Terrel Bell. George Bush said he would be the "education President," but his Administration used the department to tout choice among public, private and parochial schools, with Government vouchers to pay the bill. The Administration's preoccupation with this polarizing issue helped sour relations with Congress and stalled progress on issues like national standards and testing.

At his confirmation hearing, Mr. Riley outlined three laudable objectives: improving the quality of education for all students, assuring access and helping all students meet high standards. But the Administration needs to invigorate the school reform movement by pulling more communities, educators and parents into the effort. The Federal Government can encourage, through funding incentives, efforts to give schools more authority to design the mechanisms, from smaller classes to cooperative learning, to improve effectiveness.

One pressing challenge is to improve what many legislators consider a poorly managed department, with a $35 billion budget and 5,200 employees administering 220 programs. The department was recently cited by the General Accounting Office, Congress's investigative agency, for poor oversight of Federal student loan programs.

The chief candidate for improvement is Chapter 1, which provides remedial services to disadvantaged children. Three reports have criticized the $6 billion program for, among other things, pulling children out of regular classes for remedial instruction, with the result that they fall further behind.

Education is primarily a state and local responsibility. Now Mr. Clinton and Mr. Riley, who made education a priority as governors, can push it to the forefront at the Federal level as well.

C Rasco

THE NEW YORK TIMES, TUESDAY, MARCH 9, 1993

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Assembly Joint Resolution No. 15

Relative to March Air Force Base.

March stuf

Fyi B

THE PRESIDENT HAS SEEN
3.10.93

WHEREAS, March Air Force Base has a long and distinguished record of military service which is well documented in the annals of United States Air Force history; and

WHEREAS, March Air Force Base, originally called Alessandro Aviation Field, opened on March 1, 1918. It was then renamed March Field in honor of Lieutenant Peyton C. March, who died in an aircraft accident the previous month; and

WHEREAS, Used initially during World War I to train pilots, March Air Force Base has served as a primary flying and antiaircraft training school, tactical bomber and pursuit training base, and aircraft test base, as well as a key installation of the former Strategic Air Command. Many aviation pioneers either served or trained at March Air Force Base, including General Jimmy Doolittle, General Henry "Hap" Arnold, General Carl "Tooey" Spaatz, and General Curtis Lemay; and

WHEREAS, In 1931, March Field then included the Headquarters, 1st Wing, 17th Pursuit Group, and the 19th Bombardment Group. The 9th and 31st Bomb Squadrons were also reactivated and assigned to March Field in July of that year; and

WHEREAS, In 1938, March Field became the central base for west coast bombing and gunnery training and, in 1940, the National Guards from California and Illinois were assigned to March Field to train in antiaircraft protection; and

WHEREAS, In 1941, tests were conducted at March Field that proved that jet-assisted takeoffs were feasible. In 1942, liquid rockets were successfully used to assist A-20's on takeoff, paving the way for the jet age; and

WHEREAS, As the United States entered World War II in 1941, March Field provided training for many soon-to-be-famous air and bombardment crews. During the height of the war, the base supported almost 75,000 troops; and

WHEREAS, Following the war, March Field retained its role as an operational fighter base until the Strategic Air Command took over control in 1949. The 22nd Bombardment Wing was assigned to March Air Force Base as the senior host tactical unit and, at that same time, the 15th Air Force, which is Air Force Headquarters for the Western United States, was transferred from Colorado Springs, Colorado, to March Air Force Base; and

WHEREAS, From 1949 through 1953, March Air Force Base's B-29 Superfortresses saw action in the Korean War. During a brief four-month period, they contributed to the elimination of all strategic enemy targets; and

WHEREAS, In 1963, March Air Force Base began a new era as eight global-range B-52 Stratofortresses arrived for duty. The base received its first KC-135 Stratotanker in support of its refueling missions to begin the following month. The B-52s also served in the Strategic Alert operation which represented the Untied States' primary defense against potential Cold War attacks; and

WHEREAS, In the Vietnam War, the 22nd Bombardment Wing flew hundreds of missions over Southeast Asia, including the famous Young Tiger, Rolling Thunder, Arc Light, and Linebacker II operations. Throughout the years of the conflict, March Air Force Base also served as a logistical springboard for the supplies and equipment en route to the Pacific. As the war drew to a close, the base operated as one of the many reception centers for returning prisoners of war; and

WHEREAS, In early 1976, March Air Force Base turned over a large area in western March Air Force Base to the Veterans Administration to be used as a Veterans Administration National Cemetery. The site, Riverside National Cemetery, officially opened on November 11, 1978. Also in 1976, the first Air Force Reserve unit to become part of the Strategic Air Command's tanker force, the 452nd Air Refueling Wing, was transferred to March Air

Force Base; and

WHEREAS, In 1982, as the B-52s were retired, the 22nd Air Refueling Wing embarked on yet another era with the delivery of the wide-bodied KC-10A Extender. The 22nd Air Refueling Wing, which conducts worldwide aerial refueling and airlift missions, represents the only such unit of the newly activated Air Mobility Command in the Western United States; and

WHEREAS, In 1989, March Air Force Base crews flew numerous critical missions in support of Operation Just Cause, the successful Panamanian operation that ousted General Manuel Noriega; and

WHEREAS, In 1990 through 1991, March Air Force Base performed a vital role in the Desert Shield and Desert Storm operations. The massive KC-10s importance became particularly apparent as it provided the "aerial bridge" necessary to deploy the thousands of troops and military equipment. The extensive training sorties involving the F117 Stealth fighter paid dividends as March Air Force Base crews transported the Stealth fighter for the first time on a major tactical air deployment. The KC-10 clearly played an invaluable role in the Gulf War victory; and

WHEREAS, In December of 1992, March Air Force Base became the primary western port of departure for marines headed to Somalia in support of Operation Restore Hope. KC-10s from March Air Force Base and other Air Mobility Command bases have flown over 200 missions departures, loaded and deployed more than 12.2 million pounds of cargo, deployed over 9,000 passengers, and delivered more than 4 million gallons of fuel to United States Air Force aircraft; and

WHEREAS, Thousands of retired military and civilian personnel reside within one hour of March Air Force Base, utilizing the hospital and facilities. Many of these retirees are active in civic and community groups that support March Air Force Base, including the Riverside and Moreno Valley Chambers of Commerce, the Silver Eagles, and the local Air Force Association chapter; and

WHEREAS, The March Field Museum is one of the largest Air Force museums in the nation with 53 different aircraft on display. Over 70,000 visitors pass through the museum each year, viewing the base's history and one of the largest collections of World War II memorabilia. The museum is currently in the process of expanding and expects double the number of tourists it receives each year; and

WHEREAS, Air Force Village West, a 153-acre retirement community for retired military officers, lies adjacent to March Air Force Base. The community provides our retired officers and their spouses with a skilled nursing facility, 24-hour security, and health care facilities; and

WHEREAS, March Air Force Base, the oldest Air Force base on the west coast and third oldest in the United States, spans over 7,000 acres and employs more than 6,000 military and civilian personnel and is a vital economic cornerstone in Riverside County providing some 13,000 jobs and over $1.5 billion in payroll and purchases each year. The base is strategically located in the southwest corner of the United States, poised to fly critical air refueling and air mobility missions in support of our nation's efforts throughout the Pacific and Latin America; and

WHEREAS, March Air Force Base is clearly one of the most vital national defense installations in the United States and is celebrating its 75th year of distinguished service in 1993; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the California State Legislature declares the month of March 1993 to be "March Air Force Base Month" and hereby appeals to President Clinton and the Defense Base Closure and Realignment Commission to retain March Air Force Base as a fully operational active duty military base; and be it further

Bob Rubin
Fyi— B.

THE PRESIDENT HAS SEEN
3.10.93

U.S. SENATOR
Al D'Amato
NEW YORK
News Release

Contacts: **Washington** • Frank Coleman • 202/224-6498 **New York** • Zenia Mucha • 212/736-3865

FOR IMMEDIATE RELEASE: Wednesday, March 10, 1993

D'AMATO APPLAUDS CLINTON CREDIT CRUNCH PROPOSALS

GOOD FIRST STEP TO RELIEVE REGULATORY BURDENS THAT INHIBIT LENDING

WASHINGTON -- U.S. Senator Alfonse M. D'Amato (R-NY) today applauded President Clinton's proposals to ease the credit crunch through changes in Federal regulatory requirements for the nation's financial institutions.

"The is no question that the credit crunch--especially for small businesses--is the major impediment to America's economic growth," said D'Amato, senior Republican on the Senate Banking Committee.

"These proposals represent a good first step to ease the regulatory mish-mash that governs our financial institutions. But we can do more without sacrificing safety and soundness," D'Amato stated.

The Senator pointed to legislation he has offered with 35 co-sponsors to create a secondary market for small business loans to enable banks to securitize their small business loans to free up capital for more loans and greater economic growth.

In addition, the Senator is proposing legislation to authorize the President to take immediate measures to increase the availability of credit for the economy through the suspension of additional burdensome regulations that impede bank lending.

"I support the President today in using his executive authority to reduce the redundant, costly and disruptive regulatory structure of our banking system," D'Amato said. He noted that many of the Clinton recommendations resemble proposals put forward by President Bush.

"I also support his effort to accelerate the clarification of banking rules and to reduce the costly paperwork burden that clogs the lending pipeline, restricting economic growth and job creation," the Senator added.

The Senator urged the administration to take other steps to ease the credit crunch including:

* Re-evaluating bank capital standards to create appropriate incentives to encourage banks to lend rather than to purchase government issued or backed securities;

* Increasing the role of the Small Business Administration and other government programs in order to provide additional technical and financial assistance to small businesses seeking loans;

* Reconsidering the administration proposal to levy $1 billion in new examination fees on state chartered banks, contained in its budget package, which could restrict the availability of those banks to lend up to $12 billion in additional loans.

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Tony Maybe he's right

THE PRESIDENT HAS SEEN

3.10.93

3/10/93

THE WALL STREET JOURNAL

Moscow Spring

Is Russia tottering? Interested parties as diverse as Bill Clinton and Richard Nixon think it may be, and the air is full of talk about funneling money in Boris Yeltsin's direction without worrying much about what happens to it.

We don't deny that the stream of reports about Mr. Yeltsin's battles with his opponents would drive a reasonable person into despondency over Russia's prospects. But a useful rule of thumb in Russian affairs now is, don't assume that there is any direct link between the country's political turmoil and the pace of economic reform.

Boris Yeltsin and the Russian Parliament are battling for power under rules set out in a Brezhnev-era constitution. And so the politicians squabble. Russia's burgeoning private sector, however, has to get on with business, which it is doing, leaving government way behind.

Small shops have sprung up in prodigious numbers, with roughly a third of the nation now living off some private income. A lot of the New Russians driving BMWs are real businessmen, rather than merely mafioso. Entrepreneurs have even managed to evade the currency and other controls that have decimated inter-republic trade. The Journal's Elisabeth Rubinfein reports from Siberia that economic trade is picking up smartly there, 2,790 miles away from Moscow.

The political turmoil thus far has had relatively little effect on the privatization agencies. About 45,000 small enterprises have been privatized. Under the leadership of Anatoly Chubais, the federal government now aims to privatize 500 large companies a month.

This is an ambitious goal. In our conversations with officials from the European Bank for Reconstruction and Development, which is doing some good work in the C.I.S., we are struck by what a dogged process privatization is. Enterprises often don't know what they own.

The impetus behind much of this privatization is not only economic but political. Mr. Chubais and some of the energetic local property committees want to create a constituency with a vested interest in continued reform. The sophisticated industrial leaders are learning the pleasures of selling things for hard currency. EBRD officials report that forward-looking plant managers are the leading lobbyists for privatization of their concerns.

The firing of former Prime Minister Yegor Gaidar raised some fears that the entire reform process would halt. It hasn't. Mr. Gaidar's replacement, Viktor Chernomyrdin, after promising to reimpose price controls and otherwise "slow" reform, soon realized that attempts to squash prices would merely shift the effects of inflation. The central bank and other parliamentary power centers can insist on continuing terrible policies, but going backward is not an option.

The Russian politicians and people in the U.S. who seem close to panicking over Russia's future have something in common: They speak as if the economic transition is somehow led from above. It is commonly said, for example, that Russia is undergoing "shock therapy." If so, it is shock therapy without the therapist. As Anders Aslund pointed out recently, the nation had one month of fast reform—January 1992. The rest of the change has been largely unsupervised.

The drawbacks of this semi-anarchy are familiar: no enforceable contracts, ambiguous property rights, general chaos. Alongside this, the Russian parliamentary disputes resemble the irrelevant fighting of Soviet parliamentarians during the Gorbachev era, when these deputies were after all elected. Hysterical cries ring through the air, cliques and alliances shift with pointless ferocity.

Mr. Yeltsin came to power to change the rules of Russian politics. He has been weakened because recently he has been playing within the old rules, resembling a Gorbachevian Communist who constantly cedes ground in a series of overly subtle political maneuvers. His recent threat to call a referendum seemed to signal a return to the good old Yeltsin, who challenged structures, not just his enemies. Now he seems to be backing away after several regions threatened to boycott the affair.

But the current Brezhnevite constitution combined with Gorbachev-era parliamentarians prevent effective political leadership. Mr. Yeltsin's task is to change the structure without being autocratic. Referendums seem like the only short-term method.

The West's IMF-based aid program is now widely regarded as a failure. In fact, aid that arrives in the morning is often embezzled out as capital in the afternoon. Those Marshall Plan dreams were never realistic.

Mr. Clinton nonetheless promises bold new approaches. Rather than grandiose government-to-government schemes, it would make more sense to help Mr. Yeltsin's reformers draw greater numbers of Russians into the dollar economy and the other growing sectors of economic activity. They will become not only constituents for Mr. Yeltsin but constituents for the long-term idea of building and maintaining a civil society in Russia.

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THE WHITE HOUSE

WASHINGTON

MARCH 9, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL WALDMAN
Special Assistant to the President
for Policy Coordination

SUBJECT: CAMPAIGN FINANCE REFORM OPTIONS

This memorandum precedes the meeting to discuss the options for campaign finance reform.

As you may know, the Senate has heeded your call for early action, and began holding hearings this week. (Initial committee action is scheduled for March 18.) The House, meanwhile, has asked for direct negotiations involving the White House, the Senate, and the DNC.

David Wilhelm, Howard Paster, George Stephanopoulos, Rahm Emmanuel and I agree that the next step is to begin quiet but intensive negotiations with the Congress. If you agree, the goal would be for David Wilhelm to reach out to the legislative leaders, and for the negotiations to be to concluded as rapidly as possible.

To undertake this step -- or if you decide to move forward with your own plan -- the first step is to analyze the attached campaign finance reform options.

These are based on the legislation that passed the House and Senate last year, and which has been introduced by the leadership this year; it is also based on your campaign commitments.

It is grounded in two core principles: <u>reducing special interest influence</u> on politics, and <u>enhancing democratic participation</u> by the public. Several other premises:

1. During the campaign, you said you would sign S.3, and that you wanted to strengthen the legislation. Accordingly, the proposal can be different from last year's bill, but must, in its totality, be regarded as at least as strong as last year's proposal.

2. Although you generally talked about limiting soft money, you also specifically said you would support S.3's soft money restrictions (to Common Cause in New Hampshire). At the same time, we obviously do not want to do anything that will destroy the ability of the party to function; we should use reform to move the party toward the direction you have outlined -- broad based, funded by millions of donors.

3. As one might imagine, many of these proposals cause great concern on Capitol Hill, even among those who voted for them previously. (To some degree, these will be lessened by postponing the effective date until after the 1994 election.) Early negotiations are needed, among other things, to keep congressional leaders from losing their nerve.

4. As we have repeatedly been told (by Stan Greenberg and others), any reform must be regarded as real reform by the "validators" -- the press and citizen groups such as Common Cause.

5. Public opinion data indicates that despite varying levels of public support for specific reform provisions, if the proposals are packaged as real reform and sold as such by the President, the public will support them. (Some believe that the current budget makes proposals such as public financing impossible.)

CAMPAIGN FINANCE REFORM ISSUES:
SUMMARY OF OPTIONS MEMO

1. **SPENDING LIMITS** (linked to public benefits)

2. **PUBLIC BENEFITS** (linked to spending limits)

   A. Most dramatic: Presidential-style reform for Senate races and matching funds for House races.

   B. Strengthening last year's bill

   - Senate races:

   - House races:

   - Presidential races:

   - Using communications vouchers to improve level of campaigns -- debates, candidates in ads, etc.

3. **PAYING FOR THE PUBLIC BENEFITS**

   A. "Earmarked" revenue: using the repeal of tax deductibility of lobbying

   B. Increasing the checkoff

   C. Tax credits

4. **PAC LIMITS**

   A. Cutting indiv. contribs to PACs; lowering PAC gift to $2500.

   B. $1000 PAC limit & lower individual contributions.
   C. $1000 limit but increase the aggregate amount available from PACs (e.g., to 40%).

   D. $2500 PAC limit.

   E. $2500 or $3500 limit, but aggregate cap of 25% of the spending limit.

   F. Limit "high roller" PACs to $1000, but let "small donor committees" (e.g., labor) give more (e.g., $5000).

   G. Retain S.3's PAC limits

5. **<u>INDIVIDUAL LIMITS</u>**

A. Eliminate the spending limit for contributions of $250 or less.

B. Cut the amount of money that can be given to candidates by one half (to $500 per election).

C. Increase the amount individuals can give to $2500.

6. **<u>SOFT MONEY</u> - DNC proposal**

7. **<u>INDEPENDENT EXPENDITURES</u>**

8. **<u>NONCOMPLYING OPPONENT</u>**

9. **<u>BUNDLING</u>** -- what to do about EMILY'S LIST

CAMPAIGN FINANCE REFORM ISSUES

1. **SPENDING LIMITS** (linked to public benefits)

Current law: None

S. 3: Included voluntary spending limits for both House and Senate candidates.

- House: $600,000 per candidate, plus an extra $150,000 if there has been a closely contested primary. This would be indexed for inflation.

- Senate: limits varied by state population, ranging from California ($8.25 million) to Wyoming ($1.6 million). (The limit for Arkansas would be $1.76 million.)

Campaign position: you supported capping the spending in congressional campaigns, but gave no specifics about the level of spending.

Options: **Our proposal should adopt the spending limits in S.3.**

Pro: The spending limits were the most widely praised and generally accepted part of last year's proposal. Spending limits have generally been advocated by Democrats, and opposed by Republicans. The average spending in House and Senate races in 1992 was below the limits (in the House, average spending in 1992 was $388,000; spending by winners was $551,000).

Con: Although spending limits have been the heart of Democratic proposals for years, some House Democrats are now getting butterflies. The reason: The spending limits in last year's bill is lower than the amount spent by several members in close races -- including nearly every member of the House leadership. (Among the top ten House spenders, all of whom spent at least twice the spending limit, were Gephardt, Fazio, Hoyer and Frost. In addition, 28 of 70 Senate general election candidates spent more than the limit in 1992.)

2. <u>PUBLIC BENEFITS</u> (linked to spending limits for complying candidates)

<u>Current law</u>: none

<u>S.3</u>: Candidates who complied with spending limits received a mix of public benefits.

- House candidates received matching funds of up to $200,000, matching contributions of $250 or less.

- Senate candidates received "communications vouchers," to be used for purchase of TV, radio or postage, worth 20% of the spending limit.

- Senate candidates also received deeply discounted TV advertising time (50% of the lowest unit rate, nonpreemptible).

- Both House and Senate candidates received one discounted mailing per voter (at the lowest nonprofit rate).

According to CBO, S.3 in its current form would cost between $100 million and $150 million every two years (approximately $50-75 million per year).

<u>Campaign position:</u>

- In <u>Putting People First</u>, you proposed "opening up the airwaves."

- You also said you hoped that future congressional campaigns would be like the recent presidential campaign, where candidates took to the airwaves to debate.

<u>Options</u>:

1. **Adopt the most dramatic reform by introducing a) a Presidential-style system for Senate races (voluntary full public funding for general elections, matching funds for primaries, and a ban on PAC contributions) (this is the Kerry-Bradley-Biden proposal), and b) matching funds for House races for small contributions.**

Pro: This would be the simplest and most dramatic reform: we would literally be eliminating most of the special interest private money from the system. It would guarantee that all credible candidates have a chance to communicate with the voters.

Con: Because of the level of the public funding, this would be difficult to sell to Congress (both because of fear of possible public backlash at a time of tight budgets, and of concern over giving up the incumbent fundraising advantage). Sen. Mitchell has stated that believes he could not get the votes for this approach.

2. **Alternately, you could propose to strengthen the provisions in last year's bill that would open up the airwaves and enhance candidates' ability to communicate with the public.**

- Senate races:

  - propose that broadcast vouchers be transformed into communications vouchers (i.e., used for TV, radio, print and/or postage), and that they be worth 50% of the general election spending limit. (The Senate leadership is now talking about 40% of the general election limits, or 25% of the total.)

  - retain a deep discount for broadcast time (50% in last year's bill).

- House races:

  - propose that last year's matching funds be replaced by communications vouchers, usable for TV, radio, print and/or postage. (In other words, these matching funds would go not into the hands of candidates, but into public communication activities).

  - House candidates could also receive access to deeply discounted broadcast rates. (Note: Chairman Dingell sides with the broadcasters and opposes this step.)

- Presidential races:

  The 50% discount could also be extended to presidential candidates. (This would have the effect of freeing up substantial hard money sums for field, thus lessening the need for soft money.)

- The communications vouchers could be conditioned on proposals to improve the level of campaigns:

  - Candidates could be required to appear in their own ads.

  - Candidates could be required to debate their opponents.

Pro: This would be regarded as a major strengthening of S.3, and would also meet the goal of empowering small contributors and candidates. It would mark the single greatest enhancement of democracy in this entire package. Polls by Celinda Lake show that the public supports these measures if they drive special interest money out of the system, and especially if they are paid for by lobbyists and other earmarked sources.

<u>Con</u>: Public financing is considered controversial, and Southern Democrats in the House resist such provisions. (They have been willing to go along with vouchers, though, especially if the funds come from an earmarked source.) Strengthening these provisions would buy us some running room on other areas, such as soft money.

3. **PAYING FOR THE PUBLIC BENEFITS**

S.3: None.

However, congressional Democrats (and reform groups) strongly believe that funding for the public benefits should come from eliminating the deductibility of lobbying expenses, and/or other earmarked funds.

Campaign position: You proposed eliminating the tax deductibility of lobbying expenses, which would bring in about $200 million per year ($400 million per cycle, more than enough to pay for even the most ambitious public resources).

This proposal was recently included in the economic package. The supporting document stated: "The Administration is committed to enactment of campaign finance reform legislation. If such legislation calls for public resources, funds raised by the repeal of the provision are a possible source of funding for this purpose."

Options:

1) **Using some form of "earmarked" revenue to pay for "opening up the airwaves" and voter communication.**

- Eliminating the deductibility of lobbying: This would bring in $200 million per year, according to the Treasury Department's estimate. It could be earmarked in the reconciliation bill to pay for a "Make Democracy Work Fund," to pay for public financing as needed. Sen. Mitchell and (in the past) Rep. Gejdenson have proposed that funds raised by ending the tax deductibility of lobbying be used for these purposes. The deductibility repeal was included in the economic plan, implicitly for deficit reduction; however, the OMB accompanying document noted that if campaign finance reform called for public resources, funds raised through repeal of the deduction could be used for that purpose.

  Pro: This would mean that "the lobbyists" would pay for "opening up the airwaves" -- arguably a very sellable concept. It would raise more than enough money, without touching directly the average taxpayer. Soundings indicate that this significantly softens congressional nervousness about public financing.

  Con: At a time of tight budgets, this money should be used for the deficit. Since it was included in the original budget plan, we would need to come up with some corresponding budget cut or tax increase to fill the hole.

(Note: Since it's "only" $200 million per year, that might be relatively easy in the tumult of the economic plan.)

There are other potential options that would pay for public benefits without taxing the general public:

• A tax on all contributions above a certain level (say, a 30% tax on all contributions above $500).

• Lobby registration fee

• A PAC registration fee

(Note: These options could not raise nearly as much money as ending the tax deductibility of lobbying.)

2. **Increasing the checkoff -- which is now used for Presidential campaigns -- for use in congressional campaigns. (It could be increased to, say, $5 to pay for shortfalls in the presidential fund as well as partial public financing.)**

Pro: It means that any use of taxpayer money would be voluntary, and relies on an already familiar mechanism.

Con: The checkoff is clearly taxpayer revenue. Moreover, the number of people who check off continues to drop -- and might drop further if the dollar amount is increased.

3. **Tax credits for small contributions to candidates.**

Pro: This would be a form of backdoor public financing, that -- like matching funds -- encourages and rewards small contributions.

Con: This is widely disliked by Democrats, because a) it does not bring much new money into the system (it rewards the contributor but does not enrich the recipient), b) it is thought to generally reward Republican contributors (who are sophisticated enough to itemize), and c) it is susceptible to fraud.

4. PAC LIMITS

Current law: PACs can give candidates $5000 for primary and general election campaigns ($10,000 total).

S.3: The House and Senate took different approaches.

• Senate cut the size of PAC gifts in half (to $2500) and capped total receipts at 20% of spending limit.

• House did not change PAC contribution size, but capped total at $200,000.

Campaign commitment: You proposed to limit PAC contributions to $1000 per race. (This is extremely controversial with House Democrats, since wealthy givers generally favor Republicans while PACs favor Democrats; one option would be to reduce PACs to $2500 and individual contributions to $500, thus cutting both in half. Senate Democrats are probably willing to incorporate the $1,000 limit.)

Options:

1. **Changing the nature of what a PAC is -- lowering the amount that can be given to the PAC from $5000 to $250, plus other changes favoring broad-based PACs over small "high roller" PACs -- while lowering the amount a PAC can give from $5000 per race to $2500.**

Pro: While this retreats from the $1000 limit, it does so while dramatically reducing the amount of money available to PACs as well as from PACs. It favors labor and ideological PACs over business PACs.

Con: This is subject to two criticisms: first, that it retreats from the $1000 PAC limit; second, that it would hinder House Democrats, who continue to rely heavily on PAC funds.

2. **The initial proposal should retain the $1000 PAC limit, possibly coupling it with a limit on individual contributions. It should be silent on aggregate limits for PACs.**

Pro: This is the most memorable, and frequently repeated, campaign pledge on this issue. It would be hard to back away from it at the outset -- even while recognizing that it may make sense to change it during negotiations.

Con: The proposal tilts private campaign financing away from labor and other pro-Democratic donors, who can give only with PACs, and toward wealthy individuals (especially Republican-leaning businesspeople and professionals).

3. **Cut the available gift to $1000 or $2500, but increase the aggregate amount available from PACs (e.g., to 40%).**

Pro: Many in the House, especially the House leadership, raised substantially more from PACs than the $200,000 allowed under S.3. Since most PACs don't "max out," this would enable us to show us following through on our pledge, while making life easier for House Democrats.

Con: This would be attacked as a retreat from S.3 and its PAC limits; it would provide an inviting target for Republicans as well as reformers.

3. **Raise the amount giveable by a PAC under our proposal from $1000 to $2500.**

Pro: This would cut in half the amount a PAC can give, and could be enough to justify the retreat from the $1000 proposal. It is also close to high enough to enable labor-oriented Democrats to get their allocation of PAC money from labor PACs, without having to turn to corporate PACs. (Some on the hill have calculated that the figure to allow that would be $3500; however, that amount sounds too jerry-rigged; $2500 is more defensible.)

Con: This would mark a retreat from the oft-repeated campaign position.

4. **Raise the amount a PAC can give to $2500, or even $3500, but limit the aggregate amount of PAC money a House member can receive to 25% of the spending limit.**

Pro: This would balance the pullback on the amount of the individual limitation with the stronger restriction on the aggregate limit. Hence, we would have the ability to say that the proposal is as strong as the $1000 pledge, albeit different.

Con: It would still represent a retreat from the $1000 limit. In addition, the 25% limit is significantly less than the amount of PAC money that most House Democrats receive.

5. **Limit "high roller" PACs to $1000, but create "small donor committees" made up of a large number of relatively small donors, and allow them to give a larger amount (say, $5000).**

Pro: This proposal is advocated by the DNC, by labor, and by many House Democrats. It would preserve labor's PACs, as well as ideological PACs of left and right.

Con: This may be unconstitutional, since it is difficult to argue that a $5000 contribution from a PAC with few contributors is more corrupting than a contribution from a PAC with many members. This proposal has been unsuccessful previously, in part because it was seen as an attempt to redefine rather than reform PACs. Also, it will appear to be highly partisan (pro-Democrat, pro-labor).

6. **Retain S.3's PAC limits.**

Pro: This is simple and was widely hailed as reform last year.

Con: This would pain House Democrats, while opening us to criticism for going back on the $1000 proposal.

5. INDIVIDUAL LIMITS

Current law: Individuals can give up to $1000 in a primary and $1000 in a general election.

S.3: No provision.

Campaign position: None.

Options:

1. **Eliminate the spending limit for contributions of $250 or less.**

Pro: This would encourage candidates to build up small-dollar fundraising, including grass-roots fundraisers (e.g., barbecues, etc.) and direct mail.

Con: It might benefit Republicans, and if bundling is not effectively restricted, could lead to circumvention of the spending limits.

2. **Cut the amount of money that can be given to candidates by one half (to $500 per election), which may be the same rate that PAC money is cut.**

Pro: This would prevent wealthy individuals -- who give individually rather than through PACs -- from further dominating the system if PAC restrictions are enacted. (Many House Democrats believe that PAC restrictions without individual contribution restrictions will disproportionately benefit Republicans.) In addition, it would further democratize the system -- forcing candidates to engage in grass-roots fundraising.

Con: Depending on the level of public funding, if any, this could force candidates to spend even more time raising money than they do now. It also could result in non-incumbents being unable to raise enough money to mount an effective challenge.

3. **Increase the amount individuals can give to $2500, possibly in conjunction with cutting the size of PAC contributions to that amount.**

Pro: Inflation has eroded the value of the individual contribution limit (enacted in 1974). This would also limit the amount of time candidates had to spend fundraising.

Con: This would give wealthy individuals even greater sway over the process. Because it "increases" rather than "cuts" contribution size, it would be a difficult public sell.

4. Ban registered lobbyists (or those who should register under the law) from contributing to candidates.

Pro: It starkly deliniates the problem of money influencing legislation. It will help change the culture of Washington.

Con: It may face constitutional challenge, and -- standing alone -- would not at first much change the pattern of giving.

(Note: S.3's bundling provision already bars lobbyists from bundling.)

6. SOFT MONEY

Current law: The 1979 FEC amendments and the 1990 and 1992 FEC rules have allowed substantial sums to be raised and spent for presidential campaigns in sums that are larger than allowed under federal election law (FECA). (Our campaign raised at least $40 million in soft money.) These exemptions include funds used for voter registration and get-out-the vote drives, "volunteer" activities, slate mailers and sample ballots, etc. These sums are generally not disclosed and are not limited. Reformers argue that this effectively negates the entire edifice of federal campaign law.

S.3: As you know, Sen. Mitchell is insistent on retaining the soft money provisions in last year's bill, or some semblance thereof.

- During a period between April and November of an election year, any money raised or spent for state party GOTV, voter registration or other specified activities that affect a federal race would be brought under federal spending and contribution limits. (This repeals the "party building" exemptions in the 1979 law and the allocation formulae that are used to implement them.)

- S.3 would increase to $10,000 per year the amount that any individual or PAC can give to state party committees and their subordinate or local committees.

- It would limit spending on behalf of the national ticket by state or local party committees (for example, about $800,000 in California).

- National party committees, federal officeholders and federal candidates would be barred from soliciting contributions on behalf of state parties unless they are exclusively used for state parties.

- National political parties would be required to itemize and disclose to the FEC all receipts and disbursements above $200.

Campaign commitment: In February, in New Hampshire, you promised to support the soft money language of S.3. Common Cause: "Will you make a public commitment now to support the legislative provisions passed by the U.S. Senate last year to end the use of huge Watergate-style 'soft money' contributions to support presidential campaigns?" Answer: "Yes, provided that upon enactment the Republican Party is held to the same rules."

On other occasions, you used more modest language. Putting People First said, "End the unlimited 'soft money' contributions that are funneled through national, state, and local parties to presidential candidates."

<u>Options</u>: The DNC proposal would <u>ban soft money from federal campaigns</u>, while <u>ensuring that adequate funds flow to party activities and grass-roots politics</u>.

- Soft money could no longer be used for federal (presidential and congressional campaigns). Only "hard money" -- legal under federal limits -- could be used for coordinated campaigns (get out the vote, voter registration, etc.).
- Individuals and PACs (but not direct contributions from corporations or unions) would be allowed to give up to $25,000 to national Democratic committees.
- Each state party will be authorized to establish a "Grassroots Fund" from which to fund all "grassroots activity." These will be the sole funds to pay for candidate specific and generic activity including: voter registration, town meetings and rallies, GOTV, volunteer-processed mail and volunteer-processed phone banks, literature and generic media.
- Contributions to the "Grassroots Fund" will be limited to $25,000 for individuals or PACs, with an aggregate national total of $100,000 for individuals and $250,000 for PACs.
- Full disclosure.
- National parties will be entitled to federal matching funds for contributions of $250 or less to be paid from the funds currently designated for the funding of the national conventions.
- Another method for funding these matching funds could come from either to expand the Presidential checkoff (which must be raised to approximately $3 to pay for future presidential funding) to $5, or by allowing taxpayers to donate up to $10 of any refund owed them to the political party of their choice.

Pro: This would be real reform. We could correctly say that we banned soft money from federal election -- no more money that is raised under state law, not disclosed, from prohibited sources, and in prohibited amounts. And it ensures adequate funding for the party.

Con: The major counter-argument will be that we continue to allow large amounts of money from individuals and especially PACs into the presidential process.

7. **INDEPENDENT EXPENDITURES**

Current law: Individuals, corporations or PACs that make independent expenditures must disclose them to the FEC, and must h ave a disclaimer stating their sponsorship.

S.3: The legislation seeks to blunt the impact of independent expenditures rather than prohibiting them (which is constitutionally barred).

- Requires faster and fuller disclosure, and tightens the definition of independent expenditures (i.e., the expenditure is no longer "independent" if the spender has communicated with the candidate about the campaign).

- If a participating House candidate faces an independent expenditure, that candidate may waive the spending limits and receive extra matching funds to compensate for independent ads.

- Last year's bill did not cap the amount of compensatory matching funds. For constitutional reasons, it will likely be necessary to cap the amount of compensatory funds available.

Campaign commitment: None.

Proposed option: **Accept the independent expenditures provisions contemplated by congressional drafters.**

8. NONCOMPLYING OPPONENT

Current law: None.

S.3:

- House: candidate may exceed spending limit once opponent raises 50% of spending limit, and may receive additional matching funds once opponent raises 80% of limit.

- Senate: Receives additional public benefits to match non-complying opponent's spending beyond limit (up to double the spending limit); at that point, additional spending allowed if non-complying opponent more than doubles the limit.

- As with independent expenditures, it will likely be necessary to cap this compensatory spending for constitutional reasons.

Campaign commitment: None.

Proposed option: Accept the congressional proposal.

9. <u>BUNDLING</u>

(Note: This is the "next frontier" in legislatively interested money, especially if PACs are limited.)

Current law: Contributions made by an individual through a conduit are counted as a contribution made by the individual, not the conduit.

S.3: Contributions through an intermediary or conduit are counted against the intermediary's contribution limit, if the intermediary is a:

- **PAC with a connected organization (i.e., not free-standing PACs). This distinction was inserted to protect EMILY's List; however, it encompasses approximately 1/4 of all PACs, and critics charge that this will be the loophole through which PAC funds flow.**
- union, corporation, or trade association;
- partnership (e.g., law firm)
- someone required to register as a lobbyist

The bundling limit does not apply to a) professional fundraisers (for fee); b) volunteers hosting a house party; or c) individuals transmitting the spouse's donation.

Options:

1) **Seek to tighten last year's language while preserving the ability of EMILY's List -- and other PACs that don't lobby -- to bundle.** EMILY's List says it will produce language that lets them continue to serve as a conduit, but which limits that for PACs that lobby (e.g., Council for a Livable World).

Pro: EMILY's List has many friends on Capitol Hill, and was instrumental in electing many good Democratic lawmakers. It is one of the few ways that women candidates can raise enough money to be competitive in elections. This compromise would protect this special PAC, while continuing to prohibit bundling by PACs that lobby.

Con: Even this would open a potential loophole to benefit one PAC, no matter how worthwhile. There would be nothing stopping, say, insurance industry executives to form a non-connected, non-lobbying PAC that would bundle well in excess of the normal limit -- and only to those candidates who oppose the administration's health care plan.

2) **Remove last year's exemption for "non-connected PACs," and ban bundling by all PACs.**

Pro: This would be the most consistent and the most effective way to ensure that bundling does not continue.

Con: Emily's List argues that this would greatly restrict its fundraising ability. It would become a source of opposition on the Hill.

3) **Retain last year's language altogether, which would allow pro-Israel, religious fundamentalist, and other non-connected PACs to bundle.**

Pro: This would enable some pro-Democratic PACs -- especially the pro-Israel PACs -- to continue to bundle.

Con: This would effectively negate much of the anti-bundling language.

A1 **Tax Report**

A Special Summary and Forecast Of Federal and State Tax Developments

ESTATES AND TRUSTS face "horrendous" income-tax increases, a CPA says.

This income already is taxed far more heavily than that of individuals. President Clinton would expand the differential. The 31% top rate applies now to taxable income over $53,500 for single taxpayers and over $11,250 for estates and trusts. The proposals would add rates of 36% for singles with income over $115,000 and 39.6% for income over $250,000. But estate and trust income would be taxed at 31% over $3,500, 36% over $5,500 and 39.6% over $7,500.

The tax on $15,000 of estate or trust income would jump 37% to $5,095 from $3,712 now, notes Bernard Barnett of BDO Seidman, CPAs. If the increase is enacted, he warns, executors and trustees must be ready to pay out income to beneficiaries, who might be taxed less on it. Congress raised income taxes on trusts and estates in 1990, saying that would deter the use of multiple low-tax trusts for one beneficiary. But Congress has supplied other weapons against trust abuses, which don't involve estates, Barnett says.

"Why should estates be stigmatized by a trust problem?" Barnett asks.

KEOGH-PLAN DEDUCTIONS for the self-employed require tricky calculations.

The absolute maximum deductible contribution to a Keogh retirement plan is $30,000. But figuring whether you are entitled to the maximum – or just what lower limit – has become more complicated since 1990. Rules new that year prescribe adjustments for Social Security tax payments. And now the self-employed must allow for differing wage bases for the Social Security and Medicare taxes.

Ethan Kra of consultants William M. Mercer Inc. offers this guidance for profit-sharing Keoghs: To find the maximum contribution for 1992 from net self-employment income up to $60,097, multiply income by 12.121%. If income ranges to $140,985, multiply by 12.868% and subtract $448.82. For higher income, multiply by 13.043% and subtract $695.06. The income numbers reflect annual adjustments for inflation.

RESEARCH CREDITS for small businesses may be complicated – or simplified.

Companies hail Clinton's plan to revive the expired research credit permanently and retroactively to July 1. He also proposes new rules for new companies; the rules would erase a disincentive for research by start-up companies but would further complicate a company's calculations during its first 10 years. The credit, based on annual growth in research spending, is so complex already that many small companies lose out.

Now a bipartisan group plans a bill to revise the credit and simplify it for small business. The sponsors: Sens. Baucus (D., Mont.) and Danforth (R., Mo.) and Reps. Pickle (D., Texas) and Archer (R., Texas). One expected proposal would relieve companies with up to $100 million in sales from figuring credits on the basis of growth in spending. Instead, the credit would be simply a flat 10% of actual research spending.

"This is the right direction," says Ed Hatcher of the American Electronics Association. "We hope the administration embraces this approach."

U.S. COMPANIES that lend dollars to British units should plan now for a proposed change in U.K. treatment of foreign-exchange gains and losses, says Coopers & Lybrand, CPAs. Britain is expected in 1994 to start recognizing accrued exchange gains and losses on certain foreign-currency assets and liabilities at year end, whether or not transactions occur. Companies could hedge against this tax exposure or lend pounds instead of dollars, the firm says.

PENALTIES for negligence or substantial understatements of tax would be harder to avoid under Clinton's plan, even for doubtful items disclosed on a return. The items would need to be reasonable. Being "not frivolous" no longer would suffice.

SPOUSES and others accompanying someone on a business trip could deduct expenses only if they were actual employees traveling on business, under Clinton's plan. Now, non-employee spouses may deduct expenses if they show a business purpose.

MONTANA PUNISHED convicted dealers unconstitutionally with its drug tax.

Richard M. Kurth and others of his family were caught with 1,811 ounces of marijuana and 2,155 plants and pleaded guilty to illegal-drug charges. They also filed for bankruptcy after Montana billed them for $865,000 under its $100-an-ounce illegal-drug tax. A bankruptcy judge reduced the amount to $208,105 but held that even that violated the Kurths' right to protection from double jeopardy. When a federal district judge agreed, the state turned to the ninth-circuit appeals court.

Now that court says the tax was applied unconstitutionally to the Kurths, although without saying the tax itself is unconstitutional. The issue, Judge Beezer writes, is whether the state taxed the Kurths as a second criminal punishment for an offense for which they already had been punished in the criminal case; a heavy civil penalty on top of a separate criminal penalty may be double jeopardy. Montana refused to offer evidence relating the tax to the state's costs and damages from the Kurths' activity.

Without such justification, the tax became double jeopardy, the judge says.

BRIEFS: Sen. Pryor (D., Ark.) plans to reintroduce today the taxpayer-rights measures that were in the tax bill vetoed last fall by President Bush. . . . Clinton proposes to raise the withholding-tax rate on bonuses to 28% from 20%.

–SCOTT R. SCHMEDEL

THE PRESIDENT HAS SEEN 3/10

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THE WASHINGTON POST · WEDNESDAY, MARCH 10, 1993

Pace of Clinton Appointments Quickens With 8 More Sub-Cabinet Nominations

The pace of federal appointments appears to be picking up, slowly but surely. Yesterday, the White House announced eight sub-Cabinet choices at the departments of Agriculture, Education and Housing and Urban Development.

At Agriculture, Memphis commodities lawyer **James Gilliland**, outside counsel to Dunavant Enterprises Inc., the world's largest cotton company, was named general counsel; House Agriculture Committee aide **James Lyons**, who was an agricultural adviser to Office of Management and Budget Director **Leon E. Panetta** when Panetta was in the House, was named assistant secretary for natural resources and the environment, the top environmental job at the department. Longtime Clinton adviser **Bob Nash**, who is head of the Arkansas Development Finance Authority, was named undersecretary for small community and rural development.

Four senior officials were named at Education, including **Marshall "Mike" Smith**, who was nominated to be undersecretary, the No. 3 position in the department. Smith, dean of Stanford University's education school, has been to town before as chief of staff to the first-ever secretary of education, **Shirley Hufstedler**.

Judith Heumann, vice president of Oakland California's World Institute on Disability, was named assistant secretary for special education and rehabilitative services. Heumann also has Washington experience, having been an aide to former New Jersey senator **Harrison "Pete" Williams**, when he chaired the Senate labor committee. She won a 1970 suit to become the first person in a wheelchair to be hired as a New York City public school teacher.

Veteran educator **Augusta Kappner**, who is now acting president of City College of the City University of New York, was named assistant secretary for vocational and adult education. **Thomas Payzant**, San Diego school superintendent since 1982, was named assistant secretary for elementary and secondary education.

With the announcements this week, eight of the top 13 positions—including most the high-profile slots—at Education now have nominees.

Over at HUD, **Nicolas Retsinas**, who is currently the executive director of the Rhode Island Housing and Mortgage Finance Corp., was named to preside over the Federal Housing Administration, the agency that insures hundreds of billions of dollars of single-family and apartment home loans.

Settling Down on the Outside

■ **Wendy Gramm**, former head of the Commodity Futures Trading Commission, is about to announce formation of her own think tank, to be affiliated with Citizens for a Sound Economy, headed by former Reagan Office of Management and Budget director **Jim Miller III**. Will funding for the think tank parallel contributions for the run of her husband, Sen. **Phil Gramm** (R-Tex.), for the presidency in 1996?

When former deputy energy secretary **Linda G. Stuntz** left office Jan. 20, everyone knew she wouldn't be out of work for long. The only question was which downtown law firm would snag her. The answer: Van Ness, Feldman & Curtis, where Stuntz began work as a partner last week, a Republican in a sea of Democrats.

Park Service: Hunting for Big Names

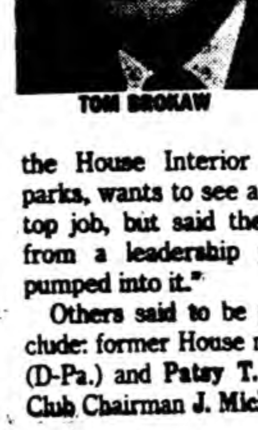
■ "No comment," said NBC anchor **Tom Brokaw** when asked yesterday about a rumor that the Clinton administration wants him to take over the National Park Service.

Brokaw said his name has been floated for about a dozen different jobs. "I wouldn't go too far out in front on this," he advised.

But would he take the job?

"Take second billing to [Robert] Redford?" he asked with a chuckle. "No way."

While the notion of either Brokaw or Redford—whose name also was floated recently—running the Park Service may seem far-fetched, the Interior Department is looking for a "high-profile" boss to fix the popular but deeply troubled agency. The idea of a Redford or a Brokaw, both of whom are seen as strong national park system supporters, would be to energize the service, boost morale and secure adequate funding.


TOM BROKAW

Rep. **Bruce F. Vento** (D-Minn.), who chairs the House Interior subcommittee on national parks, wants to see a "professional" take over the top job, but said the "Park Service is suffering from a leadership problem. . . . It needs life pumped into it."

Others said to be possible picks for the job include: former House members **Peter H. Kostmayer** (D-Pa.) and **Patsy T. Mink** (D-Hawaii) and Sierra Club Chairman **J. Michael McCloskey**.

—Al Kamen

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THE FEDERAL DIARY

The 'Hit' Parade

By Mike Causey
Washington Post Staff Writer

Federal retirees and executives could take a $4 billion hit under a series of plans being considered by two key House committees. Private contractors might be hit with wage controls, and the popular lump-sum pension benefit could be eliminated next year under the proposals.

The proposed congressional cuts are different from those outlined by the Clinton administration. Clinton wants to skip the 1994 federal-military pay raise and scale down future raises.

Cuts under consideration by the numbers-crunching Budget Committee would produce the deeper reductions being pushed by congressional Democrats. Those from the pro-federal worker Post Office-Civil Service Committee would whack federal executives and Beltway bandits instead. Its proposed savings would be used to pay for geographic pay raises due next year for federal workers in high-cost cities. Clinton's plan would delay those raises.

Warning: This is the time of wild ideas and trial balloons, so hold onto your hats. Many of the proposals are from the Congressional Budget Office options that first were outlined here on Feb. 10: The schemes under study include:

- A House Budget Committee plan to limit the *maximum* 1994 cost of living adjustment for retirees 62 and older to $400. The same proposal would limit COLAs for under-62 retirees at $200. Many would get *less*. It would limit future COLAs for retirees 62 and older to 1 percent less than the actual rise in living costs. Those younger than 62 would get half that amount. More than 200,000 federal and military retirees here would be affected by the diet-COLA plan.

The proposals would save (and cost retirees) an estimated $4 billion over five years. The National Association of Retired Federal Employees says 60 percent of all federal retirees get less than $13,000 a year. Under the plan, some of the lowest-income retirees could get 1994 raises of less than $50.

- The committee may move to eliminate the popular lump-sum pension option next year instead of in 1995. It is available to workers who are involuntarily separated or retired, or those who take nondisability retirement. The lump sum, equal to about 7 percent of the retiree's lifetime federal salary, can be rolled over into an IRA.
- Money-savings plans with a different motivation also are under consideration by the Post Office-Civil Service Committee. In the past, the committee has used creative financing and alternative cuts to protect federal workers and retirees from major whacks. Among other things, it may seek to speed up job turnover and to put government contractors who earn billions from Uncle Sam under the same wage restraints imposed on federal employees. This proposal, depending on how budget-cutters "score" it, could produce huge savings. The committee also may limit the amount of annual leave (vacation) executives can accrue. Some critics complain that members of the Senior Executive Service hoard the leave they built up at lower pay rates and cash it in when they retire at much higher salary levels.

WEDNESDAY, MARCH 10, 1993

THE WASHINGTON POST

THE PRESIDENT HAS SEEN
3/10

Postal Survey Unearths 'Management Problem'

By Bill McAllister
Washington Post Staff Writer

Long before the Postal Service began its massive reorganization last summer, postal employees were torn between their love of the organization and their dislike of its paramilitary management, agency officials disclosed yesterday.

Postmaster General Marvin T. Runyon, announcing the results of the agency's first national employee survey, said he was aware of the underlying unhappiness of many postal workers before he assumed the agency's top job in July. "The people really wanted to change," he said.

Runyon quickly gave them that: a restructuring that eliminated 30,000 jobs and led to the resignation of 47,000 workers.

One of his top aides, William J. Henderson, vice president for employee relations, cautioned that the workers could be more disheartened this summer when the Postal Service repeats the survey. "They're not happy campers in the restructuring," he said.

The postmaster general told reporters that he believes many employees are delighted with the changes that have produced what he has called a "leaner, flatter" bureaucracy and thrust more management decisions on lower-level supervisors. In any event, postal officials said they will use the survey, which will be repeated annually, to gauge the effectiveness of postal managers.

Henderson said the survey of 586,436 postal workers last spring illustrated that the agency had a "management problem . . . that starts at L'Enfant Plaza." He said the findings provided a baseline for a study the agency plans to repeat this summer and that managers in the Washington headquarters will be the first to be judged in part on the basis of employee ratings.

The first survey showed that 76 percent of the workers surveyed "agreed" or "strongly agreed" with the statement that they liked their work. Eighty-two percent found the pay "good" or "very good" and 65 percent gave their job security similar ratings.

When asked about postal management, responses turned negative. Only 11 percent would agree or strongly agree with the statement that the "most qualified" individuals win promotions. Sixty-one percent complained of stress on the job and only 14 percent said they believed that they would be properly rewarded for their contributions.

Runyon said the survey supported his contention that the service's "culture" needed to be changed. He expressed concern that many of the remaining workers are not convinced that the agency will move away from what he described as its "very autocratic" structure. He noted that the agency used to call its top officers "generals" and many described the agency's style as paramilitary.

Too many rules and regulations remain, Runyon said, adding, "We've got to teach our people to take risks."

30

Give the United Nations Its Dues

By Paul Volcker

Every day, sobering news from Yugoslavia, Somalia and Cambodia assaults our consciousness. There are incessant demands on the United Nations to "do something." In still other places, some with strange names in unfamiliar regions—Tajikistan, Myanmar, Nagorno-Karabakh—ancient antagonisms and new conflicts smolder, threatening peaceful development. We hear less these days from older trouble spots like El Salvador, Namibia and the Golan Heights. In substantial part, that is because U.N. peacekeeping forces have been on the spot, "doing something."

In most such instances we have come to look to the U.N. for an appropriate response. That response has been largely effective, in a way that no purely national, or even regional, response could be. Far from the exaggerated image of an impotent "talking shop" prevalent when the Cold War frustrated decision-making, the U.N. now finds itself in an increasingly operational role. Plainly, after nearly 50 years, the organization has come much closer to the potential its founders envisioned at the end of World War II.

But the U.N.'s ability to respond to new challenges, especially in peacekeeping, is being undercut by the precarious and exceedingly narrow financial base it inherited from an earlier era.

This is the finding of the Ford Foundation's International Advisory Group, which I had the honor of co-chairing with Shijuro Ogata, former president of the Japan Development Bank. The 11 members, all widely experienced in international affairs and finance and broadly representative of different parts of the world, agreed on measures that can and should be taken to strengthen the U.N.'s financial base. The premise of these proposals is that the Security Council and the secretary-general must have assurance that funds will be available when they are required. At present, that is simply not the case.

The recurrent, regular expenses of the U.N.—for the General Assembly, the Secretariat, the International Court and the like—have been covered only by depleting reserves and by unorthodox borrowing from other accounts. These expedients have now been exhausted. A more difficult and dangerous situation exists with respect to the U.N.'s peacekeeping forces, the demands for which are unpredictable and, when they do appear, urgent.

The start-up phase of a peacekeeping mission is usually the most costly, and delays only cripple chances for success. The arrival of forces on the ground is also the time of greatest danger for the men and women involved, when the need for trained personnel and new supplies is most urgent.

As things stand, each mission has to be started from scratch. The secretary-general has only limited funds at his disposal for airlifts and essential equipment. For the rest, he must wait until the U.N.'s lengthy budgetary deliberations are complete, national governments are assessed for funds, and those assessments are paid. There is no continuing training program, base of logistical support, or adequate stock of equipment to draw upon. Each operation begins catch as catch can. Often national forces must fill the gaps, impairing efficiency and risking confusion about the U.N.'s role.

The advisory group's proposals do not require striking new departures from the U.N. charter, or any loss of financial discipline. They do require that member states respect their treaty obligation to support budgetary decisions of the General Assembly. Those decisions, it should be emphasized, are now reached by consensus. Thus the interests of the larger countries, which are inevitably called upon for the great bulk of resources, are fully reflected.

The advisory group calls upon governments to pay their assessments on time, to make up for past shortfalls, and to replenish and enlarge the U.N.'s reserves.

It is in these areas that the U.S., while not alone, has been the single largest laggard. Although substantial progress has been made in clearing U.S. arrears, more needs to be done. Quite apart from the size of the $240 million U.S. shortfall, U.S. action is critical: It can set an example of fiscal responsibility for other countries.

Another set of recommendations addresses the need for more rapid and effective deployment of peacekeeping forces when new operations are approved. The group recommends setting up an adequate reserve fund from which the secretary-general can draw to initiate missions when they are authorized by the Security Council, and it recommends annual appropriations for training and logistical support.

The advisory group was acutely aware that adequate U.N. financing is dependent on confidence that funds will be well spent. We have been encouraged by clear evidence that the current secretary-general fully understands the need to improve the U.N.'s management. The group also emphasized the key role that member states themselves have in supporting this effort.

In the end, we cannot escape the fact that the operations of the U.N. do cost money. But those requirements need to be kept in perspective. All the current peacekeeping expenditures of the U.N., spread over 13 operations, totaled $1.4 billion in 1992, about a 10th of 1% of the total defense budgets of member states, and less than the annual cost of the police force in the U.N.'s home city of New York. The entire regular budget of the U.N. was $1.2 billion, less than the average cost of one Stealth bomber.

Successful diplomacy is an enormous bargain in financial as well as human terms. And when diplomacy needs to be reinforced by a military presence, there is no alternative as economical as the U.N.'s blue helmets, for their cost is shared by every government in the world. No country has more at stake in successful peacekeeping than the U.S.—whether the cost is measured in dollars or the risk to the men and women in its armed forces.

It is such simple propositions that justify and require that the nations of the world turn their attention to repairing the finances of their U.N.

Mr. Volcker was chairman of the Federal Reserve from 1979 to 1987.

3/10/93

THE WALL STREET JOURNAL

Tony
You ought to call him
& give him a
pat on the back -
saying keep pushing

THE PRESIDENT HAS SEEN 3/10

9

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/10

TO: DAVID Seldin

FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

[redacted]

[redacted]

WELCOME TO THE UNITED STATES OF AMERICA

The United States has been called the "world's greatest destination," and it is. So, I hope you will take your time and enjoy every corner of our country, every form of our hospitality, and every variety of culture that calls America home.

Across fifty states, and thousands of communities, you'll find magnificent music and great art, delicious food and intriguing crafts, and wonderful places to swim, ski, and refresh your spirit.

No matter how many times you visit us, you will find something in America that is new, inspiring and rewarding. Our people will welcome you with open arms, and I hope you will embrace America with an open heart.

Most of all, we hope you'll return -- again and again. Have a great visit, and thank you for coming to the country we love.

President Bill Clinton

ok
JOP

Chron

THE WHITE HOUSE

WASHINGTON

93 MAR 9 P12:08

March 8, 1993

MEMORANDUM FOR JOHN PODESTA

SUBJECT: Letter from the President Saluting Seniors

FROM: Mike Lux

The President has been invited to attend "A Salute to Senior Citizens", hosted by the National Council of Senior Citizens (NCSC). I am recommending that we send a message or a letter from the President in his stead.

The National Council of Senior Citizens was the primary senior citizen group supporting the Clinton/Gore ticket on a national and a grassroots level from very early on in the campaign. They have continued to be supportive of the economic package and the health care task force, regardless of any differences they may have.

I strongly recommend doing this letter because NCSC is an early and consistent supporter, and because support from senior citizens for the economic package and health care reform is critical as we move forward with the President's agenda.

3/10/93 MARSHA SCOTT:

This is important. Can we get this done well in advance

Thanks

John

President
Eugene Glover
Silver Spring, MD

National Council of Senior Citizens

Executive Director
Lawrence T. Smedley
Washington, DC

1331 F Street, N.W. • Washington, DC 20004-1171 • (202) 347-8800 • FAX (202) 624-9595

February 18, 1993

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

Dear President Clinton,

On behalf of our five million members across the nation, please accept our congratulations on a well-delivered, straightforward State of the Union address.

The National Council of Senior Citizens (NCSC) is hosting "A Salute to Senior Citizens" Reception and Presidential Awards on March 18, 1993, from 5:00 p.m. to 7:00 p.m., in the Hart Senate Office Building, Room 902.

We would be honored to have you address more than 200 key senior leaders, distinguished guests and Members of Congress from around the country. Also in attendance will be residents of NCSC's senior citizen housing projects in the Washington metropolitan area.

We invite you to present the National Council of Senior Citizens' Presidential Awards--one for community service and the other for legislative and political action. Your mother and Mr. and Mrs. Albert Gore, Sr., have been invited to serve as honorary chairpersons for the evening.

As you are aware, thousands of NCSC members worked diligently on behalf of the Clinton/Gore ticket during the campaign. Your presence and participation would provide a clear indication that your relationship with older Americans is an ongoing one, and that the leadership present that night will play an important role in promoting your legislative agenda.

Older men and women are ready to fight for your programs of health care reform that includes long-term care, a sound economy with new job opportunities and a better life for our children and grandchildren. The grassroots support is critical to moving your agenda forward.

We hope you and your family will join us on March 18.

Sincerely,

Eugene Glover
Eugene Glover
President

Larry Smedley
Lawrence T. Smedley
Executive Director

cc: Mike Lux, White House Office of Public Liaison

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 2/18/93

NOTE FOR: Bernie Nussbaum

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

Information ☐

Action ☒

Please let me know who will be following up on this.

3/10/93
Bernie —
Did anything happen with this
John

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

[redacted]

cc:

[redacted]

[redacted]

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

To Bernie W.
He's a friend - from
a [illegible] in Connie's
"Town Hall" call him -
Let me know -

The President
The White House
Washington, D.C. 20500

[redacted]

[redacted]

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

WM. J. JEFFERSON
2ND DISTRICT, LOUISIANA

February 11, 1993

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I need to discuss with an appropriate member of your staff a matter of the greatest urgency involving Historically Black Colleges and Universities (HBCU's) and the Department of Justice's Civil Rights Division. An action proposed by the Justice Department is opposed by HBCU's, the State of Louisiana, the United Negro College Fund, the National Association for Equal Opportunity in Education and the Congressional Black Caucus. [redacted]

Please have someone on your staff call me as soon as possible.

Sincerely,

William J. Jefferson
Member of Congress

WJJ:smj

Chron

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 3/10

NOTE FOR: Bob Rubin, Leon Panetta

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

Information ☐

Action ☑

[redacted]

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

[redacted]

cc: The Vice President, Howard Paster

[redacted]

THE WHITE HOUSE
WASHINGTON

Bob Rubin | cc AG

You might ought to
take another look at
this - Pls review
above

[redacted]

B

[redacted]

HOWELL HEFLIN
ALABAMA

THE PRESIDENT HAS SEEN 3/10

United States Senate

WASHINGTON, DC 20510-0101

March 1, 1993

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

Dear Mr. President:

I think it would be a serious mistake to terminate TVA's National Fertilizer and Environmental Research Center (NFERC). Instead, in my judgement, this center should be greatly expanded in light of your goal to invest in the future of America, particularly in the environmental area.

In recent years, NFERC has practically stopped its emphasis on fertilizer research and its scientific, engineering, and technology transfer teams have focused their expertise and energies on creating technologies to help keep agriculture productive and environmentally sound. In addition, NFERC's staff is addressing most of the environmental issues that you and Vice President Gore have effectively brought to the attention of the nation: municipal, industrial, and agricultural wastes, remediation of contaminated sites, pollution prevention, constructed wetlands, and water quality.

The reason given for the proposed termination of NFERC is that "the fertilizer industry is fully capable of financially supporting fertilizer research without the need for taxpayer subsidized work in TVA." I wish to point out that this has already been accomplished for all practical purposes.

Out of NFERC's 1993 budget of $34.3 million, only $1.5 million is devoted to fertilizer R & D. Most of this has to do with developing fertilizer that is environmentally sound. The remaining $32.8 million is spent exclusively on environmental research.

The following figures show the phase-out of fertilizer research over the last few years:

NFERC APPROPRIATIONS FOR THE YEARS 1980 - 1993:
(in thousands of dollars)

YEAR	FERTILIZER	ENVIRONMENTAL	TOTAL
1980	47,284	0	47,284
1981	44,649	0	44,649
1982	41,510	2,911	44,421
1983	40,974	4,589	45,563
1984	44,039	5,681	49,720
1985	47,465	4,825	52,290
1986	39,042	3,787	42,829
1987	31,530	3,277	34,807
1988	30,377	3,246	33,623
1989	30,235	3,265	33,500
1990	5,709	27,322	33,031
1991	5,437	26,670	32,107
1992	5,112	29,188	34,300
1993	1,500	32,800	34,300

As the above chart illustrates, the emphasis of NFERC's work has shifted to R & D on the environment. I have enclosed a seven page summary of the Center's work in environmental technology for your review.

A review of the enclosed summary points out the long term importance of the research done in these vital areas. A visit to this research center would be most revealing. The Center has recently opened a constructed wetlands facility. This is the only constructed wetlands facility in the United States. The potential of this environmental technology research alone justifies the continuation of this center.

Your economic plan proposes in its long-term public investment program an $8 billion increase in environmental infrastructure, research, and technology which would accomplish much of what is already underway at NFERC.

Why kill an ongoing research center that is accomplishing many of your goals in order to create new programs with similar missions? It doesn't make sense. Instead of terminating this center, it ought to be enhanced.

NFERC is a national resource with a renowned staff of scientists, researchers, engineers, technicians, and analysts all working on solutions to environmental problems. The 448 member staff includes soil physicists, soil chemists, microbiologists, organic and inorganic chemists, agronomists, biologists, chemical engineers, environmental engineers, and experts on environmental compliance. The center has a 60 year working relationship with universities and other research organizations throughout the world.

In recognition of its outstanding reputation, the International Fertilizer Development Center (IFDC), which performs fertilizer research and development primarily for developing countries, chose to locate adjacent to NFERC in order to benefit from the expertise of the center.

Before any decision is made relative to the termination of NFERC, I hope that you will become thoroughly familiar with the environmental R & D already being conducted there. I urge you to have the environmental advisors on your staff visit the center and see firsthand the progress being made toward your goals of investing in the environmental well being of the nation, as well as your desire for the further investment in technology that will reap benefits for our nation in many ways, including spin-offs in related and unrelated fields. If they do so, I believe they will recommend to expand NFERC rather than terminating it.

With kindest regards, I am

Sincerely,

Howell Heflin

Howell Heflin

HH/jsn

NATIONAL FERTILIZER AND ENVIRONMENTAL RESEARCH CENTER

In FY 1991, we shifted emphasis from traditional fertilizer research and development activities to research and development on the environmental aspects of wastes and of comprehensive nutrient management and use. We continued in FY 1992 and FY 1993 on this refocusing; thus, research program elements and funding levels have retained similar themes and levels.

We continue to address three major elements in environmental research activities: Wastes and By-products, Nutrients and Water Quality, and Remediation.

- Wastes and By-products R&D

  Municipal Solid Wastes. Given a trend toward a decline in landfill space and environmental awareness, there is need for reduction in the volume of municipal solid waste (MSW) and an emphasis on recycle and reuse. TVA continues to work on process research and demonstration of MSW reduction, recycle, and reuse in the Valley and nation. For example, TVA has developed technologies for the chemical and biological conversion of hardwoods and other cellulosic sources to ethanol and other chemicals. In 1992, these technologies were adapted to convert the cellulosic fraction of municipal solid waste into ethanol, other chemicals, and a clean-burning refuse-derived fuel that can be used to fire boilers. In 1993, a contract was finalized to provide these technologies, including pilot plant facilities, to a private business. Their intent is to build a commercial-scale conversion facility for treatment of MSW.

  Animal Wastes. We continue to research ways to convert animal wastes, especially poultry litter, into value-added products to offer producers an alternative to the potentially harmful practice of land-spreading on limited acreages near their operation. Approaches include: use as a feed supplement for ruminant animals, conversion to fertilizers, and composting to produce potting soil or substitutes for peat moss. The poultry litter composting research identified regional, national, and global needs to more completely understand the composting process and effectively transfer composting technology. As a result, work is under way to establish a composting research and demonstration facility at TVA. Talks in a similar context also are in their infancy with entities representing pork producers.

  Industrial Wastes. TVA staff are studying technologies that use high-volume industrial wastes and by-products as economical fertilizer intermediate. Emphasis remains on sulfur- and nitrogen-containing wastes and waste acids. Staff also are doing bench-scale testing of processes to satisfactorily granulate industrial wastes and by-products using techniques such as compaction, pelletizing, and extrusion.

Coproduction for Electricity. TVA has been collaborating with the Electric Power Research Institute to explore the potential of coal gasification for coproduction of electricity and fertilizer. The gasification route nets about 15 percent greater energy recovery than conventional coal-fired plants. It also is much cleaner environmentally.

- Nutrients and Water Quality R&D

Nutrient Management and Prevention of Nonpoint Source Pollution. Agricultural practices, including use of plant nutrients, can lead to nonpoint source pollution problems. Improved nutrient management is recognized by experts and practitioners nationwide as a key tactic to address water quality problems in the nation's coastal waters, groundwater, and inland surface waters. TVA is involved in a number of research efforts to develop environmentally and economically sound nutrient management systems for producing food, feed, and fiber.

- We are conducting research on the development and introduction of agricultural practices which reduce the potential for nonpoint source pollution of water resources, and on the development of products to increase effectiveness and reduce adverse environmental impacts by matching the delivery of nutrients to plant uptake. This includes work with gels and polymer coatings and matrices.

- Through in-house and cooperative research with universities, we are developing and evaluating a variety of practices to maximize nutrient recovery by crops and minimize adverse environmental impacts, especially nitrate contamination of groundwater. We are coordinating an effort in the humid regions of the country to develop and introduce a soil test for nitrogen availability. Use of the test will discourage overfertilization, a practice which can lead to pollution.

- We are evaluating the potential for using winter cover crops to capture excess nitrogen remaining after crop harvest to prevent nitrate movement to groundwater, evaluating the effect of manure applications on downward movement of nitrates, and developing controlled availability nutrient sources to prevent build-up of excess amounts of nitrogen in soils.

- We are developing ways to increase crop yields by adjusting the ratio of ammonium and nitrate forms of nitrogen in the soil. By increasing the amount of nitrogen harvested in the crop, the potential for nitrogen movement to groundwater is reduced and economic return is increased. Increased yields have been demonstrated with several cereal crops.

- We also conduct cooperative research with universities and experiment stations across the nation. These basic and applied research projects also serve as demonstrations to introduce and transfer environmental technologies more widely. Emphasis is on developing and introducing technologies and practices that reduce or eliminate nonpoint source pollution.

- We are developing and introducing best management practices that can be used by fertilizer dealers and attendant agricultural retailers in operating their plants and businesses in environmentally acceptable ways.

- We also are sponsoring 20 nationwide model site demonstrations centered around containment technologies to serve as "real-life" laboratories for researchers, technologists, educators, and practitioners. This will help prevent pollution of surface and groundwater from fertilizer and agrichemical operations.

Constructed Wetlands R&D. Using a newly constructed wetlands research facility, the only such facility in the United States, we conduct basic and applied research leading to innovative, low-cost, and low-maintenance designs for wastewater and runoff treatment using constructed wetlands technology. Results from the research and development at this facility will be used to: (1) improve the efficiency of existing constructed wetlands designed to treat municipal and residential wastewaters; (2) extend the application of constructed wetlands technology for removing a variety of pollutants from rural and urban runoff and from industrial wastewaters; and (3) increase understanding of how and why naturally formed, as well as constructed, wetlands work.

- Remediation Technologies

Background. Many sites have soils and aqueous streams contaminated with agricultural chemicals. Several states currently permit land application of such contaminated materials under certain conditions. However, this practice may be limited in the future. TVA is developing alternative technologies for treating these materials ranging from bioremediation to simple physical separation or more sophisticated physical/chemical techniques.

Bioremediation. Research is under way by TVA to evaluate various microorganisms to break down pesticides and determine optimum chemical, physical, and biological conditions to enhance bioremediation of soils.

Photocatalytic and Chemical Oxidation Processes. Development of such processes are under way. These technologies could provide economical methods for destroying pesticides in contaminated wastewaters, rinsates, and storm water using relatively simple equipment.

Solar Evaporator Technology. Research supported by the Alabama Universities/TVA Research Consortium has led to the development of a solar evaporator/concentrator for remediating small-quantity waste streams. A successful demonstration of the solar evaporator was completed at an industrial metal plating facility. In Washington and Idaho, TVA is demonstrating solar concentration of pesticide-containing water; and at Utah State University, we are demonstrating the degradation of pesticides in contaminated soil. A test unit also is operating at TVA in Muscle Shoals.

Supercritical Fluid Extraction. Where pesticide concentrations in soils are high, bioremediation treatment methods will likely be ineffective. The most common treatment method is incineration. TVA investigated possible technologies that would eliminate the high costs and hazards of transporting contaminated soils to a remote incineration site. One alternative evaluated was a portable supercritical fluid extraction unit. Resulting economics are poor at this time for remediating pesticide contaminated soils. However, this technology is a possible replacement for hazardous and ozone-depleting cleaning solvents that are being banned by EPA. These solvents are routinely used in many businesses, such as the cleaning of small parts; and at this time, there are not clear alternatives available. TVA is conducting preliminary evaluations on the effectiveness and economical competitiveness of supercritical fluid extraction technology in replacing the banned solvents.

Elemental Phosphorus Sludge. As part of an environmental cleanup program at the NFERC site, under the direction of the U.S. EPA under the Resource Conservation and Recovery Act (RCRA), TVA is developing a process to remediate elemental phosphorus sludge while producing a usable product with no residual by-product. Development of this process will allow TVA to remediate a potentially dangerous environmental problem at its NFERC site and provide solutions to phosphorus problems in other industries such as pharmaceuticals and food processing.

The National Fertilizer and Environmental Research Center serves the Tennessee Valley region and the nation by developing and introducing technologies that enhance agriculture and the environment. It developed most of the technology used to make the fertilizers that fuel America's food abundance. And now, significant agricultural, industrial, natural resource, and societal trends have influenced the Center's direction and responsibilities. Paramount among these trends are greater concern for the environment, natural resource conservation, and nonrenewable resource management.

Over the past 60 years, NFERC scientists and engineers did not stop with developing fertilizer technology, but they researched and encouraged efficient fertilizer use practices and environmental stewardship. This scientific and technical base, together with attendant human capital, has provided an increasing rationale and entree for solving environmental and waste problems associated with agricultural, industrial, and municipal operations.

The vision of the Center is to be the preferred supplier of many agricultural and environmental technologies. Examples of key activities at the Center reflect this vision.

- Nutrient Management Technologies and Prevention of Nonpoint Source Pollution

  National studies have documented that significant portions of the nation's coastal waters, groundwater, and inland surface waters are either impaired or threatened by excessive nutrient levels. Effective nutrient management is recognized by federal, state, regional, and local institutions and entities as an essential measure for preventing nonpoint source pollution. It also provides producers a means to enhance both yields and profits to sustain themselves economically. This has potential to contribute, support, or enhance a strong rural infrastructure.

  Efforts under way at TVA to develop and introduce nutrient management technologies and practices that will sustain U.S. agricultural production in an environmentally acceptable way include:

  - Controlled Availability Research to develop cost-effective controlled release mechanisms to offer more efficiency in growing plants' use of nutrients and thus reduce residual nutrient release. This includes work with gels and polymer coatings and matrices.

  - Improved Agricultural Practices Development which reduces the potential for nonpoint source pollution of ground and surface waters. This includes research to: (1) determine which winter cover crops are most effective in capturing excess nitrogen in soils to prevent its movement into groundwater; (2) show that maintaining nitrogen in the ammonium form by inhibiting nitrification can increase yields, improve nitrogen use efficiency, and reduce adverse environmental impacts of nitrogen fertilizers; and (3) develop and introduce a soil test for nitrogen availability in the humid regions of the country to discourage overfertilization.

  - Improved Environmental Practices Demonstrations and Related Activities with Industry. We are sponsoring 20 model site demonstrations and related educational forums in the Valley and across the nation to test and demonstrate improved practices to prevent contamination from fertilizer and pesticide mixing operations. These sites are augmented by over 25 other demonstrations that highlight individual areas of interest or novel designs. Participants in these demonstrations are strategically positioned to help farmers become better stewards of the environment.

- Technologies to Treat or use Industrial, Agricultural, and Municipal Wastes

  Efforts to use these wastes in an environmentally and economically acceptable manner include:

- Constructed Wetlands. Using a newly constructed wetlands research facility, the only such facility in the United States, we are conducting research to gather basic information on how constructed wetlands can be used to clean up a variety of industrial, agricultural, and municipal waste streams.

- Municipal Solid Wastes. The decline in landfill space coupled with increased environmental awareness suggests a need for reduction in the volume of municipal solid waste (MSW) and an emphasis on recycle and reuse. TVA continues to work on process research and demonstration of MSW reduction, recycle, and reuse in the Valley and nation.

- Animal Wastes. The Center continues to research ways to convert animal wastes, especially poultry litter, into value-added products to offer producers an alternative to the potentially harmful practice of land-spreading on limited acreages near their operation. We have made initial efforts to work with pork producers as well in a similar context. This work has resulted in the establishment of a composting research and demonstration facility at TVA.

- Industrial By-products. Staff at the Center are studying ways to convert some industrial by-products into economical fertilizer intermediates. Attendant bench-scale testing is under way on processes to satisfactorily granulate industrial wastes and by-products using techniques such as compaction, pelletizing, and extrusion.

- Coproduction Demonstration Project. TVA staff is exploring (in collaboration with Electric Power Research Institute) the potential of coal gasification for coproduction of electricity and fertilizer. The gasification route nets about 15 percent greater energy recovery than conventional coal-fired plants and is cleaner environmentally.

- Pollution Prevention/Remediation. Many sites have soils and aqueous streams contaminated with agricultural chemicals. TVA is developing alternative technologies for treating these materials. Technologies being addressed include bioremediation, photocatalytic and chemical oxidation processes, solar evaporation, and supercritical fluid extraction.

• Stewardship and Environmental Compliance at NFERC

At its NFERC site, TVA is conducting significant stewardship and related activities. These include:

- Facility Removal. A major effort is underway to remove obsolete buildings and plant production facilities that are no longer needed. In 1992, several production facilities were sold and removed and selected buildings were demolished.

- Environmental Cleanup. TVA is conducting an environmental cleanup program at the plant site under the direction of the U.S. Environmental Protection Agency under the Resource Conservation and Recovery Act (RCRA). Sampling and analysis of all the solid waste management units (SWMUs) will be completed in 1993 and site remediation will begin.

- Remediation Technologies for Phosphate Wastes. As part of the RCRA project, TVA is developing a process to remediate elemental phosphorus sludge while producing a usable product with no residual by-product. The development of this process has implications for use in other industries such as pharmaceuticals and food processing.

· Development of Technologies Through Work-for-Others Program

Development of these technologies provide for activities such as:

- Environmental Assessments at Military or Industrial Sites. These are investigative evaluations of sites which provide findings, corrective actions needed based on regulatory requirements, and suggested best management practices.

- Environmental Remediation at Military or Industrial Sites. These involve technologies required for required cleanup of selected sites.

- Waste Conversion and Utilization. The activities in these areas are varied and diverse depending on the specific case to be addressed.

- Chemical Treaty Compliance. This is an innovative project in that the Department of the Army contracts with NFERC for chemical and environmental expertise to evaluate the provisions of the proposed Chemical Weapons Reduction Treaty between the United States and the former Soviet Union.

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/10

NOTE FOR: TONY LAKE

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

[redacted]

Information ☑

Action ☐

[redacted]

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

[redacted]

THE WHITE HOUSE
WASHINGTON

Tony Re: HAITI

Black caucus
suggested freezing assets
denying visas

[redacted]

B.

[redacted]

Tony

THE WHITE HOUSE
WASHINGTON

Black Caucus

(1) Don Payne wants us to freeze assets of Haiti, Zaire in US

(2) unclear why we haven't recognized winner of election in Angola — we buy a lot of oil from

[redacted]

Chron

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 3/10

NOTE FOR: George S., MARCIA

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

Information ☐

Action ☐

[redacted]

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

[redacted]

cc:

[redacted]

THE WHITE HOUSE
WASHINGTON

GS/McHale

AGJ & I think we should start dept visits again - have only done OMB - could combine with listening to employees —

[redacted]

GB

[redacted]

3/10/93

[redacted]

THE PRESIDENT HAS SEEN 3/10

UNITED STATES SENATE
WASHINGTON, D. C. 20510

BL

It obviously
cares a lot about
this - maybe we should
consider

[redacted]

The President

Personal

[redacted]

[redacted]

Senator David L. Boren

Mr President —

Soon you will be appointing the Chair of the National Endowment for the Arts. I had put in a call to you to recommend Jane Alexander, the well known and highly respected actress. While Jane has been in New York a number of years, I wanted to point out that she has midwestern family roots in Nebraska.

Above all, I wanted to share my own personal experience with Jane. She has come out to Oklahoma several times to work with and teach our brightest Oklahoma high school students in drama

[redacted]

[redacted]

[redacted]

at the Oklahoma Arts Institutes. She has also taught our public school speech and drama teachers in fall workshops. To this day she continues to keep up with these young people and helps and encourages them. She is very down to earth and is beloved by all of those in Oklahoma arts activities at the grass roots who have come to know her. That she would spend her time and energy on Oklahoma high school students tells me a lot about her values.

[redacted]

If you decide to appoint her, you won't just be appointing a person from the New York arts community. — We in Oklahoma also claim her as our own.

Sincerely,

[redacted]

3/10/93

[redacted]

Danny McDonald
FEC Comm
Was neutral
Dems Senators
Gephardt vs?

Slagle for

[redacted]

BL

Bob Slagle is
for this man —
says Dick Gephardt
is against him

[redacted]

3/10/93

[redacted]

THE WHITE HOUSE
WASHINGTON

BL

Where are we w/
Rodney Slater?

People not placed

V Radd — Lawrence
Joe Grandmaison — Meredith Cabe
Jay Rowe, Md

[redacted]

Rob Shapiro
Walter Kye
Ct gave (Nancy Soderberg agrees
w/ [illegible] that were having
w/ women - I think
she would [illegible])
Marty Rome; NYC (w/ Ruth Messinger) -

Ark - Ken Smith
FK Walton

[redacted]

3/10/93

[redacted]

THE WHITE HOUSE
WASHINGTON

BL

Clay Constantinou
reminded me that
my G'town classmate
Ken Pentony would
like to be in Civil Div
of Justice or US Atty for
NJ - He ran our campaign
for us in [illegible] Did a great
job running it -

[redacted]

Doug Eakeley helped too
& shouldn't be forgotten -

[redacted]

Chron

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 3/10

NOTE FOR: Mack, Bob Rubin, Carol Rasco, George S, Rahm

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

Information ☑

Action ☐

[redacted]

ASAP

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

[redacted]

cc:

THE PRESIDENT HAS SEEN 3/10

THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON
20506

Mack/Bob Rubin/C Rasco
I strongly agree with this B.

MEMORANDUM TO: President Clinton

FROM: Mickey Kantor

DATE: March 8, 1993

Mr. President:

As a result of a conversation with Mack, he asked me to prepare this brief memo. You will be meeting with the California delegation tomorrow - lead by speaker Brown. Needless to say, a bad economy, the King trial, the Denny trail, other racial tensions in Los Angeles, and a lack of political leadership because of Tom Bradley's retirement, and recent political weakness have created a huge vacuum as well as great fear in the political/civic community. This has been exacerbated by the concern over base closings and fear of California to experience an economic upturn.

I would strongly recommend that you be prepared to focus in a coordinated fashion current with available federal dollars from programs like youth or summer employment, Title 1, job conversion and other areas in order to focus this administration's attention on the avoidance of a potential social conflagration and to demonstrate our commitment to the cities.

Without indigenous leadership at this point at any level in the state this administration could fill a vacuum and help ourselves.

CC: Mack McLarty

Chron

THE WHITE HOUSE

WASHINGTON

March 9, 1993

William Irwin Belk
6100 Fairview Road, Suite 640
Charlotte, North Carolina 28210-3356

Dear Bill:

Thank you for your letter. I am glad you were able to attend the Inauguration.

I appreciate your recommendation of Mike Snow, and I have forwarded your letter to Bruce Lindsey, Director of Presidential Personnel.

Thank you for the tee shirts. I look forward to wearing one on a morning jog.

Sincerely,

Bill

BL - Pls check
out -

Belk

Belk Group of Stores / 6100 Fairview Road, Suite 640 / Charlotte, N.C. 28210-3356

February 19, 1993

President Bill Clinton
The White House
Washington, D. C. 20500-2000

My dear Mr. President:

I sincerely regret that I did not get to see you personally during the Inaugural Festivities. It was a wonderful occasion; however, you had so many activities involving your time and so many people to see that I hesitated to interrupt you. I continue to have beautiful memories of the Renaissance week-end in January, and your sharing some time with us on the golf course.

In addition to extending to you my very best wishes, I would also like to recommend to you the services of a friend of mine, Mike Snow, a prominent North Carolinian, and one who has an impressive background as an International Journalist and businessman.

After reporting wars in Asia and Africa for top media markets, visiting a total of about 85 countries in the process, and later participating in the securities business on Wall Street, Mike came to Charlotte three-and-a-half years ago, where he has worked diligently at opening up international trade opportunities for local companies and writing articles about this subject. In March, 1991, Mike co-sponsored a visit to the area by a group of 20 Siberian coal directors, and a year ago he spent a couple of months in Russia, assessing the extraordinary opportunities of every kind that exist there today.

In his spare time, Mike worked for your campaign (including writing ~~the local~~ "Democratic Voice"), and for the last two months, he has been in Washington as a member of both the Presidential Inaugural Committee and the Presidential Transition Team. Mike's diverse professional background, his unwavering support of you and your ideals, and his genuine enthusiasm for changes that the Administration is about to implement, would make him an outstanding candidate for positions he has targeted. These include:

The White House
Health Care Task Force (or a post reflecting his International experience)

State Department
Deputy Assistant Sec., Bureau of S. E. Asian Affairs (or its Russian Counterpart)

Or Deputy Asst. Sec., Bureau of Public Affairs

Commerce Department
Office of Public Affairs, Director or Confidential Asst. to the Undersecretary for International Trade

Securities and Exchange Commission
Office of Public Affairs, Director

National Endowment for the Arts
Office of Public Affairs Director

U.S.I.A. Office of International Visitors, Director

Peace Corps (various Schedule C Positions)

Mike is primarily interested in governmental and international affairs, and he would be an asset in any of the departments in which he aspires to become associated. Please give him every consideration for the above-mentioned positions, or similar positions.

With highest esteem. Please call on me anytime I can help you !

Sincerely yours,

Bill Belk

William Irwin Belk

WIB/vf

Belk

Belk Group of Stores / 6100 Fairview Road, Suite 640 / Charlotte, N.C. 28210-3356

March 3, 1993

First Lady Hillary Rodham Clinton
The White House
Washington, D. C. 20500-2000

Dear Hillary:

I have served on the local Board of the Drug Education Center for several years. We have won a lot of recognition on drug awarness among young people by helping to train them on the perils of drug use. Also,I am enclosing several T-Shirts for the President for his "jogging attire"! You will note that our slogan is "Hugs are Better Than Drugs".

Knowing of your deep interest in children and their welfare, we would like to invite you to be our speaker at the annual meeting of our Drug Education Center to be held sometime in the Fall of this year. We would schedule the meeting at a time that would fit into your schedule - either September, October, or November. With your presence, we could expect at least 500 people in attendance. Our area is very supportive of children's programs and children agencies. With our First Lady as speaker, we would invite other children-related agencies in our area. It would be a terrific and meaningful meeting.

I do hope you will find time among your very busy schedule to give us a date to speak to our group. I would take great pride in presenting you to this group - and to Charlotte, North Carolina !

Please give my best to the President - and we continue to wish for both of you the very best in your efforts for a better America !

With highest esteem.

Sincerely yours,

Bill

William Irwin Belk

WIB/vf

ICATION CENTER
IGS
RE
TER
AN
JGS.
RUG (3784)

chron
3/10

[redacted]

Mr. President
From David [illegible]

[redacted]

BL — again we
[illegible] trying to make
[illegible] of them

[redacted]

THE PRESIDENT HAS SEEN 3/10

LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

TELECOPIER
202-296-8791

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567
312-558-1000

PARK AVENUE TOWER
65 EAST 55TH STREET
NEW YORK, NEW YORK 10022-3219
212-421-5555

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08875-6739
908-563-2700

DAVID M. IFSHIN

March 9, 1993

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500-2000

Dear Mr. President:

It was a pleasure seeing you last Friday afternoon. This letter responds to your request that I send to you directly our list of Democratic centrists who have expressed an interest in serving in your Administration. I am therefore enclosing a copy of my most recent letter to Sandy Berger that responded to his request for the names which Senator Lieberman gave to Secretary Christopher after our meeting with the Secretary in January.

The individuals listed are mostly supporters of Senator "Scoop" Jackson and leaders of the Coalition for a Democratic Majority. Their enthusiastic support for you dates from your first foreign policy speech at Georgetown University in December of 1991. Since they had been outspoken advocates of a return by our party to the mainstream, their endorsement (initially publicized in a New York Times advertisement on the first day of the Republican convention) was ardently solicited by your campaign. The group strongly supported the foreign policy you outlined during the campaign and contributed significantly to diffusing Republican attacks upon it and upon you personally.

Our meeting with Tony and Sandy was encouraging. I shared with the group your personal commitment to this matter after our talk and your instruction to me to send the list to you directly with a copy to Bruce. Needless to say, all of us are deeply appreciative of your involvement in seeing this through, as well as of the efforts by Tony and Sandy.

Incidently, the visit by Secretary Christopher to the Middle East has been warmly received by the Jewish community. In addition to the substantive accomplishments of the visit, I believe this may be attributed largely to the genuine efforts he made to reach out to the leadership of the major organizations prior to his departure. While I was glad to be helpful to him in this regard, he is to be commended for his foresight in this matter.

Your friend,

David M. Ifshin

Enclosure
cc: Bruce Lindsey

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WASHINGTON, D.C. 20006-4103
202-296-8600

TELECOPIER
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150 NORTH MICHIGAN AVENUE
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NEW YORK, NEW YORK 10022-3219
212-421-5555

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08875-6739
908-563-2700

DAVID M. IFSHIN

February 25, 1993

The Honorable Samuel I. Berger
Deputy National Security Adviser
The White House
Washington, D.C.

BY TELEFAX

Dear Sandy:

Thank you again for taking the time yesterday to review the situation of our centrist Democratic friends. It was reassuring to know that you and Tony are aware of the frustrations many within the group feel. As we agreed, I have shared the essence of our conversation with the others. In conveying the intensity of your commitment in this matter, the appreciation I felt for your sincerity was similarly reflected by them.

As you requested, I am sending with this letter the list of those individuals we recruited to our efforts who have expressed an interest in serving in the Administration. I was asked to convey to you with this list a general sense of concern, however, that the opportunity to play a role in shaping policy at a senior level seems to be increasingly difficult to foresee under the totality of the circumstances. It is for that reason that I would recommend that you and Tony consider meeting with one or two of us about your proposed appointments before they are announced. That meeting might be able to provide you with some feedback in advance about the reception those appointments are likely to receive both from the individuals involved as well as from the broader range of people to whom this is important.

Sandy, I also want to express again on my own behalf my gratitude for your immediate support for my interest in serving as General Counsel at Treasury. Regardless of the outcome of any of this, your friendship and confidence is something that continues to mean a great deal to me.

Best wishes for continued success.

Your friend,

David Ifshin

The following list represents those individuals who played a role in encouraging and implementing the endorsement of President Clinton and Vice-President Gore by foreign policy centrist Democrats. Each of these names has previously appeared on lists submitted to the Transition or the Administration. Of the original list, only Walt Slocombe has been appointed as of this date.

1. Richard Schifter
2. Peter Rosenblatt
3. Sam Huntington
4. Penn Kemble
5. Josh Muravchik
6. David Ifshin
7. Will Marshall
8. Mike Chapman
9. William Bodde
10. Thomas Parker
11. Nina Shea
12. Jan Lodal
13. Jay Winik

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888 SIXTEENTH STREET, N.W

WASHINGTON, D.C. 20006-4103

202-296-8600

TELECOPIER
202-296-8791

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567
312-558-1000

PARK AVENUE TOWER
65 EAST 55TH STREET
NEW YORK, NEW YORK 10022-3219
212-421-5555

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08875-6739
908-563-2700

DAVID M. IFSHIN

March 9, 1993

The Honorable Nancy Hernreich
Deputy Assistant to the President
The White House
Washington, D.C. 20500-2000

Dear Nancy:

The President asked me on Friday afternoon to have the enclosed list of Democratic centrists delivered to him and Bruce personally.

I would appreciate your assistance in bringing this letter to his attention.

Sincerely,

David M. Ifshin

THE WASHINGTON POST

THE PRESIDENT HAS SEEN 3/10

Robert Kuttner X

Airbus Is the Wrong Target

President Clinton, speaking recently at Boeing's big Seattle plant, accused the European Community of unfairly subsidizing the arch-rival Airbus. The message, aimed at the 28,000 Boeing workers slotted for layoff due to declining orders, apparently signals a harder line on trade.

But while the United States indeed should seek the elusive "level playing field," and while Boeing's plight is serious, Airbus is the wrong target. Both the United States and the Europeans have committed comparable subsidies to aircraft.

> ***"The real killer of Boeing's sales is not Airbus, but airline deregulation."***

Since World War II, the United States has subsidized its industry indirectly, through military contracts valued in the trillions. Those contracts not only purchased fighters and bombers; they taught Americans how to design planes; they subsidized the construction of aircraft factories, the purchase of advanced production machinery and the training of skilled workers.

All of this gave American firms dominance of world aircraft markets. That dominance, in turn, allowed ample profits to be plowed back into investment, yielding even more sophisticated planes and deterring potential competitors.

In 1971, the Europeans, with far smaller military budgets, looked enviously at Boeing and decided to subsidize a new civil industry directly. The French, Germans and British, after all, had built impressive military aircraft. But with U.S. manufacturers supplying over 90 percent of the world's jetliners, no private European company could muster the capital investment to get back into the civilian game.

So the European Community provided start-up capital and subsidized loans for what became the Airbus Consortium. Airbus began building jetliners that are today the technical equal of Boeing's and enjoy a world market share approaching 30 percent.

The U.S. government reckons the total value of past EC Airbus subsidies at $26 billion. The EC in turn, says Boeing and the other U.S. manufacturers received some $33 billion to $41 billion in indirect subsidies, mainly from NASA and the Pentagon, just since 1976—and more during the early post-World War II years.

Such subsidies are difficult to score with precision—for example, what is the implicit subsidy attributable to a Boeing engineer trained thanks to a NASA contract? But both Europe and the United States are roughly equal sinners against free aircraft markets. Ironically, less than a week after his Seattle speech, Clinton was proposing to shift billions in Pentagon industrial aid into commercial technology aid—more subsidy!

The issue, therefore, is not whether to ban subsidies that most governments view as development aids, but how to define rough equity. And, in fact, last March the United States and Europe concluded a pact which attempts just that in aircraft, allowing some direct and indirect state aid but placing ceilings on both. This approach makes sense.

In my books and articles, I have advocated both industrial policies and a measure of managed trade—views that are often mistakenly termed "protectionist." Perplexed readers who think me protectionist of U.S. industry must find it odd that I defend Airbus.

But this precisely illustrates the flaws in the usual concepts and labels. The Airbus-Boeing saga suggests several lessons, all consistent with the managed trade/industrial policy view—and none necessarily "protectionist":

First, industrial policy and selective subsidy can be economically virtuous. As the aircraft saga reveals, both the U.S. indirect subsidy and the European direct subsidy helped create superior planes, which would have evolved far more slowly if companies had waited for private capital.

Second, once a nation is subsidizing a strategic product, we are no longer in the world of free markets or laissez-faire trade. The only alternative to allowing that nation to dominate markets is to tolerate other subsidies, but then to balance and restrain total subsidies lest a trade war break out. This is a form of managed trade, but it is the only sane alternative.

Further, "protectionism" misses the point. As an American, I would like Boeing to thrive. As a human being, I would like the global economy to produce broadly rising living standards for everyone. Toward this end, there is room for dynamic aircraft industries on both sides of the Atlantic, and elsewhere as well. So I am no protectionist, if that means jingoist.

Rather, political economists like me advocate industrial policies and partially managed trade because these are the necessary ingredients of a mixed economy. And a mixed economy is a better route to sustainable economic growth than a laissez-faire one in both Europe and America.

Laura Tyson, President Clinton's chief economist, grasped this truth in her book, "Who's Bashing Whom: Trade Conflict in High Technology Industries." She and the president need to talk, lest he begin to sound like the crude protectionist that he is not. One must hope that the Seattle speech was political posturing, not incipient bad policy.

A final thought about the aircraft business and laissez faire: The real killer of Boeing's sales is not Airbus, but airline deregulation—another gift of free-market ideology run riot. When airlines are oscillating wildly between selective price-gouging and ruinous price-cutting, they can't afford to buy new planes. To help Seattle, President Clinton needn't bash Airbus. Rather, he should revive Boeing's best customers by reregulating the airlines.

Bob Rubin
See our conversation
B

35

THE PRESIDENT HAS SEEN 3/10

THE WALL STREET JOURNAL

President Clinton, Normalize Ties With Vietnam

By ALBERT R. HUNT

HO CHI MINH CITY—A first-time visitor arriving in Vietnam with vague expectations of depressing poverty and dreary repression is in for a big surprise.

Instead, Saigon—which is what everyone but Communist apparatchiks still calls this city—is buoyant, dominated by bustling motor bikes and hustling street entrepreneurs. Dollars are more in demand than dong, and the movie in the room at the modernized Continental Hotel is "Teenage Mutant Ninja Turtles."

In a country where B-52 bomb craters still litter the landscape, Americans are celebrated—even in a little village in the Mekong Delta, where Westerners haven't been seen in years. When the Far Eastern Economic Review's Murray Hiebert tells the villagers we're Americans, not Russians as they had first thought, an elderly lady responds, "Americans are good."

America again faces a decision about the nation that has bedeviled our foreign policy for decades. The issue is whether to end the U.S.-directed—and now clearly counterproductive—embargo on trade and access to international lenders.

After being plagued by his evasion of the Vietnam War throughout the campaign and the gays-in-the-military fiasco in his first week in office, Mr. Clinton understandably doesn't have normalizing relations with Vietnam at the top of his agenda. But this president, who insists that foreign policy has to be driven by the new global economy, can ill afford to continue stiffing Asia, the region where economic growth is most dynamic. His policy, or nonpolicy, toward Japan and China is the most crucial. But Vietnam is a part of the puzzle too, for economic, political and psychological reasons.

The allure of Vietnam is easy to exaggerate. Despite outward appearances, this remains a relatively poor country, and it still has a dictatorial Communist government. The banking system is a shambles; nonstate enterprises find it exceedingly difficult to obtain capital. Infrastructure needs are enormous, and the rich agricultural sector needs reform. The health-care and educational systems have deteriorated in recent years. Foreign investors face nightmarish bureaucracies.

Moreover, human rights remain a major concern. The infamous re-education camps have been dismantled, but there still are political prisoners; writers who don't follow the party line on major issues do so at their peril.

But the changes in Vietnam are profound. Some time ago, the U.S. laid down the conditions it wanted met before it would move to normalize relations: withdrawal from Cambodia, help in resolving the fate of American MIAs, cooperation in dealing with the status of Amerasian offspring of the war.

By any account, the Vietnamese have more than met expectations. "We laid out a road map; without exception, the Vietnamese have adhered to that road map," says Republican Sen. John McCain of Arizona, a naval flier who was held prisoner for 5½ years during the war.

Economically, one need only see the stream of Taiwanese, Korean and Japanese businessmen in Saigon restaurants and nightclubs to get a sense of what's happening. "The Vietnamese reforms instinctively were modeled after the Chinese," says Thomas Vallely, director of the Indochina Program at Harvard and one of America's foremost Vietnam experts. "They're way ahead of the former Soviet Union and most of Eastern Europe; they actually have markets working."

American business starts off well behind in capitalizing on this potentially lucrative market of 71 million people. Yet there is great opportunity in the reservoir of good will toward Americans—to say nothing of lingering Vietnamese suspicions about some of their Asian neighbors.

There's also a compelling political case for America to normalize relations with Vietnam. An American economic and military presence in Asia is essential and is desired by most Asians. To let China and Japan divide up influence in this region is insane. Vietnam still has an awesomely effective army. Moreover, given its history, it could serve as a counter of sorts to China in Southeast Asia.

Mr. Vallely recalls when he first came to this country as a young Marine in 1969: "I went to Vietnam to make sure the Chinese didn't take over Asia. One of the best ways to guard against that today is to change our policies toward Vietnam.'"

Finally, history has moved beyond the agonies of Vietnam. Sen. John Kerry (D., Mass.), a Vietnam veteran, thinks normalization can finally resolve the traumas. "Once veterans start going back to Vietnam and making peace with themselves, it all will melt away," he says.

Some of the professional agitators on the POW-MIA issue, and some misled families, never will accept the painstaking work of Sens. Kerry and McCain last year in demonstrating that there is very little likelihood of any remaining American prisoners in Vietnam. Any move by President Clinton to do what's right on Vietnam will surely arouse fringe figures like California GOP Rep. Bob Dornan, who will demagogue the issue by raising Mr. Clinton's past.

But, as Sen. McCain says, "The climate is much different and more accepting today." Even the Veterans of Foreign Wars now favors expanding ties with Vietnam. And if Mr. Clinton does take that step, a superb idea—stolen from Peter Kann, my publisher—would be to name as ambassador former Joint Chiefs of Staff Chairman John Vessey, who was President Bush's designated representative in MIA negotiations.

Helping our vanquished foes back to their feet is in the finest tradition of America. It would only add to that tradition to do the same for the one country that defeated us.

Mr. Hunt is the Journal's Washington bureau chief.

Tony — Run by Butch Bersharin

BC

44

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 3/10

NOTE FOR: MACK, Howard, MARK

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

Information ☑

Action ☐

[redacted]

The President approved a new Child welfare Services "capped entitlement." Thought you might like to know.

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

MEMORANDUM FOR THE PRESIDENT

I. ACTION-FORCING EVENT: To the surprise and concern of many (including key members of Congress, many within the Administration, and children's advocacy groups), the current budget proposals have no increase in funding for family preservation activities focused on families with children at-risk of foster care placement. The goal is to find some way to provide support without adding to the deficit.

This memorandum outlines for your decision a proposal to achieve this goal.

II. BACKGROUND/ANALYSIS

The principal focus of efforts to expand family preservation is the child welfare provisions of HR11, the vetoed Urban Aid Bill. These provisions redirected the focus from foster care placement to family preservation and reunification. There were three major components: (1) Innovative Family Services (i.e., family preservation; reunification; follow-up care for children returned to their families; and family support including parenting skills, and adult mentoring; (2) Comprehensive Substance Abuse Treatment Programs for Pregnant Women and Caretaker Parents; and (3) Respite Care. These three components were designed as "capped entitlements" (which guarantees full funding, and removes funding from the discretionary budget caps). The first and third components had a 5 year cost of $1.54 billion; the substance abuse section calls for $.48 billion over 5 years. (See Attachment for year by year budget table). All States would receive funding according to a formula, and funding levels would be indexed by inflation in the out-years.

While the current budget proposals do not have any money for family preservation, there was $1.7 billion in budget authority over 5 years for parenting and family support. Very few details have been provided about what such a program would involve, however. The budget plan says simply, "These proposals will empower parents with the skills and the tools they need to help raise their children. They will support disadvantaged parents, including activities to help them work with their children at home and parenting classes..." The program is a discretionary non-defense program. Also included in the budget are increases to existing State grant programs of $2.7 billion over five years for substance abuse prevention and treatment programs.

The family preservation provisions of HR11 call for States to spend the money in any of four areas, one of which is family support services. The language is quite consistent with the kinds of family support plans envisioned in the budget. Thus it might be appropriate and feasible to combine the family support initiatives, family preservation, and drug abuse services in the following way:

The money currently reserved for family support and parenting would be redirected as a capped entitlement for family preservation, family support and parenting. States would be expected to develop programs for both family preservation and family support. One could earmark a portion of the money for parenting programs or leave it to state discretion with a requirement that States provide some family support services. Under such a scenario, we could more than fund the non-drug abuse portion of the HR11 family preservation provisions over a five year period. To ensure that drug treatment services get provided, a portion of the expanded grant money for States in substance abuse could be earmarked for pregnant women and parents.

Informal soundings with Congress and with advocacy groups suggest that this plan would be favorably received. Making the program a capped entitlement would protect it far more effectively than leaving it as a discretionary program. The extent of support on Capitol Hill for the parenting initiative is unclear. The support for family preservation is considerable. Thus, both programs might benefit politically from this strategy.

The biggest weakness of this plan involves what would happen to the family support money. A significant portion of the money would instead go to family preservation, which focuses on families with children at risk of foster care placement. Indeed, there is some danger that nearly all the money could be spent on programs other than family support unless States are expected to develop separate family support programs. There is also some concern that the focus of child welfare agencies on abused and neglected children will not lead them to use the parenting money as envisioned in the original budget proposal. At the same time, given the small scale of such programs now, and the very large out year expenditures contemplated in the current budget, a strong case could be made that even if only a portion of the money is spent on parenting programs it would be a bold and important increase. A second concern is the creation of a new entitlement, though it would be a capped entitlement to States, not individuals.

III. RECOMMENDATION

We recommend that the family support and family preservation initiatives be brought together and recast as a capped entitlement, a new Child Welfare Services entitlement program under Section IV-B of the Social Security Act. OMB has agreed to this change.

We recommend that HHS be directed to:

1. Work closely with family support groups so that legislative language is drafted to ensure that a portion of the added resources will be used for preventive family support services.

2. Ensure that a portion of the increased drug treatment funding will go to programs focused on pregnant women, families, and children.

If you chose to accept these recommendations, you could also earmark a minimum portion (say 1/4) of the funds for family support and parenting activities, or you could leave that to State discretion. Protections could be built into requirements for the State plan to ensure that significant resources go to family support and parenting without a specific earmark. That would allow States to experiment with many different strategies and avoid the need for detailed definitions of what family support programs are, what gets counted, and what doesn't. This would be our preference.

IV. DECISION:

✓ Approve without specific earmark for family support and parenting.

_____ Approve with specific earmark for family support and parenting of ____ %.

_____ Approve with revisions as noted. ______________________________

_____ Reject.

Donna E. Shalala

Attachment

H.R. 11 Child Welfare Provisions
(in millions)

Year	Innovative Family Services	Respite Care	Subtotal	Substance Abuse Treatment	Total
1994	$ 95	$ 0	$ 95	$ 40	$ 135
1995	220	30	250	90	340
1996	300	55	355	110	465
1997	320	65	385	115	500
1998	365	85	450	125	575
Total	$1,300	$235	$1,535	$480	$2,015

THE WHITE HOUSE

WASHINGTON

Sent on 3/9/93 - Sew

March 6, 1993

MEMORANDUM FOR BOB MCNEELY

FROM: MARSHA SCOTT
Deputy Assistant to the President
& Director of Presidential Correspondence

THROUGH: JOHN PODESTA

RE: PHOTO REQUEST

Our office has received thousands of requests for various photos of the President. We would like to have specific shots of the President to be made into lithographs for mass distribution through the President's correspondence. We have been working with the photo office, but unfortunately several of the shots we need are not available. They are:

Causal shots of the President.
- outdoors
- sports
- reading, or reading to children

Official photo of the President and Vice President together.
Photo of the President at the Resolute Desk in the Oval.
Photo of the President and First Lady for congratulatory inscriptions, perhaps one of them toasting.

These photos would greatly help our operation.

Thank you.

Did not send Back a copy of listing: only this page

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF ADMINISTRATION
Washington, D.C. 20503

March 5, 1993

93 MAR 5 P3:03

MEMORANDUM FOR JOHN PODESTA
STAFF SECRETARY
WHITE HOUSE OFFICE

FROM: STACIA L. CROPPER
EXECUTIVE SECRETARY Stacia L. Cropper

SUBJECT: Review of Telephone Directory Update

Attached is the telephone directory alphabetical listing for your office. Please review and verify the names, telephone exchanges, and room numbers for your office. Any changes to the information should be made clearly on the attached sheets.

When your review is complete, please sign the bottom of this memorandum, indicating your approval of these changes. A copy of this memorandum and your changes should be sent to Room 479, Old Executive Office Building, by noon, March 9, 1993. No response by this date will indicate your approval of the information.

A revised telephone directory will be delivered to each EOP office on March 11, 1993.

Please call me if you have any questions. My telephone number is 395-6963.

Thank you.

Attachments

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Please check one:

_✓_ Approved with no changes.

____ Approved with the changes indicated.

John D Podesta
Signature

3/9/93
Date

Main Telephone Numbers

Department	Telephone Extension
Advance	7560
Cabinet Affairs	6280
Chief of Staff	6797
Communications (Media)	7150
Communications (Press)	2100
Communications (Researchers)	7845
Communications (Speechwriters)	2777
Correspondence	7610
Deputy Chief of Staff	2533
Domestic Policy	2216
First Lady's Office	6266
General Counsel	2632
Intergovernmental Affairs	7060
Management	2861
National Economic Council	6630
National Service	6444
Office of the Vice President	2326
Political Affairs	6257
Presidential Personnel	6676
Public Liaison	2930
Scheduling	7560
Staff Secretary	2702

NAME	PHONE	ROOM	BUILDING	AGENCY
Abiera, Lunelisa S.	456-2541	49	EOB	WHO
Abrams, Andrew	456-1628	123	EOB	WHO
Abrams, Lori	456-2276	93	EOB	WHO
Abramson, Karin J.	456-7595	151-A	EOB	WHO
Acheson, Eleanor D.	456-7026	190	EOB	WHO
Adams, Roger	456-7901	126.5	EOB	WHO
Akey, Steve	456-2432	158	EOB	WHO
Alavanja, Rosemarie A.	456-7981	438	EOB	WHO
Albright, Judy	456-6600	58	EOB	WHO
Alexander, David R.	456-2372	217	EOB	WHO
Alexander, Dawn	456-2100	171	EOB	WHO
Allem, Janet	789-0951		708 Jackson Pl.	WHO
Allen, Barbara	456-2724	39	EOB	WHO
Alston, Millie	456-2957	2FL/EW	WH	WHO
Anderson, Dave	395-7150	163	EOB	WHO
Anderson, Julie	456-7511	137	EOB	WHO
Andress, Collier	456-2520	WW	WH	WHO
Aponte, Maria Carmen	456-7026	190	EOB	WHO
Asare, Marion L.	456-2542	49	EOB	WHO
Ashew, Kenneth R	456-2930	126	EOB	WHO
Atherton, Candice O'Hara	456-7845	195	EOB	WHO
Athridge, Mary	789-0917		708 Jackson Pl.	WHO
Aultz, Andrew	456-2421	178	EOB	WHO
Avent, Loretta	456-7060	WW	WH	WHO
Baer, Christine K.	456-2304	60	EOB	WHO
Bagasao, Paula Y.	456-7893	198	EOB	WHO
Baggett, Joan	456-6257	115	EOB	WHO
Bailey, Yvonne G.	456-2134	09	EOB	WHO
Baker, Barbara W.	456-7593	135	EOB	WHO
Baker, Kathleen M.	456-6600	58	EOB	WHO
Baker, Kyle	456-2276	93	EOB	WHO
Baldia, Christian	456-2964	131	EOB	WHO
Banks, Melissa	456-7500	102/EW	WH	WHO
Barnes, Lavora	456-7150	170	EOB	WHO
Barnett, Pam	456-2369	2FL/WW	WH	WHO
Barrett, Frank	456-2819	156	EOB	WHO
Bartley, Anne	456-6266	100	EOB	WHO
Bates, Melinda N.	456-2322	1FL/EW	WH	WHO
Bean, Eileen F.	456-2134	09	EOB	WHO
Beatty, Deborah S.	395-6024	107	EOB	WHO
Beckel, Heather	456-2640	1FL/WW	WH	WHO
Bell, Lillie M.	456-6600	54-A	EOB	WHO
Benjamin, Mary L.	456-2542	55	EOB	WHO
Berman, Eric	456-7845	197	EOB	WHO
Bernkopf, Mark	456-7845	197	EOB	WHO
Beveridge, Susan	456-7486	91	EOB	WHO
Bickel, Brant	456-2421	178	EOB	WHO
Bildia, Christian	456-2964	131	EOB	WHO
Bilsky, Mark	456-2964	131	EOB	WHO
Binns, Mary U.	456-6600	58	EOB	WHO
Bird, Debra D.	456-2304	60	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Bizic, Mark G.	456-2954	558	EOB	WHO
Blanchard, Janet	456-2825	142	EOB	WHO
Bobeck, Josh	789-1639		708 Jackson Pl.	WHO
Bodurant, Amy	456-7846	194	EOB	WHO
Bohrer, George H.	456-6600	60	EOB	WHO
Bonnett, Joyce	456-7136	2FL/EW	WH	WHO
Boorstin, Robert	456-7151	164	EOB	WHO
Borden, David	456-2190			WHO
Bostick, Gladys R.	456-6600	58	EOB	WHO
Botwin, Sharon M.	456-2500	1	EOB	WHO
Bowyer, Liz	456-7559			WHO
Boyd, Michele Teresa	456-6638	80	EOB	WHO
Boyer, Liz	456-2777	193	EOB	WHO
Boykin, Keith	456-7151	162	EOB	WHO
Brasseux, Barnaby L.	456-2250	87	EOB	WHO
Breen, Stacey L.	456-2954	556	EOB	WHO
Breining, Carl R.	456-2400	136	EOB	WHO
Briggs, Patrick	456-2724	39	EOB	WHO
Brophy, Susan	456-2230	2FL/WW	WH	WHO
Brown, Alvin	456-7848	196	EOB	WHO
Buck, Bill	456-7511	137	EOB	WHO
Bueno, Edgar Dennis	456-6229	140	EOB	WHO
Bull, Catherine H.	456-6600	60	EOB	WHO
Burgess, Mary J.	456-2304	62	EOB	WHO
Burke, Thomas	456-6697			WHO
Burkeen, Jeff V.	456-7511	137	EOB	WHO
Burkhardt, Dan	456-7486	91	EOB	WHO
Burtin, Laurie Ann	456-6266	100	EOB	WHO
Bushman, Gabrielle	456-1630	123	EOB	WHO
Butler-Bush, Tonia	456-7734	435	EOB	WHO
Byrne, Larry	789-4349		708 Jackson Pl.	WHO
Cahill, Ann	456-2819	156	EOB	WHO
Campbell, Frances L.	456-2590	74	EOB	WHO
Campbell, Rita	456-6274	199	EOB	WHO
Campbell, Victoria Z.	456-2260	6	EOB	WHO
Caputo, Lisa	456-6266	100	EOB	WHO
Carey, John	456-2245	121	EOB	WHO
Carey, Paul	456-6782	107/EW	WH	WHO
Carlson, Daniel L.	456-2500	1	EOB	WHO
Carnes, Kelly	456-2708	19	EOB	WHO
Carpenter, Margaret	456-1101	22	EOB	WHO
Carr, Michael	456-7511	137	EOB	WHO
Carroll, Mary K.	456-2260	6	EOB	WHO
Cashin, Sheryll	456-2702	GFL/WW	WH	WHO
Cattalini, Ann	456-2230	2FL/WW	WH	WHO
Caudill, George G. Jr.	456-1618	111.5	EOB	WHO
Cavendish, Sara	456-1626	111.5	EOB	WHO
Cerda, Clarissa	456-2861	GFL/WW	WH	WHO
Cerda, Jose	456-2564	222	EOB	WHO
Chacon, Dolores L.	456-6236	198	EOB	WHO
Champagne, Florence	456-7900	128	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Chandler, Mary	395-6024	107	EOB	WHO
Chang, Jennifer	456-1632	123	EOB	WHO
Chasin, Sheryll	456-6410	221	EOB	WHO
Childs, Mary E.	456-2345	84	EOB	WHO
Chitester, Ken	456-7151	162	EOB	WHO
Chitre, Nanda	456-2716	530	EOB	WHO
Chonka, Gloria J.	456-2954	58	EOB	WHO
Chow, Barbara	456-6493	107/EW	WH	WHO
Christopherson, Gary A.	456-7846	196	EOB	WHO
Clark, James E.	456-2636	61	EOB	WHO
Clark, Julie H	456-7170	163	EOB	WHO
Clark, Martha Ann	456-2825	142	EOB	WHO
Clark, Peg	456-7511	137	EOB	WHO
Clarke, Paul	395-2947	487	EOB	WHO
Clarkson, Shirley	456-6582	154	EOB	WHO
Clasby, Jennifer	456-1624	111.5	EOB	WHO
Claude, Taylor	456-2724	39	EOB	WHO
Cobleigh, Chris	456-7511	137	EOB	WHO
Cogdell, Patti	456-7150	170	EOB	WHO
Cohen, Jonathan V.	456-1612	109	EOB	WHO
Cohen, Steven	456-2100	169	EOB	WHO
Colon, Gilbert	456-7846	196	EOB	WHO
Connell, James J.	456-7845	193	EOB	WHO
Conroy, M. Ryan	456-1100	22	EOB	WHO
Corley, Walter	789-1682		708 Jackson Pl.	WHO
Cornelius, Catherine	456-2861	GFL/WW	WH	WHO
Corrales, Martha	456-2819	156	NEOB	WHO
Coyle, Deborah	456-2328	1FL/WW	WH	WHO
Cozart, Charlene C.	456-7486	91	EOB	WHO
Crable, Lynn A.	456-2304	60	EOB	WHO
Craig, Judy A. D.	456-2828	142	EOB	WHO
Craighead, Kelly	456-2518	185.5	EOB	WHO
Crawford, Kelly	456-2207	1FL/WW	WH	WHO
Cross, Stephanie M.	456-6709	475	EOB	WHO
Crumley, Amanda	456-2640	1FL/WW	WH	WHO
Culbreath, Lue A.	456-2542	55	EOB	WHO
Currie, Betty	456-2990	1FL/WW	WH	WHO
Curtis, Emily	456-6600	58	EOB	WHO
Curtis, Janet F.	456-2304	60	EOB	WHO
Cutshall, Jennifer L.	456-7730	170	EOB	WHO
Cutter, Bowman	456-6630	231	EOB	WHO
Dale, Billy R.	456-2250	87	EOB	WHO
Daniels, Brenda J.	456-2134	09	EOB	WHO
Daniels, Hilliard	456-2542	55	EOB	WHO
Dannenberg, Aaron	456-1614	111.5	EOB	WHO
Dannenhauer, Jane M.	456-2345	84	EOB	WHO
Darcy, Jo-Ellen	456-2825	142	EOB	WHO
Davidson, Douglas A.	456-2947	487	EOB	WHO
Davidson, Nestor	456-6493	107/EW	WH	WHO
Davis, Howlie	456-2930	119	EOB	WHO
Dawson, Terry	456-1650	121	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
de Leon, Sylvia	456-7733	157	EOB	WHO
Dean, Donald R.	395-4110		Anacostia	WHO
Debry, Kristine	456-2421	178	EOB	WHO
Deegan, Paul A.	456-6723	231	EOB	WHO
Delia, Bernard J.	456-2964	133	EOB	WHO
Dellinger, Walter	456-7900	128	EOB	WHO
Derricotte, Claudia J.	456-2322	1FL/EW	WH	WHO
Diaz, Julia L.	456-2916	76	EOB	WHO
Dickey, Helen	456-7136	2FL/EW	WH	WHO
Dickey, Lana	456-2276	93	EOB	WHO
Dickey, Robyn	456-2322	1FL/EW	WH	WHO
Digiacobbe, Marilyn	456-2930	122	EOB	WHO
Dinwiddie, Jacque	789-0916		708 Jackson Pl.	WHO
Donaghy, Linda	456-7901	126.5	EOB	WHO
Dorman, Hattie	456-2930	122	EOB	WHO
Dowling, Nick	456-1101	22	EOB	WHO
Doyle, Mark	789-1637		708 Jackson Pl.	WHO
Draper, Amanda	456-6600	58	EOB	WHO
Dreyer, David	456-7151	160	EOB	WHO
Dreylinger, John P.	456-2250	87	EOB	WHO
Droege, Philip C.	456-6638	80	EOB	WHO
Dudley, Jennifer	456-6600	58	EOB	WHO
Dunham, Catherine M.	456-7846	196	EOB	WHO
Dunn, Elizabeth A.	456-2954	58	EOB	WHO
Duryea, Carla L.	456-2322	1FL/EW	WH	WHO
Dwyer, John	456-2276	93	EOB	WHO
Dwyer, Julie	456-7733	157	EOB	WHO
Echaveste, Maria	456-2866	143	EOB	WHO
Edwards, Anne	456-7560	182	EOB	WHO
Eisenberg, Martha S.	456-7846	196	EOB	WHO
Elizondo, Carlos E.	456-7511	137	EOB	WHO
Eller, Jeffrey	456-7150	170	EOB	WHO
Ellis, Cathleen M.	456-2916	76	EOB	WHO
Elmlinger, Anne	456-7133	457	EOB	WHO
Emanuel, Rahm	456-1125	2FL/WW	WH	WHO
Emerson, John	456-6676	153	EOB	WHO
Emery, Sara C.	456-2226	5	EOB	WHO
Enright, Tricia	456-7150	170	EOB	WHO
Epstein, Tom	456-2944	115	EOB	WHO
Erker, Ann M.	456-2260	6	EOB	WHO
Erwin, Bill	456-2135	111	EOB	WHO
Estep, Gwen L.	456-6482	536	EOB	WHO
Evans, Madalene E.	456-2210	80	EOB	WHO
Evans, Wanda M.	456-2242	72	EOB	WHO
Ewing, Karen	456-6444	145	EOB	WHO
Farrell, Frank	456-7510	139	EOB	WHO
Farrell, Lisa	789-0938		708 Jackson Pl.	WHO
Fehrer, Douglas G.	456-2260	6	EOB	WHO
Fernandez, Lillian	456-6620	112/EW	WH	WHO
Fine, Debbie	456-2930	122	EOB	WHO
Fine, Elizabeth	456-7901	125	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Finger, Aileen B.	456-2322	1FL/EW	WH	WHO
Finney, Karen	456-6266	100	EOB	WHO
Fisher, Everlene H.	456-2266	80	EOB	WHO
Flannes, Martin A.	456-7026	190	EOB	WHO
Flautt, Frances S.	456-7511	137	EOB	WHO
Floresca, Felipe	456-7893	198	EOB	WHO
Flynn, Tim	456-7133	457	EOB	WHO
Ford, Joseph K.	456-2542	49	EOB	WHO
Fossan, Stephanie	456-6722	231	EOB	WHO
Foster, Patricia H.	456-2304	62	EOB	WHO
Foster, Roy M.	456-6600	60	EOB	WHO
Foster, Vincent	456-6611	2FL/WW	WH	WHO
Freeman, Myra B.	456-2242	72	EOB	WHO
Friedkin, Dawn	456-7560	GFL/WW	WH	WHO
Friendly, Andrew	456-2420	1FL/WW	WH	WHO
Fringer, Guy	456-6236	198	EOB	WHO
Froman, Michael B.	456-2800	239	EOB	WHO
Fryer, Dianne B.	456-2260	6	EOB	WHO
Fuchs, Amanda	456-1633	123	EOB	WHO
Funderburk, John	456-7512	139	EOB	WHO
Galston, William	456-2999	2FL/WW	WH	WHO
Gannon, Richard S.	456-1603	111	EOB	WHO
Garner, Barbara J.	456-2954	556	EOB	WHO
Gearan, Mark	456-2533	1FL/WW	WH	WHO
Geisler, Ronald R.	456-2226	5	EOB	WHO
Geller, William A.	456-7026	190	EOB	WHO
Gemmell, Nancy A.	456-2345	84	EOB	WHO
Gemmell, William T	456-2510	2FL/EW	WH	WHO
Gibble, Ernie	456-7150	170	EOB	WHO
Gibson, Joan G.	456-2276	93	EOB	WHO
Gill, Jock	456-7150	170	EOB	WHO
Gillan, Jackie	456-6238	198	EOB	WHO
Ginsberg, Gary L.	456-7900	130	EOB	WHO
Giorno, Karen R.	456-2322	1FL/EW	WH	WHO
Goldberg, David Thomas	456-1615	111.5	EOB	WHO
Goldberg, Michael B.	456-6697	168	EOB	WHO
Gompf, Gail A.	456-7140	128	EOB	WHO
Gonchar, Liz	456-6257	115	EOB	WHO
Good, Terry W.	456-2240	80	EOB	WHO
Gordon, Janet V.	456-2134	09	EOB	WHO
Gordon, Robert	456-6444	148	EOB	WHO
Grabill, Mearl	789-4351		708 Jackson Pl.	WHO
Graham, Lottie B.	456-2134	09	EOB	WHO
Gray-Mendes, Pamela P.	456-2690	20	EOB	WHO
Grear, Christine	456-2542	49	EOB	WHO
Green, Janet V.	456-7052	GFL/WW	WH	WHO
Grinberg, David	456-2432	158	EOB	WHO
Guettel, Alec	456-1635	123	EOB	WHO
Haight, Edie	456-6676	151	EOB	WHO
Haines, Ann H.	456-2240	80	WOB	WHO
Hale, Marcia	456-7560	GFL/WW	WH	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Haley, Maria L.	456-2684	141	EOB	WHO
Halpin, Michael	456-1101	22	EOB	WHO
Hancox, Karen L.	456-6620	112/EW	WH	WHO
Handford, Charles (Bart)	456-7560	182	EOB	WHO
Hardman, Martha A.	456-7734	435	EOB	WHO
Harpring, Mary Gabriel	456-7766	1FL/EW	WH	WHO
Harrington, Brian	456-2147	147	EOB	WHO
Harrison, Desi C.	224-3622		Capitol	WHO
Hart, John P.	456-2896	106	EOB	WHO
Hartke, Kristin	456-7734	435	EOB	WHO
Hasdorff, Terri L.	456-7142	128	EOB	WHO
Hatfis, Ann M.	456-1640	121	EOB	WHO
Hattoy, Bob	456-6676	153	EOB	WHO
Hawk, Dennis J.	456-2516		Residence	WHO
Heenan, Christine	456-2929	212-R	EOB	WHO
Henderson, Keith E.	456-1620	111.5	EOB	WHO
Hendrix, Eunice C.	456-2304	60	EOB	WHO
Herbst, Eric	456-7512	139	EOB	WHO
Herman, Alexis	456-2930	2FL/WW	WH	WHO
Hernreich, Nancy	456-6610	1FL/WW	WH	WHO
Hero, Sophocles A.	456-2400	136	EOB	WHO
Hertz, Kathy	456-1100	22	EOB	WHO
Hilton, Steve	456-2930	122	EOB	WHO
Hinojosa, Angelina G.	456-6493	107/EW	WH	WHO
Hite, Gloria U.	456-2134	09	EOB	WHO
Hoberman, Marc	456-2322	1FL/EW	WH	WHO
Holt, Holly H.	456-2322	1FL/EW	WH	WHO
Holton, Dwight	456-2533	1FL/WW	WH	WHO
Hooker, Richard D.	456-2657	134	EOB	WHO
Hoover, Jay	456-7511	139	EOB	WHO
Hopper, Julie	456-7560	185.5	EOB	WHO
Hopper, Kim	456-7150	161	EOB	WHO
Horn, Steve	456-6600	58	EOB	WHO
Houser, Everett D.	456-2916	76	EOB	WHO
Houser, Robert C.	456-2954	556	EOB	WHO
Houston, Michelle A.	456-7133	457	EOB	WHO
Howell, Willie C.	456-2242	72	EOB	WHO
Hudnall, Sandy	456-7610	94	EOB	WHO
Hudson, Maureen A.	456-2304	60	EOB	WHO
Huffman, Craig	456-7512	139	EOB	WHO
Hufford, Thomas F.	456-2500	1	EOB	WHO
Hundall, Sandy	456-7610	94	EOB	WHO
Hunker, Mark E.	456-2715	530	EOB	WHO
Hutchinson, Catherine A.	456-6511	167	EOB	WHO
Hyman, Andrew	456-2825	142	EOB	WHO
Inadomi, LeeAnn	456-7500	1FL/EW	WH	WHO
Jacanin, Marilyn R.	395-4050	GFL/WW	WH	WHO
James, Theodoric C	456-6638	80	EOB	WHO
Jasper, Jamia C.	456-2260	6	EOB	WHO
Jenkins, Anna	456-6554	227	EOB	WHO
Jennings, Lynn A.	456-7511	137	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Jensen, Jim	456-6236	198	EOB	WHO
Johnson, Cozetta D.	456-2533	1FL WW	WH	WHO
Johnson, Gloria	456-6444	147	EOB	WHO
Johnson, Janet	456-2322	EW	WH	WHO
Johnson, Kari	456-2345	84	EOB	WHO
Johnson, Lee R.	456-2240	80	EOB	WHO
Johnson, Martha	395-6676	151-A	EOB	WHO
Johnson, Sara	456-6798	1FL/WW	WH	WHO
Jolley, Jocelyn	456-6620	112/EW	WH	WHO
Jones, Arthur Louis	456-2100	167	EOB	WHO
Jones, Carl A.	395-2615	GFL/WW	WH	WHO
Jones, Crystal B.	456-2590	74	EOB	WHO
Jones, Cyril	456-2954	556	EOB	WHO
Jones, Deborah A.	456-2590	74	EOB	WHO
Jordan, Mary N.	456-7133	457	EOB	WHO
Kailian, Aram H.	456-7026	190	EOB	WHO
Kalbaugh, David E.	456-2226	5	EOB	WHO
Kalil, Thomas	456-6554	227	EOB	WHO
Kaplan, Robert Authur	456-2825	142	EOB	WHO
Kearney, Janis	456-7150	170	EOB	WHO
Keating, Tim	456-2230	2FL/WW	WH	WHO
Kelley, Sally E.	456-7486	91	EOB	WHO
Kelly, Rosalyn	456-2249	2FL/WW	WH	WHO
Kennedy, Maureen	456-7846	198	EOB	WHO
Kennedy, Sharon	456-7060	2FL/WW	WH	WHO
Kennedy, William H.	456-6229	136	EOB	WHO
Kennon, William B.	456-7565	185.5	EOB	WHO
Kessler, Alan	456-7846	198	EOB	WHO
Khan, Amed	456-2421	178	EOB	WHO
Kim, Saehun	456-2260	6	EOB	WHO
Kirby, Craig	456-2404	GFL/WW	WH	WHO
Klain, Ron	456-7901	129	EOB	WHO
Knepshield, Jacqueline R.	456-7140	128	EOB	WHO
Knight, Peter	456-2953	155	EOB	WHO
Kopp, Jonathan	456-6229	136	EOB	WHO
Koroscil, Thomas M.	395-6024	107	EOB	WHO
Korte, Claudia R.	456-2849	77	EOB	WHO
Kovner, David	789-1915		708 Jackson Pl.	WHO
Krause, Bill	395-3631	502A	EOB	WHO
Krause, Lori	456-2276	93	EOB	WHO
Kusnet, David	456-7845	197	EOB	WHO
La Voy, Diane	456-1100	22	EOB	WHO
Labrador, Agustin A.	456-6600	60	EOB	WHO
Lake, Anthony	456-2255	1FL/WW	WH	WHO
Lane, David	456-6722	231	EOB	WHO
Lattimore, Neel	456-6266	100	EOB	WHO
LaVoy, Diane	456-1101	22	EOB	WHO
Lawrence, Dana	456-6676	153	EOB	WHO
Leavy, David	456-2673	1FL/WW	WH	WHO
Lee, Brant	456-2702	GFL/WW	WH	WHO
Lee, James H.	456-2260	6	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Lee, Simon	456-1100	22	EOB	WHO
Leff, Dana	456-1636	123	EOB	WHO
Lerner, Rick	789-1668		708 Jackson Pl.	WHO
Lewis, Reta	456-2274	114	EOB	WHO
Lewis, Sharon R.	456-6600	60	EOB	WHO
Li, Gordon	456-2245	123	EOB	WHO
Lieberman, Evelyn	456-6266	100	EOB	WHO
Lieberman, Unice	456-2230	2FL/WW	WH	WHO
Liles, E	456-6266	100	EOB	WHO
Limo, Diane	456-6266	100	EOB	WHO
Lin, Christiana	456-2930	2FL/WW	WH	WHO
Lindemuth, Elisabeth	456-6630	231	EOB	WHO
Lindsay, Nicole	456-2800	239	EOB	WHO
Lindsey, Bruce	456-2668	1FL/WW	WH	WHO
Linnehan, Ann K.	456-2260	6	EOB	WHO
Lloyd, Mark	456-7846	194	EOB	WHO
Loiselle, Russell F.	456-2590	74	EOB	WHO
Long, Melanie	456-2230	2FL/WW	WH	WHO
Lowe, Diane Carol	456-6586	218	EOB	WHO
Lufrano, Michael	456-7560	185.5	EOB	WHO
Lukens, Mel	456-7565	185.5	EOB	WHO
Lux, Michael	456-2930	122	EOB	WHO
Maddin, Leslie	456-2401	198	EOB	WHO
Maddox, Mary L.	456-6600	58	EOB	WHO
Maddrey, Winn E.	456-7512	139	EOB	WHO
Magaziner, Ira	456-6406	216	EOB	WHO
Maldon, Alphonse Jr.	456-6620	112/EW	WH	WHO
Maloy, Christine M.	456-2322	1FL/EW	WH	WHO
Marchand, Luis-Michel	456-7734	435	EOB	WHO
Marcick, Dave	456-7610	94	EOB	WHO
Margherio, Lynn	456-2315	212-L	EOB	WHO
Marshall, Capricia P.	456-7064	2FL/EW	WH	WHO
Martain, Charlene	456-7610	94	EOB	WHO
Martin, David L.	456-2684	141	EOB	WHO
Martin, Lynn M.	456-2134	09	EOB	WHO
Martin, Roger	456-2276	93	EOB	WHO
Martin, Sharleen E.	456-7756	77	EOB	WHO
Mathews, Sylvia	456-2174	2FL/WW	WH	WHO
Matsui, Doris	456-2930	122	EOB	WHO
Maughan, Ralph T.	456-2250	87	EOB	WHO
Mayes, Rick	456-7171	160	EOB	WHO
Maynard, Ken	456-6280	2FL/WW	WH	WHO
Mays, Cathy R.	456-6515	216	EOB	WHO
McAfee, Flo	456-2930	122	EOB	WHO
McCall, Dick	456-1101	22	EOB	WHO
McCarthy, Jenny	456-7486	91	EOB	WHO
McCathran, Ellen W.	456-7560	182	EOB	WHO
McCathran, William W.	456-2226	5	EOB	WHO
McCoy, Ann	456-7136	2FL/EW	WH	WHO
McCreary, Doris A.	456-2260	6	EOB	WHO
McElhaney, Macheal R.	456-2134	09	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
McGiffert, Carola	456-1125	2FL/WW	WH	WHO
McIntyre, Tod	456-7733	157	EOB	WHO
McKeown, Kathryn M.	456-2134	09	EOB	WHO
McKiernan, Kathy	456-2100	1FL/WW	WH	WHO
McLarty, Thomas (Mack)	456-6798	1FL/WW	WH	WHO
McLaughlin, Linda	456-2174	2FL/WW	WH	WHO
McMahon, Eileen	456-7511	137	EOB	WHO
McManus, Cynthia	456-2632	2FL/WW	WH	WHO
McSweeney, John P	456-2250	87	EOB	WHO
Mendez, Emundo	456-2866	141	EOB	WHO
Mendoza, Manuel A	456-2541	49	EOB	WHO
Metzler, Cynthia A.	456-7026	190	EOB	WHO
Metzler, Jane R.	456-2761	223	EOB	WHO
Meyer, Paul	456-7510	139	EOB	WHO
Middleton, Mark	456-2664	GFL/WW	WH	WHO
Miles, Alex	456-2276	93	EOB	WHO
Miller, Denise	456-7511	137	EOB	WHO
Miller, Jennifer	456-7901	125	EOB	WHO
Miller, Linda C.	456-2260	6	EOB	WHO
Miller, Lorraine	456-7543	112/EW	WH	WHO
Miller, Mark	456-2276	93	EOB	WHO
Miller, Matthew Louis	395-5883	253	EOB	WHO
Miller, Paul Steven	456-7026	190	EOB	WHO
Mills, Cheryl	456-7900	128	EOB	WHO
Mims, Valerie	456-1101	22	EOB	WHO
Montoya, Liz A.	456-6236	198	EOB	WHO
Montoya, Regina	456-7060	GFL/WW	WH	WHO
Moore, Linda L.	456-6500	113	EOB	WHO
Morgan, Michael P.	456-2684	143	EOB	WHO
Morgan, Pat	456-2276	93	EOB	WHO
Morin, Andrew	456-2930	119	EOB	WHO
Morris, Stacey	456-7512	139	EOB	WHO
Mortman, Lisa	456-7150	170	EOB	WHO
Moy, Ruby	456-2930	2FL/WW	WH	WHO
Muffler, Richard T.	456-2510	2FL/EW	WH	WHO
Mullins, Monica	456-2276	93	EOB	WHO
Myer, Chris	456-7511	137	EOB	WHO
Myers, Dee Dee	456-2100	1FL/WW	WH	WHO
Nagy, Alex G.	456-2523	012	EOB	WHO
Nash, Bob	456-7847	196	EOB	WHO
Nash, Charles B.	456-2465	68	EOB	WHO
Nash, Julie A.	456-2304	60	EOB	WHO
Necheles, Peter C.	456-1609	111.5	EOB	WHO
Nelson, Randy T.	456-2243	72	EOB	WHO
Neuchterlein, Jeff	456-1100	22	EOB	WHO
Neugold, Kathleen	456-2533	1FL/WW	WH	WHO
Neuwirth, Steve R.	456-7900	132	EOB	WHO
Newell, Katey	456-7560	182	EOB	WHO
Nichols, Joan M.	456-2134	09	EOB	WHO
Nickens, Arlette P.	456-2542	49	EOB	WHO
Nishikawa, Wendy	456-2930	122	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Nolan, Beth	456-6229	138	EOB	WHO
Nord, Caroleen	456-6798	1FL/WW	WH	WHO
Norwood, Andre D.	456-2542	49	EOB	WHO
Nussbaum, Bernard	456-2632	2FL/WW	WH	WHO
O'Connell James J.	456-7845	193	EOB	WHO
O'Connor, Jennifer	456-2421	178	EOB	WHO
O'Keefe, Kevin	456-2985	151	EOB	WHO
O'Meara, Janis A.	456-2971	160	EOB	WHO
O'Neill, Kathleen (Cassie)	456-7767	112/EW	WH	WHO
Ochieng-Stevens, Owino	456-7734	435	EOB	WHO
Offit, Meg	456-7150	170	EOB	WHO
Oliver, Andre	456-2533	1FL/WW	WH	WHO
Ortega, Mike A.	456-2276	93	EOB	WHO
Otis, Nathaniel	456-7511	137	EOB	WHO
Owczarski, Carolyn A.	456-6600	58	EOB	WHO
Pagel, Gretchen M.	456-6266	100	EOB	WHO
Pappas, Peter C.	456-6229	140	EOB	WHO
Parrish, Lynn	456-2184	488	EOB	WHO
Paster, Howard	456-2230	2FL/WW	WH	WHO
Payne, Eric	456-7845	197	EOB	WHO
Peterson, Karen	456-7560	182	EOB	WHO
Philips, Janet M.	456-6709	475	EOB	WHO
Phipps, Sam	456-6236	198	EOB	WHO
Pianalto, Antonella	456-6761	149	EOB	WHO
Piercy, Jan O.	456-7595	149	EOB	WHO
Pincus, Lynn	456-1100	22	EOB	WHO
Plaster, Henry G.	456-7500	102/EW	WH	WHO
Plummer, David	456-7511	137	EOB	WHO
Podesta, John	456-2702	GFL/WW	WH	WHO
Pokaski, Joanne	456-1634	123	EOB	WHO
Prince, Jonathan	456-7151	170	EOB	WHO
Prince, Lee K.	456-2542	55	EOB	WHO
Prunty, Meeghan	456-7845	197	EOB	WHO
Pugh, Margaret	789-2066		708 Jackson Pl.	WHO
Pushkar, Alice	456-7734	435	EOB	WHO
Rabinowitz, Steve	456-7098	174	EOB	WHO
Raizk, Paul S.	456-2916	74	EOB	WHO
Ramos, Johanna	456-7133	457	EOB	WHO
Rasco, Carol	456-2216	2FL/WW	WH	WHO
Rathbone, Lynda	456-7610	94	EOB	WHO
Reagan, James M.	456-2542	49	EOB	WHO
Reed, Bruce	456-6515	216	EOB	WHO
Reed, Jeannie H.	456-2954	60	EOB	WHO
Reid, James M.	456-2636	61	EOB	WHO
Reynolds, Lisa D.	456-2260	6	EOB	WHO
Ricchetti, Steve	456-6493	107/EW	WH	WHO
Richard, Paul	456-6600	58	EOB	WHO
Rick, Earlene F.	456-2304	60	EOB	WHO
Ricketson, Denise	456-6406	214	EOB	WHO
Riegner, Barbara M.	456-6600	60	EOB	WHO
Riley, Jeffrey L.	456-7610	94	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Rittenberg, Andy	456-2276	93	EOB	WHO
Rivas-Vazquez, A. Victoria	456-2100	171	EOB	WHO
Roberts, William E.	456-2242	72	EOB	WHO
Roddick, Gertrude	456-2954	556	EOB	WHO
Ross, Heather	456-7988	227	EOB	WHO
Ross, John K.	395-1747	209/EW	WH	WHO
Rouse, Mary L.	456-2134	09	EOB	WHO
Ruano, Araceli	456-2866	143	EOB	WHO
Rubin, Nancy H.	456-6444	145	EOB	WHO
Rubin, Robert	456-2174	2FL/WW	WH	WHO
Rusk, Claire	456-7512	139	EOB	WHO
Rutherford, James	456-6797	111	EOB	WHO
Ryan, Sarah	456-7560	185.5	EOB	WHO
Sagawa, Shirley	456-2369	2FL/WW	WH	WHO
Saunders, G. Timothy	456-2226	5	EOB	WHO
Saunders, George E.	456-2601	488	EOB	WHO
Sava, Elizabeth H.	456-7590	147	EOB	WHO
Scanlan, Susan E.	456-6600	60	EOB	WHO
Scarfone, John J	456-2510	2FL/EW	WH	WHO
Schiff, Debi	456-2605	1FL/WW	WH	WHO
Schilling, Elisabeth M.	456-6600	58	EOB	WHO
Schlech, Barbara B.	456-2400	136	EOB	WHO
Schroeder, Trey	456-2957	2FL/EW	WH	WHO
Schuneman, Mary P.	456-2813	287	EOB	WHO
Scott, Marsha	456-7610	94	EOB	WHO
Seba, Sondra	456-6676	151	EOB	WHO
Segal, Eli	456-6444	145	EOB	WHO
Segal, Laura	456-6676	153	EOB	WHO
Seidman, Ricki	456-2100	1FL/WW	WH	WHO
Sepucha, Robert C.	456-2260	6	EOB	WHO
Seto, Chung C.	456-6502	156	EOB	WHO
Sexton, Brian	456-1637	121	EOB	WHO
Sgro, Charles J.	456-2825	142	EOB	WHO
Sharp, Michael A.	456-6600	58	EOB	WHO
Shaw, Doug	456-1100	22	EOB	WHO
Shea, Thomas A.	456-2825	142	EOB	WHO
Shearer, Brooke	456-6266	100	EOB	WHO
Sheketoff, Emily	789-0971		708 Jackson Pl.	WHO
Sheorn, Doug	456-7512	139	EOB	WHO
Sheridan, Brian	456-1100	22	EOB	WHO
Sherry, Margaret	456-6493	1FL/EW	WH	WHO
Shourds, Carla J.	456-2304	60	EOB	WHO
Shourds, Cynthia L.	456-2240	80	EOB	WHO
Showers, Wendy W.	456-2304	62	EOB	WHO
Silberberg, Alan	456-2834	04	EOB	WHO
Silverman, Joshua	456-7150	170	EOB	WHO
Silverman, Stephen B.	456-6280	209	EOB	WHO
Simpson, Wandra E.	456-2590	74	EOB	WHO
Singiser, Dana E.	456-7733	157	EOB	WHO
Smith, Bernice W.	456-2304	62	EOB	WHO
Smith, Julia	456-1101	22	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Smith, Marianne	789-2016		708 Jackson Pl.	WHO
Smith, Shirley A.	456-2134	09	EOB	WHO
Smith, Wendy	456-7560	158	EOB	WHO
Snape, Rebecca Jane	456-2432	158	EOB	WHO
Sobel, Stacy	456-7848	196	EOB	WHO
Sobol, Francis T.	456-7901	125	EOB	WHO
Solerno, Beth	456-7133	457	EOB	WHO
Solien, Stephanie	456-7750			WHO
Solis, Patti	456-7560	185.5	EOB	WHO
Solomon, Jason Matthew	456-7151	164	EOB	WHO
Somers, Nancy E.	456-7140	128	EOB	WHO
Southerland, Virginia L.	456-2134	09	EOB	WHO
Spangler, Judith A	456-2510	2FL/EW	WH	WHO
Spencer, Elizabeth	456-7060	2FL/WW	WH	WHO
Sperling, Gene	456-2705	2FL/WW	WH	WHO
Squire, Amy Lynn	456-7510	139	EOB	WHO
Stallings, Lori M.	456-2260	6	EOB	WHO
Stanley, Martha E.	456-6229	136	EOB	WHO
Stanley, Robert N	456-6797	1FL/WW	WH	WHO
Stanzione, Janine	456-6797	1FL/WW	WH	WHO
Stephanopoulos, George	456-2640	1FL/WW	WH	WHO
Stephenson, Larry	456-7511	137	EOB	WHO
Stern, Todd	456-2702	GFL/WW	WH	WHO
Stevens, Maryann D.	456-2322	1FL/EW	WH	WHO
Stewart, Annie	456-6600	58	EOB	WHO
Stimpson, John B.	456-2930	122	EOB	WHO
Stock, Anne	456-7136	2FL/EW	WH	WHO
Stolz, Estelle M	456-2510	2FL/EW	WH	WHO
Storm, Penny	456-7133	457	EOB	WHO
Strauss, Richard	456-7150	163	EOB	WHO
Streett, Stephanie	456-7560	182	EOB	WHO
Strickland, Stan	456-2866	143	EOB	WHO
Stump, Dennis B.	395-2006	405	EOB	WHO
Sudbay, Karen	456-2533	1FL/WW	WH	WHO
Sudduth, Deborah S.	395-4217		Residence	WHO
Sullivan, Michael J.	456-6482	536	EOB	WHO
Sullivan, Virginia M.	456-2134	09	EOB	WHO
Taggart Jr, Hugh T.	456-2242	72	EOB	WHO
Tanner, Tommy	456-6600	58	EOB	WHO
Tapia, Isabelle	456-7560	185.5	EOB	WHO
Tarmey, Marjorie	456-6563	214	EOB	WHO
Tarrant, Peter J	456-2421	178	EOB	WHO
Taylor, Mildred	456-2896	106	EOB	WHO
Techlenberg, Michael	456-1622	111.5	EOB	WHO
Thomas III, Edwin R.	456-2226	5	EOB	WHO
Thomas, Jane E.	456-2304	60	EOB	WHO
Thomas, Patricia M.	456-2304	60	EOB	WHO
Thomasson, Patsy	395-3133	480	EOB	WHO
Thompson, Boots G.	456-2322	1FL/EW	WH	WHO
Thompson, Brian C.	456-2964	133	EOB	WHO
Thompson, Elsa B.	395-4522		712 Jackson PL	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Thompson, Lawrence M.	456-2260	6	EOB	WHO
Thornton, Tracey	456-6493	107/EW	WH	WHO
Tilley, Kimberly	456-7845	197	EOB	WHO
Tio, Maria	456-7170			WHO
Tolbert, Edward L.	456-2542	55	EOB	WHO
Torgerson, Doreen M.	456-6585	218	EOB	WHO
Trainor, Gregory T.	456-6600	58	EOB	WHO
Trapasso, Jody	456-1642	121	EOB	WHO
Trevelyan, Stuart	456-7766	112/EW	WH	WHO
Tripp, Linda R.	456-2304	60	EOB	WHO
Tucker, Phyllis J.	456-2465	68	EOB	WHO
Tussey, Joan C.	456-2400	136	EOB	WHO
Tydings, Mary C.	456-7846	194	EOB	WHO
Ubbens, Elizabeth R.	456-2500	1	EOB	WHO
Underhill, Deborah A.	456-7136	2FL/EW	WH	WHO
Upperman, Eileen M.	456-2304	60	EOB	WHO
Vaden, Erich	456-2276	93	EOB	WHO
Valdez, Suzanna A.	456-7846	196	EOB	WHO
Van Eimeren, Robert S	456-2250	87	EOB	WHO
Varney, Christine	456-6280	2FL/WW	WH	WHO
Vein, Chris A.	456-2500	1	EOB	WHO
Verveer, Melanne	456-6266	100	EOB	WHO
Voles, Lorraine	456-2100	169	EOB	WHO
Vranich, Janice H.	456-6600	58	EOB	WHO
Wagner, Sharon E.	456-2702	GFL/WW	WH	WHO
Waisman, Shai	456-2777	193	EOB	WHO
Wald, Hiroshi	456-6597	160	EOB	WHO
Waldman, Michael	456-7151	166	EOB	WHO
Walker, Anne	456-7845	197	EOB	WHO
Walker, Sharon D.	456-2636	61	EOB	WHO
Walley, Anne	456-7560	182	EOB	WHO
Ward, Nancy	456-2100	173	EOB	WHO
Watkins, David	456-2861	GFL/WW	WH	WHO
Watson, Jeffrey H.	456-2896	106	EOB	WHO
Watson, Linda L.	456-2260	6	EOB	WHO
Watt, Brian	789-0936		708 Jackson Pl.	WHO
Watts, Beatrice	456-2582	49	EOB	WHO
Way, Kathryn	456-7777	218	EOB	WHO
Weaver, Vanessa	456-2930	122	EOB	WHO
Weens, Dennis	456-7846	196	EOB	WHO
Weiss, Elaine	456-2702	GFL/WW	WH	WHO
Weiss, Eve	456-1629	123	EOB	WHO
Weissberg, Vic	456-6236	198	EOB	WHO
Wentzel, Ted	456-2825	142	EOB	WHO
Werner, Seth E	456-7734	435	EOB	WHO
Wessel, Fran	456-2702	GFL/WW	WH	WHO
Wexler, Dan	456-2930	119	EOB	WHO
Whatley, Graham	456-7026	198	EOB	WHO
Whitehead, Margaret	456-7133	457	EOB	WHO
Whouley, Michael	456-6697			WHO
Wilkie, Carter	456-7845	197	EOB	WHO

NAME	PHONE	ROOM	BUILDING	AGENCY
Williams, Geraldine A.	456-2242	72	EOB	WHO
Williams, Jamie	456-2276	93	EOB	WHO
Williams, Karen	456-6600	58	EOB	WHO
Williams, Maragaret A.	456-6266	100	EOB	WHO
Williams, Patricia	456-2304	60	EOB	WHO
Williams, Richard L.	456-2372	438	EOB	WHO
Williams, Sherman A.	456-2242	72	EOB	WHO
Williams, Tatia	456-1623	111.5	EOB	WHO
Wilson, Elizabeth Y.	456-2372	217	EOB	WHO
Wincup, Pamela J.	456-6266	100	EOB	WHO
Wolk, Howard	456-1613	111.5	EOB	WHO
Wood, Debra	456-7734	435	EOB	WHO
Wood, Susanna L.	456-2134	09	EOB	WHO
Woodruff, Veronita	456-2134	09	EOB	WHO
Wright, Gary D.	456-2250	87	EOB	WHO
Wurtzel, Judy H.	456-1604	109	EOB	WHO
Wyckoff, Dana	456-2930	122	EOB	WHO
Yager, Marilyn	456-6798	1FL/WW	WH	WHO
Yang, Jenny	789-0937		708 Jackson Pl.	WHO
Yee, Melinda	456-2684	141	EOB	WHO
Yi, Gordon	456-1631	123	EOB	WHO
Young, Patricia L.	456-2266	76	EOB	WHO
Zeitlin, Michael	789-1784		708 Jackson Pl.	WHO
Zisook, Amy	456-2930	122	EOB	WHO

THE WHITE HOUSE
WASHINGTON

DATE: 3/9

NOTE FOR: Howard, Bob Rubin, Tom Lake

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

Information ☐

Action ☑

Please coordinate a response

JDP

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

Congress of the United States
House of Representatives
Washington, DC 20515–0903

OFFICIAL BUSINESS

PRINTED ON RECYCLED PAPER

THE PRESIDENT HAS SEEN
03.09.93

Corrine Brown
M.C.

To Bob Rubin
Discuss w/ Tony Lowe
Economic Nueth B.

Honorable William Jefferson Clinton
President of the United States

Congress of the United States
House of Representatives
Washington, DC 20515

March 8, 1993

The President
The White House
Washington, DC 20500

Dear Mr. President:

When you receive Secretary of Defense Aspin's recommendations for closure of military facilities, Naval Air Station Cecil Field may be among them. We strongly urge that you take a close look at Cecil Field and its vital role in our defense structure before making any final decision.

NAS Cecil Field's almost 23,000 acre complex is almost ideally suited to the needs of naval operations, training and maintenance. The facilities already present at the base would cost hundreds of millions of dollars to recreate at other locations. And, Cecil Field possesses the best Naval Air Station AICUZ footprint on the east coast, with no significant noise abatement or civilian construction encroachment problems.

Cecil Field provides our defense forces with unique benefits. Currently, the command based at Cecil Field leases 8,379 acres in the Ocala National Forest for training, including the Navy's only live "ordnance" bombing range on the east coast -- Pinecastle Electronic Warfare Range. It enjoys the best flying weather of all eastern Jet Bases, providing more efficient aviator training with fewer cancellations. In addition, Cecil Field has the only runway in the eastern United States long enough to accommodate landings of NASA Space Shuttles should facilities at Cape Canaveral be unavailable.

Mr. President, the decision to close any military base is not an easy one. We believe that when you study the options, the case for retaining Cecil Field, on its merits, will be a persuasive one.

Thank you for your consideration of Naval Air Station Cecil Field.

Sincerely,

CLIFF STEARNS
Member of Congress

CORRINE BROWN
Member of Congress

TILLIE FOWLER
Member of Congress

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/9

NOTE FOR: Carol Rasco

[redacted]

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

Information ☑

Action ☐

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

Clarco

THE PRESIDENT HAS SEEN 3/9

THE EDUCATION CRISIS REQUIRES IMMEDIATE COMPREHENSIVE CHANGE

A BRIEFING STATEMENT FOR PRESIDENT CLINTON FROM THE CONGRESSIONAL BLACK CAUCUS PREPARED BY CONGRESSMAN MAJOR OWENS - CHAIRMAN OF THE CBC EDUCATION BRAINTRUST -- MARCH 8, 1993

HeadStart full funding is very much needed and appreciated. The Administration deserves the highest praise for its initiatives toward the realization of the first of the National Education Goals: "All children should enter school ready to learn." We welcome this concrete proposal to allocate adequate funds in support of the widespread consensus that the investment in young children will pay extraordinary dividends.

Full support for HeadStart is a vitally necessary beginning; however, a strategy for immediate comprehensive change is as necessary for the nation's educational improvement effort as it is for the economy, defense, the environment or any of the other areas of major governmental activity. To transform the Nation and move toward the year 2000 in a more competitive position, all systems must move forward in unison. Many features of the future may be the subject of intense speculation; however, the one known certainty is that "brainpower" will determine the greatness of our Nation. Education is the system which develops the future of brainpower.

Present negotiations on the supplemental budget and a review of the proposed 1994 budget indicate that the education effort which will produce America's future brainpower is mistakenly being placed on a back burner. There are disturbing indications that, instead of jump-starting education in harmony with other Clinton Administration initiatives, major education actions will be postponed.

A failure to jump-start education improvement efforts in linkage with the rest of the Clinton program for change will hobble education with the same piece-meal, improvised, blundering scenario of the past twelve years. More specifically, the Congressional Black Caucus is concerned about the danger of budget cuts or program curtailments which adversely impact on successful programs which have greatly benefitted

African-American students and the African-American community. The following are a few of the high priority education concerns of the CBC:

- Chapter One programs will be cut in most of the school districts which are predominantly African-American unless additional funds are made available in the supplemental budget to compensate for the shifts that have taken place as a result of the census. There is a need to adopt a "hold harmless" addendum to the regular formula in order to avoid cutting schools where the need for Chapter One funds is as great as it was ten years ago. The problem is not that northeast and midwestern districts have less poor children. The problem is that certain other areas have experienced a great increase in the number of poor children. To have schools anywhere in America experience budget cuts as a result of this Chapter One correction would send a shocking message to our educators in the first year of the Clinton Administration. We urge White House intervention to guarantee that no eligible schools will lose Chapter One funds.

- <u>Emergency Federal Funding</u> to help to alleviate the education disaster resulting from state and local budget cuts which has wrecked many school systems is urgently needed. Some kind of temporary special education revenue sharing is needed to stop the escalating collapse of many instructional programs. Unless significant federal concern is exhibited in the form of immediate resource allocations, the administration's credibility in its efforts to achieve reform and be heard on the issues of goals, standards and tests will be greatly damaged. Schools and pupils have been drowning in presidential rhetoric for the last twelve years and there is now a need for presidential mouth to mouth resuscitation.

- <u>Pell Grants</u> and other higher education assistance student programs may be cut if the non-HeadStart portions of the overall Health and Human Services budget is either frozen or cut.

- <u>Direct Aid to Historically Black Colleges and</u>

AG: Wtr at Meeting [illegible]

Universities needs to be doubled in order to assist the relatively few colleges and universities which successfully meet the needs of some of our most disadvantaged students. Under Title Three of the Higher Education Assistance Act, special aid has been provided for the last six years; however, the recession has created new hardships for these institutions and increased relief is needed.

- Public Library funding under the Library Services and Construction Act is vital to African-American communities since libraries offer a variety of educational experiences for poor families which are not available at any other place. The possible utilization of public libraries as the sites where average Americans may receive the benefits of the proposed "information superhighway" and for the first time gain access to the high-tech age of information is another urgent reason why public libraries must be kept open in African-American communities.

- TRIO programs are widely considered to be examples of programs where the federal government gets the greatest return on its dollars. These projects which offer college preparation activities to a cross-section of youth from many ethnic groups and geographic locations may be cut if the present proposed overall allocation for Health and Human Services is not increased.

- <u>The Office of Educational Research and Improvement and School Reform Legislation</u> also contain numerous initiatives which are needed immediately in inner city schools and should not be postponed.

In summary, the plea of the Congressional Black Caucus is that all components of the nation's overall education effort be made a priority. We hope that the human investment initiative will be a comprehensive one. We need to jump-start a total education program.

THE PRESIDENT HAS SEEN

7 Percent Pentagon Solution

By Jerome Wiesner and Kosta Tsipis

CAMBRIDGE, Mass.

A new Massachusetts Institute of Technology study shows that President Clinton can save hundreds of billions of dollars by reducing the Pentagon budget — without sacrificing the strength of our military forces.

Helped by a colleague, Philip Morrison, we have found how to save $681 billion (in current dollars) through the year 2000 — $32 billion in 1993 alone. That is $21 billion more than the cuts suggested by Defense Secretary Les Aspin. The $21 billion is the equivalent of 40 million families each paying $525 less in taxes next year.

Jerome Wiesner, president emeritus of M.I.T., was science adviser to Presidents Dwight D. Eisenhower, John F. Kennedy and Lyndon B. Johnson. Kosta Tsipis directs M.I.T.'s program in science and technology for international security.

Since money spent on the defense industry can employ twice as many people in civilian jobs, the cuts we propose would not create net unemployment so long as half the amount saved was spent on civilian projects.

Sixty percent of our military expenses during the cold war went to defend the U.S. and its allies against the Soviet threat. This threat evaporated by 1992, yet the Pentagon plans to spend only 17 percent less in 1997 than it spent in 1992.

The Chairman of the Joint Chiefs of Staff, Gen. Colin L. Powell, invoking the need for "strategic depth," insists America can cut only 2 to 4 percent of military costs a year through 1998 in order to "retain certain capabilities to protect our interests around the world." This vague pronouncement does not justify the size of the military the Pentagon wants.

We recommend cutting the budget about 7 percent a year — the same rate it was reduced for a few years after the Korean and Vietnam Wars.

During the Cuban missile crisis, America had five aircraft carrier task forces. Now we have 14, each costing $3 billion a year to operate. We need no more than five; two can be decommissioned this year, at a $6 billion net savings at once.

The Army maintains 12 active divisions, the Marines two. In Operation Desert Storm, not quite eight were used. Now that Europe is not threatened, in this fiscal year we can retire one division in Europe and one in America, saving $6 billion.

The Air Force has 95 strategic B-1 bombers and 175 B-52's and is procuring 20 additional B-2's at more than $1 billion each. None of these planes is needed for nuclear deterrence. We should mothball the 81 older B-52's and half the B-1's this year, saving $5 billion. We should stop procuring the not-so stealthy B-2 bomber and the C-17, the flawed new transport plane. We don't need these aircraft because others can perform their functions. Total net savings: $7.3 billion.

Stop procuring the one new Sea Wolf submarine and the four new DDG-51 destroyers, saving $4 billion.

This year, buy half the planned 20 F-18 fighters and 30 Trident-2 missiles for the Navy, saving $1.5 billion.

Cancel the contract for 60 redundant Army Blackhawk helicopters, and reduce by 10 percent the Army's purchase of ammunition and electronics, saving $1 billion.

Curtail the unworkable Strategic Defense Initiative and save $2 billion.

Overall savings from these cutbacks would come to nearly $40 billion, but $8 billion would have to be spent for terminating contracts and mothballing planes and ships. The net savings would be $32 billion in 1993. By the year 2000, the budget can be reduced to $164 billion a year, for a total savings of $681 billion between now and then.

How to beat Aspin's cuts by $21 billion.

Last month, the Congressional Budget Office, in its publication "Reducing the Deficit: Spending and Revenue Options," identified 61 cuts in the defense budget totaling $308 billion for 1994 through 1998. We suggest $346 billion for that period.

President Clinton can safely order cuts in defense spending, based not on nebulous strategic pronouncements but on a reasonable assessment, to use defense community jargon, of "how much is enough." □

The New York Times

3/4/93

AG5

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Despite Plans, U.S. Refugee Processing in Haiti Is Said to Lag

By HOWARD W. FRENCH
Special to The New York Times

PORT-AU-PRINCE, Haiti, March 1 — Six weeks after the Clinton Administration promised to sharply increase refugee processing in Haiti for people trying to flee political violence, asylum procedures here remain largely unchanged, immigration experts say.

The critical assessment comes as the Supreme Court is set to hear arguments on Tuesday in a case that will decide the legality of a decision by the Bush Administration last May to return all Haitians intercepted on the high seas while trying to flee their country.

After criticizing the Bush policy as immoral during the Presidential campaign, President Clinton, on the eve of his inauguration, endorsed the deployment off Haiti of more than 20 Coast Guard and Navy vessels to prevent a huge new outflow of refugees.

Defending his decision, Mr. Clinton said his Administration would seek to make the perilous exodus by boat unnecessary by posting American consular officials around the Haitian countryside to take asylum applications, and by streamlining procedures for obtaining political refuge from inside Haiti.

Still no American consular officials in the Haitian countryside.

40,000 Try to Flee

Since the overthrow of Haiti's elected President, the Rev. Jean-Bertrand Aristide, in September 1991, more than 40,000 Haitians have tried to reach the United States by small boat. Nearly three-quarters of them were returned to Haiti by the United States Coast Guard.

"As far as I can tell, the new Administration is still trying to configure its response to the problem," said Arthur C. Helton, an immigration expert with the Lawyers Committee for Human Rights, a New York-based organization that has worked on behalf of Haitian refugees. "Based on what we have seen, I have no confidence at this point that we are going to have an improved and more sensitive in-country system."

Tony
Need to change
reality + perception

THE NEW YORK TIMES, TUESDAY, MARCH 2, 1993

Several State Department and Immigration and Naturalization Service officials who are involved in policy toward Haitian refugees conceded that there had been a slow start in forming a new approach to the thousands of Haitians seeking to flee for political reasons. These officials said, however, that in coming days the refugee-processing capacity in the capital, Port-au-Prince, would be doubled to about 200 a week.

Officials said the "turnaround time" required to process an application completely would likewise be quickened to an average of one week. In the past, some applications have languished for months before an asylum-seeker was given final word of his case's outcome.

To this end, officials said, the number of United States immigration agents posted in Haiti has recently been increased to seven from three, and the number of workers for a private agency employed in the screening of the asylum seekers, the International Organization for Migration, nearly doubled to 29.

As yet, however, officials said, there has been no definitive decision about whether to set up processing centers in Haiti's provincial towns and countryside.

"There have been at least two initiatives, the major one being the effort to get human rights monitors into the country and begin the process of changing Haiti that will lead to the building of institutions that will make democracy durable," a State Department official involved in refugee issues said, referring to the recent deployment of United Nations observers to Haiti. The other initiative, the official said, was the expected speeding of the application process.

Despite the presence of more than 60 monitors in the country, immigration officials in Haiti said applications for asylum at the sole processing center in Port-au-Prince had jumped dramatically in recent days from a trickle to more than 100 a day. The increase comes after a series of violent crackdowns on political dissent by the Haitian military.

Screening Is Criticized

Refugee advocates have criticized the screening effort, saying its offices in the capital are conspicuously situated on a congested downtown street near the National Palace and police headquarters.

Applicants for asylum, they say, must reveal themselves before other Haitians employed in the screening process, further increasing their anxiety. For many, a chance at a successful outcome has meant repeated visits to the downtown office, whether the asylum seeker lives in a remote country town or is in hiding in the capital.

For those most at risk, the critics say, participation in the program has been discouraged by the fear of exposure during the application process and the duration of bureaucratic procedures, which involve several layers of screening, health checkups and placement in the United States by voluntary agencies before being ushered out of the country.

"You cannot expect that the reasonable, rational person in hiding will conclude that they should travel to Port-au-Prince to fill out some form, reveal the most intimate and compromising parts of their lives to countrymen and strangers and be told to return," said Carol Wolchok, director of the American Bar Association's Center for Immigration Law. "What Haiti needs is an underground railroad. For many people that railroad was the boats, and we have shut that off. So far there is nothing new out there for them."

THE PRESIDENT HAS SEEN

B Nussbaum

The last time we talked this decision hadn't been made — what's the deal?

U.S. Opposes Court Move to Reinstate Gay Sailor

By ERIC SCHMITT
Special to The New York Times

WASHINGTON, March 4 — Five weeks after President Clinton hailed a judge's ruling that the Pentagon's ban on homosexuals in the military is unconstitutional, the Justice Department is trying to keep that ruling from taking effect.

Administration officials say in interviews and court papers that allowing the decision in the case of Petty Officer Keith Meinhold to take effect could upset a fragile compromise reached in January by Mr. Clinton and Congress to delay lifting the ban until July 15.

Mr. Clinton and senior aides count on using that interim period to persuade Congress to support his campaign pledge to lift the ban. In January, Mr. Clinton delayed issuing his promised executive order on the subject in the face of opposition from Republicans and some Democrats in the Senate.

The Administration's argument was rejected last month by a Federal district judge, Terry Hatter Jr., who in January ordered the Navy to reinstate Mr. Meinhold, a 30-year-old sailor who was discharged last year after proclaiming his homosexuality on national television. Judge Hatter had also permanently enjoined the Pentagon from discharging homosexuals "in the absence of sexual conduct which interferes with the military mission."

Ruling Is Appealed

The Justice Department on Wednesday filed an appeal of Judge Hatter's decision with the United States Court of Appeals for the Ninth Circuit in San Francisco.

Under the compromise Mr. Clinton and Congress reached, in a six-month interim period military personnel who reveal their homosexuality cannot be discharged but may be placed on standby reserve without pay or benefits. If Judge Hatter's decision is allowed to stand, Administration officials fear that individuals placed on standby reserve might sue the Government, challenging the basis of the proceedings against them or claiming that the limbo status would effectively discharge them.

The Government has filed briefs in four or five other cases involving service members who are trying to block their administrative discharge hearings pending completion of the gay-policy review, an Administration official said. In each case, the official said, the Government has opposed the litigation as interfering with its long-term goal of lifting the ban.

An effort to preserve a fragile compromise.

On Jan. 29, when Mr. Clinton reached his agreement with Senate leaders, led by Sam Nunn, the Georgia Democrat who is chairman of the Armed Forces Committee, he praised Judge Hatter's ruling, which he said had strengthened his hand in the negotiations. "It makes the practical point I have been making all along," Mr. Clinton said.

But in the talks the previous night that produced the compromise with Congress, Mr. Clinton had agreed to seek delays in court proceedings for those discharged for being homosexuals.

Legal briefs filed by the Justice Department pointedly do not argue the merits of Judge Hatter's decision, and do not object to granting relief to Mr. Meinhold. But the Administration argued that Judge Hatter had overstepped his authority.

"The order is clearly overbroad, restricts the authority of the President in consultation with Congress to make rules governing the armed forces, and should be stayed pending appeal to the extent applicable to persons other than Meinhold," the Government argued.

During the time Mr. Clinton and Congress work out an acceptable policy, "the judiciary should refrain from preempting that process by imposing its own policy," the Government said.

In a telephone interview from his lawyer's offices in Los Angeles, Mr. Meinhold said, "Wouldn't this be nice and convenient to trample all over the constitutional rights of American service members just to make a politically expedient compromise that even the President didn't like."

Chai Feldblum, legal director of the Campaign for Military Service, a Washington-based lobbying organization that opposes the current policy, said, "The President and the Department of Justice are caught between a rock and a hard place, and they're trying to make their best efforts."

"They don't like the ban and think it's unconstitutional, but they are hamstrung by a compromise that they voluntarily entered into to keep policy in place for six months," said Ms. Feldblum. "In the long run, though, that six months will allow us to convince Congress to support lifting the ban."

"The main point here is that the Government's appeal shows how weak an interim measure the compromise is," said William Rubenstein, director of the American Civil Liberties Union's Lesbian and Gay Rights Project in Manhattan.

LOS ANGELES TIMES

THE PRESIDENT HAS SEEN

Bob Rubin
fyi

Sum of Debate Will Be New Kinds of Taxes

There are a number of ideas to bring in more money. The real bottom line may be a consumption tax.

By James Flanigan

What's the real bottom line amid all the confusion about taxes? Short term, it's for more political hokum, and long-term for a significant new kind of tax that many experts argue will do the economy good. Hope springs eternal, as they say.

Income tax changes will be slight for most people but a number of weird and pesky taxes will be tried as financing of government—local and federal—moves from today's impasse to a new and grander scale.

Tax questions reflect a time of profound change. The income tax system, which financed the postwar period, has reached the limits of its usefulness. In the next few years, Americans will be making fundamental decisions about how to pay for the government they want and the society they'll pass on to future generations.

Right now, however, taxpayers are simply worried about what additional taxes will be needed to finance health care reform. And the Clinton Administration is not calming their fears by suggesting that "sin" taxes on tobacco and alcohol could pay for the health program. Because that's not true.

A $1-a-pack cigarette tax, as was proposed in Congress last week, might bring in $8 billion—where $90 billion could be needed to provide health coverage for 37 million uninsured Americans. Indeed, sin taxes will yield diminishing returns—as more smokers give up cigarettes and more cigarettes are smuggled or sold with counterfeit tax stamps. Federal agents would have to be hired to combat illegal activity.

Taxpayers are simply worried about what additional taxes will be needed to finance health care reform.

The years ahead could be quarrelsome. As Clinton's program delays spending cuts but pumps out more than $100 billion in new spending for highways and Head Start, there will be a reaching out for revenue. The Treasury Department has already studied the idea of taxing the theoretical rental value of your home—a tax on wealth instead of income.

That theory may never become practice, but some change is likely in estate taxes—perhaps a lowering of the $600,000 exemption on what can be passed to heirs. The resulting revenue might be used to finance long-term care for the elderly, a growing need.

However, such tax moves, while they may arouse controversy, won't bring in really big money. And Clinton's tax hikes on high-income individuals, slated to bring in $34 billion, will also reopen the door to tax shelters and maneuvering. The contradictions are a sign that "we've gone as far as we can go with the income tax," says a Washington expert.

So a new kind of tax is looked for. And the emerging favorite—mentioned by Clinton himself in offhand remarks last month—is a consumption tax.

As the name implies, the aim is to tax spending and not saving. For the consumption tax introduced by Sens. Sam Nunn (D-Ga.) and Pete Domenici (R-N.M.) you would add up your gross income, subtract all savings, investments and income on saving, and pay tax on the rest—after deductions for mortgage interest or school tuition or whatever is allowed. Details remain to be worked out.

More common and widespread is the value added tax, in which a tax is levied on the value added at every stage of production—iron ore to steel, a tax, steel to automobile part, a tax, auto part to finished auto, a tax and so forth. In service businesses, taxes are added onto legal fees, accountants' charges, etc.

Ultimately, the value added tax reaches the consumer, who pays it. But there is no tax on savings or

Please see FLANIGAN, B7

FLANIGAN: Officials Favor Consumption Tax

Continued from B5

income from savings in the VAT system.

The aim is to build up capital for society to invest and expand, explains Lawrence Stone, partner in the Los Angeles law firm Irell & Manella, and a tax expert who first advised the U.S. Treasury in the Kennedy and Johnson administrations.

One big reason we are not building capital today is the $300-billion budget deficit, which borrows from tomorrow to pay current needs. Investments in Treasury bonds are used to pay for Medicare and soldiers' uniforms—and interest on the growing debt.

A VAT could pay down the deficit fast because the money would be huge.

"A VAT would bring in $35 billion for every percentage point of tax," says Charls Walker, an influential Washington consultant and deputy Treasury secretary in the Nixon Administration.

A 5% VAT would bring $175 billion to the federal government, and a slightly larger VAT would produce revenue for the cash-strapped states.

But raising a big new tax would not eliminate the need to cut expenditures. On the contrary, if we levied a VAT and went on spending as usual, the result would be highly inflationary.

There are other perils. The VAT, because it is built into the cost of production, can be like carbon monoxide, an unseen killer. It is an awesome tool for government because politicians can adjust to favor one product or business over another.

"The virtue of a VAT right now is that it's a fresh approach," says Stone, "but in 10 years it would become encrusted with exceptions, as our income tax did."

So we're likely to hear debate about value added taxes this year, and get closer to actual tax laws in the next two years.

Another virtue is that at least a VAT—unlike "sin" taxes—would represent a real attempt to pay down the deficit and deal with the challenges facing America. Prominently, we need money to educate a work force, unite a diverse society and prepare for the truly aging American society that will be upon us in the next century.

The debates about taxes are really about priorities—and setting them is the bottom line.

THE WHITE HOUSE

WASHINGTON

March 9, 1993

Mrs. Earl Warren
Suite 6340
Wardman Tower
Sheraton Washington Hotel
1660 Woodley Road, N.W.
Washington, D.C. 20008

Dear Mrs. Warren:

Hillary and I are delighted to send greetings for your 100th birthday. We hope you have a wonderful day and wish you the best for the coming year.

Happy Birthday!

Sincerely,

Bill Clinton

LAW OFFICES OF
PILLSBURY MADISON & SUTRO
POST OFFICE BOX 7880
SAN FRANCISCO, CALIFORNIA 94120
TELEPHONE (415) 983-1000
TELECOPIER (415) 398-2096

LOS ANGELES
SAN JOSE
WASHINGTON, D.C.
SAN DIEGO

ORANGE COUNTY
SACRAMENTO
MENLO PARK
TOKYO

WRITER'S OFFICE AND
DIRECT DIAL NUMBER

225 Bush Street, Room 586
Telephone: [415] 983-1037
Facsimile: [415] 477-4798

#383404

February 5, 1993

Mar 9

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

Re: Mrs. Earl Warren - One Hundredth Birthday

Dear Mr. President:

I understand that past Administrations have a tradition that I hope you will be willing to honor. I refer to the practice of writing a letter of recognition to citizens on the occasion of their one-hundredth birthday. I have a prime candidate--my grandmother--who is particularly worthy of your attention.

Nina Warren, who is the widow of the late Chief Justice, will celebrate her **one-hundredth birthday** on **Tuesday, March 9, 1993**. She does not wish a formal party or any publicity, although her family is gathering in Washington to celebrate. I am bringing my wife and two children back to Washington for the occasion, which will include a special visit to the Supreme Court on Monday, followed by the birthday celebration on Tuesday. We would love to see the expression of delight on "**Mama Warren**'s" face if she could open a letter of recognition from you.

THE PRESIDENT HAS SEEN

Chron

THE WHITE HOUSE

WASHINGTON

93 MAR 9 A9:51

March 9, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Howard Paster

SUBJECT: Photograph

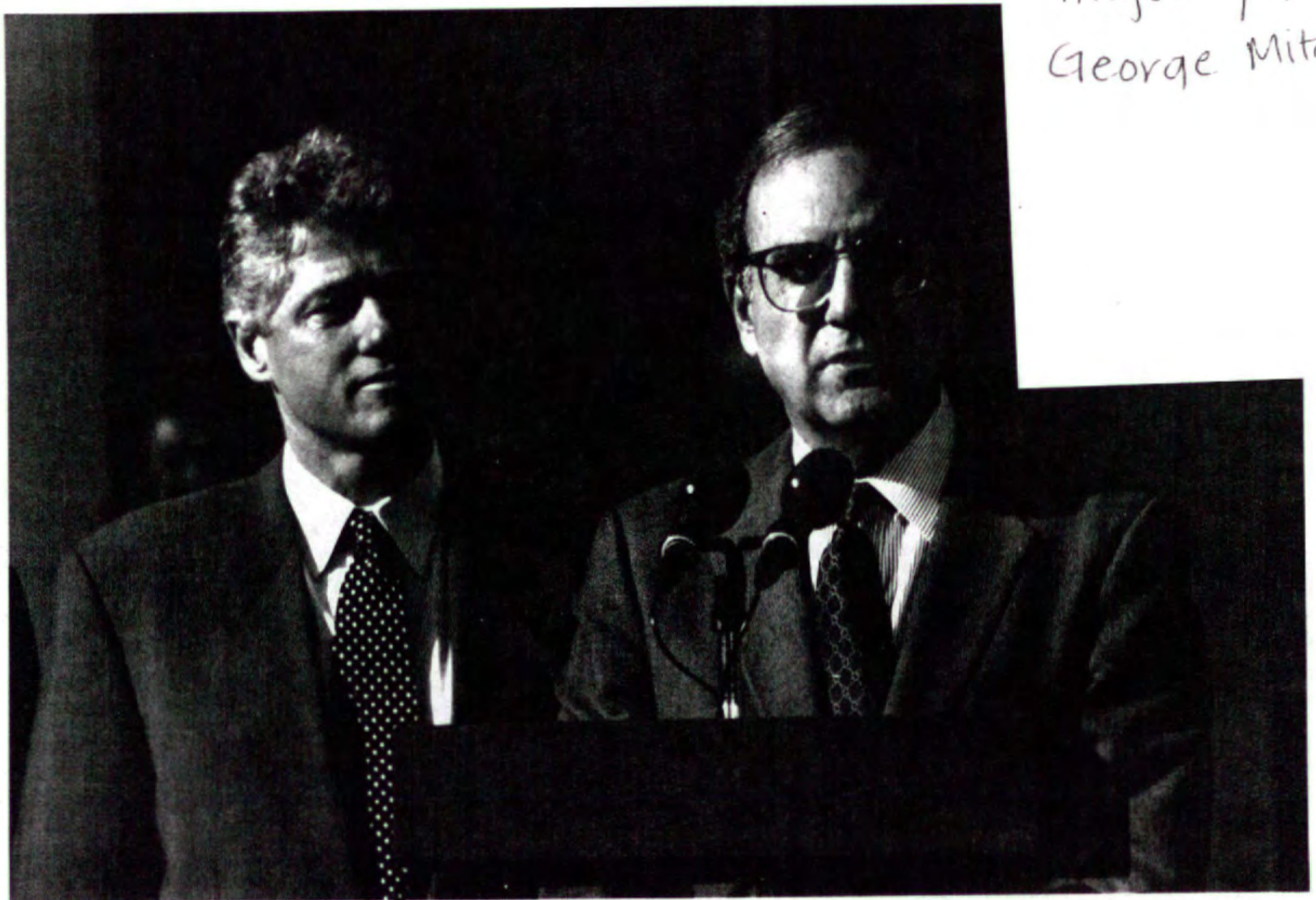
I would like to request that you sign the attached photographs. The photos were taken during the bill signing ceremony for the Family and Medical Leave Act on February 5.

1.) House Speaker Thomas Foley — Nancy Hernreich has this photo
(The Vice President has also signed this photograph.)

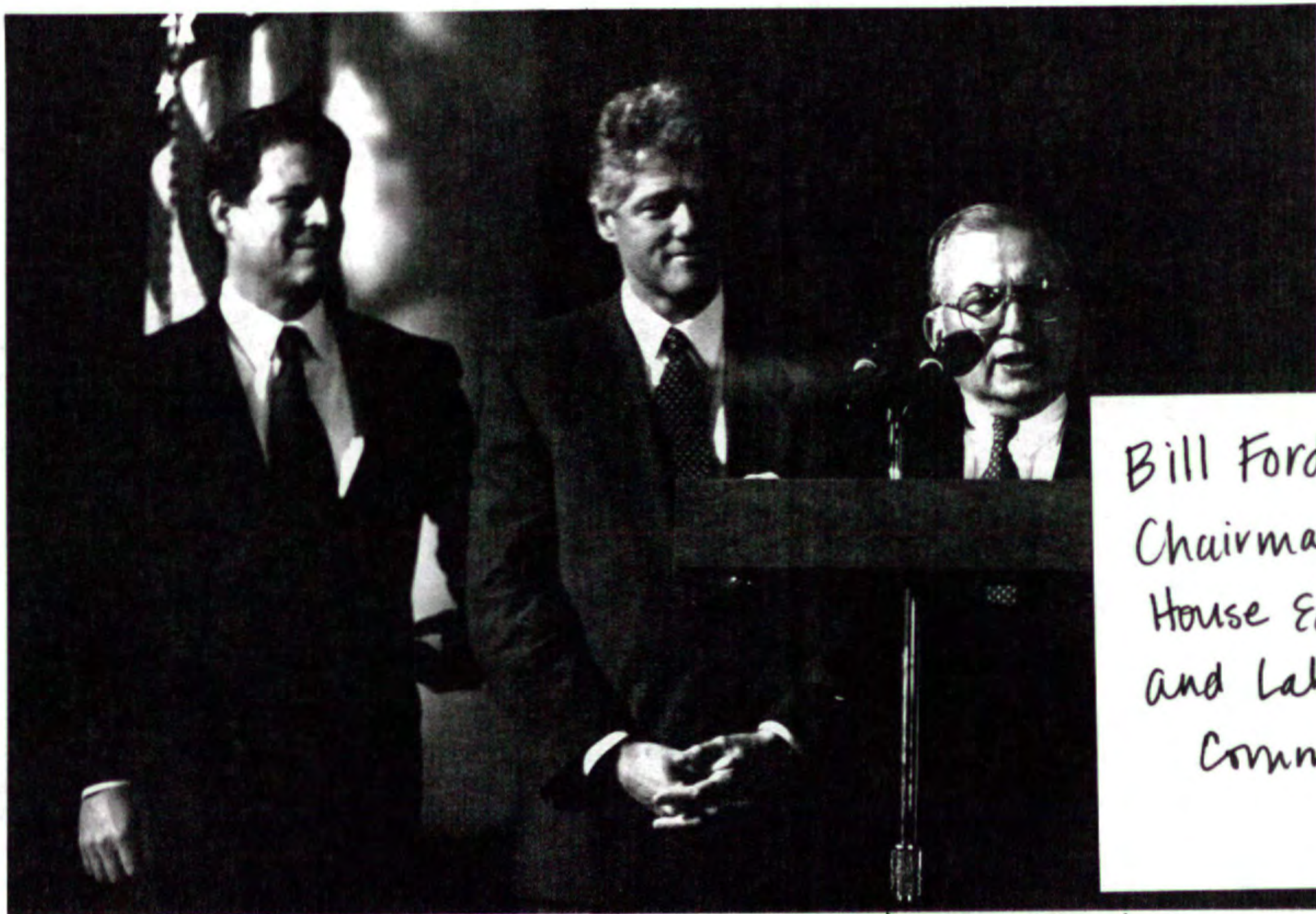
2.) Senate Majority George Mitchell

3.) Representative William Ford, Chairman of the House Education and Labor Committee
(The Vice President has also signed this photograph.)

Senate
majority Leader
George Mitchell



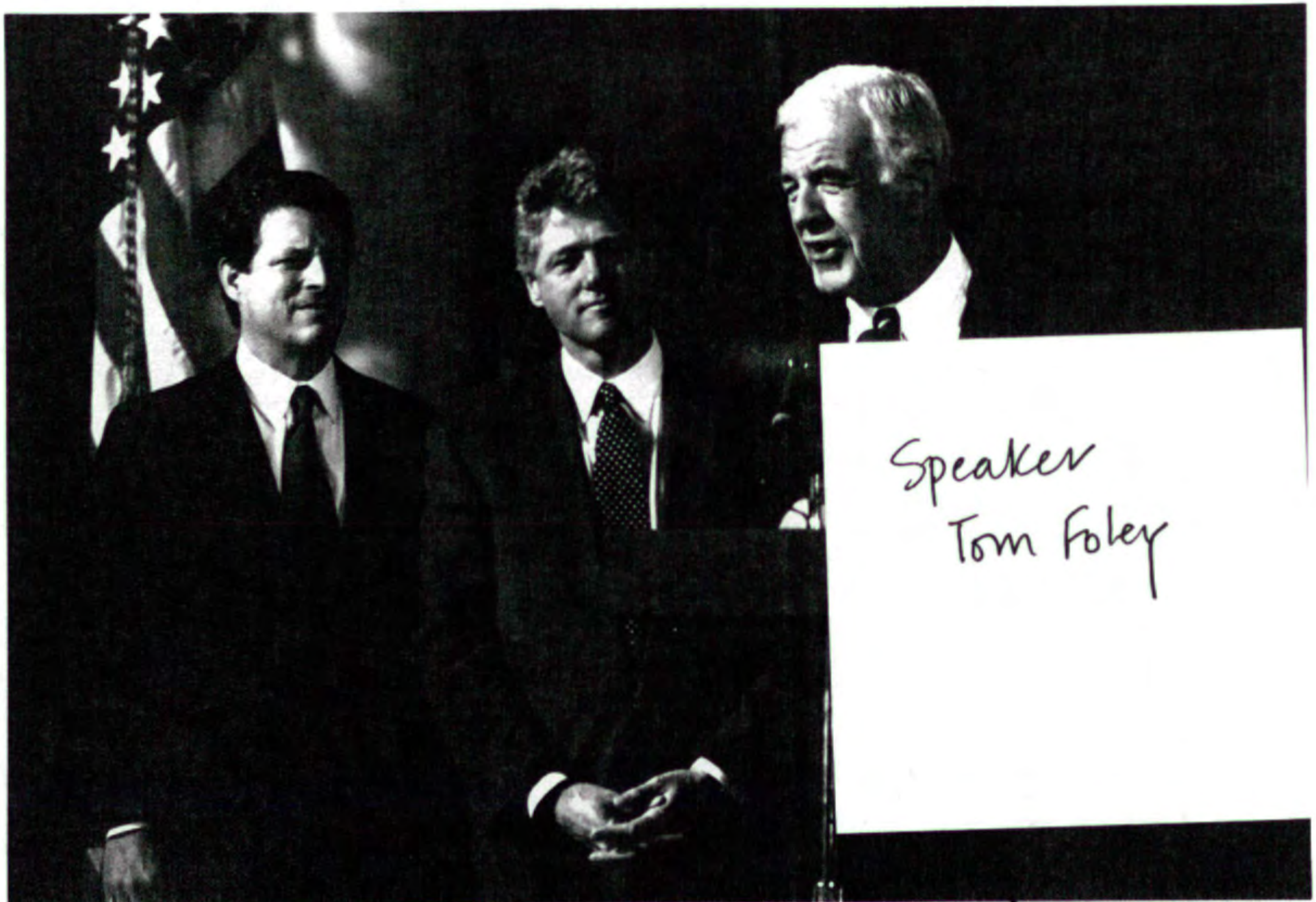
To Sen. George Mitchell —
with thanks for your leadership on
family leave —
Bill Clinton



Bill Ford,
Chairman,
House Education
and Labor
Committee

For my friend Bill Ford,
whose leadership brought us the
1st bill of '93,
Al Gore

To Bill Ford — with thanks
for great leadership on
Family Leave
Bill Clinton



For my friend Tom Foley,
with respect, and thanks for
the 1st bill of '93 - family leave,
Al Gore

To Speaker Foley - with
thanks for your leadership
on Family Leave
Bill Clinton

Chron

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

[redacted]

Mrs Patricia Murrow
2529 Texoma Drive
Oklahoma City, Oklahoma 73119

[redacted]

[redacted]

[redacted]

THE WHITE HOUSE

WASHINGTON

March 5, 1993

Mrs. Patricia Murrow
2529 Texoma Drive
Oklahoma City, Oklahoma 73119

Dear Mrs. Murrow:

Hillary and I were very sorry to learn of the loss of your grandson, and our hearts go out to you. You are in our thoughts and prayers.

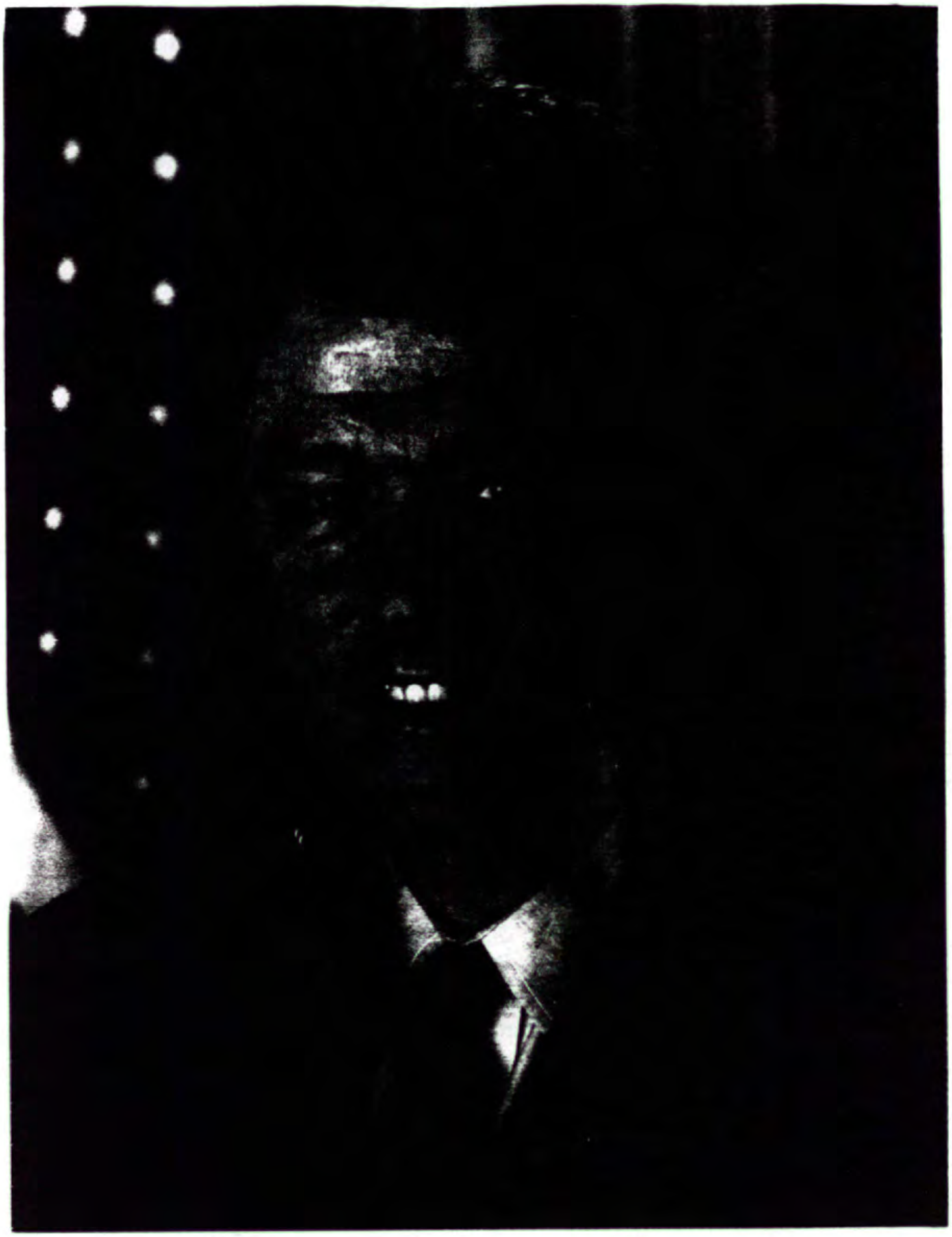
Sincerely,

Bill Clinton

I am so sorry you cannot attend the Inaugural - I am grateful for your support and I hope to meet you someday —

[redacted]

NH
give sign a photo for her —



To Patricia Murrow – Thanks for your support

Bill Clinton 3-8-93

972509

BILL EISENHOUR FUNERAL HOMES, INC.

Phone 672-1321
5005 S.E. 29th Street
DEL CITY, OK 73115-4798

Phone 769-3362
8805 N.E. 23rd Street
OKLAHOMA CITY, OK 73141-2242

Phone 390-2221
2515 N. Main Street
CHOCTAW, OK 73020

January 21, 1993

Bill Clinton-President
1600 Pennsylvania Ave. N.W.
Washington DC

Dear President Clinton:

I would first like to express congratulations to you on your inauguration. The country has very high expectations for you and they stand behind you in your endeavors.

Sir, the purpose for this letter goes very deep into the lives of a family of a young man that we had funeral services for last month. His grandmother as you will see in the newspaper article had saved her money to attend your inauguration, but due to the death of her grandson, was forced to use the funds for his services.

The death of any child as you know is a very traumatic experience for a family to go through, and I thought that a note from you could make one persons burden a little easier to bear in a very difficult time.

Mrs. Murrow, as it sounds, is very proud of you, and this might well be the gesture that could make a big difference in her life and recovery.

If you do wish to respond to her you may correspond c/o the funeral home to my attention, and I will see that she gets it.

Thank you very much for your time, and again best wishes to you in your endeavors.

Sincerely,

DANA R. DODSON
FUNERAL DIRECTOR
BILL EISENHOUR FUNERAL HOMES, INC.