

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. form	[Personally Identifiable Information] [partial] (1 page)	03/05/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 360

FOLDER TITLE:

March 8-10, 1993 [2]

2018-0662-S

rs3037

RESTRICTION CODES

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

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

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

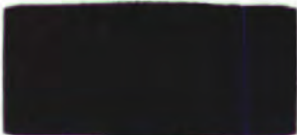
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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

Chron



FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Billy Webster
Department of Education
400 Maryland Avenue, NW
Room 4181
Washington, DC 20202



Withdrawal/Redaction Marker

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WILLIAM W. WEBSTER, IV
308 HAMPTON AVE
GREENVILLE, SC 29601

0172

67-188-532

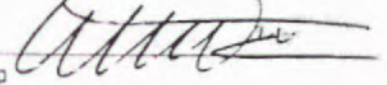
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National Park Foundation \$1000⁰⁰
one thousand


CAROLINA FIRST
GREENVILLE, SC 29602

Money Market Checking

Burning Tower



1:

(b)(6)

0172

1-800-847-4843



THE WHITE HOUSE

WASHINGTON

3/8

Dear Billy

I love the sun.
The truck is paid for
so I'll return this
for other days

Billy,

Bm

William Mendenhall Webster IV

March 5, 1993

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

Dear Mr. President:

It was worth every shiver! I am grateful to you for thinking to include me in your morning run. My grandmother was watching from somewhere up there.....

Among your many skills and singular qualities, it is your warmth and accessibility that set you apart. I am always reminded of Sir Edmund Spencer's quotation: "I'll can he rule the great that cannot reach the small" when I am around you. You prove that wisdom true.

Again, my sincerest thanks.

Billy
Billy

Sign for
From Theemond's

plan.

This is for the
birthday party
tonight - we tried to
get it to Andrew to take

ADDRESS TO THE
JOINT SESSION OF
CONGRESS



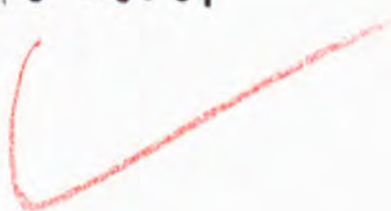
President William J. Clinton

February 17, 1993
Washington, D.C.

*To Sen. Frank Lautenberg
with best regards
Bill Clinton*

THE WHITE HOUSE
WASHINGTON

93 MAR 9 09:51



March 9, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Howard Paster *HP*

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
(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.)

THE WHITE HOUSE
WASHINGTON

March 7, 1993

to
P 3/9



MEMORANDUM FOR THE PRESIDENT

FROM: HOWARD PASTER *HP*

Attached please find two letters for Minority Leader Dole. The first thanks him for the meeting in the Capitol last week and for his contribution to the jogging track. The second is a letter of condolence for his brother's death.

THE WHITE HOUSE
WASHINGTON

Dear Mr. Leader:

Thank you for inviting me to meet with members of the Republican Policy Luncheon Group. I felt that the meeting was very productive and I look forward to working with you in the spirit of bipartisanship.

I also greatly appreciated your contribution to the jogging track. It was very thoughtful of you.

Sincerely,

The Honorable Robert Dole
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

Dear Mr. Leader:

I was saddened to learn of the loss of your brother. I know this must be a difficult time for you and your family and I wanted you to know that my thoughts were with you.

Sincerely,

The Honorable Robert Dole
United States Senate
Washington, D.C. 20510

Minority Leader

THE WHITE HOUSE
WASHINGTON

DATE: 3/9

NOTE FOR: *Tony Lake; Howard Paster*

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

Information ☐

Action ☒

important
reply ASAP

Thank you.

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

cc:

BARBARA-ROSE COLLINS
13TH DISTRICT, MICHIGAN

COMMITTEES
PUBLIC WORKS AND TRANSPORTATION
AVIATION
ECONOMIC DEVELOPMENT
WATER RESOURCES
POST OFFICE AND CIVIL SERVICE
POSTAL PERSONNEL AND MODERNIZATION
SELECT COMMITTEE ON
CHILDREN, YOUTH, AND FAMILIES



WASHINGTON OFFICE
1541 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515-2213
(202) 225-2261
DISTRICT OFFICE
1543 E. LAFAYETTE
DETROIT, MICHIGAN 48207
(313) 567-2233

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

March 8, 1993

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

Dear President Clinton:

In a letter on February 23, I requested that the application for a Presidential Permit submitted to the State Department by the Canadian National Railroad (CN), be held in abeyance until a full evaluation of the plan's impacts had been done by the Government Operations Committee and the Investigations and Oversight Subcommittee of the Public Works and Transportation Committee (see attached exhibit A).

I wrote to you again on March 1, and requested that you order an immediate investigation by the State Department to determine if State Department employees had compromised the sanctity and integrity of the Presidential Permit process by assuring CN that a permit would be issued soon (see attached exhibit B).

To date, I have not received a response to either letter.

Mr. President, if the double stack railroad tunnel is built in Port Huron, the railroad traffic through Detroit will be virtually wiped out (see attached exhibit C).

Your attention and review of the enclosed material would be greatly appreciated. I am available to meet and discuss this issue with you at your earliest convenience.

Sincerely,

Barbara-Rose Collins
Barbara-Rose Collins
Member of Congress

Enclosures

I want a response to this letter - write to Mr. [unclear] - write to deal with

BARBARA-ROSE COLLINS
13TH DISTRICT, MICHIGAN



COMMITTEES
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DETROIT, MICHIGAN 48207
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Congress of the United States
House of Representatives
Washington, DC 20515

February 23, 1993

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

Dear President Clinton:

Canadian National Railway Company (CN), has applied to the Department of State for a Presidential permit under Executive Order 11423. CN proposes to construct a double-stack capacity railroad tunnel between Sarnia, Ontario and Port Huron, Michigan.

I urge the direct intervention of both Secretary Warren Christopher and you in this permit proceeding. Granting CN's Presidential permit effectively wipes the Detroit metropolitan area off the global trade map and relegates Detroit to "side-track" status in the flow of world commerce.

Specifically, I ask that you hold CN's Presidential permit application in abeyance until there has been a full evaluation of the proposal's impacts by the Government Operations Committee and the Investigations and Oversight Subcommittee of the Public Works and Transportation Committee.

The City of Detroit's concerns have already been raised with the U.S. Army Corps of Engineers. Unfortunately, the Corps dismissed those concerns on January 29, 1993 in a Rivers and Harbors Act permit proceeding. Most troubling was the Corps steadfast denial of fundamental procedural due process. It refused to conduct a public hearing on a permit decision having profound regional and national consequences.

Public hearing requests were made to the Corps by a variety of parties including the City of Detroit, Michigan and Canadian legislators, and various environmental groups. In addition, both Congressman John Dingell and I specifically requested that the Corps conduct a public hearing.

The Corps' regulation (33 C.F.R. Part 327) provides that a public hearing must be granted to consider material matters at issue in a permit application unless "the issues raised are insubstantial and there is otherwise no valid interest to be served by a hearing." The Corps' regulations further provide that "in case of doubt, a public hearing shall be held."

The Corps' Detroit District office rationalized its refusal to conduct a public hearing on spurious grounds. To the extent that the Corps deemed the concerns raised as its duty under its regulations and the National Environmental Policy Act to consider the Detroit/Windsor double-stack alternative as "insubstantial" or "immaterial," and to the extent that the Corps relied on misleading written representations by CN as a sufficient basis for informed decision making, the refusal to hold a public hearing violated the Corps' own regulations.

In my view, the Corps exhibited a stubborn unwillingness from the beginning to consider the significant and adverse impacts on the City of Detroit and an alternative double-stack tunnel location at Detroit/Windsor. This is a disturbing posture for a federal agency charged with protecting the public welfare and facilitating the public interest.

Substantively, while the Corps on one hand admitted that it would not examine "broad questions of transportation policy, markets, monopolies, economic competition, or the 'best' site for a tunnel," it nevertheless concluded that the CN proposal provided "a major benefit to the national economy" and steadfastly refused to consider the Detroit/Windsor double-stack tunnel alternative.

As a general matter, there are two feasible locations for developing an international double-stack trade corridor: Detroit/Windsor, the leading transborder crossing for U.S./Canada trade; and Port Huron/Sarnia. Development of two separate double-stack rail crossings between Michigan and Ontario is not justifiable in light of rail transportation economics.

Any objective comparison will prove that, unlike the CN proposal, a double-stack tunnel at Detroit/Windsor promotes the national interest, and provides: vastly superior public and private economic benefits; promotion of competition between rail carriers and consequent benefits to a region which is already hard-hit by the conversion to a global market; the opportunity to revitalize (rather than neglect or abandon) urban infrastructure; and significant environmental benefits and reduced environmental impacts.

It is also now clear that the economic impacts of CN's proposal are not restricted to the City of Detroit. Instead, they range as far as the eastern ports at Philadelphia and New York, because increased efficiency for Canadian Pacific Rail System (CP), via a Detroit/Windsor double-stack gateway promotes competition with Conrail for container traffic originating or terminating at those ports. CN, by contrast, has no direct connections to those ports.

The City of Detroit has asked CN and CP, which are 50/50 owners of the existing Detroit/Windsor tunnel, to join in developing a double-stack infrastructure improvement at Detroit/Windsor. CP has wholeheartedly agreed to support this cooperative, public/private initiative; CN has resolutely refused to even consider it. Instead, CN has obtained a permit from the U.S. Army Corps of Engineers to build a double-stack tunnel at Port Huron/Sarnia, and is pursuing the Presidential permit from the Department of State for the same location.

Development of a double-stack tunnel at Port Huron/Sarnia will enable CN to have sole access to that tunnel to the complete exclusion of its competitors. A double-stack infrastructure improvement at Detroit/Windsor would be available to all regional rail carriers, including CN. Developing double-stack infrastructure capacity at Detroit/Windsor would also cost less than CN's proposal at Port Huron/Sarnia according to CN's own study. In addition, those costs could be shared with CP. This has been documented to the Department of State by the Soo Line Railroad, a CP subsidiary.

The magnitude and scope of the CN proposal's impacts require deliberate and comprehensive analysis. CN's Presidential permit application simply cannot be slated for cursory review and routine approval.

CN has assembled a powerful contingent of supporters, including Michigan Governor John Engler and several Republican State Senators. We simply cannot allow Detroit to be sacrificed, and for this type of old-style power politics to run roughshod over intelligent, responsible public policy-making.

Had it come during the past 12 years, my request for Oval Office assistance would have been for naught. We have a historic, strategic opportunity at Detroit/Windsor for a "win-win," cooperative, international development of critical infrastructure which will enhance public and private economic opportunities, competitiveness and efficiency, the environment, and ultimately our Country. Your involvement and interest assures that this opportunity will not be foreclosed.

I am prepared to assist you in any way, and the City of Detroit's consultants and legal counsel are prepared to assist your staff in conducting an informed review process.

Sincerely,



Barbara-Rose Collins
Member of Congress

cc: The Honorable Warren G. Christopher
The Honorable Clifton R. Wharton, Jr.

EXHIBIT B
BARBARA-ROSE COLLINS
13TH DISTRICT, MICHIGAN

COMMITTEES
PUBLIC WORKS AND TRANSPORTATION
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DISTRICT OFFICE
1543 E. LAFAYETTE
DETROIT, MICHIGAN 48207
(313) 567-2233

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

March 1, 1993

The President of the United States
Mr. William Clinton
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear President Clinton:

In a letter on February 23, I requested that the application for a Presidential permit submitted to the State Department by the Canadian National Railroad (CN) be held in abeyance until a full evaluation of the proposal's impacts had been done by the Government Operations Committee and the Investigations and Oversight Subcommittee of the Public Works and Transportation Committee.

It was reported in the Port Huron Times Herald, on February 23, 1993, that Robert Schellig, Grand Trunk corporate general manager said, the railroad had been assured by the State Department that it will issue its permit soon. The article also quoted Mr. Schellig, "We have been told that we can begin our construction since we won't need the permit until we reach the international border."

Mr. President, from the beginning, the double-stack rail tunnel at Port Huron/Sarnia has been clouded with irregularities. First, the U.S. Army Corps of Engineers granted a permit without fundamental due process. When concerns about its impact on the City of Detroit were raised, the Corps dismissed the concerns without proper consideration and issued a permit on January 29, 1993. The Corps also refused to hold a public hearing to address the issue when petitioned by Congressman John Dingell, Detroit officials, Michigan and Canadian legislators, environmental groups, and myself.

Mr. President, if the statements made by Mr. Schellig are true, the sanctity and integrity of the Presidential permit process has been compromised by State Department employees, and these

employees have made a mockery of our diligent efforts. A Canadian government-owned railroad is dictating United States policy. The interest of one rail carrier is being put before the national interest of the American people especially the people of Detroit. The State Department is giving no consideration to our efforts. These actions cannot be tolerated. I request that you order an immediate investigation by the State Department of the following issues:

- 1) Who, if anyone at the State Department assured Mr. Schellig that the permit would be issued soon?
- 2) Who, if anyone told Mr. Schellig that Canadian National can begin their construction?
- 3) Who, if anyone decided Canadian National would not need the permit until they reached the border?

I also ask that you order the State Department to give full consideration to our requests.

Your immediate attention to this matter would be greatly appreciated. I am willing to assist you to reach a satisfactory solution.

Sincerely,

A handwritten signature in cursive script that reads "Barbara-Rose Collins". The signature is fluid and elegant, with a large initial 'B'.

Barbara-Rose Collins
Member of Congress

cc: The Honorable Warren G. Christopher
The Honorable Clifton R. Wharton, Jr.

LAW OFFICES
HONIGMAN MILLER SCHWARTZ AND COHN
2290 FIRST NATIONAL BUILDING
DETROIT, MICHIGAN 48226-3583
TELECOPIER (313) 962-0176

GRANT R. TRIGGER
DIRECT DIAL NUMBER
(313) 256-7905

LANSING, MICHIGAN
WEST PALM BEACH, FLORIDA
TAMPA, FLORIDA
ORLANDO, FLORIDA
HOUSTON, TEXAS
LOS ANGELES, CALIFORNIA

February 12, 1993

Mr. Stephen Miller
Office of Maritime and Land Transport
Department of State (EB/TRA/MA)
Room 5828
Washington, D.C. 20520-5816

VIA TELECOPY

Re: Public Notice 1744 - Cross Border Transportation Facilities

Dear Mr. Miller:

We are legal counsel to, and are writing this letter on behalf of, the City of Detroit and the Detroit Economic Development Corporation (collectively "the City of Detroit") regarding the above-referenced proposal. The integrity of the regulatory review process has been tainted by Canadian National Railway Company (a Canadian Crown Corporation) and its subsidiaries (collectively the "Crown Corporation") due to the deliberate concealment of relevant information. This concealment, related misrepresentations by the Crown Corporation, and other recent developments are directly relevant to the review of this proposal by the United States Department of State ("State Department").

Introduction

The Crown Corporation's actions suggest that they intend to ramrod the proposal through the public and regulatory review processes. We trust that the State Department will resist these efforts by the Crown Corporation and provide a proper and thorough review as mandated under Executive Order 11423, 33 Fed. Reg. 11741 (1968) ("Executive Order 11423"), and State Department regulations at 22 C.F.R. Part 161 (implementing the National Environmental Protection Act ("NEPA"), 42 U.S.C. §§ 4321-70c).

We appreciate that the State Department may also consider adopting the United States Army Corps of Engineers' ("Corps") recently issued record of decision/environmental assessment ("ROD") in lieu of preparing its own analysis. However, the Crown Corporation's withholding of relevant information, recent developments connected to this proposal, and the legal authorities we cited in our recent Jan. 21, 1993 letter from Joseph M. Polito and Denise J. Lewis to Stephen Miller, State Department ("January 21 Letter") render the Corps' ROD defective and its adoption by the State Department inappropriate and improper.

Mr. Stephen Miller
February 12, 1993
Page 2

Factually, the Corps did not consider recent developments connected to this proposal. See Letter from Grant R. Trigger to Gary R. Mannesto, Corps (Jan. 29, 1993) ("January 29 Letter") (Exhibit 1). Moreover, we are particularly concerned about various misrepresentations by the Crown Corporation during the Corps proceeding, and the Corps' reliance on those misrepresentations which resulted in an inadequate analysis. The State Department should not allow itself to accept this defective analysis. Consequently, we believe that if the State Department carefully reviews the Corps' ROD, the ROD's fatal flaws will become apparent and the State Department will recognize that a complete and properly scoped Environmental Impact Statement ("EIS") must be prepared, leading ultimately to denial of the requested permit. See 22 C.F.R. Part 161.

Contradictions and Misrepresentations by the Crown Corporation

The following points illustrate several examples of the Crown Corporation's misleading actions.

Issue:

The Corps relied on the Crown Corporation's assertions that a doublestack tunnel at Detroit/Windsor ("Detroit Alternative") was not feasible, and that its "costs cannot be computed," and without conducting any independent investigation, the Corps concluded that:

- "[t]here is disagreement over the actual tunnel construction costs," ROD, p. 20;
- "[i]t is not necessary to make an independent detailed analysis of the cost of a new Detroit tunnel, nor of the other improvements and track purchases, to reason that the total costs to be borne by the consumers would be higher via Detroit," ROD, p. 48;
- "other projects at other locations would seem more costly for the public and the railroad," ROD, p. 52 (emphasis added); and
- thus the Detroit Alternative is not feasible, plausible, or practical. ROD, pp. 19-20.

Response:

Information in the Crown Corporation's possession since 1987 contradicts the Corps' conclusions and the Crown Corporation's representations to the Corps. The engineering study by Acres Int'l, Ltd. ("Acres Report") clearly concludes that one of the two tubes in the

Mr. Stephen Miller
February 12, 1993
Page 3

existing Detroit/Windsor tunnel can be converted to doublestack capacity for approximately \$77,000,000 (in 1987 Canadian currency), versus the \$155,000,000 that the Crown Corporation intends to spend on its proposal. Moreover, the costs of the Detroit Alternative could be shared: "[d]espite the fact that there are two owning railroads at Detroit/Windsor, between whom the cost of the clearance project can be shared, . . . , [the Crown Corporation] has adamantly refused to consider a double stack clearance project at this location." Letter from Wayne C. Serkland, Soo Line Railroad Co., to Mr. Stephen Miller, State Dept. (Jan. 21, 1993). (The Soo Line Railroad is a subsidiary of CP Rail System ("CP").) However, none of this information was evaluated by the Corps because the Crown Corporation intentionally withheld the Acres Report and deliberately misrepresented to the Corps the feasibility of the Detroit Alternative. (See below.) Moreover, the firms of Walbridge Aldinger and Neyer, Tiseo & Hindo informed the Corps that the construction technology proposed by the Crown Corporation could be used on a new bored tunnel at Detroit/Windsor, for a cost roughly equivalent to the Crown Corporation's proposal. Therefore, the Corps' ROD and the Crown Corporation's assertions are not supported by fact and are therefore unreliable.

Issue:

The Crown Corporation asserted that no other railroads would use a doublestack tunnel at Detroit/Windsor, that "the tunnel will be built in Port Huron or not at all", and that "[the Crown Corporation] . . . like CP, will develop routes via Buffalo." The Corps, inferring that no railroads are even considering using the Detroit Alternative, later concluded that:

- the Detroit Alternative is "not reasonably foreseeable" and "speculative," ROD, p. 48; and
- "[w]e do not think that there is sufficient reason to believe that the Detroit Alternative will ever come to pass" ROD, p. 23.

Response:

The Corps' conclusions are not supported by the facts. We informed the Corps in December 1992 that CP was cooperating with the City of Detroit to establish doublestack rail service at Detroit/Windsor. See Letter from Joseph M. Polito to Gary R. Mannesto, Corps (Dec. 2,

Mr. Stephen Miller
February 12, 1993
Page 4

1992) ("December 2 Letter") (p. 19). Mr. Robert Ritchie, President of CP, recently stated that "[CP has] reviewed the facts and are confirmed in our belief that Detroit/Windsor is the best location for a double stack project." Mr. Ritchie also noted that CP is actively working with the City of Detroit and other interested parties to develop a doublestack tunnel at Detroit/Windsor. See Letter from R.J. Ritchie, President of CP, to the Honorable Coleman A. Young, Mayor of the City of Detroit (Jan. 22, 1993) (emphasis added) (Exhibit 2).

Issue:

The Corps stated that the Crown Corporation could not competitively ship containers between Toronto and Chicago via Detroit/Windsor even if "considerable improvements" were made and "trackage rights" were arranged. ROD, p. 20. The Corps then stated that the City of Detroit "agrees that purchase of the Conrail line would be necessary to put together a competitive Toronto-Chicago route." ROD, p. 48.

Response:

These conclusions are inconsistent with the facts. In an attachment to Honigman Miller Schwartz and Cohn's letter (by Joseph M. Polito) to Col. Brian Ohlinger, Corps (August 31, 1992), Transmode Consultants, Inc. ("Transmode") stated that if the Detroit Alternative was the only doublestack tunnel constructed between Michigan and Ontario, "this would not allow [the Crown Corporation] to have a competitive lock on the intermodal market. . . . [The Crown Corporation's] . . . routing to Chicago would be potentially more circuitous, unless trains were run on CSX or Conrail tracks from Detroit to interchange with . . . [Crown Corporation] lines in Western Michigan." (emphasis added). Just because a route may be more circuitous does not mean it would not be competitive. Moreover, as discussed in the December 2 Letter (p. 21), we protested the Crown Corporation's mischaracterization of Transmode's statements and made it abundantly clear that the City of Detroit never "agreed" that trackage purchases (or even trackage rights) are necessary for the Crown Corporation to competitively ship containers between Toronto and Chicago via Detroit/Windsor. Indeed, we challenge any objective transportation or logistics authority to prove otherwise. (For example, CP currently competes in the intermodal

Mr. Stephen Miller
February 12, 1993
Page 5

market between Toronto and Chicago via Detroit/Windsor.) From a legal perspective, the Corps' conception of what constitutes a "feasible" or "practical" alternative is apparently limited to alternatives which are perfectly suited to the Crown Corporation. The mere fact that an alternative may cost more does not mean that it is infeasible. As the Council on Environmental Quality stated, "[r]easonable alternatives include those that are practical or feasible from the technical and economic standpoint and using common sense rather than simply desirable from the standpoint of the applicant" or whether the applicant "likes" the alternative. See Forty Most Asked Questions Concerning CEQ's National Environmental Policy Act Regulations, 46 Fed. Reg. 18026, 18027 (1981) (emphasis in original). Under the Corps' reasoning, only one location would be "feasible" or "practical," and the Crown Corporation would have had no options other than to build the tunnel there. However, this reasoning if accepted, would essentially render the Corps' responsibilities to evaluate alternatives pursuant to the public interest review a non-existent obligation. See 33 C.F.R. § 320.4(a)(2)(i).

Issue:

The Corps also stated that the Crown Corporation needs the proposed tunnel "to make good on previous improvements and tie into its infrastructure." ROD, p. 52.

Response:

Ironically, the Corps is assigning weight to perceived foregone investment by the Crown Corporation if the proposal is not approved. Later, referencing Crown Corporation construction activities in Port Huron, the Corps stated that it "[had verbally warned [the Crown Corporation] several times that this work and investment is done at the [Crown Corporation's] risk and that there would be no effect on our eventual permit decision. . . . For their part [the Crown Corporation] has realized this from the beginning of the process." ROD, p. 21 (emphasis added). Following this logic, excavating soil in Port Huron will not affect the Corps' permit decision, but investing in improvements in the Canadian "Rocky Mountains" (see ROD, p. 16.) will. In any event, the City of Detroit informed the Corps in the December 2 Letter (pp. 19-20) that as late as October, 1990, the Crown Corporation was considering routing doublestack traffic through a new, privately-financed tunnel proposed at Detroit/Windsor. (See Exhibit 3.) Therefore, as

Mr. Stephen Miller
February 12, 1993
Page 6

stated by Transmode, any inference that the Crown Corporation has engaged in a massive, long-term capital investment program in reliance on obtaining approval of a doublestack tunnel at Port Huron/Sarnia simply defies logic. (See Attachment to Dec. 2 Letter.) ("[The Crown Corporation] would have you believe that they spent many millions of dollars clearing their entire 1800 miles of mainline and that all this is jeopardized if the Corps fails to approve the Port Huron tunnel. This is a ridiculous concept.")

The Crown Corporation Deliberately Withheld
Information and Denied Meaningful Public Review

We previously stated to you that the Crown Corporation was stonewalling our request for a copy of the Acres Report, which included an evaluation of the feasibility of expanding the existing Detroit/Windsor tunnel to doublestack capacity. (See pp. 14-15 of the January 21 Letter.) The Crown Corporation, which had previously commissioned the Acres Report, repeatedly cited and relied on it during the recent Corps permit review process but refused to provide a copy for public review.

We recently obtained a copy of the Acres Report from CP and it is now clear why the Crown Corporation refused to provide a copy earlier. The Crown Corporation's own consultant presented conclusions in 1987 that contradict the Crown Corporation's representations to the Corps. As we expected, the Acres Report proves, contrary to the Crown Corporation's statements, that expansion to doublestack capacity at Detroit/Windsor is not only technically and practicably feasible, but substantially less expensive (\$77,000,000 in 1987 Canadian dollars) than the Crown Corporation's current proposal (\$155,000,000). (See Exhibit 1.) Moreover, the cost of the Detroit Alternative could be shared with CP.

While we expected the Crown Corporation to stifle public and regulatory review of the proposal, it was not expected that the Corps would fail to demand production of the Acres Report. As a result, the Corps' decision was made without a complete record, was based on inaccurate information, and is, therefore, fundamentally defective. The Corps failed to understand and appreciate that the Crown Corporation had contrary evidence in its possession while it proceeded to argue that a tunnel in Detroit/Windsor was not feasible. The State Department must not make the same mistake the Corps did and trust the Crown Corporation's unsubstantiated representations.

A more detailed discussion of the Crown Corporation's disregard for the American public review process is described in the January 29 Letter (Exhibit 1).

In sum, the Crown Corporation's misrepresentations, withholding of relevant information, and misleading assertions have undermined the public review and regulatory processes. This pattern of conduct before the Corps

Mr. Stephen Miller
February 12, 1993
Page 7

should not be accepted by the State Department. As a result of these actions, the Crown Corporation should no longer be considered credible, and its assertions must be deemed suspect.

Unfortunately, it appears that the Crown Corporation's actions have begun to undermine the State Department's review process. See, e.g., Letter from James R. Tarrant, Deputy Ass't Sec'y for Transportation Affairs, State Department to W. Bruce Weinrod, Deputy Ass't Secretary of Defense, Department of Defense (Dec. 18, 1992) (solicitation of Department of Defense comments pursuant to Executive Order 11423). The only information available to Mr. Tarrant or Mr. Weinrod was the same outdated, inadequate data we criticized in the January 21 Letter (pp. 7-8). Because accurate, updated information which reflected objections and alternatives to the Crown Corporation's proposal was not supplied to the State Department, meaningful review of the proposal could not be performed.

In the interest of informed decision making, we believe that further consideration of the Crown Corporation's application must be withheld until updated and accurate information is provided for recirculation to the appropriate agencies/departments. Only then can there be a proper assessment of the proposal's impacts. We also believe that the application should be reviewed by the Department of Commerce, due to the economic and international trade ramifications of the proposal. See Executive Order 11423, § 1(c).

The Corps Illegally and Improperly
Issued a Permit to the Crown Corporation

Under apparent political pressure (Exhibit 4) (letter to Corps from Congressman Bonior), the Corps improperly and illegally issued the permit referenced in the January 21 Letter (p. 10). Moreover, the Crown Corporation is now "shopping" the illegal permit to various regulatory authorities as evidence that the proposed tunnel should be perfunctorily approved.

The Corps permit was improperly issued, illegal, and based on a flawed analysis. Our review of the ROD uncovers various deficiencies, including the following:

- ° The permit was issued improperly and illegally because the Corps failed to comply with certification requirements of the federal Coastal Zone Management Act, 16 U.S.C. § 1456(c)(3)(A). (See correspondence in Exhibit 5.) Moreover, the ROD failed to explain why the federal Clean Air Act provisions at 42 U.S.C. § 7506 were inapplicable to the proposal.
- ° The Corps improperly failed to request and review the Acres Report even though the Crown Corporation relied upon it in prior assertions to the Corps, and commenters specifically instructed the Corps that the Acres Report contained information bearing on the feasibility of the Detroit Alternative.

Mr. Stephen Miller
February 12, 1993
Page 8

- The Corps improperly refused to consider the Detroit Alternative pursuant to its obligation to evaluate alternatives (including the "no-action" alternative) required by NEPA.
- The Corps totally failed to grasp and, in fact, confused and misunderstood (see ROD, p. 20.):
 - the interrelationship between the rail rationalization/merger discussions between CP and the Crown Corporation and the selection of the tunnel location at Port Huron/Sarnia versus Detroit/Windsor;
 - that up to half of existing rail freight infrastructure in eastern Canada may be abandoned in the near future; and
 - the extent to which approval of the Crown Corporation's proposal will affect the rail rationalization/merger negotiations, and thus the future of international trade patterns between the United States and Canada.

The Crown Corporation is also obviously aware that routing doublestack traffic through Detroit/Windsor will not create a Crown Corporation monopoly or provide leverage over CP in the rail rationalization negotiations. See Exhibit 3 (a Crown Corporation marketing executive previously noted a concern that a Detroit/Windsor doublestack tunnel "will put CP on an even footing with [the Crown Corporation] for doublestack traffic").

- As part of its public interest review, the Corps improperly refused to consider the general feasibility and specifically the economic benefits of an alternative proposal at Detroit/Windsor.
- It appears to us that throughout its review, the Corps accepted the Crown Corporation's false and misleading assertions in order to buttress conclusions the Corps may have arrived at about six months ago. See Van Abbema v. Fornell, 807 F.2d 633, 643 (7th Cir. 1986) (Corps review was "obscured by a record of miscalculations followed by recalculations apparently intended only to bolster a decision already made"). The Corps was predisposed from the outset of its review to dismiss the concerns of the City of Detroit and consideration of the Detroit Alternative. (See Exhibit 6.)
- There was virtually no consideration in the ROD of Canadian environmental impacts and a complete failure to even reference Executive Order 12114, 44 Fed. Reg. 1957 (1979) ("Executive Order 12114"). For example, Corps environmental analysts noted (Exhibit 7) that the Corps should notify the Ontario Ministry of the Environment ("OMOE") of the Corps' concern regarding deep well injection of sulfuric acid in the Sarnia area and a potential threat to the proposed tunnel's grouting from contaminated

Mr. Stephen Miller
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Page 9

groundwater. However, there was no evaluation of these issues in the ROD, presumably because they are Canadian environmental impacts. Likewise, the Corps did not address how contaminants such as sulfuric acid would be treated as components of tunnel leakage, or whether the proposed carbon filtration system could even remove these types of contaminants. The Corps also failed to address how contaminated groundwater with a pH of 3.34 would be suitable for discharge into any publicly owned treatment works or stormwater sewer, or how this contaminated groundwater could be treated through carbon filtration. Despite the recommendation of the Corps analysts, there is no indication that the Corps notified OMOE of these concerns. In sum, the Corps' review improperly failed to consider Canadian impacts contrary to NEPA and Executive Order 12114. See Environmental Defense Fund, Inc. v. Massey, No. 91-5278, 1993 U.S. App. LEXIS 1380 (D.C. Cir. Jan. 29, 1993) (dealing with extraterritorial application of NEPA). As Massey makes clear in the NEPA context, impacts in a foreign country which in turn impact the United States (e.g., the Michigan Department of Public Health's concerns regarding disposal of excavated material in Canada -- which were not substantively addressed in the ROD) are an exception to the extraterritoriality doctrine (which generally prohibits application of United States law in foreign countries). Moreover, Massey states that the extraterritoriality doctrine is inapplicable where regulated conduct occurs within the United States (e.g., the Corps' decision making process). Therefore, Massey supports application of NEPA to the proposal, whether its impacts are in Canada or the United States.

- Apparently, information relayed from the Corps environmental analysts (see Exhibit 7.) was selectively incorporated into the ROD. Several potentially negative environmental aspects of the proposal were not even mentioned: issues related to disposal of excavated materials in Canada; safety issues stemming from contaminated groundwater's effects on tunnel grouting; and issues regarding sulfuric acid injection into bedrock formations in Sarnia.
- Noise and vibration impacts were essentially dismissed by the Corps because those impacts will increase for some residents and decrease for others. (No substantive analysis of Canadian noise and vibration impacts on the human environment was performed by the Corps.) The Corps essentially reasoned that negatively impacted residents who are not already desensitized will be annoyed, but perhaps desensitized over a long period of time; and that the affected neighborhood is noisy already. This reasoning is contrary to NEPA caselaw, which requires assessment of impacts on areas that are already environmentally impaired and on individuals who have been previously exposed to similar types of impacts. See, e.g., Hanly v. Kleindienst, 471 F.2d 823, 831 (2d Cir. 1972), cert. denied, 412 U.S. 908 (1973); cf. Runway 27 Coalition, Inc. v.

Mr. Stephen Miller
February 12, 1993
Page 10

Engen, 679 F.Supp. 95, 105 (D. Mass. 1987) (refuting contention that "a significantly different impact on the individuals living in different segments of [the previously impacted area] is wholly irrelevant").

Improved Competitiveness Between
the Eastern United States, Chicago, and Points West

The national interest of the United States would be better served by development of doublestack tunnel services at Detroit/Windsor (which would be accessible to the Crown Corporation, CP, CSX Transportation, Inc., and Norfolk Southern Corp.) instead of Port Huron/Sarnia (accessible only to the Crown Corporation), because CP is more effectively positioned (versus the Crown Corporation) to establish a rail service network with the capability of competing with Conrail in the northeastern United States.

This issue has a direct bearing on the utility and validity of the Corps' ROD with respect to the State Department's interests and analysis. At present, a substantial portion of the rail freight services in the northeastern United States is provided by Conrail, and due to this limited competition, Conrail has substantially controlled the pricing of those services. Through acquisitions such as the Delaware & Hudson Railroad, CP has developed access to the eastern seaboard (and eastern ports such as the Port of Philadelphia) that they heretofore did not have. It is our understanding from a preliminary discussion with Transmode that there will be an unmistakable impact on Conrail's pricing practices if CP can successfully develop doublestack service between the United States eastern seaboard and Chicago. CP's ability to do that on a cost-effective basis is directly related to the establishment of a doublestack rail freight tunnel at Detroit/Windsor. (Additional information is being prepared and will be provided to you when completed.)

This issue simply has not been addressed by the Corps.—As the Corps admitted, their analysis did not examine "broad questions of transportation policy, markets, monopolies, economic competition or the 'best' site for a tunnel." Telephone conversation between Walter Gauthier, Corps, and Col. John Swift, Country Director for Canada, Department of Defense (Dec. 23, 1992) (Exhibit 8). We contend that the Corps could not validly conclude that the proposal provided "a major benefit to the national economy," ROD, p. 47, without considering these factors.

—The State Department's decision on this proposal will have strategic and historic consequences on trade and the economy. Obviously, the scope of this proposal's economic impacts is not yet defined — but it clearly includes ramifications on national and international commerce. The Corps' failure to examine the real scope of the proposal's impacts renders the ROD's economic conclusions useless for purposes of the State Department's review.

Mr. Stephen Miller
February 12, 1993
Page 11

Conclusions

The Crown Corporation should not be permitted to conceal relevant information and then use an improperly and illegally issued and defective permit as leverage with other regulatory authorities. In addition, as noted in the January 21 Letter, the State Department regulations require evaluation of feasible alternatives and impose a broader, general scope of review than the review performed by the Corps. As a result, little, if any, of the Corps' evaluation, even if valid, may be relied upon by the State Department. In addition, although the Corps purports to have considered the public and national interests and deemed the proposal to be in the public and national interests, the Corps failed to consider even the most fundamental economic and commerce-based concerns in its evaluation. For example, from an economic and commerce-enhancing perspective, how can the Corps simply ignore and dismiss the alternative of establishing doublestack service in Detroit/Windsor? No valid analysis of economic and commerce-enhancing alternatives is complete without a comprehensive review of the feasible alternatives. Because the Corps failed to question the Crown Corporation's representations, they unjustifiably rejected the alternative of providing doublestack service in Detroit/Windsor, and never evaluated the economic and commerce-enhancing benefits of the Detroit/Windsor location. This is a fundamental defect in the Corps' analysis that the State Department has the opportunity to avoid.

We also understand that the Crown Corporation commented through counsel on its own application during the public comment period. If this is the case, we reserve the right to comment on counsel's submission. Although we have not received or reviewed these additional comments, it is likely that the Crown Corporation's need to comment on its own application is further evidence of the application's deficiencies.

As explained in the January 21 Letter, the State Department could not legally adopt even a properly prepared Corps NEPA document to satisfy the State Department's NEPA obligations. Now, the State Department is presented with: (1) an illegal and improperly prepared Corps NEPA document; and (2) a Crown Corporation intent on implementing its agenda contrary to NEPA and the public and national interests. The State Department must reject both.

The State Department must make a national interest determination regarding the creation of a major international trade corridor. While the Crown Corporation may operate unfettered within Canada, it should not be permitted to dictate what is in the United States' national interest.

Accordingly, we request that the State Department:

- 1) withhold further consideration of the Crown Corporation's application until the Crown Corporation provides updated information for meaningful review by the appropriate agencies/departments;

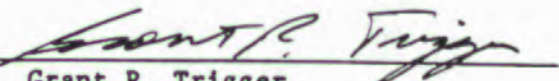
Mr. Stephen Miller
February 12, 1993
Page 12

- 2) communicate our concerns to all appropriate parties within the State Department and other appropriate federal agencies/departments;
- 3) request the Department of Commerce to review and comment on the significant economic and commerce-related impacts of this proposal; and
- 4) prepare a valid and properly scoped EIS and thereafter deny the requested permit.

We appreciate your attention to this matter. If you have any questions or require any additional information, please call.

Very truly yours,

HONIGMAN MILLER SCHWARTZ and COHN

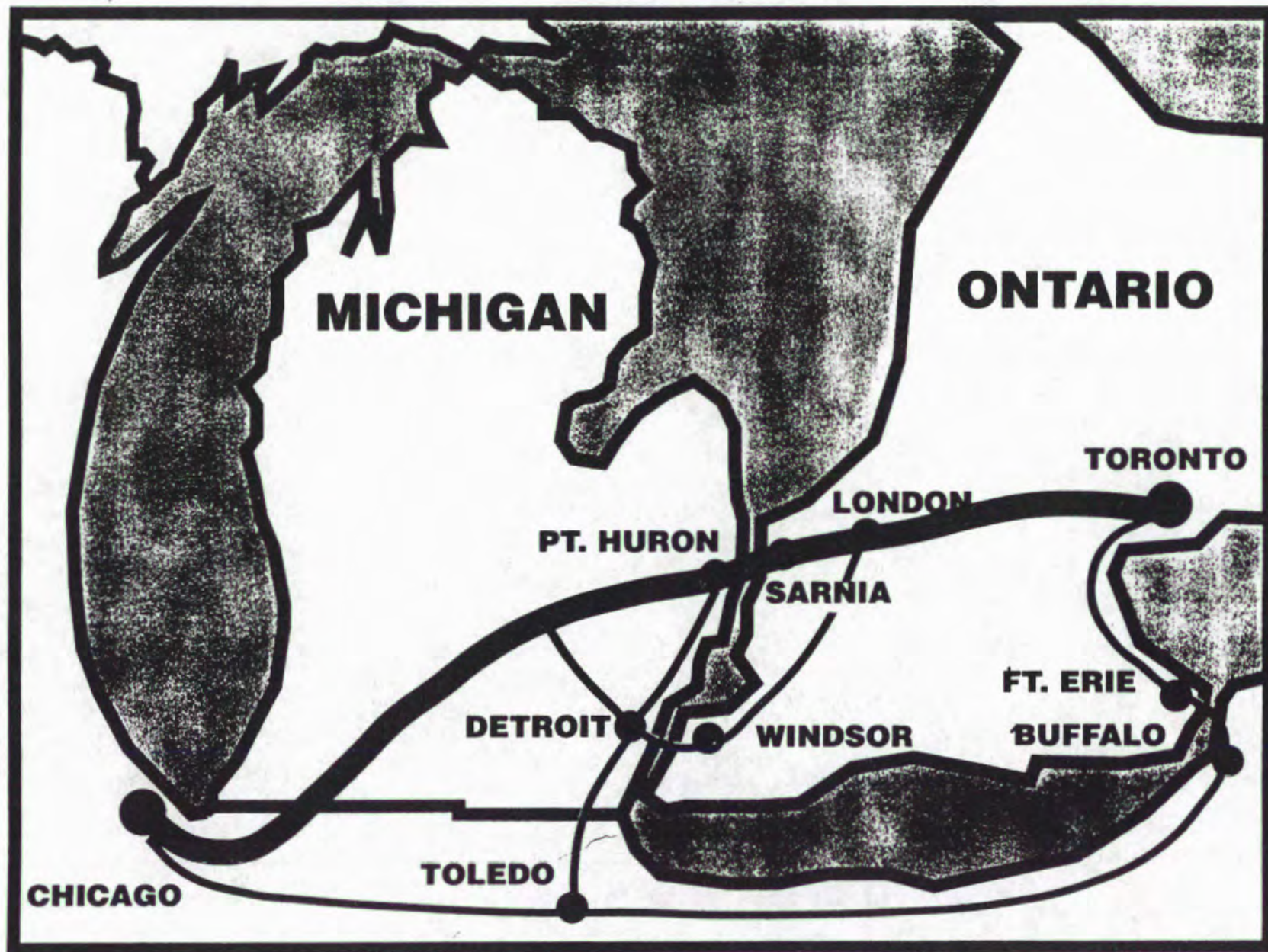
By: 
Grant R. Trigger

cc: Mr. Edwin D. Williams
Office of Legal Adviser

Mr. Robert Reinstein
Office of Environment, Health
and Natural Resources

Attachments

A4318I



THE WHITE HOUSE

WASHINGTON

March 5, 1993

93 MAR 5 A8

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE
HOWARD PASTER

SUBJECT:

Invitation to Senate Arms Control Observer Group
to Travel to Moscow on START II MissionPurpose

To extend a formal invitation to the Senate Arms Control Observer Group (SACOG) to travel to Moscow for joint discussions with Russian parliamentarians on the mutual benefits of the START II Treaty.

Background

Our Embassy in Moscow has advised that the Russian Foreign Ministry and the leadership of key Supreme Soviet committees have proposed that U.S. Senate committees and their Russian counterparts cooperate closely during the START II ratification proceedings in each country. We believe such activities are especially important in light of some assessments suggesting that START II may face a stiff challenge from conservative forces in the Supreme Soviet.

We have consulted informally with the Senate Leadership and the Co-Chairmen of the SACOG and confirmed that the Observer Group would be willing to travel to Moscow this month for joint discussions on the treaty. Senators Mitchell and Dole believe this is an important mission for the Senate and have agreed to protect votes on a Friday and the following Monday to allow the Observer Group to accomplish the trip over a long weekend, without interfering with priority legislation.

Since its inception in 1985, the Observer Group has played a crucial role in the successful negotiation and ratification of the CFE, INF, and START treaties. The Vice President was a charter member, and its current membership includes Senators Mitchell and Dole and leading Senators from the Foreign Relations, Armed Services, and Intelligence committees. To encourage maximum participation by SACOG members in this trip, the Observer Group has suggested it would be helpful if you formally invited the Group to undertake this important mission.

RECOMMENDATION

That you sign the attached letters to Senators Mitchell and Dole asking the Senate Leadership to authorize the Observer Group trip.

Attachment

Tab A Proposed Letters to the Senators Mitchell and Dole

THE WHITE HOUSE

WASHINGTON

Dear Senator Mitchell:

As the United States and Russia continue to move from confrontation to cooperation, one of the most important tasks our two nations face is bringing the recently-concluded START II Treaty into force. Doing so will set us on a course toward enhanced stability at dramatically reduced levels of strategic forces. I strongly support the START II Treaty, and hope that both the United States Senate and the Russian Supreme Soviet will act promptly to approve it.

Over the past month, Russian legislators and Russian government officials have called for unusually close consultation between the Senate and the Supreme Soviet in the consideration of START II. These calls, which include requests by the leadership of the Supreme Soviet and its International Affairs and Defense Committees, reflect the evolving state of our relationship in which we increasingly value dialogue and cooperation. While I have directed the Executive Branch to support the Supreme Soviet's requests for information to the maximum extent possible, Russian parliamentarians particularly desire direct dialogue with their American counterparts.

The Senate Arms Control Observer Group offers a perfect vehicle for undertaking such consultation and dialogue. As you know, the Observer Group has played an important role in the success of U.S. arms control initiatives in recent years. I believe that the experience of the Observer Group could be immensely valuable to your Russian counterparts as they take up consideration of the START II Treaty.

Accordingly, I would request that you and Senator Dole consider asking the Observer Group to undertake a visit to Moscow in order to discuss START II with the leadership of the Supreme Soviet, especially its Committee on International Affairs and Foreign Economic Ties and its Committee on Defense and Security Issues. Since the Russian government hopes for early consideration of START II, such a visit would be of greatest benefit if it were to occur this month.

Should the Observer Group undertake such a trip, I hope it would convey to your Russian counterparts my strong personal support for prompt ratification and early entry into force of START II. Doing so will put the last legacy of the Cold War firmly behind us and allow the United States and Russia to concentrate on forging a new relationship based on economic and political cooperation and common interests.

Thank you in advance for your willingness to consider this request. Undertaking this important mission would reaffirm the enduring value of the Senate Arms Control Observer Group and underscore the close cooperation between our two branches which I hope will be the hallmark of the next four years.

Sincerely,

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

THE WHITE HOUSE

WASHINGTON

Dear Senator Dole:

As the United States and Russia continue to move from confrontation to cooperation, one of the most important tasks our two nations face is bringing the recently-concluded START II Treaty into force. Doing so will set us on a course toward enhanced stability at dramatically reduced levels of strategic forces. I strongly support the START II Treaty, and hope that both the United States Senate and the Russian Supreme Soviet will act promptly to approve it.

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Thank you in advance for your willingness to consider this request. Undertaking this important mission would reaffirm the enduring value of the Senate Arms Control Observer Group and underscore the close cooperation between our two branches which I hope will be the hallmark of the next four years.

Sincerely,

The Honorable Robert J. Dole
Republican Leader
United States Senate
Washington, D.C. 20510

PARKING CHANGES

ADD - CHANGE - DELETE

(CIRCLE ONE)

EFFECTIVE DATE (All Transactions)

NOW

PERMIT NUMBER (Change & Delete only):

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LAST NAME:

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TELEPHONE EXTENSION:

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OFFICE CODE:

STAFF SEC.
CORR

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H - Hamilton Place

I - South Court (Space Number _____)

J - Jackson Place

N - North Court (Space Number _____)

R - Restricted

S - State Place

W - West Executive Drive (Space Number _____)

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APPROVED BY OFFICE HEAD/COORDINATOR:

J. Man

DATE:

3/8

PLEASE PRINT OR TYPE ALL INFORMATION - THANK YOU

(RETURN TO ROOM 1, OEOB)

PARKING CHANGES

ADD - CHANGE - DELETE

(CIRCLE ONE)

EFFECTIVE DATE (All Transactions) <i>Now</i>		
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FIRST NAME: <i>Ed</i>	LAST NAME: <i>THOMAS</i>	
ROOM AND BUILDING: <i>5 OE0B</i>	TELEPHONE EXTENSION: <i>2226</i>	OFFICE CODE: <i>Carey</i>
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B - NEOB <u>E - Ellipse</u> H - Hamilton Place J - Jackson Place R - Restricted W - West Executive Drive (Space Number _____) C - Seventeenth Street F - First Lady (Space Number _____) I - South Court (Space Number _____) N - North Court (Space Number _____) S - State Place		
APPROVED BY OFFICE HEAD/COORDINATOR: <i>DMarch</i>		DATE: <i>3/8</i>

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PLEASE PRINT OR TYPE ALL INFORMATION - THANK YOU

(RETURN TO ROOM 1, OE0B)

THE WHITE HOUSE
WASHINGTON

93 MAR 8 P1:53

March 6, 1993

MEMORANDUM FOR RAHM EMANUEL, JOHN PODESTA AND JOHN ANGELL

SUBJECT: Bob Bergland

FROM: Mike Lux

Attached is a letter from Bob Bergland of the REAs. I think he raises some very legitimate rhetorical and substantive issues. He's a good friend of the Administration, and in spite of the REA cut, issued a supportive statement for the President's budget. I hope that whatever our policy, we can at least be rhetorically and politically kind to our friends.

TO David Preyer -
The attached is
a sensitive letter
which should not
be circulated, but
will have to be
freelooked out for REA
bashing in speeches.
Thanks
John



National Rural Electric Cooperative Association

1800 Massachusetts Avenue, N.W.
Washington, D.C. 20036-1883
Telephone: (202) 857-9500

~~Personal & Confidential~~

February 23, 1993

Mr. Mike Lux
Special Assistant to the President
Office of Public Liaison
The White House
Washington, DC 20500

Dear Mike:

I enjoyed meeting with you on Friday.

I am writing to discuss the politics of the Administration's proposed elimination of REA loan subsidies.

A fair and evenhanded sharing of burden is always acceptable. Our concern is based on the fact that REA is being singled out for cuts while the larger subsidies provided to city-owned utilities' authority to issue tax free bonds are left untouched. New investment tax credits are being proposed for stockholder-owned power companies, the benefits of which will enhance the companies' bottom line.

The anti-REA rhetoric included in A Vision of Change for America is particularly offensive to our rural members. It seems to come straight from a Reagan/Bush era political operative. It reminds me of the work of Larry Casey, (nephew of the late William Casey, Reagan Director of the CIA) Director of Legislative and Public Affairs at REA under President Bush. Larry used his government position to convince some of the media including "60 Minutes" that the REA program was wasteful pork.

The point that rural cooperatives serve resorts and suburban areas is misleading. Cooperatives helped to develop these places as a means of promoting rural development. Electric service to these areas is not financed with public monies, but with private up front money, called "contribution in aid of construction" that cooperatives require the developers to provide. Despite any implications to the contrary, the problem for cooperatives is not too much -- but too little development. Cooperatives average five consumers per mile of line, compared with more than 35 per mile for other utilities.

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: N¹ DATE: 4/11/10

2018-8662-5



Building on a Golden Foundation

Mr. Mike Lux
February 23, 1993
Page two

I think you understand the point. The OMB document resurrects the same tired criticisms of REA that have been used by the Reagan/Bush people for the past 12 years.

It is my belief that some of the same people in OMB who worked so feverishly against REA during the Reagan and Bush years are at it again. These would include Ken Glozer and Mark Weatherly. Folks like you with political sense need to keep your eyes on them, or the new Administration's rhetoric on rural programs will look just like what came from the Reagan and Bush OMB.

It makes no sense to go after the rural electric program except as politically risky symbolism. REA is like motherhood and apple pie to rural Americans. They understand its value. Rural electric cooperatives represent perhaps the largest single block of rural votes. The savings from eliminating REA are minuscule compared with the political damage and the damage to the rural economy that could result.

Thanks again for the chance to meet with you on Friday. I hope this letter helps to alert you to a potentially serious political problem.

Sincerely,



Bob Bergland
Executive Vice President

BB:esh

Mike -
I'm sharing this
letter with no one but you.
Drakes


THE WHITE HOUSE
WASHINGTON

DATE: 3/8

NOTE FOR: PANETTA, PASTER, Rubin, Rasco
Varney, Lea Maggiorer, HRC
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 3/8

THE WHITE HOUSE
WASHINGTON

March 4, 1993

MR. PRESIDENT:

Attached is a decision memo from Donna Shalala recommending that a childhood immunization bill, including universal purchase, be introduced within the next few weeks, but moved as part of reconciliation rather than as a free-standing bill.

Howard Paster does not object to this approach, but wants you to be aware that currently there is not adequate money in the economic plan for a full-blown immunization initiative -- which means that if the bill is moved in reconciliation, money will have to be taken from someplace else in the economic plan to pay for it. If that cannot be done, then the bill would have to be moved separately.

OMB believes the bill could involve significant costs and would prefer to work out cost estimates with HHS before a final decision to go forward is made.

Approve ☒ Await ☐ Discuss ☐
Shalala Cost
Proposal Estimates

John Podesta

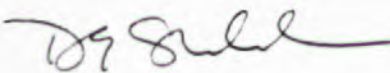
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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MAR 3 1993 MAR 3 P5:14

MEMORANDUM TO THE PRESIDENT

FROM: DONNA E. SHALALA 
SUBJECT: Childhood Immunization Initiative

Based on recent conversations with Carol Rasco and Howard Paster, I believe there is now a consensus on drafting a comprehensive childhood immunization initiative for submission to the Congress, including a Federal universal vaccine purchase provision, to assure that all children in the United States are protected against vaccine preventable infectious diseases.

In addition to the universal purchase provision, the legislative initiative would create a national tracking system to provide accurate and timely information about the immunization status of children and monitor the efficacy of vaccines, reauthorize the Vaccine Injury Compensation Program, simplify the vaccine information materials that are provided to parents, enhance the capacity of the Center for Disease Control to ensure optimum safety and effectiveness of immunizations, clarify the authority of the Secretary to take appropriate action to protect the domestic supply of vaccines, require that all Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) programs under Medicaid provide vaccines as recommended by the Advisory Committee for Immunization Practices (ACIP) and approved by the Secretary, set a Medicaid fee schedule for vaccine administration costs at a level sufficient to enlist participation of private providers, and encourage additional appropriations as reflected in your stimulus package to rebuild our public health infrastructure and to expand educational programs.

We would like to proceed to draft this bill for introduction by key congressional supporters within the next few weeks. We would encourage the appropriate Committees to conduct hearings on the measure but refrain from moving the legislation as a free-standing bill. The entire package would be placed in reconciliation.

Needless to say, we would closely coordinate our activities with the White House.



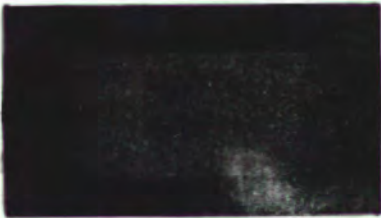
THE WHITE HOUSE
WASHINGTON

DATE: 3/8

TO: *Nancy Soverberg*

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

per our discussion



MAR 31 '93 11:14 SAIC FRANK JENKINS OPERATION

P.3

ISSUES/COMMENTS

1. The "Kennedy Brothers" law basically states that a public official cannot recommend, appoint, advance, or supervise a relative. Would this situation be a recommendation or an appointment? Does the law put constraints on voluntary service? What if pay is not involved?
2. Clearances are generally grounded in Government employment-- either with a Governmental agency or on a Governmental contract. Therefore Patricia McFate would have to be on the roll of an agency or on a contract. She could receive \$1.00 per year, thereby being an employee of an ACDA bureau.
3. Apparently it would be legal to appoint Patricia McFate to a paid position as an ACDA employee or consultant, thereby keeping her clearances, but she would need to be appointed before Sidney Graybeal (so that she would not be appointed by him) to a specific bureau of ACDA, and then delegated by the bureau to serve as a consultant to the Standing Consultative Commission. This "legal" way would raise the sensitive issue of paid husband and wife. Patricia McFate does not want to raise this issue and she does not want to receive pay. The other problem with this solution is that consultants can only work 120 days per year. Experts are not bound by the 120-day rule.
4. Prior to the selection of Mr. Graybeal as a candidate, Patricia McFate was selected by the Clinton ACDA transition team as a candidate for a specific job in ACDA. Because of the nomination of her husband, she would forego a paid job for which she was qualified.
5. She is a registered Democrat.
6. She met then-Governor Bill Clinton when she served for two years on the University of Arkansas Strategic Council. The then-President of the University, now a Member of the House of Representatives from Little Rock, is Ray Thornton (D-Arkansas). He has already expressed interest in the affirmative resolution of this situation.

THE WHITE HOUSE
WASHINGTON

DATE: 3/7

TO: Bernie Nussbaum

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

This seems to be
bouncing around &
landed on my desk.
I hereby bounce it to
yours where I
think it belongs
John

Complaint re F. Peña

381081 Podesto
✓

11-8
February 12, 1993

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

Re: Staff Oversight Regarding Background Clearance on Federico Peña

Dear Mr. President:

You impressed me and likely impressed other mainstream citizens, when you made public disclosure that you intended to set high standards in the selection and supervision of your executive cabinet. It appears your staff misunderstood or didn't believe you were serious relative to meeting those admirable standards.

The staff's mishandling of Federico Peña, Ron Brown, Zoe Baird, and Kimba Wood was what could be expected from sexist good ol' boy clubs filling quota hires.

Your staff publicly skewered the two females for transgressions which were not nearly as great a threat to our nation's health and security as the transgressions of those two males who were granted "red carpet background forgiveness".

This letter does not debate the relative merits of those four individuals. It does, however, alert you to information that your staff may have withheld from you on Peña's background. Peña plays a key role in a Colorado tax fraud scandal soon to be publicized as The Colorado Story (TCS). TCS is a chronology on how moral cripples, armed with lawyer licenses, have infiltrated Colorado government and ravished the public trust as if it were their personal concubines.

I do not know what your options are now that Peña has had Senate confirmation.

Your remedy may now be a "damned if you do and damned if you don't" situation.

I am sorry if my use of Peña in TCS is in conflict with your use of him in the cabinet. I picked him before you did. It is inexcusable for Colorado's problems to receive such cavalier treatment. Your transition team had reasonable knowledge of Peña's likely embarrassment and liability to your administration.

If you plan to begin advance damage control, ask your transition team to share with you a little information which I sent to your team, dated and mailed November 13, 1992. I received acknowledgment of that mailing on February 1, 1993.

Peña is critical to a meaningful explanation of the insoluble nature of public corruption. He is an example that all little people will identify with. Their numbers are legion. They are those who have set aside their moral compasses in order to follow the crowd that follows political expediency for personal gain. They provide the political ground-cover for charlatans who pervert government.

TCS has been a lengthy development. I had to circumvent a nefarious gag which the Colorado political power-structure placed on my knowledge of the fraud. I

was threatened with criminal prosecution under either or each of two laws that respectively maintain secrecy for certain tax and certain grand jury mischief. Also, I was warned that I would be held in contempt of our state supreme court if I publicly disclosed certain misconduct within our state's legal community.

Through lengthy and costly civil court proceedings I am finally fulfilling the requirements of Colorado's whistleblower law which allows me to now publicly expose the tax fraud and other corruption. My goal is to shut down these abuses of the public trust and reduce the likelihood of it flaring up all over again.

TCS will explain to our entire nation Colorado's predicament and the urgencies behind Colorado's ballot initiatives which have imposed limits on terms and on taxes, and an effort in process which will impose limits on public corruption.

Coloradans have begun to suspect that our politicians' main stock in trade are their arrogance, hypocrisy, and deceit. They also sense that this kind of political stock has caused shortfalls in public budgets and runaway public debt.

Peña is one of several local politicians who will be singled out in TCS. Peña will be an example to discourage others from going with the flow. His example will help dislodge other incorrigibles still squatting in Colorado government.

Of course this all troubles me, but I am inclined to believe that Peña belongs to Colorado and is worth more to public reforms in Colorado than he is to your cabinet. Colorado has already paid for him. Those reforms that can flow from focusing in on what has transpired in Colorado can serve as a reform watershed for our entire nation. But, I am willing to hear you out if you will hear me.

I hold you in high regard because of my high respect for the office you serve. I am willing to make sacrifices to help you deliver on your campaign promises.

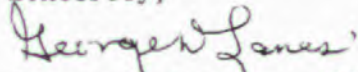
Please understand that TCS now spans parts or all of three decades in my life.

TCS exacted heavy tolls from me. My survival against the unconscionable abuse by state government was a "foxhole at the battle front" experience - one probably common in banana republics, but certainly not expected within governments sanctioned in developed nations in the free world. It shall not be tolerated.

I was looking for a national publisher at the time your Peña bomb was dropped.

Currently, TCS is on hold. I am reassessing my options. I, along with all of Colorado's taxpayers, have a heavy investment in TCS. I tell it like it is because I have no political ambition. Historically, I have cast approximately an equal number of votes with each of the two major political parties. Recently, I cast an alternative ballot. Meaningful political reform is my top priority.

Sincerely,



George D. Lanes (303) 988-2425
813 S. Lee Street
Lakewood, Colorado 80226-3974



THE WHITE HOUSE
WASHINGTON

DATE: 3/8/93

TO: THE VICE PRESIDENT
MICKEY KANTOR
BOB RUBIN
TONY LAKE
EXECUTIVE CLERK

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

For your information. We
received the following transmittal
from the Senate designating
certain Advisers to be accredited
to U.S. Delegations.





ROBERT C. BYRD
WEST VIRGINIA

The President Pro Tempore
UNITED STATES SENATE

February 18, 1993

Mr. President:

In accordance with Public Law 93-618, as amended by P. L. 100-418, and upon the recommendation of the Chairman of the Committee on Finance, the following Members of the Committee on Finance are designated congressional advisers on trade policy and negotiations and are to be accredited by the President as official Advisers to the U. S. Delegations to international conferences, meetings and negotiation sessions relating to trade agreements.

Official Advisers

Daniel Patrick Moynihan
Max Baucus
David L. Boren

Bob Packwood
Bob Dole

Alternate Official Advisers

Bill Bradley
George J. Mitchell
David H. Pryor
Donald W. Riegle, Jr.
John D. Rockefeller IV
Tom A. Daschle
John Breaux
Kent Conrad

William Roth
John C. Danforth
John H. Chafee
Dave Durenberger
Charles E. Grassley
Orrin Hatch
Malcolm Wallop

A handwritten signature in cursive script that reads "Robert C. Byrd".

Robert C. Byrd
President pro tempore

Republican Party Faces Growing Internal Debate Over How to Recapture Tax Issue From Democrats

By JOHN HARWOOD

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON—When candidate Walter Mondale told Americans in 1984 that he would raise their taxes to reduce the federal deficit, Republicans were so delighted that, as the late strategist Lee Atwater recalled later, "I thought I was having a dream."

Now President Clinton has unabashedly proposed higher taxes, but it's the Democrats who have that dreamy feeling. The polls, which show that the president's approval rating has risen since he unveiled his economic package, suggest the tax issue that the GOP dominated through three presidential elections in the 1980s may have lost its bite. And outflanked Republicans face a wrenching internal debate over how to grab the issue back.

The stakes are enormous. "Cracking the tax taboo," says historian and one-time JFK aide Arthur Schlesinger, will determine whether Democrats can restore confidence in government as they seek to usher in a new progressive era. In a magazine article about the tax issue before Mr. Clinton took office, Mr. Schlesinger wrote that it would be a mistake for the new president to open his term by proposing higher taxes. Now he says he underestimated Americans' willingness to swallow bitter medicine.

It isn't clear that the new president can continue to hold the high ground, since he didn't campaign on the tax package he has proposed. Candidate Clinton promised to cut taxes on the middle class and limited proposed tax increases on individuals to incomes above \$150,000. President Clinton wants a new energy tax that would hit virtually everyone except the poor, higher taxes on affluent Social Security recipients, and income tax increases on individuals with taxable incomes above \$115,000.

Power to Set Terms

But there's little doubt the political calculus about taxes has already been shaken up. In large part, that's because of a president's power to set the terms for debate. By calling tax increases crucial to solving the nation's long-festering economic problems—and aligning Republican opponents with a discredited status quo—Mr. Clinton has turned his party's weakness into a prerequisite for action. Moreover, by targeting affluent Americans in particular, he has focused attention on the most popular sort of tax increases.

For the moment, at least, the GOP has united in opposition to a White House plan tilted sharply toward Democratic constituencies. "It reminds all flavors of why they're Republicans," says new GOP Chairman Haley Barbour, who's delighted to change the subject from the party's recent intramural bickering over social issues.

But ideological divisions over taxes between GOP moderates and conservative supply-siders will become more pronounced as Republicans on Capitol Hill

Cracking the Tax Taboo

"Please tell me whether you would be willing to pay higher taxes in order to..."

	YES	NO
Improve the quality of education	78%	20%
Improve access to health care	75	23
Reduce the federal budget deficit	58	40
Improve our transportation and communication systems	33	65
Provide aid to city and state governments	30	66

NOTE: Asked Jan. 23-26

THE WALL STREET JOURNAL/NBC NEWS POLL

take up the president's challenge to offer specific alternatives.

Moderates are willing to accept some tax increases on the wealthy, just not as much as Mr. Clinton has proposed. "The Democrats won the debate over whether the rich pay their fair share," says Republican Rep. Steve Gunderson of Wisconsin. The most powerful Republican of all, Senate Minority Leader Robert Dole of Kansas, won't rule out new taxes, saying he wants "a better mix" of spending cuts and tax increases that Mr. Clinton has proposed.

Gingrich Seeks Clear Division

But House Minority Whip Newt Gingrich of Georgia calls Mr. Dole's position "an enormous mistake" that will "muddy the waters" for Republicans seeking to reclaim the tax issue. Only by opposing tax increases across the board, he says, can the GOP draw clear divisions with Democrats in the fight for the allegiance of middle-class voters.

The problem is that the deficit-cutting alternatives are so painful. And thus the bold challenge the president laid down in his speech to Congress—"all those who say we should cut more, be specific"—quickly threw Republicans on the defensive.

For example, antitax Republicans say they want to cut the government's fast-growing entitlement programs. But the most prominent GOP plan so far, Texas Sen. Phil Gramm's alternative budget proposal, calls only for overall "caps" on such spending that duck political fallout by not specifying who would be affected. Moreover, though Mr. Gramm says he opposes tax increases, his plan would need \$55 billion in additional taxes to achieve as much deficit reduction as Mr. Clinton does.

For his part, Mr. Gingrich says the president didn't cut spending enough. But he says Social Security should remain sacrosanct, worries that Mr. Clinton would slice too deeply into defense, and criticizes

proposed agriculture cuts as "antifarm." Ohio Rep. John Kasich, the top Republican on the House Budget Committee, recently criticized the White House for bending to "whining" and "squealing" from Texas lawmakers in sparing the expensive space station and super-conducting super-collider programs. But some of Mr. Kasich's fellow Republicans agree with the administration; Colorado Sen. Hank Brown wouldn't kill either program in the proposed cuts he handed Mr. Clinton when the president visited GOP lawmakers on Capitol Hill yesterday.

Deficit-Reduction Issue

Of course, there's another way out for antitax die-hards: to directly challenge the idea that deficit reduction is all-important. "We have to say we're not willing to sacrifice the taxpayers' interest to pursue deficit reduction," says former GOP House member Vin Weber, now part of a conservative think tank in Washington. But sloughing off the deficit isn't as easy as it used to be before Ross Perot came along. And in any case, even Republican conservatives acknowledge that it will take the party awhile to overcome lingering cynicism from the Bush administration's broken "read my lips" pledge. "It's not so easy to reclaim your virginity," says William Kristol, who was chief of staff to former Vice President Dan Quayle. Adds Clinton pollster Stan Greenberg: "The Republicans have lost any credibility on taxes."

The target of both parties' tax rhetoric, of course, is the middle class. Throughout the 1980s, Republicans combined their traditional appeal among the affluent with entreaties to middle-class taxpayers who

1/2

THE WALL STREET JOURNAL

3/3/93

Perpetual Tea Time May Come to an End For Top U.S. Taster

Budget Ax Threatens to Leave
A Refined Sipper Jobless;
The Tea Leaves Are Silent

3/40/162

By BRUCE INGERSOLL

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK — Robert Dick takes tea every day at work. He sniffs the aroma of a fresh-brewed cup, sips a spoonful into his mouth and swishes it about thoughtfully.

Then he spits. A pale brown spurt of tea spatters into a big spittoon on wheels.

Mr. Dick has been doing this — sip, swish, spit — for 46 years, from as many as 300 cups of tea a day. He seldom, if ever, overshoots the spittoon.

The 78-year-old Mr. Dick is the government's No. 1 tea taster and one of tea's great connoisseurs, capable of identifying hundreds of different teas from throughout the tropics and subtropics. Oolong tea or black tea, Darjeelings or Assams, heavenly brews or vile blends — all are in his mental catalog. Sometimes he can even name the garden from which a tea comes.

His Nose Knows

One garden "I remember in particular is in extreme eastern Assam," he says, referring to the Indian province. "The tea smells just like cinnamon. I used to be able to distinguish a lot more, but I don't think my smeller is as good as it once was."

Mr. Dick, a Food and Drug Administration employee, is devoted to upholding a regulatory anachronism, the Tea Importation Act of 1897. His job is mainly to ensure that imported tea is at least decent-tasting, if not what the English would call a good "cuppa."

Though a tea-business legend, revered for his fairness and his nose for foulness in tea, Mr. Dick is something of a marked man — again. President Clinton, as part of his cost cutting, is out to abolish the U.S. Board of Tea Experts, and with it Mr. Dick's tasting duties. Presidents Nixon and Carter also tried to bag the tea board as one of government's more frivolous advisory panels, but failed because of industry opposition.

But Mr. Clinton, a decaffeinated-coffee man, seems intent, says Edwin Harper, a former Nixon aide. At a recent White House gathering, Mr. Harper says, "I wished him luck trying to get rid of the tea tasters. He said, 'I think I can do it.'"

It isn't that the seven-member board, of which Mr. Dick is executive secretary, is a budget buster. It meets only once a year, to set minimum standards for judging the quality of tea shipments. Total costs, including Mr. Dick's \$65,000 salary, come to \$200,000 a year, a third of which is paid by tea importers and packers.

Mr. Dick, the FDA's second-oldest employee, is only the third person to fill the 61-year-old post of supervisory U.S. tea



Robert Dick

examiner. He has a pretty pat routine. He gets up by 4 a.m., has a cup of tea with breakfast, then commutes by rail from Long Island to the FDA's regional lab in Brooklyn, usually arriving by 7.

His realm is the Tea Examining Room, a seventh-floor niche of warmth and conviviality in what was once a naval clothing supply depot. Mr. Dick has two big chrome-plated kettles steaming away on a hot plate, and his assistant, Faith Lim, an accomplished taster at age 44, has a load of teacups churning in the dishwasher.

The room is suffused with the fragrance

of Keemun, a China black tea they brew up for their morning break. Snow is slanting wet against the windows as he putters about, fussing with his beloved African violets and jade plants and hunting up tea-import documents. One bookcase is so cluttered with tins of exotic teas and so overgrown by a split-leaf philodendron that he has trouble finding things.

Tea tasting at the "Tea Room" — that is how Mr. Dick answers the phone — is hardly afternoon tea at the Savoy. There's no silver service. No tea trolley. No fruit tarts or sandwich slivers to tuck into. It's work, and setting out the porcelain cups and mugs on a water-stained mahogany table leaves the ruddy-faced, silver-haired Mr. Dick wheezing a bit from his asthma.

Clearly, Ms. Lim admires the old gentleman from Georgia, trifocals, hearing aid, bum knee and all. Her wire-rims slip to the tip of her nose when she takes over for him, weighing tea on an antique balance scale and dumping it into cups. The morning's main task: double-checking two batches of Argentine black for the FDA's only other tea examiner, a less experienced taster in New Orleans.

Mr. Dick fetches a boiling kettle of distilled water, fills a semicircle of five-ounce cups with one continuous pouring and then mops up some spillage. The tea is still piping hot when he begins sniffing one silver-plated spoonful after another, comparing each against a cup of standard Argentine black. The "nose," or bouquet, he decides, is definitely inferior on some cups. Next, the color of the tea infusion and wet leaves is examined. It's a reddish-brown hue, brighter than expected.

Too Much to Swallow

After letting the tea steep for five minutes, Mr. Dick pulls up to the table with his spittoon at one knee, tastes the standard tea as a benchmark and gets down to business. From each cup he sips with a big slurp, splashing his palate, tongue and gums. He swishes the tea about, then shoots for the spittoon. (Swallowing would give him a colossal case of caffeine jitters.)

In less than a minute, he slurps his way through 14 cups. "The faster you taste them, the easier it is to make up your mind," he says. "You take the aroma from your nostrils, the taste from your taste buds and the astringent feel from the sides of your cheeks, and combine them to get an overall impression."

The verdict: The first, third and fourth cups have "a lot of nothing in them," he pronounces. "They're lacking in basic tea taste. I think it's old tea." But the other cups taste as good as or better than the standard, and Mr. Dick decides against rejecting the shipments.

All but a smidgen of the tea consumed in the U.S. is foreign tea, 94% of which is black tea from Argentina, China and Indonesia. The FDA rejects less than 1% of the 200 million tons imported annually. Typically, rejected tea is moldy or tainted by odd odors, often picked up in transit. Mr.

DAVID PREYER MICHAEL

WARDMAN —

The tea room
meets the
war room.

Who will
survive?

Podesta

Dick and Ms. Lim still laugh about the Argentine tea that was shipped with cow hides. "It was so bad we only had to taste one cup," he says.

Unwanted Additives

Over the years, Mr. Dick has caught all sorts of illegal additives and adulterants, including unsafe dyes in Thai tea, floor sweepings in Formosa tea and talcum powder in Japanese green tea.

To his disappointment, when it comes to tea, the U.S. is a nation of commoners. At least 75% of the tea we drink is iced, most of it made with tea bags or mixes. Loose tea, brewed in a pot or infuser the old-fashioned way, accounts for only 1.3% of consumption, hot or cold. Mr. Dick and other experts contend that largely because of our thirst for ice tea, quality standards have been slipping for years.

"We let a lot of tea go by that an Englishman wouldn't drink," he says. But Americans will drink almost any grade of tea as long as it's wet and cold. Why? The cold dulls the taste buds.

At times, Mr. Dick has been at odds with tea-board members, who are industry executives. His inclination is to raise the quality standards. But the board, he says, doesn't want to risk having teas destined for the ice-tea market rejected.

Board members praise Mr. Dick as an unbureaucratic bureaucrat. He doesn't keep importers waiting weeks for FDA clearance, says Carla Ann Holt, a Redco Foods Inc. tea taster in Little Falls, N.Y. "In my experience, he evaluates tea the same day he receives it."

Now the industry is gearing up to save the tea board, and Mr. Dick's job, from the presidential ax. Mr. Clinton will have to persuade Congress to repeal the 96-year-old law, something his predecessors couldn't do. Even if he does, the FDA still will have to inspect tea for contaminants.

As for Bob Dick, he would rather keep on enforcing "our first consumer protection law." But he wouldn't mind retiring. "I'd move to North Carolina and do some gardening. I might even try growing some of my own tea."

THE WHITE HOUSE

WASHINGTON

March 8, 1993 93 MAR 8 A10:55

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE 

SUBJECT: Phone Conversation with Dr. Stephen Johnson

At your request, Jenonne Walker called Dr. Stephen Johnson. Below is her recap of the conversation:

"I returned the President's phone call from Dr. Stephen Johnson last week. He described his efforts to get medical supplies into the former Yugoslavia and his impressions of the humanitarian situation there. He also praised the decisions the President has taken. He was about to make another trip to Croatia and I told him I would value any insights he wants to pass on when he returns. While I did not learn anything from him that would change our approach to the issues, I was impressed by his concern and his willingness to commit his time and resources to help relieve the human suffering."

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

March 8, 1993

NOTE FOR:

SECRETARY REICH
TOM WILLIAMSON
GEORGE STEPHANOPOULOUS
HOWARD PASTER
ALEXIS HERMAN
CHRISTINE VARNEY
JOHN HART
JOAN BAGGETT
DEE DEE MYERS
RICKI SEIDMAN

FROM:

JOHN PODESTA

The President approved the Executive Proclamation lifting the suspension of Davis-Bacon for areas affected by Hurricanes Andrew and Iniki.

THE WHITE HOUSE
WASHINGTON

93 MAR 8 A9:23

sorted

1185

February 17, 1993

MEMORANDUM TO ANTHONY LAKE

FROM: John Podesta *JOP*
Assistant to the President
and Staff Secretary

SUBJECT: Military Nominations

I am not bothering you with the bulk of military nominations as long as they are recommended by Aspin and in the regular order. We should establish a clear policy on which senior military nominations you and the President wish to see.

In the Bush Administration, the NSC reviewed and the President signed off on two stars and above. That would include between 50 and 100 nominations each year.

Do you want the NSC to review those ranks and that volume?

What do you recommend the President see?

*To: Bob Bell
Please call me about this
John Podesta
2702*

THE WHITE HOUSE
WASHINGTON

March 2, 1993

MR. PRESIDENT:

Mack asked me to forward this package. I've requested that thank you's for your signature be prepared for Governors, Mayors, etc. who have endorsed the plan. They should be ready today.

John Podesta



DEMOCRATIC GOVERNORS' ASSOCIATION

MEMORANDUM

Governor David Walters
State of Oklahoma
Chair

Governor Ann Richards
State of Texas
Vice Chair

EXECUTIVE COMMITTEE

Governor Howard Dean
State of Vermont

Governor Jim Florio
State of New Jersey

Governor Brereton Jones
State of Kentucky

Governor Bob Miller
State of Nevada

Governor Zell Miller
State of Georgia

Governor Barbara Roberts
State of Oregon

Governor Bruce Sundlun
State of Rhode Island

Governor John Waihee
State of Hawaii

Katherine Whelan
Executive Director

TO: MACK McLARTY
FROM: KATIE WHELAN
RE: DEMOCRATIC GOVERNORS
DATE: 26 FEBRUARY 1993

I thought you might be interested in the attached.

The Democratic Governors and the DGA enthusiastically support the President and his agenda. We look forward to working closely with the Administration and the DNC to promote President Clinton's programs.

Please feel free to call me at 479-5153 if you have any questions.

Thanks.

cc: Gov. David Walters
Gov. Ann Richards

hate -

Interested, pleased, encouraged
and deeply appreciative

Please convey our sentiments and
gratitude to David, Ann and their
Democratic colleagues.

Thanks for your efforts. This type
of outreach just doesn't happen. Job well-

430 South Capitol Street, S.E. • Washington, D.C. 20003 • (202) 479-5153 • FAX (202) 479-5156

done -

Printed on Recycled Paper

Mack

pos-
cc: mack
Regan
Rahn



DEMOCRATIC GOVERNORS' ASSOCIATION

February 26, 1993

Governor David Walters
State of Oklahoma
Chair

Governor Ann Richards
State of Texas
Vice Chair

EXECUTIVE COMMITTEE

Governor Howard Dean
State of Vermont

Governor Jim Florio
State of New Jersey

Governor Brereton Jones
State of Kentucky

Governor Bob Miller
State of Nevada

Governor Zell Miller
State of Georgia

Governor Barbara Roberts
State of Oregon

Governor Bruce Sundlun
State of Rhode Island

Governor John Waihee
State of Hawaii

Katherine Whelan
Executive Director

The Honorable Bill Clinton
The President of the United States
Washington, DC 20500

Dear Mr. President:

I congratulate you on the overwhelmingly positive response to your economic package. It is a true testament to your leadership that 85% of the public believe your proposal will help the economy.

As promised, I am forwarding copies of statements and press releases issued by each of the Democratic Governors for your review.

Virtually every Governor took to the airwaves and radio waves to voice support for your economic package. The result was positive media coverage which presented a unified message of support around the country for the leadership and direction you are giving our nation.

Most of the Democratic Governors took the initiative to contact their respective Congressional delegations to urge them to support you in your efforts.

As always, the Democratic Governors and the DGA are at your service. Please do not hesitate to contact me or Katie Whelan, Executive Director of the DGA, at 202/479-5153 if we may assist you in any way.

Thank you for your courage and leadership.

Sincerely,

David Walters
DGA Chairman

Clinton gets high marks from Tucker

BY REX NELSON
Democrat-Gazette Political Editor

Arkansas' governor, the political director of the Democratic National Committee, a Little Rock economist and Democratic legislators all praised President Clinton's economic plan Thursday.

"Gov. Jim Guy Tucker added, however, that he had not had time to digest fully the ramifications of Clinton's program, which was presented Wednesday night to Congress.

"He said his staff especially is interested in the effects on Medicaid and Aid to Families with Dependent Children.

"I haven't been able to run a balance sheet and see where we come out to the penny," Tucker said.

"But I think the philosophy of 'when the tide comes in all boats rise' is applicable here."

Tucker said that because he served in Congress in 1977-78, he has an understanding of "the bold challenge" Clinton faces in selling his program on Capitol Hill.

"My overall impression is favorable," Tucker said.

"The hope I have is that Congress will come together, pass a substantial program and not flit-pick this to death."

Tucker said the country would "not be well-served" by continued gridlock between Congress and the White House.

"I am frightened by the size of this deficit," the governor said.

Craig Smith, a former Clinton aide who is now the DNC political director, was in Little Rock on Thursday pushing the president's program.

A nationwide public relations blitz was started this week by the DNC and the White House to promote Clinton's package.

Clinton traveled to the Midwest. Vice President Gore headed to the South and members of Clinton's Cabinet went to their home states after Wednesday's speech.

DNC Chairman David Wilhelm said the DNC hoped to do "the very same thing that we did during the campaign — to

communicate the central idea behind his plan."

Smith's presence in Little Rock was part of that effort.

"You've got to do tough things and make hard choices," he said of the task facing Clinton. "The question is whether the special interests will be able to pick this apart piece by piece or whether the national interest will prevail."

Smith dismissed GOP criticism that Clinton's plan is a typical Democratic tax-and-spend response to the nation's problems.

"They've had a lot of say-so the last 12 years and their ideas haven't worked," he said.

Dr. John Pickett, an economist at the University of Arkansas at Little Rock, said Clinton "has the economics right."

Pickett spent several years doing economic forecasting and now directs graduate programs in the UALR College of Business Administration.

Clinton's program, Pickett said, could spark private sector investments, leading to improved productivity and additional jobs.

"It would stimulate the economy, generally, and do wonders for American productivity and growth rates," Pickett said.

"In general, President Clinton's package offers very, very good prospects for the Arkansas economy, particularly since the Arkansas economy for the past few years has grown faster than the national economy. We should benefit tremendously."

Sen. Lu Hardin of Russellville, a Democrat, said he would give the president an "A minus" on his Wednesday speech.

"I thought he was extremely relaxed, very well-organized," Hardin said.

"I was very impressed with some of the specificity of his speech. The only reason I give him an A minus is perhaps just a little more reference could have been made to the spending cuts."

Sen. Mike Beebe of Searcy, another Democrat, said it was "the best speech I ever heard him give. He was relaxed. The speech had great substance in it. It had specific details, but it wasn't so bogged down in statistics that you got bored."

Staff writer Rachel O'Neal contributed to this story.

Arkansas

STATE OF COLORADO

EXECUTIVE CHAMBERS

136 State Capitol
Denver, Colorado 80203-1792
Phone (303) 866-2471



Roy Romer
Governor

Statement by Governor Roy Romer Concerning President Clinton's Budget Proposal

February 18, 1993

Last evening, the President took the first difficult but essential step to restore the long-term productivity of our economy. It's been a long time since any President has been this bold and this honest about what needs to be done. President Clinton's deficit reduction proposals are tough but fair, and they deserve our support.

The federal deficit is Public Enemy Number One. It may not be as dramatic as Pearl Harbor, but the threat to the future of our nation is just as great. We have got to take it on hard and we have got to take it on now.

No one will like everything in this package. But its sum is greater than its parts.

It makes specific and deep cuts in spending. It makes important investments in our productivity and children. And it calls on all Americans to contribute fairly.

I believe this is one of those moments in history when a people is called upon to decide what they really want their country to be. We must find the courage to restructure our finances, like so many families have done in hard times. And we must find the wisdom to invest in what matters -- our children, our communities, our schools and universities, our businesses, our roads and bridges, our technology, our environment.

That is what President Clinton is trying to do.

This nation has always responded to crises. I believe we will again. President Clinton has laid out a bold plan to change the way we do business and reclaim the American Dream for all Americans. This is the change we voted for, and this is the kind of leadership and courage we must support.



LAWTON CHILES
GOVERNOR

STATE OF FLORIDA
Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

FOR IMMEDIATE RELEASE
February 17, 1993

CONTACT: Julie Anbender
(904)488-5394

**STATEMENT OF GOVERNOR LAWTON CHILES REGARDING
President Clinton's Address to Congress**

"President Clinton tonight proposed a bold and innovative plan for a better future.

"During my tenure as chairman of the U.S. Senate Budget Committee, we worked hard to reduce the deficit, but we lacked real leadership from the White House. By offering a plan to bring down the deficit -- and investment in our people -- President Clinton has shown that he's willing to provide that leadership.

"The President has asked all Americans to be a part of the solution to the most urgent problem facing the country today. By reducing the deficit \$500 billion over the next four years, we'll begin to get out from under the soaring interest costs that are eating up the budget. We all know there are better uses for that money in the public and private sector.

"For the first time in a decade our President is making an investment in our children. In Florida, we introduced the Healthy Start initiative because it's right and because it makes economic sense. The President's plan applies that same reasoning nationwide. The federal government will now be a partner in making sure that young mothers and children have access to adequate health care and nutrition.

"State and local officials all over America are having to make tough choices every day. We all have limited funding to meet almost unlimited needs. It's never easy, but it helps to know that our President is courageous enough to make those choices at the federal level as well."

**STATE OF GEORGIA**

OFFICE OF THE GOVERNOR

ATLANTA 30334

Zell Miller
GOVERNORChuck Reece
DIRECTOR OF COMMUNICATIONS**STATEMENT OF GOVERNOR ZELL MILLER
Following President Clinton's State of the Union Address
February 17, 1993**

I watched the President's State of the Union Address, and I support his efforts to strengthen the economy and reduce the deficit. I agree with President Clinton that we'll never have long-term economic growth without dealing with the budget deficit, and I agree that we must all pitch in and make the necessary short-term sacrifices.

Of course, there are elements of the President's package that I don't like, just as I am sure there are some elements of it the President himself doesn't like. But this is clearly an initiative where the whole is greater than the sum of its parts. If we waste our energy picking apart this package piece by piece, we will lose the larger battle -- the battle to reduce the deficit -- and we'll be back where we started, with uncontrolled taxing, spending and a large deficit.

The real key to the President's initiative will be to insist on spending cuts, in conjunction with the revenue proposals. My one fear is that Congress will enact the President's revenue proposals without the spending cuts that the public rightfully expects and demands.

That's why supporting the package as a whole is in the nation's best long-term interest.



John Waihee
Governor

NEWS RELEASE

Executive Chambers
Contact:
Carolyn Tanaka
(808) 586-0043

STATEMENT FROM GOVERNOR JOHN WAIHEE

WEDNESDAY, FEBRUARY 17, 1993

Tonight President Clinton proposed a tough economic package that represents a bold commitment to a fundamental change in the way the federal government has done business for the last 12 years. His comprehensive plan points to a different path for economic growth for the nation, which includes public investment, deficit reduction, short-term stimulus. It's a plan that will essentially create greater job opportunities and increase the income level of middle and lower income families.

In particular, I believe the public investment and short-term stimulus aspect of the package will be good news for Hawaii, for our tourism industry, our public works efforts (our transportation needs in particular) and for our economy as a whole.

I was also pleased with the President's announcement of new spending in housing and community development, housing assistance and the extension of the low-income housing tax credit.

No one likes higher taxes, but when you look at the total package, the little we sacrifice now will mean a whole lot more down the road. And if federal cutbacks come with some degree of flexibility, as the President indicated they might, then I feel confident we'll be able to live with those as well.

More...

February 17, 1993

Page 2

We were especially concerned about any energy tax, which in the past have penalized Hawaii because of our heavy dependence on imported oil. With President Clinton's 5 percent tax based on usage, our energy tax burden should be no more than any other state--and that's good news for Hawaii.

The bottom line is that this is the attention to the economy and the changes that people across the nation have been crying for from our federal government. While we will be looking at the details of the plan over the next few weeks, on the whole, this plan represents something better for states who have been asked in the past to support federal mandates without federal dollars and for the middle- and lower-income families who have had to struggle during these last 12 years of trickle-down economics.

#30#



For Immediate Release
February 17, 1993

OFFICE OF THE GOVERNOR

STATE CAPITOL

BOISE 83720-1000

CECIL D. ANDRUS
GOVERNOR

(208) 334-2100

GOVERNOR ANDRUS AGREES WITH PRESIDENT CLINTON
THAT IT'S TIME FOR TOUGH CHOICES

BOISE -- Governor Cecil D. Andrus today applauded President Bill Clinton's fair-share approach to solving the nation's budget deficit.

"For too long this nation has suffered from policy-makers ignoring fiscal reality," Governor Andrus said. "I believe President Clinton is approaching this huge challenge correctly. He is asking a contribution from every American, and asking more of Americans who are better able to pay. And he is taking steps to create new jobs, an essential element of a lasting recovery."

President Clinton on Wednesday addressed a joint session of Congress.

"The actions he outlined are bold, as they must be," Governor Andrus said. "Twelve years of neglect can only be solved with shared sacrifice and aggressive action."

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To	Jerry New	From	PAM PARKS
Co	DGA	Co	GOVERNOR'S OFFICE
Dept.		Phone #	208/334-2100
Fax #	208/479-5156	Fax #	



OFFICE OF THE GOVERNOR
INDIANAPOLIS, INDIANA 46204-2797

EVAN BAYH
GOVERNOR

For immediate release Thursday, February 25, 1993

GOVERNOR BAYH SAYS CLINTON PLAN WILL MEAN
A HALF-BILLION DOLLAR ROAD CONSTRUCTION SEASON IN INDIANA

Governor Evan Bayh today said that the economic stimulus package proposed by President Bill Clinton would boost funds available for road construction this year in Indiana to nearly a half billion dollars.

This level of funding for new roads and bridges will support approximately 8,000 jobs, directly and indirectly.

"Renewing and improving our roads, bridges and other transportation facilities is crucial to Indiana's economic growth," Governor Bayh said. "Our construction program, with the enrichment provided by President Clinton's proposal, will help invigorate the Hoosier economic climate."

Funds available for INDOT's regular construction program for 1993, including \$50 million in bond-issue projects, totals approximately \$415 million, the governor said. However, the state is planning to refinance bonds issued in previous years. That action will yield approximately \$20 million for the construction season, bringing the total to \$435 million.

President Clinton's Intermodal Surface Transportation Efficiency Act (ISTEA) will make approximately \$60 million in additional funding available for highway construction, rehabilitation and reconstruction and for bridge replacements. Adding that fund to the state program will mean a construction season worth approximately \$495 million.

With the ISTEA program included, the 1993 highway construction season would nearly equal the record-setting 1992 season and would cap the largest four-year construction program in the history of Indiana.

In addition, INDOT expects approximately \$6.3 million in additional capital and operating assistance for urban mass transit systems and \$4 million in additional funds for airport improvements through ISTEA.

"Investment in our public capital is essential to the kind of economic growth that produces stable, family-wage jobs," Governor

more

Bayh said. "Our share of President Clinton's package will allow us to accelerate development of a number of projects that are important to local economies and to the state."

President Clinton has urged Congress to approve the ISTEA program by the end of March. It will require that projects to be supported by the package must be under contract within 60 days of its enactment. Funds not used by a state within that time will be redistributed among states with projects ready to go.

The governor said that Indiana will be prepared to compete for redistributed funds with projects ready for contract.

"We in Indiana are prepared now to put our full share of these dollars to work helping our nation's economy recover from recession," Governor Bayh said. He said the Indiana Department of Transportation has worked diligently to put together a long list of projects ready to be put out to bid as soon as funding is available.

For more information: Fred J. Nation 317-232-4578
David Dawson 317-232-1012



OFFICE OF THE GOVERNOR

INDIANAPOLIS, INDIANA 46204-2787

EVAN BAYH
GOVERNOR

February 26, 1993

Mr. Matt Leonard^{AQ}
Democratic Governor's Association
430 South Capitol Street, SE
Washington, D.C. 20003

Dear Matt:

I just wanted to let you know a few of the things Governor Bayh is doing to promote the President's economic program.

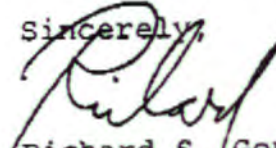
The Governor held a press conference yesterday to focus on the program's emphasis on job creation. He then did a satellite hook-up with television reporters in every media market in the state, including Fort Wayne, South Bend, Evansville and Terre Haute. Attached is a press release and article from the Indianapolis Star.

In addition, the Governor met with the state's labor leaders and asked them to support the President's program. He is also planning to call our Congressional delegation next week to do the same.

If you have any questions or if there are other ways in which we can be helpful, please call me at (317) 232-1687.

I hope all is well with you. I look forward to speaking with you soon.

Sincerely,



Richard S. Gordon
Director
Policy and Planning

RSG/sh



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

BRERETON C. JONES
GOVERNOR

THE CAPITOL
700 CAPITAL AVENUE
FRANKFORT 40601
(502) 564-2611

For Immediate Release
February 19, 1993

Contact: Frank Ashley
(502) 564-2611

FRANKFORT, Ky. — Governor Brereton Jones today announced that Congressional approval of President Clinton's job stimulus package would mean almost \$80 million in additional federal funds for projects to stimulate the Kentucky economy and create jobs.

Under the president's plan, Kentucky would receive an additional \$42 million in federal highway funds for a wide range of highway construction projects. Kentucky also would receive an additional \$36 million in U.S. Housing and Urban Development funds that would be available for immediate projects across the state.

Of these funds, \$21,622,000 would be available to small cities across the state under projects administered through the state Department of Local Government. The remaining \$15 million would be funneled directly to Kentucky's urban entitlement areas: Louisville and Jefferson County; Lexington/Fayette Urban County Government; Ashland; Covington; Owensboro; Henderson and Hopkinsville.

If approved, the funds would create an immediate economic stimulus in Kentucky by providing jobs on such projects as water and sewer infrastructure, community centers, senior citizens centers, health departments and housing, the governor said. The state currently receives \$56,024,000 million for such projects.

-more-



"The Clinton program, if adopted by Congress, would provide a massive economic shot in the arm for cities and counties all across the state of Kentucky," Jones said.

"This is the boldest, most courageous plan to stimulate the economy since President Roosevelt's New Deal, and it is precisely what is needed in Kentucky to get our people back to work immediately."

"President Clinton's economic stimulus package will provide a very significant boost to the jobs creation program that already is working so well through our own economic development efforts."

Governor Jones said that he looks forward to meeting on Monday with Ginger Van Ness, manager of the Kentucky office of the U. S. Department of Housing and Urban Development, to discuss the program's overall impact on Kentucky.

STATE OF NEBRASKA

EXECUTIVE SUITE

P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone (402) 471-2244



E. Benjamin Nelson
Governor

DATE: February 17, 1993

TO: Katie Whelan
Executive Director, DGA

FROM: Karen Kilgarin
Director of Public Affairs

RE: President Clinton's State of the Union Address

Governor Ben Nelson has already begun expressing his support for President Clinton's program. At a news conference this morning, the Governor talked about the President providing bold leadership in addressing the economic problems facing our nation. The Governor said the President is making the tough decisions needed to jumpstart the economy and reduce the nation's deficit. Asked about a broad-based energy tax, the Governor said we all need to contribute so that we all may benefit. When asked about the effect of such a tax on agriculture and on a state as geographically-large as Nebraska, the Governor said if the proposal is fair, it will have his support. If it is disproportionately unfair, the Governor said we will make our case and send that message to the President and Congress.

Governor Nelson has scheduled a statewide teleconference for Nebraska media tonight at 9:00 p.m. CST to discuss the President's proposals. This provides access to print, radio and television reporters from across the state. We expect 40 media outlets will participate in this call. The Governor is also scheduled for a live interview with the NBC affiliate in Omaha (WOWT) on its 10 p.m. newscast. He will also be interviewed by the CBS affiliate in Lincoln (KOLN) for its 10 p.m. CST newscast.

Our goal is to reach as many local radio, newspaper and television outlets as possible. We believe our plan will provide nearly 100% statewide coverage.

I plan to take part in the DGA conference call briefing with David Wilhelm. If you have questions, or would like more information, please do not hesitate to call me. (402) 471-6029 or (402) 432-7776.



FEB-24-93 WED 9:15

NEVADA GOV. BOB MILLER

FAX NO. 7026874486

P. 02



STATE OF NEVADA
EXECUTIVE CHAMBER

Capital Complex

Carson City, Nevada 89710

TELEPHONE
(702) 687-5670

Fax: (702) 687-4486

BOB MILLER
Governor

FOR IMMEDIATE RELEASE
February 17, 1993

Contact: Michael Campbell
687-5670

MILLER: PRESIDENT'S MESSAGE TO CONGRESS SIGNALS NEW ERA OF CHANGE

Governor Bob Miller said today that President Bill Clinton took a bold step tonight in ushering our nation into a new era of change ensuring economic stability for our nation's future.

President Clinton's plan offers serious budget cuts, will create jobs to get the economy moving, allow for smart investment to create even more jobs in the future and make a big dent in the deficit, Miller said.

Just as governors themselves have had to make the difficult choices on cutting budgets or holding the line on spending to live within their means, Miller said Clinton is doing the same.

"The president's economic plan is good news for the nation because it means change. During the last 12 years, the U.S. has gone from the largest creditor nation to the world's largest debtor nation. We must set a different course," Miller said.

"President Clinton's economic plan signals the end of this era: He is willing to make the tough choices in order to tame the beast of unnecessary spending," he said.

"The plan calls for almost \$200 billion in spending cuts over the next four years, 30 percent of which comes from entitlement spending that has helped drive federal and state budgets out of control," Miller said.

Miller also said he was pleased by the president's ambitious reduction deficit spending plan, which will slash almost \$500 billion from deficit spending over the next four years.

The president has proposed a strategy for investment, which not only should create jobs in the short term but which Clinton says will create millions of jobs over five years. "The president's plan is dedicated to putting people back to work," Miller said.

"As governor, I am ready to work with the president on his economic plan. Nevada is ready to be a part of this important task of rebuilding America."



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001
Contact:

Jon Shure
Jo Astrid Glading
609-777-2600

TRENTON, N.J. 08625
Release:

Thursday,
Feb. 18, 1993

COMMENTS BY GOV. JIM FLORIO ON PRESIDENT CLINTON'S MESSAGE

President Clinton has declared war against a set of problems that threaten our security and our childrens' future as seriously as any military threat could be.

His economic stimulus proposals would translate directly into jobs for important New Jersey projects. We have already identified \$200 million worth of highway and transit work that would create 6,000 jobs and be underway this year. And we have identified nearly \$300 million in water quality projects that would generate more than 9,000 jobs. All or some of these projects would be eligible for funding under the presidnet's proposals..

The President did an outstanding job of explaining how our nation's problems link up with each other, and how the failure to act will diminish our ability to provide the opportunity Americans expect.

The President is calling on everyone to do their part -- but perhaps the burden is greatest on those who are coming out in opposition to his proposals. President Clinton was direct and specific; and those who disagree must be as direct and specific with alternatives as he was with proposals. The American people see what's happening now as a chance to break loose from gridlock and chart a new course. We cannot disappoint them.

I have an idea of what the President is going through. I hated raising taxes as much as he does. But every other alternative was worse. The state was in a mess. Our future was in jeopardy if we didn't get our house in order. Now we're beginning to see positive results as we continue to cut the size of government and make the kind of investments we put off during the 1980s.

President Clinton will now take his case to the American people. He will be out there listening and explaining, and I urge people to hear him out.

#

STATE OF NEW YORK
EXECUTIVE CHAMBER
MARIO M. CUOMO, GOVERNOR

Press Office
518-474-8418
212-417-2126

FOR RELEASE:
IMMEDIATE, WEDNESDAY
February 17, 1993

STATEMENT BY GOVERNOR MARIO M. CUOMO

For more than a decade New York has suffered indifference and worse from Republicans in the White House. For the last three years, we've made all the hard and unpopular decisions required by the recession that pounded the nation. Now President Clinton has pledged to make difficult choices on the national level.

If all we receive now from President Clinton is fairness, and we have no doubt of receiving at least that, our strong efforts on our own behalf will be boosted rather than hindered by Washington. We look forward to working with an administration that sees us as an asset to be supported, and not a scapegoat for federal failures.

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DEMOCRATIC GOVERNORS' ASSOCIATION

EMBARGOED UNTIL 9:00PM EDT

STATEMENT BY GOVERNOR DAVID WALTERS (D-OK) CHAIR, DEMOCRATIC GOVERNORS' ASSOCIATION

Governor David Walters
State of Oklahoma
Chair

Governor Ann Richards
State of Texas
Vice Chair

EXECUTIVE COMMITTEE

Governor Howard Dean
State of Vermont

Governor Jim Florio
State of New Jersey

Governor Brereton Jones
State of Kentucky

Governor Bob Miller
State of Nevada

Governor Zell Miller
State of Georgia

Governor Barbara Roberts
State of Oregon

Governor Bruce Sundlun
State of Rhode Island

Governor John Waihee
State of Hawaii

Katherine Whelan
Executive Director

**FOR IMMEDIATE RELEASE
FEBRUARY 17, 1993**

**CONTACT: KATIE WHELAN
202/479-5153**

"In his address to the Joint Session of Congress, President Clinton has demonstrated his leadership and courage in asking us to help put our nation back on a course which will lead to better jobs, better health care and an educational system second to none.

"The President, in the best tradition of Harry Truman, has given us straight talk about solving a problem. The President's plan strips away the varnish of a discredited 'something for nothing' policy which the American people rejected last November. We should now rally to President Clinton's call for revitalizing America's economy.

"From a State's perspective this plan now gives Governors hope that the Federal government can once again become a full partner with the States in addressing the needs of children and investing in our economies.

"His clear call to meet our economic emergency means each of us must be willing to contribute for the greater good of our country. After a dozen years of financial folly and government gridlock, we are faced with a deficit so far in the red that if we don't act dramatically our way of life will be seriously threatened before the year 2000. Finally we have a plan that is honest, has no hidden budget items, and is based on conservative estimates.

"With his proposal of reducing the size of government, cutting federal spending, investing in jobs and health care, and fairly distributing tax increases, President Clinton has made it clear that the only special interest he cares about is a better future for America."

FEB 26 1993 12:00 STATE OF OREGON OFFICE OF THE GOVERNOR 243 P22

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ROBERTS, SMITH COMMENT ON CLINTON STATE OF UNION SPEECH

KTVL TV CH 10 (MEDFORD)

18 FEBRUARY 1993

5:03 PM

NEWSCASTER BOB SELLERS: Oregon Governor Barbara Roberts says she approves of President Clinton's sweeping plans to improve the national economy. She says Clinton has shown the kind of political courage that is sorely needed to solve Oregon's own fiscal problems.

But Southern Oregon Congressman Bob Smith says the president's economic plan is too heavily dependent on new taxes and not nearly dependent enough on cutting runaway federal spending.

REP. BOB SMITH, R-OREGON: I thought he tried to diminish the impact of increased taxes--the largest tax increase, by the way, in the history of this country. But I think he did not follow through and tell us how Congress was going to control spending. That's been the key and the problem all along in my opinion. We have enough money in this government. Somehow we've got to control spending and Congress is responsible for that.

ROBERTS SUPPORTS CLINTON'S PLANS

KMTR TV CH 16 (EUG)

18 FEBRUARY 1993

5:02 PM

NEWSCASTER JIM BROWN: And Governor Roberts is putting her support behind President Clinton's sweeping economic recovery plan.

Roberts says that Clinton has shown the political courage that is sorely needed to solve Oregon's own fiscal problems. The governor says that Oregon leaders lead (sic) to, quote, "bite the bullet," as she put it, to deal with the fallout of Measure 5, the state's property tax limitation law.

STATEMENT BY GOVERNOR ROBERT P. CASEY
February 18, 1993

In his speech last night, President Clinton offered a plan for economic recovery and deficit reduction that was a bold and dramatic change from the economic and fiscal policies of the last 12 years. The plan would jump-start the economy with infrastructure investment, and tax credits for small business and businesses which target investment designed to spur economic growth.

The President's economic program strongly parallels our Pennsylvania programs for technology assistance to business, infrastructure investment, voluntary citizen service, youth apprenticeship programs, enterprise zone investment and strong financial support for children's programs like immunization and the Women, Infants and Children (WIC) nutritional program.

The plan would reduce the deficit by sharply reducing spending in over 100 areas of the national government. The tax proposals place the major burden for new revenues on those best able to afford it, while minimizing the impact on the middle class and the poor. The new jobs created by the proposal are designed to raise the income levels of middle class Americans; the expansion of the earned income tax credit will help working families. In fact, the biggest winners in the plan seem to be families with children.

We have not yet seen all the details of the plan. As these become available, further questions may arise. But as described last night, while each of us can find things in the plan we disagree with, the overall plan seems balanced and fair. When compared to the alternative of doing nothing and simply continuing present policies, which would only see the deficit continue to soar and the country suffer even further, the urgency of enacting the President's plan is compelling. He spoke with confidence and passion about the national interest, and all of us must remember that the national interest of our country is at stake here. Critics have the heavy burden of offering specific spending reductions or alternative tax measures in place of those in the President's plan with which they disagree. Anything short of that will be seen by the American people as narrow, partisan posturing of a kind which has already brought on the deep economic crisis in which we now find ourselves.

I believe the President offered a bold, new plan for economic growth and deficit reduction which is designed to get the country back on its feet again.

x x x



Bruce Sundlun
Governor

News Release

EXECUTIVE CHAMBER
The State House
Providence, Rhode Island 02903

FOR IMMEDIATE RELEASE

February 17, 1993

CONTACT: Barbara Cottam

(401) 277-2080

Governor Salutes President Clinton on State of the Union Message

• • • •

Calls Plan a 'Real Plan for Real Times'

Calling it a "real plan for real times," Governor Bruce Sundlun tonight said he was pleased with the tenor and tone of President Clinton's first State of the Union message to the American people.

"This is a real plan for real times," the Governor said. "By promoting public investment, deficit reduction and short-term growth, the President is trying to put people to work in the shortest time possible. The President is also asking all of us to make a small contribution now, so the economic prosperity of our children can be assured. He did not take the easy route with this State of the Union Address and he is to be commended for that."

Short -Term Economic Program Will Help States Immediately

The Governor commended the President for the 1993 discretionary program which will provide \$30 billion in funding for infrastructure improvements and will create 500,000 full-time and seasonal jobs.

"With this program, the states will have the ability to immediately begin the process of rebuilding our economies and our long-neglected infrastructures," the Governor said. "That is what we have been trying to do in Rhode Island with roads, the Convention Center and the airport."

-- more --

'Rebuild America' Provides Vision for Long-Term Economic Stability

Under the "Rebuild America" program, the President has proposed a \$48 billion longer term infrastructure package over the next four years which will target funding for the development of high-tech industries, highway improvements, airports, low-income housing, alternative energy and preservation of the environment.

"Rebuild America will help us move toward the sustainment of a stable economic future by improving our nation's infrastructure; increasing the availability of low-income housing; fostering the growth of new industries, and preserving our environment. All of this will help create jobs particularly in urban states such as Rhode Island," the Governor said.

Defense Diversification Program Will Aid Rhode Island

The Governor also noted that President Clinton's Defense Conversion Plan contains a program to retrain defense industry workers, which will help Rhode Island retrain its most valuable asset, its workforce.

"The defense conversion plan will help displaced workers learn new, permanent skills. This is vitally important for states such as Rhode Island where so many of our workers need retraining to provide the workforce necessary to attract those new industries which will eventually become the economic base of our future."

Health Care Funding Program An Investment In Nation's Future

Governor Sundlun said he was thrilled to see the President's commitment to health care for children in the State of the Union message.

"In Rhode Island we have the Rite Track program for young children. President Clinton knows full well the importance of ensuring that our children are healthy and ready to learn. Its no secret that healthy children are better prepared to take on the challenges of school and I am glad to see his economic plan includes funds for funding Head Start and WIC and providing vaccinations for children who need them."



News Release

From the Office of Governor Ned McWherter

For Further Information, Contact Governor's Communication Office
Director of Communication Ken Renner O) 615-741-3763 H) 615-331-4909
State Code-a-Phone 1-800-342-1483

STATEMENT FROM GOVERNOR NED MCWHERTER:

I'm encouraged by President Clinton's willingness to cut federal spending.

I'm also pleased to see his attention to cutting the deficit by \$500 billion in the next four years. It's the first real attention I've seen in years to getting the deficit under control.

Personally, I'm willing to make any sacrifice that is needed if President Clinton is willing to cut the deficit, cut spending, create jobs and stimulate the economy. I think the President deserves our support.

- 30 -

Statement of Ann W. Richards
Concerning President Clinton's
State of the State Address
February 17, 1993

President Clinton has given us a blue print for recovery. Americans are prepared to do their part to secure the future for our children. Thank heavens we have a president who believes in us enough to tell us the truth and is taking action for change.

This budget is particularly welcome in that it provides immunizations and Head Start for our children and funds the space station and the superconducting supercollider which will provide jobs for our future.

Howard Dean, M.D.
Governor



State of Vermont
Office of the Governor
Pavilion Office Building
Montpelier, Vermont 05609
(802) 828-3333

IMMEDIATE RELEASE
February 19, 1993

MONTPELIER -- Governor Howard Dean said today that after preliminary analysis of the Vermont tax impacts of President Clinton's economic plan, he saw no basis for changing spending targets or for delaying expiration dates of state tax increases.

"Any windfall from the President's proposal would appear to be in the \$2 million range for General Fund receipts," the Governor said. "That would not make much difference statistically in our revenue predictions.

"The spending target for the General Fund remains at \$656.8 million, and it still is in Vermont's best interest to retire the 1991 tax increases on schedule."

-- end --

CONTACT: Glenn Gershaneck, communications director, 828-3333, or
Administration Secretary William Sorrell, 828-3322



COMMONWEALTH of VIRGINIA

Office of the Governor

Richmond 23219

Lawrence Douglas Wilder
Governor

(804) 786-2211
TDD-371-0015

ADVISORY TO THE MEDIA

For more information, contact:
Glenn K. Davidson
(804 786-2211

GOVERNOR WILDER APPLAUDS PRESIDENT CLINTON'S NEW DIRECTION FOR AMERICA, COMMITMENT TO REDUCING OUR NATION'S MOUNTING DEBT

(RICHMOND, VIRGINIA -- February 18, 1993) Virginia Governor
L. Douglas Wilder issued the following statement this morning:

"Last night, President Clinton articulated a new course for America, one that will lead to ethics reform, an end to welfare as we know it, new efforts to combat violent crime, an overhaul of our health care system, and most importantly, a reordering of our government's priorities and practices.

"This agenda was not only tested on the campaign trail last Fall, it has worked right here in Virginia. As a former Governor, President Clinton understands the issues most important to the people, issues Virginians have been tackling for three years.

"Our ethics reform legislation now being considered came from the calls of the people. Our welfare reform and violent crime measures have been discussed in campaigns for years, but the people want action now. Our health care cost control measures approved last year reflected the need to maintain services while slowing the explosion of cost.

"And our reordering of Virginia government, cutting it down to size while improving vital services, is exactly what the people desire -- government that gives them their money's worth. The people are demanding that government work for them, and move beyond the failed policies of the past.

"The American people elected Bill Clinton to bring about change, and now Congress should work with our President to ensure that needed changes are implemented. To that end, President Clinton has taken the bold and necessary step of identifying our growing national debt as the number one threat to our future, and has challenged the Congress to find even more budget cuts than he has identified.

(MORE)

"The spending cuts President Clinton has already proposed are real and substantial. It is right to begin with cuts in the White House staff, to reduce the Federal bureaucracy, and to call on cabinet secretaries to find deeper cuts.

"Our experience in Virginia is that spending cuts must be demanded from the top and that the chief executive must have the will to see that these cuts are carried out, no matter how painful they may be. President Clinton may soon find that the public not only supports his efforts, but would like to see them followed up with further staff and program reductions.

"Furthermore, President Clinton has set the right priorities in regards to government spending. It is time to make substantial cuts in defense, to reform our health care system, to spend more on infrastructure and education, and to ensure that frugality does not get confused with a lack of compassion when it comes to vital services.

"As for his economic stimulus package, some have suggested that it is too small to affect current economic conditions. However, it should be remembered what this money is buying: Not just needed jobs, but vital improvements to our nation's roads and bridges that have for too long been neglected. Many Virginians will be supportive of these plans.

"We are at the start of a journey that will demand our nation's fullest attention. Now is the time to work with our President and to help him attain his vision of a nation working together to create a more prosperous future."



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (206) 753-6780

**Statement by Gov. Mike Lowry
Regarding President Clinton's economic plan
February 17, 1993**

President Clinton has outlined a plan that will be good for the country and good for the state of Washington. He has gotten straight to the heart of our economic woes by recognizing the problems caused by the astronomical deficit. We are a capital-intensive economy, and the federal deficit removes too much investment capital from our economy. The President's deficit-reduction plan will have a very positive effect on our future economy in the state of Washington.

I applaud the President's plans for improving our highways, protecting our environment, and stimulating business development. They fit closely with plans we're preparing on the state level, and together they'll do much to promote job growth here in the Northwest and improve our quality of life. His emphasis on health care reform also fits nicely with the health care reform package our Legislature is producing at this very moment. I'm happy to see his pledge to fully fund Headstart and the worker training programs that are so important to our future plans here in Washington. And his proposal to allow citizens to buy a higher education through service to our country is innovative and positive.

Finally, I absolutely agree with President Clinton's call to put aside partisan bickering and everyone work together to find solutions. We've all contributed to our current condition, and we all must help change our future. I thought it was a great speech and a well-thought-out plan, and I look forward to working with the President to make our state and country strong again.

Post-It™ brand fax transmittal memo 7671		# of pages > 1
To: Hubert Riley	From: Sheryl Hutchison	
Co:	Co. Copy: Communications	
Dept:	Phone: Director	
Fax #: 202-479-5156	Fax #:	

Charleston Gazette

Caperton denies he's waiting for Clinton

By Phil Kahler
STAFF WRITER

Gov. Gaston Caperton said Wednesday he hasn't been holding up his legislative agenda to see what action President Bill Clinton proposed in his State of the Union address.

Some legislators are grumbling because, eight days into the session, the administration has submitted only one bill to the Legislature — the budget bill.

Late Wednesday, Caperton said the delay was to build consensus among legislative leaders, not to follow Clinton's lead.

"We are working. I have outlined, as regards health care, what we want to do very specifically,"



Caperton

Caperton said. "We are meeting with the leadership to put that program together."

Administration bills should be reaching the House and Senate by late this week or early next week, Caperton spokesman Bob Brunner said.

Caperton, who received a White House briefing on Clinton's speech Wednesday afternoon, said he was encouraged the president is willing to make tough decisions on the economy.

He said of Clinton's proposed tax increases, "Nobody like taxes, but I think it is something that has to be done in order to make investments in the future."

Caperton said he has seen data showing the Clinton tax package will not hit West Virginia as hard as other states.

"The people who are most affected by the tax package are those who make over \$100,000, and we have a relatively small number of those," Caperton said.

package through Congress.

ment would also feel the pinch.

Please see PLAN, A10

Delegation pans speech; Sullivan praises friend Clinton

By DAVID HACKETT

Star-Tribune Washington bureau
with wire reports

WASHINGTON — If President Clinton's speech Wednesday night had been a movie, the Wyoming congressional delegation would have walked out.

Though the duration of the speech approached the length of a feature film, the three Wyoming lawmakers found virtually nothing in it worthy of praise.

Wyoming GOP Sen. Malcolm Wallop and GOP Rep. Craig Thomas both said Clinton's presentation was long on taxes and spending proposals, short on deficit reduction.

In Cheyenne, Gov. Mike Sullivan said President Clinton's speech Wednesday night was "clearly a call for change."

"I was impressed with the breadth and specific nature of the proposal," Sullivan said. "It was clearly a call for change, punctu-

ated by what I see as honesty, fairness and balance.

"It was ... clearly an effort to be honest with everybody, saying 'OK, let's put aside the arguing. Let's not blame each other,'" said Sullivan, a Democrat and friend of Clinton. Still, Sullivan said, Wyoming residents have to realize the plan will impose some pain and sacrifice.

Sen. Alan Simpson, R-Wyo., expressed a similar reaction but said he was at least encouraged by

Clinton's call for the administration and Congress to agree on a single set of numbers to use in calculating the budget.

All three Wyoming legislators said they were appalled by Clinton's proposal to impose an energy tax based on British Thermal Units (BTUs). A BTU is the amount of energy needed to raise the temperature of 1 pound of water one degree Fahrenheit.

Wallop produced a chart which he said proves that the average

Wyoming family will pay \$300 per year under a BTU tax. The proposal also will undermine the national energy bill approved by Congress last year, he said.

"The problem is that it's government again trying to decide amongst things in the marketplace," he said.

Thomas said the BTU tax would be particularly hard on coal producers because coal is high in BTUs as compared to other fuels.

Please see REACTION, A10

Reaction

Continued from A1

Wyoming is the largest coal producing state in the country.

"In Wyoming, we're probably more sensitive to the energy tax proposal that he has because it has the potential to have the greatest impact on our economy. We're clearly an energy-based economy," Sullivan said.

Wallop said figures released by the White House show that there will be only 31 cents in savings for every dollar in new taxes.

Simpson said the BTU tax will be exceedingly difficult to levy and administer. "It seems to me we're going to have a whole nation of people with calipers and tubes to come up with that" tax, he said. Simpson said, however, that he thinks there is a faint hope for significant deficit reduction if Clinton listens to his deputy budget director, Alice Rivlin, and Office of Management and Budget director Leon Panetta.

Panetta and Rivlin are both "great deficit fighters," said Simpson, and can steer Clinton in the right direction if he lets them.

Clinton package means millions for state's roads, national parks

By DAVID HACKETT

Star-Tribune Washington bureau

WASHINGTON — A U.S. Transportation Department official said Wednesday that Wyoming could receive nearly \$21 million in additional funds this year for highway and mass transit projects under President Clinton's economic stimulus package.

Gary Carver, assistant chief engineer for planning and administration for the Wyoming Department of Transportation, said the additional funds would only bring Wyoming even with the amount it should have received in the fiscal 1993 Transportation Appropriations bill.

Wyoming also will benefit from supplemental expenditures by the U.S. Interior Department, though the exact amount was unknown Wednesday.

U.S. Interior Secretary Bruce Babbitt said Clinton's economic stimulus package will provide about \$460 million to his department, most of which will be spent on Indian reservations, national parks and wildlife refuges.

Babbitt said parks and reservations are particularly well suited for the stimulus package because they face billions of dollars worth of immediate needs such as road repairs and con-

Please see WYOMING, A10

Babbitt: Wyoming won't be charged more for royalty management costs

By DAVID HACKETT

Star-Tribune Washington bureau

WASHINGTON — With a word Wednesday, U.S. Interior Secretary Bruce Babbitt may have gone a long way toward settling the question of whether states should pay more of the costs of managing the federal Royalty Management Program.

The word was "no." It was Babbitt's response at a press conference Wednesday when asked whether his department would follow the Bush administration in seeking to force states to pay more royalty management costs.

Please see ROYALTIES, A10

THE WHITE HOUSE
WASHINGTON

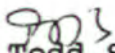
March 3, 1993

MR. PRESIDENT:

Attached is (i) a list of the people killed in the World Trade Center bombing, together with phone numbers for their closest survivors; and (ii) a phone list and some biographical information on the Treasury agents who were killed in Waco (listing closest survivors) and those who were injured.

The memo regarding the Treasury agents recommends calls to the families of the killed agents and one conference call to the hospitalized agents.

I am sending a copy of this material to the Oval Office as well as to the residence.


Todd Stern

THE WHITE HOUSE

WASHINGTON

March 2, 1993

MEMORANDUM

TO: The President
FROM: Katey Newell, Scheduling Assistant
RE: Names and numbers for phone calls

NYC Fire Department rescuer

Kevin Shay (516) 399-5581

People killed in bombing at World Trade Center

John DiGiovanni (516) 825-6610
mother: Anna
brother: Earnest

Robert Kirkpatrick (914) 357-7814
wife: Evelyn

Steven Knapp (718) 356-3710
wife: Louise

William Macko (201) 339-2802 son, Michael Macko
(201) 339-3585 relative, Joseph Macko

Monica Smith (516) 826-0206
husband: Edward
parents: Nellie & Ernesto Rodriguez
brothers: Ernie, Jay, Vito, & Patrick Rodriguez

* NOTE: The family is leaving the country tomorrow evening (03/03/93). They will be available tonight or tomorrow afternoon. Monica is the only woman who was killed; she was pregnant.

M E M O R A N D U M

TO: Ricki
FROM: Ann
DATE: March 2, 1993
RE: Treasury Agents - WACO

*Mancini
what do you
think??
Ricki
cc: George*

Attached is information on the deceased and injured ATF agents and their families. There are two agents from Little Rock on the injured list and at least one -- Bill Bufford -- knows the President.

Josh Stelner will be with Roger Altman in Waco this morning visiting the injured agents. He will call this morning if there is anything new to report.

My recommendation is to have the President place individual calls to the each of the four families of the deceased agents and one "group" call to the injured agents via teleconference. This could be set up as a conference call to the hospital room of each of agent and the President would be plugged in as we normally do for other group calls. (There is a ATF telephone agent at the hospital in Waco who can assist in making this happen.)

This would be a total of five phone calls for the President to make today and he has phone time allotted in the schedule between 2:15 - 3:30 today.

If, in addition to calling the injured agents and the families of the deceased, the President could place a call the office here, headed by Steve Higgins (Director of ATF), to be broadcast on the speaker phone in a conference room, it would do a great deal for morale during this difficult time.

As you can imagine, this has really affected all ATF agents and they have been working around the clock under tremendous emotional strain.

Let me know how you want to proceed.

CONTACT LIST
DECEASED ATF AGENTS
FEBRUARY 28, 1993

STEVEN DAVID WILLIS DOB: 12/18/60
survived by:
John and Evelyn Willis parents
759 Thistlewood
Houston, TX
(713) 531-5189

ROBERT J. WILLIAMS DOB: 03/01/66
survived by:
Cindy Williams wife
1113 North Oaks Lane
N. Little Rock, AR 72118
(501) 758-3689

Cindy is temporarily at her parents' home
Bill & Linda Patton
2114 Shadowlawn
Brandon, MS
(601) 932-2763

CONWAY LeBLEU DOB: 12/23/62
survived by:
Paige LeBleu wife
2106 West Pleasant Ridge
Hammond, LA 70403
(504) 542-1435
and two sons:
Scott, 11 years old
Cameron, 1 1/2 years old

Paige is temporarily at her father's home
Wayne Robertson
Lake Charles, LA
(318) 855-2891

TODD W. MCKEEHAN DOB: 10/19/64
survived by:
Leslie McKeehan wife
2023 Rue Pinckey
Mandeville, LA 70448
(504) 626-5618

Leslie is temporarily at her parents' home
Mr. and Mrs. Bishop
Elizabeth, Tennessee
(615) 542-6158

Department of the Treasury

Bureau of Alcohol, Tobacco and Firearms



ATFNEWS



Washington, DC 20226

24 Hour Telephone: (202) 927-8500

Biographical Information on ATF Agents Who Were Killed

Special Agent Steven David Willis of the ATF Houston Field Division worked out of the Houston Post of Duty. Born December 18, 1960, he graduated from Southwest Texas State University in San Marcus, Texas, with a B.S. in Criminal Justice, in December of 1986. Before joining ATF in Houston in July of 1990, he worked for 3 years as a special agent with Defense Investigative Service.

Special Agent Robert J. Williams of the New Orleans Field Division worked out of the Little Rock, Arkansas Post of Duty. Born March 1, 1966, he worked for ATF for 4 years, entering duty on October of 1988. Special Agent Williams, a graduate of Florida State University, was from Jackson, Mississippi, and is survived by his wife.

Special Agent Conway LeBleu of the New Orleans Field Division worked out of the New Orleans Post of Duty. Originally from Lake Charles, Louisiana, the 30-year-old special agent was a graduate of McNeese State University and had been with ATF for over 5 years. He is survived by his wife and 2 sons.

Special Agent Todd W. McKeehan of the New Orleans Field Division worked out of New Orleans Field Division, and he has been an ATF agent for over 3 years. The 28-year-old was from Elizabethton, Tennessee, and a graduate of Eastern Tennessee State University. He was a veteran of Desert Storm. Special Agent McKeehan is survived by his wife.

PROFILE OF HOSPITALIZED ATF AGENTS

1. Larry L. Shiver, age 40, married to Paula. One child, Scott, age 18+. He has been with ATF for 5 years. Previously with the Houston Police Department. Currently resides in Spring, Texas. (Hillcrest Baptist Hospital, Waco, Texas (817) 756-8841)
2. Eric E. Evers, age 28, married to Cheryl Ann Evers. No children. He has been with ATF 2 years. Previously with the El Paso Fire Department. Currently resides in Spring, Texas. (Hillcrest Baptist Hospital, Waco, Texas (817) 756-8841)
3. John William "Bill" Buford, Jr., age 48, married to Mary Buford. Five children, age 27 down to 20. Bill has been with ATF for 21 years and is a supervisory special agent. Bill was in charge of one of the special response teams (SRT) raiding the compound. Bill is stationed in Little Rock, Arkansas and is chairman of Law Enforcement Torch Run for Special Olympics (Arkansas). Bill, in his chairman capacity of different organizations has had the pleasure of introducing President Clinton before various group. Exact relationship unknown. Currently resides in North Little Rock. (Hillcrest Baptist Hospital, Waco, Texas (817) 756-8841)
4. Kenneth M. King, age 49, married to Maria King. Two children, ages 20 and 19. Kenny has been with ATF for 15 years and is a supervisory special agent in New Orleans. Kenny was in charge of one of the SRT's that raided this compound. Kenny was formerly with the Florida Highway Patrol. Currently resides in Slidell, Louisiana. (Providence Hospital, Waco, Texas (817) 251-4127) Presently in ICU.
5. W. Glen Jordan, age 30, married to Ronnie Jordan. No children. Glen has been with ATF for 5 years. He is presently stationed in Little Rock, Arkansas and resides there as well. (Hillcrest Baptist Hospital, Waco, Texas (817) 756-8841)
6. Dennis Keith Constantino, age 37, divorced. Three children, ages 12, 11 and 8. Keith has been with ATF for 8 years and was previously employed with the Louisiana State Police. He is stationed in Baton Rouge and resides there as well. Girlfriend "Jan" may be at the hospital. (Hillcrest Baptist Hospital, Waco, Texas (817) 756-8841)
7. John Risenhoover, age 29, married to Karen Risenhoover. John has been with ATF for 4 years, hired following his graduation from Baylor University.

Currently stationed in San Antonio, Texas and he resides there as well. (Hillcrest Baptist Hospital, Waco, Texas (817) 756-8841)

The SRT teams lead by King and Buford suffered many of the casualties and several of the fatalities.

ATF PERSONNEL UPDATE
WACO TEXAS
MARCH 1, 1993 2100 HOURS

<u>NAME</u>	<u>FIELD DIVISION</u>	<u>CONDITION</u>
1. STEVE WILLIS	HOUSTON	DECEASED
2. ROBERT J. WILLIAMS	NEW ORLEANS	DECEASED
3. CONWAY LEBLEU	NEW ORLEANS	DECEASED
4. TODD MCKEEHAN	NEW ORLEANS	DECEASED

<u>NAME</u>	<u>FIELD DIVISION</u>	<u>CONDITION</u>
1. LARRY L. SHIVER	HOUSTON	GOOD
2. ERIC E. EVERS	HOUSTON	GOOD
3. ROLAND BALLESTEROS	HOUSTON	RELEASED
4. MARK A. HANDLEY	HOUSTON	RELEASED
5. J. WM. BUFORD	NEW ORLEANS	GOOD
6. W. GLEN JORDAN	NEW ORLEANS	GOOD
7. KENNETH M. KING	NEW ORLEANS	STABLE/IMPROVING
8. KEITH CONSTANTINO	NEW ORLEANS	GOOD
9. JOHN RISENHOOVER	HOUSTON	GOOD
10. MICHAEL RUSSELL	DALLAS	RELEASED
11. STEVEN M. STEELE	DALLAS	RELEASED
12. GERALD PETRILLI	DALLAS	GOOD
13. CLAY ALEXANDER	NEW ORLEANS	RELEASED
14. CLAIRE E. RAYBURN	HOUSTON	RELEASED
15. SAM COHEN	DALLAS	RELEASED

THE WHITE HOUSE

WASHINGTON

March 8, 1993

MEMORANDUM TO WHITE HOUSE STAFF

FROM: JOHN PODESTA
TODD STERN ^{ADS}

SUBJECT: BRIEFING BOOKS

With six weeks under our belt now, it is time for a few mid-course corrections in the briefing book process. We have been getting better, but there are still some rough spots.

Be Complete But Concise

We are oscillating a bit between giving the President too little material and giving him too much. On his trip to California, there were some important matters not covered; on his trip to New Jersey, he had so much paper he couldn't get through it all. And the same problem has been evident in his nightly briefing books.

In preparing materials, we should think through what the President needs to know about a particular event or issue so that he can be well informed, accomplish the strategic purpose of the event or meeting, answer questions, etc. We should not assume that he knows so much already that he doesn't need our discussion points or background paper. He does. And it is our job to provide him with sharp, clear and complete materials.—

On the other hand, we do the President no service if we overload him. Eight or ten pages of background for an event almost never makes sense. Two pages of discussion on an event location (a college, a company, etc.) can usually be boiled down to an informative half-page. We have to exercise sound judgment and give the President what he needs to know, but not a lot more.

Delivery of Briefing Book Paper to Our Office

The drill so far has been for people to deliver 12 copies of briefing book papers to our office, with material routinely walking in between 7 and 9 pm.

We are hereby changing the drill. One copy of any material for the briefing book -- whether an event/meeting memo,

background, discussion points, remarks -- should be delivered to our office by 5 pm unless there is an unusual, extenuating reason why that deadline can't be met. Feel free to fax it (x2215) or walk it over or -- once we're all up and running on OASIS -- to e-mail it.

The reason for giving us one copy at 5 pm rather than a dozen at 8 pm is that, first, it will give us a chance to make some edits if necessary and, second, it will enable us to get the book to the President at a decent hour. Once we have cleared a given briefing paper, we will let you know and you can then bring us an original on bond paper plus 11 copies.

WE URGE EVERYONE TO GET PLUGGED IN TO OASIS SINCE E-MAILING DRAFTS TO US WILL BE FAR MORE EFFICIENT THAN ANY OTHER MEANS OF DELIVERY -- BETTER FOR YOU AND BETTER FOR US. We should be ready to roll on this end by Thursday.

Monday Briefing Book

Until now, paper for the Monday briefing book has been coming in as late as Sunday night. That isn't good for the President and it isn't good for staff. From now on, one copy of all paper for the Monday briefing book should be delivered to us by **noon Saturday** so that we can get the book to the President by mid-afternoon.

Remarks/Talking Points -- Format

We have run into some format confusion on account of the different uses of the term "talking points". Sometimes "talking points" refer to a stand-up, quasi-speech. Sometimes they refer to discussion points for the President to make in the course of a meeting in the Oval Office or elsewhere. For purposes of clarity, we are going to refer to any address that the President delivers -- even if it's only two minutes long -- as a "speech" or "remarks". We'll use "talking points" in the sense of discussion points in a meeting.

"Remarks" for the President should be delivered to us in two formats. One, for the President, should be triple-spaced in large type with no paragraph running onto the next page. The second should be in the ordinary, single-spaced, small-type format. The reason for giving us the latter is that we have to distribute a number of copies of the President's briefing book and there is no point putting the President's 40-page version into these other books when a small-type, six-page version would do. Let's save a little wood.

Talking, or discussion, points should be prepared in ordinary, small-type format.

PLEASE DISTRIBUTE THIS MEMO TO EVERYONE IN YOUR DEPARTMENT WHO WORKS ON BRIEFING BOOK PAPER.

Distribution List

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THE WHITE HOUSE
WASHINGTON

93 MAR 6 P2:42

March 6, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Susan Brophy *MB*
SUBJECT: Weekly Congressional Report (March 1 - 5)

I. SUMMARY

The House and Senate passed the emergency unemployment compensation program, the first piece of legislation to implement your economic plan.

II. DISCUSSION

Senate - The Senate voted 66 to 33 to continue the federal supplemental unemployment benefits program. Ten Republicans voted for final passage. Of particular significance is the 57 to 43 party-line vote against the Packwood "pay for" amendment, which was a strong indicator of your support in the Democratic caucus, particularly in light of the fact that this is an issue that some Senators had genuine reservations about.

On Thursday, the Senate took up the Motor Voter Bill. The Democrats lost a cloture vote by a margin of 52 to 36 on a motion to proceed. This was not unexpected since Dole had reportedly asked Republicans to support him on the first vote. Despite this entreaty, Hatfield voted with the Democrats. Twelve Senators, including six Democrats, were absent. The next vote on the motion to proceed is expected on Tuesday, we anticipate additional Republican defections.

Last week the Senate also confirmed William Perry to be Deputy Secretary of Defense.

Following the vote on final passage of Motor Voter, which may come as early as Wednesday, the Senate is expected to consider the authorization of the National Commission to Ensure a Strong and Competitive Airline Industry, which has passed the House on suspension this week.

The Senate Budget Committee will begin mark-up of the budget resolution beginning on March 9. The Committee vote is expected on Wednesday, March 10. You are meeting with the Democratic members of the Senate Budget Committee on Tuesday. In addition,

you are also meeting on Tuesday with fourteen conservative Democrats, led by Senator Boren, who have expressed reservations about the size and timing of the stimulus package.

The Senate Judiciary Committee will begin hearings on the confirmation of Janet Reno for Attorney General on Tuesday, March 9. The Committee vote is expected on March 10.

Ambassador Kantor testifies Wednesday before the Senate Finance Committee on GATT, NAFTA and the parallel agreements. Panetta and Tyson will testify before the Government Affairs Committee on enhanced rescission.

House - In addition to passing emergency unemployment legislation, the House voted 333 to 86 to reform the Hatch Act to ease political restrictions on federal workers. The House also considered several other non-controversial matters under suspension of the rules.

The House will go into session on Tuesday and will consider one measure on the suspension calendar. On Wednesday, the House will consider NIH Reauthorization. The issue of permitting the entry to HIV-positive people to the United States will inevitably arise since it has been voted on in the Senate. In order to avoid an awkward vote, the tentative plan is to adopt a "self-executing" rule which would allow members to vote on this controversial issue as part of the rule that is necessary to proceed with the legislation.

The House may also try for another vote for continued appropriations for its four select committees. Whip counts have indicated little support for the select committees, whose funding runs out on March 31.

The House Budget Committee is expected to markup the budget resolution on March 10, floor action is expected on March 16. You are meeting with the Democratic members of the Budget Committee on Monday afternoon.

The House Appropriations Committee expects to complete committee action on the stimulus package this coming week. Consideration of the stimulus package by the full House will follow the budget resolution.

Secretary Bentsen testifies before Ways and Means; Panetta and Tyson before House Government Operations and Ambassador Kantor will discuss general trade issues before Ways and Means on Wednesday. Secretary Christopher goes before the House Appropriations Subcommittee on Commerce, Justice and State to discuss the reorganization of the State Department. Secretary Shalala will testify before Ways and Means on immunization policy

and Medicare cuts. Administrator Browner will go before Energy and Commerce's Subcommittee on Oversight and Investigation to talk about past contracting problems in the EPA.

THE WHITE HOUSE
WASHINGTON



March 6, 1993

MR. PRESIDENT:

Attached is a memo that Gene Sperling originally wrote for staff, including George, Laura Tyson, Leon Panetta and Bob Rubin. Bob thought you'd like to see it.

TDS
Todd Stern



MARCH 4, 1993

93 MAR 5 P8:55

MEMORANDUM TO THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: INVESTING IN AN INVESTMENT STRATEGY

While our plan continues to be well-received, there is a disturbing political logic that now exists that the price for passage of the body of our package, is that we will have to sacrifice the heart of the investment agenda that the President took to the American people. Part of the logic is found in the nature of trying to both cut the deficit and increase new investments in an appropriations process that looks initially at total numbers.

Yet, another aspect is that with every new deficit adjustment, or call for more cuts, the easiest thing to do is stay with the status quo, as opposed to change by cutting existing programs to invest in the new investment package that the President ran on. The CBO revisions of our plan will only accelerate the pressure toward cutting our investment package.

It is therefore imperative that we come forth with a strategy to elevate our investment package so that Congress feels as much pressure to preserve our investments as some of them feel to make spending cuts. We should not go too far in telling ourselves that we are confined by Congressional reality. What we have learned over the last few months is that what we do shape political reality. We are controlled by the reality of \$140 billion, as opposed to the deficit target because we -- rightly or wrongly -- made it a seemingly immovable benchmark.

We did not come this far to let inertia and business as usual stop us from fulfilling the President's vision in Putting People First. Our mission now must be to build support for the specific provisions of the President's investment agenda so that members of Congress feel that a major constraint on their behavior is not just that they must cut the deficit, but that they must pass our investment package.

1. WE MUST COMMUNICATE THAT WE ARE PAYING FOR ALL OF OUR NEW INVESTMENTS WITH SPENDING CUTS:

I believe we must make a decision to go with the following message:

We are cutting spending to fund our new investments and ask every American to contribute to get the deficit down.

I am acutely aware of the arguments against a formula that communicates that taxes are for deficit reduction. I know the studies that show that people are more likely to support taxes for growth than taxes for deficit reduction. I know that we want to tell people what they

are getting for their small contribution. And I am a great believer in the power of dedicated taxes as a means of highlighting value choices and letting people know where their dollars are going.

But I have also been taught by my mentors on the campaign the power of clarity and simplicity. Gramm right now seeks such clarity with two simple propositions. 1) Lets cut this massive tax package by cutting our massive spending package. 2) Lets cut the deficit, but rely more on cutting spending than on raising taxes. Both conjure up the image that we are spending a lot and cutting spending too little. That is the image that hurts us.

The way to combat this image and to frame positively the President's message is to directly tell people how our new spending compares to our spending cuts. We need to directly match in people minds our new spending versus our spending cuts. We accomplish two major goals by doing this. One, we let people know that we are paying for every cent of our new investments with cuts in spending. Two, we frame the debate in the terms that allow the President to communicate his message: it is not spending but the composition of the spending -- investment versus consumption -- that is at the heart of his message.

Even if we count Social Security as a tax, we can still state that we pay for every cent of new investments with spending cuts, while saving tens of billions for deficit reduction.

If we match new spending (investment) to spending cuts, that means we then must isolate the tax increases for deficit reduction. Or we can say that we are raising taxes to spur private investment by reducing the deficit and providing pro-investment tax incentives. While ideally it would be best to link taxes to new investment, in light of the overall context we face, we should be willing to frame the debate this way. Indeed, the notion of higher taxes -- with the rich paying more -- is a straightforward manner to communicate the notion of fair contribution for the national interest.

2. WE NEED THE MIRROR IMAGE OF OUR SPENDING CUTS STRATEGY:

On the cuts we learned that it is easy to be for cuts in general, but nearly impossible to be for cuts in specifics.

The mirror image is true here concerning our investment package. It is easy to be against our investments in general, but is very hard to be against the specifics of our investment plan.

It is easy to be for cutting our "big spending package." It is easy to shave 15% off a large and vague invest in America proposal. By failing to bring the specifics of our plan to life, we allow it to be defined as one large investment package or as a list of tens of new spending programs. If we allow our plan to be nothing more than vague statements -- investing in people or rebuilding America -- our investments are easy to cut.

On the other hand, if we can highlight and elevate our specifics, we can make it considerably more difficult to oppose our investment plan. We must communicate that the question is not are you for scaling back Clinton's large investment plan, but are you for 100,000 new cops on the street? More child immunization? More training for displaced workers? National service and college opportunity? Head Start?

Thus, we must devise a strategy whereby the President so elevates the investments that it makes it difficult for members of Congress simply to cut them back with seemingly innocuous shaves of our investment package.

3. WE MUST BRING THE INVESTMENTS TO LIFE BY POWERFULLY DESCRIBING THE MAIN COMPONENTS -- WHILE AVOIDING GENERALITIES AND LAUNDRY LISTS.

The risk in highlighting our specifics is that we run the risk of sounding like we have only a series of isolated spending programs -- which will also make cutting too easy.

The solution to me seems to be to find a medium ground: a set of five to seven sub-themes that organize and provide context to several of our main proposals. The sub-themes should be compelling, and should be framed so that support for the specific programs is seen as essential to support for the sub-theme. For example, one sub-theme could be in an invest in children's agenda or a parents and children agenda. Bill Clinton would make a powerful case for why we need to invest in a new pact with parents and children. Each of the programs would be seen as essential to that mission and opposition to his program, would be portrayed as an effort to gut an investment in children's agenda.

One note is that I believe we probably need to be more specific than if we were just devising a speech. The reason is that if we just say "invest in people" it does not create a mandate for any specific programs or enough of a constraint against gutting a new proposal. Below is one suggestion for six sub-themes that, while general, are specific enough that they are dependent on a few critical programs to make any of them real.

A New Compact with Parents:

- Head Start
- WIC
- Parenting
- Child Support Enforcement
- Better Schools

Life Long Learning:

- Apprenticeship
- Displaced Worker Initiative
- Defense Conversion
- National Service (or as a separate category)

Rewarding Work:

EITC

Welfare Reform

High Wage Jobs Strategy:

Stimulus

Technology

Small Business

Community Development and Enterprise Zones

21st Century Infrastructure

Safer Neighborhoods:

100,000 Cops

Boot Camps

Safe Schools

Another choice would be to simply pick out five specific programs that we want to elevate.

Framing the Lifelong Learning Message: I think we could do better about expressing to people how our program would directly affect people's lives: the notion that at every point of a person's life, we are interested in empowering people to invest in themselves. First, we want a new children agenda that stresses empowering parents. Second, we want to bring about real change in schools when your child is between 5 and 18. Third, we want to offer every young person in every family a path to a high wage, high skilled job. If you want to go to college, we offer you the National Service Trust Fund. If you don't think College is for you, we offer you apprenticeships. [We can still stress National Service more and heavily, but putting it together with apprenticeships allows us to tell every family that we have something to offer their teen children.] Finally, education is lifelong, so that we need a universal training approach.

4. SUPPORT FOR EACH INVESTMENT AREA IS A REFERENDUM ON CHANGE:

We must communicate to people that passage of our investment package represents tangible change in a new direction, and opposition to it represents gutless enslavement to the status quo.

We use the backdrop of what is really going on in Congress --- members will resist the changes we want because it is easier to simply keep things as they are than to make cuts in old priorities, than to make the cuts we need to afford the changes to promote new priorities.

One formula for doing this may be to have the President state the seriousness of a problem and then make clear in as dramatic fashion as possible that his plan offers change so that it seems like a terrible loss not to support the President's package. It could set up the problem, the cost of doing nothing, the hope of change if we only pass the President's package.

[Today, ____ workers lose their job, and have little hope for finding a new one that pays as much. The costs are high. Yet, we finally have a chance to change this.....

Today, there are more children in poverty in the richest country in the world. The costs are high..... We've ignored this problem too long, but if we were to pass my package, we could make history.

5. THE PRESIDENT'S ROLE: We should look for every avenue we can to put pressure on Congress to make it difficult to cut our investments, but it will not happen unless the President personally elevates and communicates the goals he would like to accomplish, and does so with a certain amount of force and drama.

Certainly the Radio address is one opportunity. But, I think this must go beyond simply doing a Head Start event or a training event. There must be a clear message from the President that there is a five part package that must be passed, and there must be a sense that those who opposed those investments have voted against something the American people want -- training, education, roads and bridges and National Service. Perhaps, he needs a major speech on the need to do both, and that real change requires both investing in ourselves and bringing down the deficit to spur private sector investment.

6. OTHER EVENTS: We should seek to consider high profile events that specifically put pressure on Congress to support specific investment initiatives. There is strong support in the business community to do more for education and to invest in Children. There should be an Invest in Children day organized by 100 top business leaders and CEOs -- who would go to Congress and hold an event with Congressional leaders stating the economic case for investing in people. Their message: no matter what else you do, support the President's 10-part Putting People First agenda. The package would be 1) Immunization; 2) WIC; 3) Head Start, 4) Empowering Parents 5) Educational Reform, 6) Apprenticeships, 7) Jobs Corp, 8) National Service, 9) Worker Training and, 10) Earned Income Tax Credit.

By focusing only on the investment in children and people proposals -- we can get agreement from a wide array of business leaders. If we hype and focus on are you for or against these people investments, we greatly strengthen their hands, and there will be strong pressure for Republicans to go along with these business leaders.

THE WHITE HOUSE
WASHINGTON

March 4, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Susan Brophy

SUBJECT: Request For A Meeting With You From Senators
Feinstein and Boxer

I. SUMMARY

Senator Feinstein had a meeting yesterday with Larry Smith, a deputy to Secretary Les Aspin. Smith did not share the list of base closures with Feinstein, nevertheless, based on the conversation, she left the meeting with great concern about the future of California military facilities and has requested a meeting with you and Senator Boxer for Friday.

II. DISCUSSION

This is obviously a very sensitive political matter. However, Howard and I believe that this request should be denied until we have better control of the process and understand where the political minefields exist. It is our expectation that Senator Feinstein will attempt to call you directly to make this pitch when she is told that her request cannot be honored at this time.

We recommend that you not return her call and we will deal with Senators Feinstein and Boxer at this time.

005560

THE WHITE HOUSE
WASHINGTON

MEMORANDUM

To: The President
From: Bruce Lindsey
Date: March 4, 1993
Re: Drug Czar

Attached is the decision memo recommending Lee Brown for drug czar. Hillary had some concerns about Brown, but others do not share her concerns.

If you approve and want to call Brown yourself, his telephone number in Texas is (713) 639-1992.

005612

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE LINDSEY, *BL* Director of Presidential Personnel
DATE: March 2, 1993
RE: Director, Office of National Drug Control Policy

I. DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

The Director of the Office of National Drug Control Policy (the "ONDCP") has the statutory responsibility to exercise leadership on policy, management and budget issues relating to drugs. With the Director now having Cabinet status, the Director will be a very critical advisor to the President.)

At present, 32 different agencies or offices are involved in with drug enforcement and treatment issues, making policy coordination critical.

With respect to management coordination, the Director is responsible for analyzing the effectiveness of current operating structures and responsibilities. By statute the Director makes an annual report regarding recommended organizational changes.

The Director plays a key role regarding the budgets for all drug programs. Any budget item from any agency which relates to or concerns drugs must be reviewed by the Director. The Director must then certify, in writing, that the budget item and amount will accomplish the goals for which funding is sought. This authority can be utilized to bring coherence to national drug policy and priorities.

III. RECOMMENDATION

I recommend that you approve the appointment of the following individual:

LEE P. BROWN, of Texas, to be the Director, of the Office of National Drug Control Policy. Brown brings a wealth of experience in law enforcement and public policy, having served as Commissioner of the New York Police Department and the top law enforcement official in Houston and Atlanta. Brown is known for implementing "community-based" policing in Houston and New York City. He has three graduate degrees, including a Ph.D in criminology from the University of California in Berkeley.

Approve _____

Disapprove _____

THE WHITE HOUSE
WASHINGTON

March 6, 1993

MEMORANDUM TO THE PRESIDENT

FROM: JOHN PODESTA *JJP*
SUBJECT: DAVIS-BACON SUSPENSION

Earlier this week, I forwarded to you a document revoking President Bush's proclamation suspending Davis-Bacon for areas affected by Hurricanes Andrew and Iniki.

You asked that I withhold filing of the revocation until you had more information on the costs of this action on remaining rebuilding efforts.

Attached is a memorandum from Bob Reich and Tom Williamson which responds to your request and urges you to move forward with the action. They have provided only a high end calculation based solely on President Bush's economic assumptions in taking the original action. President Bush's economic assumptions and resulting economic savings seem dubiously high.

Governor Waihee is particularly anxious that we move forward with this action because it is preventing Hawaiian contractors from bidding on federal projects.

I would recommend that you go forward with the revocation.

[] Agree

[] Discuss

005876

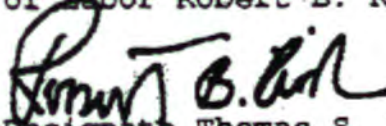
U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

March 5, 1993

93 MAR 5 P6:07

MEMORANDUM TO THE PRESIDENT

FROM: Secretary of Labor Robert B. Reich
and 
Solicitor-Designate Thomas S. Williamson, Jr.


SUBJECT: Lifting Suspension of Davis-Bacon
in Hurricane-Affected Areas

As requested, we have attached additional information on the estimated economic and fiscal impact of lifting the existing suspension of Davis-Bacon in Hawaii and hurricane-affected areas of Florida and Louisiana. We recommend that the suspension be lifted and that you take into account the following factors:

- o The decision to suspend Davis-Bacon in the hurricane-affected areas was made by the Bush Administration a few weeks before the election.
- o As a practical matter, the suspension of Davis-Bacon commonly has the effect of excluding contractors who rely on union labor from bidding on federal construction projects. For example, the Governor's Office in Hawaii and the Hawaii members of the House have complained that the existing suspension means that most Hawaii construction contractors are barred from competing for federal construction contracts even though emergency conditions no longer exist.
- o National representatives of organized labor view the suspension of Davis-Bacon as an effort to weaken the labor movement in the affected areas.
- o Lifting the suspension of Davis-Bacon is consistent with our commitment to promoting high wage, high performance jobs.
- o The suspension of Davis-Bacon would continue to be applicable to the wages paid under all ongoing contracts that have previously been awarded. Therefore, the savings related to those contracts will be unaffected, and an orderly transition to reinstatement of Davis-Bacon can be achieved.

Attachment

Economic and Fiscal Impact of Reinstating Davis-Bacon in Hurricane-Affected Areas

This memorandum concerns the economic and fiscal impact of reinstating Davis-Bacon in hurricane-affected areas in Florida, Louisiana and Hawaii. Based on the information used by the Bush Administration to justify the suspension, we estimate that the remaining potential savings in the cost of federal construction contracts, if the suspension remained in effect for a full year, would be under \$100 million.

When the Davis-Bacon Act was suspended by the Bush Administration, it was estimated, based on certain loosely defined assumptions, that such action could reduce labor costs over a one-year period by about 25 percent. It was assumed that labor accounts for approximately 30 percent of the cost of a typical construction project; therefore, the costs of Davis-Bacon projects in the affected areas could possibly be reduced by about 7.5 percent (*i.e.*, $30\% \times 25\%$). The total projected amount of Davis-Bacon covered construction in the affected areas, including the additional expenditures associated with hurricane and relief efforts, was estimated to be \$3.4 billion. Based on the estimated 7.5 percent savings rate, the maximum amount of savings would be about \$255 million.

This maximum estimated savings figure needs to be qualified in certain respects. For example, we think that it would be realistic to assume that 95 percent of the contracts have already been awarded for the estimated \$818 million in covered construction which was appropriated specifically for hurricane restoration work, resulting in savings to date for these contracts of approximately \$58.28 million. The estimated additional savings for non-hurricane construction that could result if the suspension remained in effect for a full year should also be reduced to reflect the fact that the suspension has already been in effect since October 14, 1992. In other words, more than five months will have passed before the proposed revocation of the suspension would become effective. By the time the contracts are actually awarded, six months or more will have passed. Accordingly, the presumed additional savings should be reduced by at least 50 percent, or \$96.83 million, for savings already achieved on construction not directly related to hurricane restoration work. As a result, our best estimate of the maximum additional savings would be \$99.9 million.

Other considerations suggest that the \$99.9 million estimate may be a substantial overstatement of potential, additional savings. Specifically, the underlying estimates of Davis-Bacon wages for Florida and Louisiana are based on prevailing wage determinations for the Miami and New Orleans areas. Savings would be significantly less in outlying areas where wage determinations reflect the reality that there is much less union construction,

and where in some cases surveys have not been conducted in recent years.

Finally, since Davis-Bacon wage determinations are based on surveys of the wages being paid to workers in a locality, any suspension of Davis-Bacon could adversely affect local workers, who may themselves have already suffered personal losses as a result of the storms. The construction workforce, particularly the more high-skilled laborers, might have their standard of living depressed by losing job opportunities or having to accept jobs at lower than prevailing wages.

March 6, 1993 93 MAR 6 P12:27

MEMORANDUM FOR JOHN PODESTA

FROM: Howard Paster *HP*

SUBJECT: Photographs

I would like to request that the President sign the attached photographs of him with the following Members of Congress:

- 1.) Representative Martin Sabo, Chairman of the House Budget Committee.
- 2.) Senator James Sasser, Chairman of the Senate Budget Committee.

Please return the photographs to my office. If you have any questions, please call Unice Lieberman at x2230. Thank you.

THE WHITE HOUSE

WASHINGTON

March 5, 1993

93 MAR 5 09:20

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA 

CC: HOWARD PASTER

SUBJECT: Henry Gonzales

Frank Newman, at Treasury, and I were discussing the credit crunch package (I was recommending taking a look at the Farm Credit System as another place where action might be taken) and he raised a matter which I thought you would like to know.

Newman was in a meeting Wednesday with Henry Gonzales who pulled a letter off his desk you had sent to him and told Newman that you were the first President (he came to Congress in 1961) who had promptly and personally replied to a letter he had sent. He was much impressed.

THE WHITE HOUSE
WASHINGTON

DATE: 3/2

NOTE FOR:

Regina Montoya

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

MEMORANDUM TO DANIEL KUSNET

FROM: Regina T. Montoya

RE: Acknowledgments

DATE: March 7, 1993

Regina T. Montoya
2/24/93
2:15 PM

The following people could be acknowledged by the President in tomorrow's speech to the National League of Cities:

1. Sharon Priest, City Director and former mayor of Little Rock
2. Martin Gipson, Alderman from north Little Rock
3. Lottie Shackelford, former mayor of Little Rock, former Chair of the Democratic Municipal Officials and Vice chair of the DNC
4. Cathy Reynolds, City Councilmember from Denver, Past President of the NLC and Officer of the Board
5. Ruth Messenger, Manhattan Borough President
6. Loretta T. Avent, Special Assistant to the President for Intergovernmental Affairs. (suggested acknowledgment: "I was smart enough to hire her as she is one of yours and you have trained her. She has worked for you and with you for the past 20 years and is still working with and for you as is my whole team.")

The NLC's sister organization, the U.S. Conference of Mayors, is also endorsing the economic plan. (See attached article.)

V



NEWS

United States Conference of Mayors

1620 Eye Street, N.W. • Washington, D.C. 20006

For Immediate Release
Wednesday, February 24, 1993
4:00 p.m.

Contact: Doug Baj, (202)293-7330

HEAD OF REPUBLICAN MAYORS BACKS CLINTON'S ECONOMIC PLAN

Fort Wayne Mayor Paul Helmke, Chair of the National Conference of Republican Mayors and Municipal Elected Officials, strongly supported the economic plan laid out by President Clinton last week in Senate testimony Tuesday, February 23.

Also appearing on behalf of the United States Conference of Mayors before the Senate Banking and Urban Affairs Committee was Cleveland Mayor Michael White. Other mayors testifying were Tampa Mayor Sandra Freedman, and Flint Mayor Woodrow Stanley.

Helmke told the Senators: "As a Republican, I encourage the fiscal discipline outlined in the Clinton approach. As an American, I encourage members of this Committee and Congress as a whole to adopt the package to help provide a brighter future for our children and their children. As a Mayor, I encourage you to help bring about the essential reordering of priorities in our federal budget by recognizing the end of the Cold War abroad and the existence of the struggle for survival and success in all our own urban areas."

Helmke added that the fiscal emphasis under the Clinton plan "focuses our resources more toward the public interest" rather than the special interests. Helmke emphasized that all four parts of the Clinton's economic program, meaningful public investment, both short term stimulus and long term investments, tax increases, and spending cuts would all have to be approved in order for the President's plan to work.

"I am here to lend my support, as Mayor of Fort Wayne, on behalf of the people in cities large and small all across the country, for the principles embodied in the Clinton economic recovery plan," Helmke said.

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Helmke continued, "Those principles are simple: fairness, progressivity, and support for our nation's urban communities. Furthermore, the plan also addresses the important, and often ignored, issue of the federal deficit, which virtually exploded during the 1980's."

Conference President and York (PA) Mayor William R. Althaus, a Republican, held a news conference in Washington last week to announced that the bipartisan U.S. Conference of Mayors endorsed the Clinton program in its entirety.

Althaus said the Conference plans to energize its full membership for Mayors to make the case, in city after city, that their constituents should get behind the President's plans.

The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are about 1050 such cities in the country today. Each city is represented in the Conference by its chief elected official, the Mayor.

The Washington Post

2/24/93

THE WASHINGTON POST

State, Local Officials Line Up Behind Plan to Boost Economy

By William Claiborne
Washington Post Staff Writer

With their sights set on hundreds of thousands of new jobs, the nation's governors, mayors, state legislators and county officials are gearing up for an intense lobbying effort in Congress to support all or parts of President Clinton's economic plan.

The level of support ranges from selectively targeted, behind-the-scenes lobbying by state legislators to a "full-court press" planned by the U.S. Conference of Mayors, complete with a boiler room-type tactical center in its Washington headquarters.

The National Association of Counties plans to ask 2,000 county officials gathering here this weekend at a legislative conference to blitz the Capitol on Tuesday in support of the president's economic proposals. Association officials said

they already have sent "alerts" to 1,100 members asking them to telephone and fax their support to members of Congress.

The U.S. Conference of Mayors plans to go beyond its own membership and work with 50 to 60 civic groups around the country in an attempt to build grass-roots support for the Clinton plan, its officials said.

"It's the first time our organization has endorsed a president's first [economic] plan in my 25 years here. I've been directed by our president to drop my regular day-to-day business here and go full out on this," said J. Thomas Cochran, executive director of the Conference of Mayors.

Along with such groups as the National Governors' Association, the National Conference of State Legislatures and the National Association of Counties, the mayors' conference traditionally has been studiously bipartisan.

Although a majority of its members are Democrats, its president, York, Pa., Mayor William Althaus, is a Republican who has been outspokenly supportive of Clinton's economic proposals since the presidential candidate introduced his "Putting People First" economic package at the mayors' annual meeting in Houston last June.

A number of other Republicans among the mayors, governors and local officials already have endorsed much of the economic plan and have urged their fellow partisans not to "nit-pick" individual proposals and endanger the entire package.

In many cases, the catalyst for this unusual bipartisan collaboration is Clinton's \$30 billion economic stimulus package, which the administration says will create more than 500,000 jobs for rebuilding highways, airports and other segments of the nation's infrastructure.

The mayors have compiled a list of 4,400 "ready-to-go" urban transportation and community develop-

ment projects in 470 cities that the conference says could be started within 120 days and completed this year. The conference said that \$7.2 billion would be needed to complete the projects, which would create 200,000 jobs.

Similar ready-to-go lists have been compiled by some state and county organizations.

"Right now, we feel pretty comfortable about supporting the package. It is as good to local government as anything I've ever seen," said Larry E. Naake, executive-director of the National Association of Counties. He said his group is concentrating its support on the stimulus package and will not take a policy position on the tax portions specifically, other than to generally support deficit reduction through spending cuts and revenue increases.

Similarly, William T. Pound, executive-director of the Conference of Legislatures, said his group will be "very supportive" of the stimulus

package, but will be "pretty selective when it comes to things like energy tax. We've been pretty silent on that."

Pound added, "We are generally supportive of the overall plan, and we'll be informing our members it becomes more clear how the proposals affect the states. But we're going to be active in supporting it."

A spokeswoman for the National Governors' Association noted that the Clinton plan closely matched economic recovery proposals that governors adopted at a meeting here earlier this month, and said the association will work with individual state lobbyists in supporting the plan in Congress.

The association's chairman, Colorado Gov. Roy Romer, a Democrat, has been an ardent backer of Clinton's economic policies since early in the presidential campaign last year, tying it to his own "Tough Choices" campaign advocating federal deficit reduction and spending cuts.

THE WHITE HOUSE
WASHINGTON

DATE: 3/8

NOTE FOR: *Regina Montoya*

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)

bcc: Mark Gearan

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2/24/93

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ment projects in 470 cities that the conference says could be started within 120 days and completed this year. The conference said that \$7.2 billion would be needed to complete the projects, which would create 200,000 jobs.

Similar ready-to-go lists have been compiled by some state and county organizations.

"Right now, we feel pretty comfortable about supporting the package. It is as good to local government as anything I've ever seen," said Larry E. Naake, executive-director of the National Association of Counties. He said his group is concentrating its support on the stimulus package and will not take a policy position on the tax portions specifically, other than to generally support deficit reduction through spending cuts and revenue increases.

Similarly, William T. Pound, executive-director of the Conference of Legislatures, said his group will be "very supportive" of the stimulus

package, but will be "pretty selective when it comes to things like the energy tax. We've been pretty silent on that."

Pound added, "We are generally supportive of the overall plan, and we'll be informing our members it becomes more clear how the proposals affect the states. But we're going to be active in supporting it."

A spokeswoman for the National Governors' Association noted that the Clinton plan closely matches economic recovery proposals that governors adopted at a meeting here earlier this month, and she said the association will work with individual state lobbyists in supporting the plan in Congress.

The association's chairman, Colorado Gov. Roy Romer, a Democrat, has been an ardent backer of Clinton's economic policies since early in the presidential campaign last year, tying it to his own "Tough Choices" campaign advocating federal deficit reduction and spending cuts.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM

93 MAR 8 11:56

TO: JOHN PODESTA, Staff Secretary
FROM: BRUCE LINDSEY, Director of Presidential Personnel
DATE: March 8, 1993
RE: **WITHDRAWAL OF NOMINATIONS**

[Handwritten signature]

Please prepare, for the President's signature, withdrawal papers for the nominations of Bruce Goodman and Edward Damich to be members of the Copyright Royalty Tribunal.

cc: Ron Geisler

*Ron Geisler
call me about this
JTH
3-8-93*

THE WHITE HOUSE
WASHINGTON



March 8, 1993

Mr. President:

Attached is an update on SBA activity with regard to the World Trade Center bombing. Congressman Rangel has requested that he be briefed this Thursday by SBA and FEMA on their activities. Christine Varney is aware and I've alerted Howard Paster.



John Podesta

cc: The Vice President
Mack McLarty
Mark Gearan
Bruce Lindsey
Howard Paster





U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

93 MAR 8 P2:11

OFFICE OF THE ADMINISTRATOR

MAR 8 1993

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

Re: World Trade Center Disaster Update

Dear Mr. President:

To date we have interviewed 97 business owners and distributed 95 loan applications for economic assistance. We are now receiving inquiries from more businesses located outside of the World Trade Center as they feel the effects of displacement of businesses located in the Center. Inquiries are still mainly from professional services and retail firms in the Center or in Manhattan.

At this time, we have not received any completed applications. Most business owners are still uncertain as to how long they will be displaced and, therefore, cannot estimate their economic injuries and needs. The longer the Center remains closed the larger the likelihood of permanent relocations by Center businesses. This could have a permanent effect on businesses that formerly serviced those located in the Center, as well as on the Center itself.

I am available to meet with your staff to answer any questions or provide assistance if necessary.

Sincerely,

Dayton J. Watkins
Acting Administrator

World Trade Center Disaster Information, March 8, 1993

SBA Temporary Disaster Office:

Located in concourse of World Trade Center, open 9 am to 6 pm Monday through Saturday.

SBA Economic Injury Disaster Loan (EIDL) Applications Issued:

Service businesses	51
Retail businesses	45
Manufacturing	1

Applications to Businesses Located in the World Trade Center:

service	34 (6 trading companies, 4 law firms, 3 management consultants, 2 job search firms, 2 business schools, 2 investment managers, 2 software companies, 2 health clubs, 2 telecommunications companies, 1 travel agency, 1 CPA, 1 dentist, 1 architectural engineer, 1 advertising agency, 1 courier service, 1 shoe repair, 1 cleaner and 1 hair salon)
retail	12 (3 restaurants, 2 florists, 2 jewelry stores, 1 liquor store, 1 photo shop, 1 optician, 1 pharmacy and 1 video store)

Applications to Businesses Located Outside of the World Trade Center:

service	18 (3 job search firms, 3 law firms, 2 management consultants, 2 office equipment repair firms, 2 shoe repair firms, 1 CPA, 1 computer software firm, 1 consulting engineer, 1 investment manager, 1 computer supply company and 1 locksmith)
retail	34 (15 restaurants, 7 clothing stores, 2 florists, 2 gift shops, 2 jewelry stores, 1 pet shop, 1 liquor store, 1 news stand, 1 electronic store, 1 toy store and 1 video store)
manufacturing	1 (jewelry manufacturer)

Extent of Business Interruption:

The service businesses located in the Trade Center are closed except for those that have and are managing to move elsewhere. Many of those that have moved are having communications difficulties. The retail businesses in the Trade Center towers and the Vista Hotel and about 25% of the concourse are closed, the remainder are suffering from lost customers. The businesses located outside of the Trade Center

-2-

are all claiming loss of business, although they are open. Some of these are in Brooklyn and Queens Counties and one is in Hudson County (NJ).

Duration of Business Interruption:

Uncertain, but probably at least 30 days. The full extent of the blast damage is still not known.

Outreach Efforts:

Public meeting conducted for affected businesses evening of March 3.

Extensive media coverage.

New York State, City and Port Authority officials providing extensive notice of availability of SBA program and location of office.



U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR
409 THIRD STREET, S.W.
WASHINGTON, D.C. 20416

03 MAR 8 P2:11

FAX MESSAGE

DATE: 3/8/934 PAGES + COVERTO: STEVE SILVERMANFAX#: 456-2983

PHONE#: _____

FROM: DAYTON J. WATKINS

FAX#: (202) 205-6802

ACTING ADMINISTRATOR, SBA

PHONE#: (202) 205-6605

SUBJECT: _____

MESSAGE:

THE WHITE HOUSE
WASHINGTON



March 8, 1993

Mr. President:

The attached -- which just came in from Tony Lake and Howard Paster -- concerns outstanding correspondence from members of the Black Caucus, with whom you will be meeting shortly.

TDS
Todd Stern



THE WHITE HOUSE

WASHINGTON

March 8, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
HOWARD PASTER

SUBJECT: Correspondence From Members of the Black Caucus

For your information regarding the meeting this afternoon with the Black Caucus the following letters have been received from Caucus Members, with responses projected by the end of the week. While not all of these Members will necessarily attend today's meeting, the list includes all outstanding letters in our files.

Ronald Dellums wrote to you concerning war powers and consultation with Congress.

Charlie Rangel (and 43 other Members) have written to urge you to meet with President Aristide as soon as possible and also requests you meet with all signatories of the letter to discuss Haiti. You plan to meet with Aristide on March 16, but we do not think you need to meet with this group personally. Rather we will recommend that someone from the NSC, yet to be determined, meet with them. (Other Black Caucus signers--John Conyers, Barbara-Rose Collins, Louis Stokes, Kwesi Mfume, Ronald Dellums, Edolphus Towns, Walter Tucker III, Donald Payne, Carrie Meek, Major Owens, Corrine Brown, Eva Clayton, Albert Wynn, Alan Wheat, Harold Ford, Eleanor Holmes Norton, Cynthia McKinney, Lucien Blackwell, Robert Scott, and Mel Reynolds.)

Corrine Brown wrote separately to you regarding the need to restore democracy quickly to Haiti.

John Lewis, Ron Dellums, Edolphus Towns and Eleanor Holmes Norton joined 30 other Members writing to you to use U.S. economic leverage to bring about change in Tibet.

Donald Payne and 35 of his colleagues wrote to urge an early initiative to bring democracy to Zaire. (Other Caucus Members signing the letter were Walter Tucker III, Cynthia McKinney, Gary Ackerman, Floyd H. Flake, Eva M. Clayton, Cleo Fields, Alcee L. Hastings, John Lewis, Albert R. Wynn, Sanford D. Bishop, Jr., Louis Stokes, Mel Reynolds, Craig A. Washington, Robert C. Scott, William J. Jefferson, Earl F. Hilliard, Corrine Brown, Charles B. Rangel, Major R. Owens, Eleanor H. Norton, Gary Franks, Melvin L. Watt, Barbara-Rose Collins, Maxine Waters, Alan Wheat, Lucien E. Blackwell, Kweisi Mfume and Ronald F. Dellums.)

cc: Vice President
Chief of Staff

THE WHITE HOUSE
WASHINGTON

March 5, 1993

93 MAR 8 All 03

Log out my mate's list. I have started.

MEMORANDUM FOR THE PRESIDENT

FROM: HOWARD PASTER */HP*
SUBJECT: Letters to Members of Congress

Attached are letters for your signature which respond to various letters from members of Congress.

The following is a brief description of each letter:

- 1) Pat Schroeder (D-CO), transmitting pen from Family and Medical Leave bill signing ceremony;
- 2) Larry LaRocco (D-ID), concerning investigation into Korean semiconductor chips being conducted by Commerce and the International Trade Commission;
- 3) Bob Krueger (D-TX), concerning NAFTA and environmental issues on U.S. - Mexico border;
- 4) Ron Coleman (D-TX), concerning NAFTA and environmental issues on U.S. - Mexico border;
- 5) Henry Gonzalez (D-TX), concerning Federal Reserve policy and the money supply;
- 6) Janice Mays, staff member of the House Ways and Means Committee, thanking for help with Unemployment Compensation bill;
- 7) Lawrence O'Donnell, staff member of Senate Finance Committee, thanking for help with Unemployment Compensation bill;
- 8) Jim Chapman (D-TX), birthday greeting;
- 9) Kent Conrad (D-ND), birthday greeting;
- 10) Rick Lazio (R-NY), birthday greeting;
- 11) William Jefferson (D-LA), birthday greeting.

IMAGE MAKERS

4 work in ethical 'gray area'

By Adam Nagourney
USA TODAY

For anyone compiling a list of the most influential officials in President Clinton's White House these days, the best place to start would probably be outside the White House.

That is because Clinton's most overriding task of his first 100 days, selling his economic plan to the public, is largely being directed by four outside consultants.

The four — Paul Begala, Mandy Grunwald, Stan Greenberg and James Carville — will be paid by the Democratic National Committee to do White House work. Nonetheless, they meet with Clinton more regularly than most Cabinet members, helping him decide what to say and where to say it.

The notion of hiring political advisers as independent consultants is not unusual, especially since Ronald Reagan came under fire in the early 1980s for putting such advisers on the White House payroll. But apart from campaigns, there has not been any recent example where outside advisers have had so much influence on a president's day-to-day activities.

Despite their high reputation — several Clinton allies credit his recent resurgence almost entirely to these former campaign aides — it pushes the administration into some largely unexplored ethical terrain.

By staying out of government, they are free to do work for any private clients, includ-



By Tim Dillon, USA TODAY

“We are scrupulous ... about the ethics law. We turned down a ton of business from people who would like to influence the administration.”

— Mandy Grunwald, one of Clinton's consultants

ing anyone who might be drawn to them because of their unusual access to the chief executive. All four say they have turned down such clients.

In addition, unlike most government-paid White House compatriots, they do not come under the five-year partial lobbying restriction that covers full-time White House officials who leave their job.

Further, the administration is now grappling with such unforeseen questions as who picks up the tab when Begala travels with Clinton aboard Air Force One. After some discussion, it was decided the Democratic committee would pay the tab, equivalent to full-fare commercial coach.

The committee says it will not release details of the contracts, such as their length and exactly what the four are getting paid for. The one with Greenberg is completed. The others are being finished.

“They're our consultants,” said party counsel Joe Sandler. “So they're not subject to the ethics rules that apply to government employees.”

And while their salaries are public, DNC officials said they would not release them until they have to, when reports to the Federal Elections Commission are filed in five months.

“This is a gray area here,” said Charles Lewis, head of the Center for Public Integrity. “They fulfill an advisory role as private citizens. They endeavor themselves to the man because of their campaign role. And then they can go out and get clients in their off-years. And there are no regulations to deal with it.”

Added Ellen Miller of the Center of Responsive Politics: “This is very hard to sort through. A lot of people are trying to figure it out.”

The arrangement was praised by Charles Black, a lobbyist and political adviser to former President Bush — whose own relationship with the White House was criticized by Clinton aides then.

“It causes these folks to be available and to put a lot of time and effort in it,” Black said. “It's better not to pay for it through the public payroll.”

The four Democrats said they would avoid conflicts by not accepting clients who might benefit from White House action. Greenberg said he has already turned down clients whose goals he shares.

Begala and Carville said their only clients are the DNC and three Democratic politicians. They told White House officials they would refuse cor-



By Steven M. Falk
INDEPENDENT CONSULTANTS: Paul Begala, left, and James Carville said they would refuse corporate clients.

porate clients; Greenberg and Grunwald said they were not sure if they would do the same.

“I haven't figured out all the rules,” said Greenberg. “But for the moment, I've turned down all corporate clients.”

Said Grunwald: “We are scrupulous about turning down work and very thorough about the ethics law. We turned down a ton of business from people who would like to influence the administration.”

The four have different relationships with the White House, ranging from Begala, who sees Clinton several times a day, to Carville, who spends most of his time on “the hot air circuit,” giving speeches.

As in Clinton's campaign, which always resisted being slotted in traditional organiza-

tion shots, it is hard to place these four in any White House organizational structure.

In addition, it is not at all clear whether they will be around once the economic battle is over. And their influence is confined only to this subject. It wanes on those rare days when foreign policy issues take the fore.

Begala is working full-time in the “war room,” and has been classified as a special government employee, a status he can keep for 130 days.

Greenberg said he is spending all his time helping the White House. Grunwald said she spends part of each day on White House business. “We really are just part-time advisers. Most of my time is spent with other clients.”

USA
TODAY

3-8-93

Podest

Paul —
I always thought
you operated in
the ethical
black
area.

Are you cleaning
up your act?
What gives?

70

THE WHITE HOUSE
WASHINGTON

DATE: 3/8

NOTE FOR: *Gene S. ; Raitm*

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

Information ☐

Action ☒

*Please note that the
President would like
this discussed amongst
political types.*

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

March 6, 1993

MR. PRESIDENT:

Attached is a memo that Gene Sperling originally wrote for staff, including George, Laura Tyson, Leon Panetta and Bob Rubin. Bob thought you'd like to see it.

^{TDS}
Todd Stern

GS - This needs to be
a document
of meetings -
Messaguit out
then on Spencer

MARCH 4, 1993

93 MAR 5 P8:55

MEMORANDUM TO THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: INVESTING IN AN INVESTMENT STRATEGY

While our plan continues to be well-received, there is a disturbing political logic that now exists that the price for passage of the body of our package, is that we will have to sacrifice the heart of the investment agenda that the President took to the American people. Part of the logic is found in the nature of trying to both cut the deficit and increase new investments in an appropriations process that looks initially at total numbers.

Yet, another aspect is that with every new deficit adjustment, or call for more cuts, the easiest thing to do is stay with the status quo, as opposed to change by cutting existing programs to invest in the new investment package that the President ran on. The CBO revisions of our plan will only accelerate the pressure toward cutting our investment package.

It is therefore imperative that we come forth with a strategy to elevate our investment package so that Congress feels as much pressure to preserve our investments as some of them feel to make spending cuts. We should not go too far in telling ourselves that we are confined by Congressional reality. What we have learned over the last few months is that what we do shape political reality. We are controlled by the reality of \$140 billion, as opposed to the deficit target because we -- rightly or wrongly -- made it a seemingly immovable benchmark.

We did not come this far to let inertia and business as usual stop us from fulfilling the President's vision in Putting People First. Our mission now must be to build support for the specific provisions of the President's investment agenda so that members of Congress feel that a major constraint on their behavior is not just that they must cut the deficit, but that they must pass our investment package.

1. WE MUST COMMUNICATE THAT WE ARE PAYING FOR ALL OF OUR NEW INVESTMENTS WITH SPENDING CUTS:

I believe we must make a decision to go with the following message:

We are cutting spending to fund our new investments and ask every American to contribute to get the deficit down.

I am acutely aware of the arguments against a formula that communicates that taxes are for deficit reduction. I know the studies that show that people are more likely to support taxes for growth than taxes for deficit reduction. I know that we want to tell people what they

are getting for their small contribution. And I am a great believer in the power of dedicated taxes as a means of highlighting value choices and letting people know where their dollars are going.

But I have also been taught by my mentors on the campaign the power of clarity and simplicity. Gramm right now seeks such clarity with two simple propositions. 1) Lets cut this massive tax package by cutting our massive spending package. 2) Lets cut the deficit, but rely more on cutting spending than on raising taxes. Both conjure up the image that we are spending a lot and cutting spending too little. That is the image that hurts us.

The way to combat this image and to frame positively the President's message is to directly tell people how our new spending compares to our spending cuts. We need to directly match in people minds our new spending versus our spending cuts. We accomplish two major goals by doing this. One, we let people know that we are paying for every cent of our new investments with cuts in spending. Two, we frame the debate in the terms that allow the President to communicate his message: it is not spending but the composition of the spending -- investment versus consumption -- that is at the heart of his message.

Even if we count Social Security as a tax, we can still state that we pay for every cent of new investments with spending cuts, while saving tens of billions for deficit reduction.

If we match new spending (investment) to spending cuts, that means we then must isolate the tax increases for deficit reduction. Or we can say that we are raising taxes to spur private investment by reducing the deficit and providing pro-investment tax incentives. While ideally it would be best to link taxes to new investment, in light of the overall context we face, we should be willing to frame the debate this way. Indeed, the notion of higher taxes -- with the rich paying more -- is a straightforward manner to communicate the notion of fair contribution for the national interest.

2. WE NEED THE MIRROR IMAGE OF OUR SPENDING CUTS STRATEGY:

On the cuts we learned that it is easy to be for cuts in general, but nearly impossible to be for cuts in specifics.

The mirror image is true here concerning our investment package. It is easy to be against our investments in general, but is very hard to be against the specifics of our investment plan.

It is easy to be for cutting our "big spending package." It is easy to shave 15% off a large and vague invest in America proposal. By failing to bring the specifics of our plan to life, we allow it to be defined as one large investment package or as a list of tens of new spending programs. If we allow our plan to be nothing more than vague statements -- investing in people or rebuilding America -- our investments are easy to cut.

On the other hand, if we can highlight and elevate our specifics, we can make it considerably more difficult to oppose our investment plan. We must communicate that the question is not are you for scaling back Clinton's large investment plan, but are you for 100,000 new cops on the street? More child immunization? More training for displaced workers? National service and college opportunity? Head Start?

Thus, we must devise a strategy whereby the President so elevates the investments that it makes it difficult for members of Congress simply to cut them back with seemingly innocuous shaves of our investment package.

3. WE MUST BRING THE INVESTMENTS TO LIFE BY POWERFULLY DESCRIBING THE MAIN COMPONENTS -- WHILE AVOIDING GENERALITIES AND LAUNDRY LISTS.

The risk in highlighting our specifics is that we run the risk of sounding like we have only a series of isolated spending programs -- which will also make cutting too easy.

The solution to me seems to be to find a medium ground: a set of five to seven sub-themes that organize and provide context to several of our main proposals. The sub-themes should be compelling, and should be framed so that support for the specific programs is seen as essential to support for the sub-theme. For example, one sub-theme could be in an invest in children's agenda or a parents and children agenda. Bill Clinton would make a powerful case for why we need to invest in a new pact with parents and children. Each of the programs would be seen as essential to that mission and opposition to his program, would be portrayed as an effort to gut an investment in children's agenda.

One note is that I believe we probably need to be more specific than if we were just devising a speech. The reason is that if we just say "invest in people" it does not create a mandate for any specific programs or enough of a constraint against gutting a new proposal. Below is one suggestion for six sub-themes that, while general, are specific enough that they are dependent on a few critical programs to make any of them real.

A New Compact with Parents:

- Head Start
- WIC
- Parenting
- Child Support Enforcement
- Better Schools

Life Long Learning:

- Apprenticeship
- Displaced Worker Initiative
- Defense Conversion
- National Service (or as a separate category)

Rewarding Work:

EITC
Welfare Reform

High Wage Jobs Strategy:

Stimulus
Technology
Small Business
Community Development and Enterprise Zones
21st Century Infrastructure

Safer Neighborhoods:

100,000 Cops
Boot Camps
Safe Schools

Another choice would be to simply pick out five specific programs that we want to elevate.

Framing the Lifelong Learning Message: I think we could do better about expressing to people how our program would directly affect people's lives: the notion that at every point of a person's life, we are interested in empowering people to invest in themselves. First, we want a new children agenda that stresses empowering parents. Second, we want to bring about real change in schools when your child is between 5 and 18. Third, we want to offer every young person in every family a path to a high wage, high skilled job. If you want to go to college, we offer you the National Service Trust Fund. If you don't think College is for you, we offer you apprenticeships. [We can still stress National Service more and heavily, but putting it together with apprenticeships allows us to tell every family that we have something to offer their teen children.] Finally, education is lifelong, so that we need a universal training approach.

4. SUPPORT FOR EACH INVESTMENT AREA IS A REFERENDUM ON CHANGE:

We must communicate to people that passage of our investment package represents tangible change in a new direction, and opposition to it represents gutless enslavement to the status quo.

We use the backdrop of what is really going on in Congress --- members will resist the changes we want because it is easier to simply keep things as they are than to make cuts in old priorities, than to make the cuts we need to afford the changes to promote new priorities.

One formula for doing this may be to have the President state the seriousness of a problem and then make clear in as dramatic fashion as possible that his plan offers change so that it seems like a terrible loss not to support the President's package. It could set up the problem, the cost of doing nothing, the hope of change if we only pass the President's package.

[Today, ____ workers lose their job, and have little hope for finding a new one that pays as much. The costs are high. Yet, we finally have a chance to change this.....

Today, there are more children in poverty in the richest country in the world. The costs are high..... We've ignored this problem too long, but if we were to pass my package, we could make history.

5. THE PRESIDENT'S ROLE: We should look for every avenue we can to put pressure on Congress to make it difficult to cut our investments, but it will not happen unless the President personally elevates and communicates the goals he would like to accomplish, and does so with a certain amount of force and drama.

Certainly the Radio address is one opportunity. But, I think this must go beyond simply doing a Head Start event or a training event. There must be a clear message from the President that there is a five part package that must be passed, and there must be a sense that those who opposed those investments have voted against something the American people want -- training, education, roads and bridges and National Service. Perhaps, he needs a major speech on the need to do both, and that real change requires both investing in ourselves and bringing down the deficit to spur private sector investment.

6. OTHER EVENTS: We should seek to consider high profile events that specifically put pressure on Congress to support specific investment initiatives. There is strong support in the business community to do more for education and to invest in Children. There should be an Invest in Children day organized by 100 top business leaders and CEOs -- who would go to Congress and hold an event with Congressional leaders stating the economic case for investing in people. Their message: no matter what else you do, support the President's 10-part Putting People First agenda. The package would be 1) Immunization; 2) WIC; 3) Head Start, 4) Empowering Parents 5) Educational Reform, 6) Apprenticeships, 7) Jobs Corp, 8) National Service, 9) Worker Training and, 10) Earned Income Tax Credit.

By focusing only on the investment in children and people proposals -- we can get agreement from a wide array of business leaders. If we hype and focus on are you for or against these people investments, we greatly strengthen their hands, and there will be strong pressure for Republicans to go along with these business leaders.

THE WHITE HOUSE
WASHINGTON

DATE: 3/8

NOTE FOR: *Gene Sperling*

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:

Republican Party Faces Growing Internal Debate Over How to Recapture Tax Issue From Democrats

By JOHN HARWOOD

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—When candidate Walter Mondale told Americans in 1984 that he would raise their taxes to reduce the federal deficit, Republicans were so delighted that, as the late strategist Lee Atwater recalled later, "I thought I was having a dream."

Now President Clinton has unabashedly proposed higher taxes, but it's the Democrats who have that dreamy feeling. The polls, which show that the president's approval rating has risen since he unveiled his economic package, suggest the tax issue that the GOP dominated through three presidential elections in the 1980s may have lost its bite. And outflanked Republicans face a wrenching internal debate over how to grab the issue back.

The stakes are enormous. "Cracking the tax taboo," says historian and one-time JFK aide Arthur Schlesinger, will determine whether Democrats can restore confidence in government as they seek to usher in a new progressive era. In a magazine article about the tax issue before Mr. Clinton took office, Mr. Schlesinger wrote that it would be a mistake for the new president to open his term by proposing higher taxes. Now he says he underestimated Americans' willingness to swallow bitter medicine.

It isn't clear that the new president can continue to hold the high ground, since he didn't campaign on the tax package he has proposed. Candidate Clinton promised to cut taxes on the middle class and limited proposed tax increases on individuals to incomes above \$150,000. President Clinton wants a new energy tax that would hit virtually everyone except the poor, higher taxes on affluent Social Security recipients, and income tax increases on individuals with taxable incomes above \$115,000.

Power to Set Terms

But there's little doubt the political calculus about taxes has already been shaken up. In large part, that's because of a president's power to set the terms for debate. By calling tax increases crucial to solving the nation's long-festering economic problems—and aligning Republican opponents with a discredited status quo—Mr. Clinton has turned his party's weakness into a prerequisite for action. Moreover, by targeting affluent Americans in particular, he has focused attention on the most popular sort of tax increases.

For the moment, at least, the GOP has united in opposition to a White House plan tilted sharply toward Democratic constituencies. "It reminds all flavors of why they're Republicans," says new GOP Chairman Haley Barbour, who's delighted to change the subject from the party's recent intramural bickering over social issues.

But ideological divisions over taxes between GOP moderates and conservative supply-siders will become more pronounced as Republicans on Capitol Hill

Cracking the Tax Taboo

"Please tell me whether you would be willing to pay higher taxes in order to..."

	YES	NO
Improve the quality of education	78%	20%
Improve access to health care	75	23
Reduce the federal budget deficit	58	40
Improve our transportation and communication systems	33	65
Provide aid to city and state governments	30	66

NOTE: Asked Jan. 23-26

THE WALL STREET JOURNAL/NBC NEWS POLL

take up the president's challenge to offer specific alternatives.

Moderates are willing to accept some tax increases on the wealthy, just not as much as Mr. Clinton has proposed. "The Democrats won the debate over whether the rich pay their fair share," says Republican Rep. Steve Gunderson of Wisconsin. The most powerful Republican of all, Senate Minority Leader Robert Dole of Kansas, won't rule out new taxes, saying he wants "a better mix" of spending cuts and tax increases that Mr. Clinton has proposed.

Gingrich Seeks Clear Division

But House Minority Whip Newt Gingrich of Georgia calls Mr. Dole's position "an enormous mistake" that will "muddy the waters" for Republicans seeking to reclaim the tax issue. Only by opposing tax increases across the board, he says, can the GOP draw clear divisions with Democrats in the fight for the allegiance of middle-class voters.

The problem is that the deficit-cutting alternatives are so painful. And thus the bold challenge the president laid down in his speech to Congress—"all those who say we should cut more, be specific"—quickly threw Republicans on the defensive.

For example, antitax Republicans say they want to cut the government's fast-growing entitlement programs. But the most prominent GOP plan so far, Texas Sen. Phil Gramm's alternative budget proposal, calls only for overall "caps" on such spending that duck political fallout by not specifying who would be affected. Moreover, though Mr. Gramm says he opposes tax increases, his plan would need \$55 billion in additional taxes to achieve as much deficit reduction as Mr. Clinton does.

For his part, Mr. Gingrich says the president didn't cut spending enough. But he says Social Security should remain sacrosanct, worries that Mr. Clinton would slice too deeply into defense, and criticizes

proposed agriculture cuts as "antifarm." Ohio Rep. John Kasich, the top Republican on the House Budget Committee, recently criticized the White House for bending to "whining" and "squealing" from Texas lawmakers in sparing the expensive space station and super-conducting super-collider programs. But some of Mr. Kasich's fellow Republicans agree with the administration; Colorado Sen. Hank Brown wouldn't kill either program in the proposed cuts he handed Mr. Clinton when the president visited GOP lawmakers on Capitol Hill yesterday.

Deficit-Reduction Issue

Of course, there's another way out for antitax die-hards: to directly challenge the idea that deficit reduction is all-important. "We have to say we're not willing to sacrifice the taxpayers' interest to pursue deficit reduction," says former GOP House member Vin Weber, now part of a conservative think tank in Washington. But sloughing off the deficit isn't as easy as it used to be before Ross Perot came along. And in any case, even Republican conservatives acknowledge that it will take the party awhile to overcome lingering cynicism from the Bush administration's broken "read my lips" pledge. "It's not so easy to reclaim your virginity," says William Kristol, who was chief of staff to former Vice President Dan Quayle. Adds Clinton pollster Stan Greenberg: "The Republicans have lost any credibility on taxes."

The target of both parties' tax rhetoric, of course, is the middle class. Throughout the 1980s, Republicans combined their traditional appeal among the affluent with entreaties to middle-class taxpayers who

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THE WALL STREET JOURNAL

3/3/93

Temporary Visas Used to Stay in U.S. Indefinitely

■ **Borders:** Recent terrorist incidents point up looseness in immigration laws. Congress may make changes.

By DAVID G. SAVAGE
TIMES STAFF WRITER

WASHINGTON—The World Trade Center bombing and the recent shooting outside the CIA point up a surprising laxity in U.S. immigration laws that permit foreigners to enter this country on a temporary visa and to stay indefinitely—with virtually no chance of getting caught.

Officials of both the Immigration and Naturalization Service and the State Department readily admit that they have no idea how many people fail to depart as promised. Even if they knew that a foreigner had overstayed his visa, they say that they have no way to find him.

American embassy officials interview foreigners, ask why they want to come to the United States and issue visas to those who are likely to leave as promised. But those records are destroyed after one year, department officials say.

The INS issues an entry card to visa-holders once they arrive here, but its agents do not keep information that would permit them to track down a missing foreigner.

"You are talking about a huge number of people" who come here with a temporary visa, said INS spokesman Duke Austin. "There is no system to track them. We wouldn't even know where to start looking for them."

In 1991, Austin said, 293 million people came this country on some sort of entry permit.

Until now, no one paid much attention to this virtually unregulated system of legal immigration.

But the recent highly publicized crimes at the Trade Center and the CIA have prompted some talk of change on Capitol Hill.

"Our borders are much too porous," Rep. Charles E. Schumer (D-N.Y.) said Sunday on CBS' "Face the Nation." "We want to keep them open, but we also have

Please see **ALIENS, A5**

ALIENS

Continued from A1
to be much more careful."

The prime suspect in the World Trade Center bombing, Mohammed A. Salameh, entered the United States in 1988 with a visitors visa issued at the American Embassy in Amman, Jordan. The 20-year-old Palestinian who has a Jordanian passport said he wanted to come here for one year to study, but he never returned home. That fact became clear to U.S. officials only after he was arrested in connection with the bombing.

Last month, officials had a similarly unpleasant surprise when investigating the murders of two CIA employees as they sat in their cars outside the agency's headquarters in a Virginia suburb outside Washington.

They learned that the prime suspect in that case, Mir Aimal Kansi, had entered this country in December, 1990, with a visa issued at the American Embassy in Karachi, Pakistan. He said he was coming here on business and would leave within one year.

But Kansi failed to depart and instead applied for asylum, a slow and cumbersome process that takes years, even to set up a hearing.

With his asylum application and a work permit, Kansi was able to get a Virginia driver's license and to purchase an AK-47 assault rifle that allegedly was used in the Jan. 25 murders.

Once he became a suspect in the case, Kansi simply fled back to Pakistan.

Kansi's case shows how the asylum laws can be abused.

"Right now, if you get on an airplane [to the United States] and claim asylum . . . when you arrive at Kennedy Airport in New York, they will say to you, 'OK, we'll give you a hearing on whether you deserve asylum. Show up in a year.' And two-thirds of the people never show up," said Schumer, who chairs the House subcommittee on criminal justice.

Immigration lawyers say it is well understood that foreigners who can obtain a temporary visa have no trouble staying here indefinitely.

"There is no automation to their records [at the INS], so there are literally thousands coming all the time who just stay," said David Carliner, a prominent immigration lawyer in Washington. "It's not always easy to get a visa, but once you get here, they don't have any

way of tracking you."

Foreigners arriving with a visa are asked to supply an address, he said. But that information—which is not checked—may be nothing more than the name of a hotel.

When leaving, they are supposed to drop off a departure card, but that is not required. Based on this information, INS officials try to estimate departure rates for various countries.

This data is used to set criteria for admitting foreigners. For example, it is harder to get a visa from Haiti or Pakistan, whose citizens are deemed less likely to return home, than from Germany or Britain, immigration lawyers say.

Embassy officials also are more likely to give a visa to a 40-year-old with a house, a family and a job in his native country than to a young, unmarried person.

The State Department has been asked why Salameh and Kansi, two young, unattached men from poor nations, were given visas to come here, but its officials have been unable to supply the answers.

"The visa applications are destroyed after a year, so we don't have any information on them," said Joseph Snyder, a State Department spokesman. "We certainly don't keep track of people once they get here."

"We have a great deal of trust in our system," said Austin of the INS, so some foreigners can abuse the system. "But that's the price of an open society," he said.

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No New Bomb Arrests Imminent, Officials Say

■ **Probe:** Authorities are still uncertain if the Trade Center explosion was the work of international terrorists. An expert is to be lowered into the blast site today.

By JOHN J. GOLDMAN
and ROBERT L. JACKSON
TIMES STAFF WRITERS

NEW YORK—Three days after the capture of Mohammed A. Salameh, the prime suspect in the World Trade Center bombing, no new arrests are considered imminent, and authorities have not determined whether the explosion was an act of terrorism directed from abroad, the FBI official heading the investigation said Sunday.

"I don't see any more arrests at this time," said James M. Fox, an assistant FBI director who heads the New York field office. But Fox also noted that last week's dramatic breakthrough "came without warning."

Another source familiar with the investigation said the probe has hit "a plateau" but that more progress is expected when officials finish processing the huge amount of technical information now being collected and interview a number of Salameh's associates, whom they are still seeking.

Many leads are being pursued overseas, he said, apparently by the FBI legal attaches who are based in the embassies of many foreign countries.

The source said authorities are optimistic that they can determine by the end of the week whether the bombing was a foreign-directed terrorist attack or the work of local militants.

Fox and other top FBI officials huddled Sunday with representatives of the federal Bureau of Alcohol, Tobacco and Firearms, the New York City Police Department and other agencies. When they emerged, their comments focused more on the questions that remain unanswered since a powerful bomb, allegedly loaded into a van that had been rented by Salameh, exploded in the trade center's underground parking garage, killing five people and injuring about 1,000.

Fox said in an interview that the reason for the attack is still unknown. With Salameh's arrest last Thursday, "there's been a lot of speculation," he said. "But I'd have to say we are not closer to a motive. I can't say we are moving in one direction or the other."

He declined to say whether firm links have been found between a second man taken into custody, Ibrahim A. Elgabrowni, and the bombing. Other sources indicated that there is no hard evidence against him yet. Elgabrowni, an associate of Salameh and a relative of the accused assassin of Rabbi Meir Kahane, a right-wing Jewish leader, was arrested for allegedly interfering with a search conducted in the bombing case.

The origin of the bomb plot and those involved is a matter of particular sensitivity to the U.S. foreign policy community, and the Clinton Administration and foreign governments are waiting with anticipation for definitive information.

"I think it is too early to reach conclusions or speculate," Samuel (Sandy) Berger, deputy national security adviser, said in a Cable News Network interview. "I think the first and urgent responsibility here is to get the facts. Once we get the

facts, once we know what the address of this incident is, I can assure you that we will take action."

Investigators hope they can move into higher gear after a bomb expert is lowered today to the actual site of the explosion, located deep inside a five-story-tall, rubble-strewn crater beneath the remains of the Trade Center's garage.

Bomb chemists hope to compare samples taken at the scene of the explosion with bomb-making ingredients seized from a storage shed rented by Salameh and from an apartment in Jersey City, N.J., once occupied by an associate of the suspect. If the explosives are the same, the still-circumstantial case against Salameh would be strengthened immensely.

Perhaps even more significant, they hope to find enough fragments of the bomb's detonator or timing device to provide a connection to previous bombings or to terrorist groups.

The theory that some conspirators, including the van's driver, could have perished in the gigantic explosion has not been discounted. "That's one of the secrets we will discover when we get into the pit," Fox said.

Investigators are hopeful of finding clues that could trigger more searches for evidence. "I don't think all search warrants have been returned, but we are 80% complete," Fox said. "There could be more

searches in the next few days."

Since Salameh's arrest, members of a police and interagency anti-terrorist task force have compiled a list of Salameh's roommates and associates, some of whom have not been seen since the bombing.

Federal agents are seeking to question a man authorities describe as a "Jordanian associate" of Salameh who was with him on Feb. 23 when he rented the van believed to have been used in the bombing.

Fox acknowledged that agents so far have been unable to disprove Salameh's claim that the van was stolen from him the night before the blast.

On Sunday, FBI agents returned for about 30 minutes to a Jersey City apartment where they had found bomb-making parts.

A man who said he was the owner of the small second-floor apartment was busy repainting it and told a Times reporter that the agents confiscated the trash left by the previous occupants, who had moved a week ago. He said two men had lived in the unit since early January but that he did not know their names. He said he rented the partment for \$500 a month plus a \$500 deposit after they responded to a newspaper ad. He and that he did not ask the men for background information or to sign a lease because they did not speak English.

"When they left, they told me they were

canceled the lease because they had found other jobs in Brooklyn," he said.

The man, who declined to give his name, said he had the impression from FBI agents that they were looking for more than just the two men. He said the former tenants did not match the description of the suspects seized so far in connection with the bombing.

Residents of the building where Salameh is believed to have lived in Jersey City just before his arrest said that the suspect and a group of friends on several occasions carried a man with both legs missing from the knees down into the apartment. The man, they said, appeared to be in his 40s and was a previous occupant of the apartment. The residents said they did not know the man's name.

Muslim leaders complained Sunday that "illiterate Americans" have been making abusive phone calls to mosques, Muslim organizations and the homes of Muslims across the country since the arrest of Salameh, a Muslim born in the Israeli-occupied West Bank. A third-story window of the Jersey City mosque where Salameh worshiped was broken.

"It's worse than during the Gulf War," said M.T. Mehdi, president of the New York-based American-Arab Relations Committee and the secretary-general of the National Council on Islamic Affairs. He said some Americans are angrier at Muslims now because the violence is taking place close to home.

Reports Sunday from the Mideast began to sketch a somewhat fuller portrait of Salameh.

In an interview in Zarqa, Jordan, with the Associated Press, Salameh's mother, Aysha, said that her son traveled to the United States on Feb. 17, 1988, to pursue a master's degree in business administration.

"He had big dreams. He wanted to fulfill his dreams in America. He is not a terrorist," she said. She said she is sure "of America's fair justice, and that my son will come out of this nightmare soon."

Salameh's father, Amin, is a retired officer in the Jordanian army. Salameh's mother said her son loved Western movies, wrestling and soccer when growing up.

A brother, Ahmed, said Salameh was not a Muslim fundamentalist but became engrossed in Islamic teachings in his final years in high school and began praying and reading the Koran with friends. Authorities in Jordan said that Salameh and his family do not have criminal records.

In New York, Salameh's defense lawyer said the 25-year-old man did some construction work. Neighbors in Jersey City said he hung around with taxi and truck drivers.

Meanwhile, Mayor David N. Dinkins said he was "concerned" that the New York-New Jersey Port Authority, which operates the World Trade Center, had rejected security recommendations made six years ago by an anti-terrorist task force it had set up. The task force cited concerns about the vulnerability of the center's garage, a source said. Its advice to close the garage to non-tenants was not implemented.

Dinkins said that Stanley Brezenoff, the current executive director of the Port Authority, only learned of the security survey after the bomb exploded.

The mayor added that anti-terrorist experts were examining the vulnerability of New York's bridges, tunnels and major buildings.

said.

Times staff writers Ronald J. Ostrow, Gebe Martinez, Elizabeth Shogren and William C. Rempel contributed to this story.

Southern
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Newspaper

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COLUMN ONE

A Chill in Europe's Factories

■ Closures and consolidations leave EC workers feeling bitter and betrayed. It could be a taste of what to expect under the North American Free Trade Agreement.

By JOEL HAVEMANN
TIMES STAFF WRITER

GLASGOW, Scotland—Jim Torrance is one of the lucky ones. A 24-year veteran of the Hoover vacuum cleaner plant in a gritty industrial suburb of Glasgow, Torrance will still have a job next year—but only because his union was forced in January to make substantial contract concessions so that Hoover would not close the plant.

Workers at the Hoover plant near Dijon, France, never had that chance. Faced with substantial losses from its European operations, Hoover is closing its Dijon plant and moving production to Glasgow, where labor costs were cheaper even before January's contract concessions.

Daniel Ferrari, a milling machine worker at the Dijon plant with 12 years of seniority, blames Hoover—not the Glasgow workers—for his pending layoff. "Before long, I think they'll also be victims of Hoover," he said.

All over Western Europe, workers such as Torrance and Ferrari are getting a nasty lesson in the raw edges of capitalism. Multinational companies, whose investment is welcomed in times of prosperity, are demonstrating that they can retreat to their greenest pastures when the going gets tough.



Wreckage of car is moved from garage to street outside World Trade Center as bombing probe continues.

3 Convictions Voided in Test of Riot Curfew Law

■ Courts: Ruling by three-judge panel may jeopardize thousands of cases. L.A. officials vow to appeal decision.

By PAUL LIEBERMAN
TIMES STAFF WRITER

In a ruling that throws into doubt thousands of arrests for curfew violations during last year's riots, an appellate court has overturned convictions in three test cases in which people were rounded up while merely walking on the street or being in their cars after dark.

Los Angeles—did not challenge the legality of parts of the City Administrative Code that empower officials to declare a state of emergency and impose a dusk-to-dawn curfew as part of it.

But the court said that under the code's wording "mere presence on the street is not a violation." Being outside after hours becomes a misdemeanor only if the individual

Bomb's Palestinian Probed

By WILLIAM C. R
and JOHN J. GOL
TIMES STAFF WRITER

NEW YORK—sioner Raymond closed Tuesday before a massive rocked the Wor the U.S. Embass warned by purp callers that New target of a bo Israel canceled

rough. Stagnant or declining European economies have turned black ink to red for many manufacturers here. The European Community's new single market, by bringing down barriers to commerce among the 12 EC countries and dictating uniform product standards across Europe, has made it easier for companies to close their least efficient factories and consolidate production at the most efficient.

"Job losses are the painful consequence of this necessary restructuring in the current, difficult economic situation," said Jack Clark, a British member of the European Parliament. "The ability to concentrate production on one site... is the very essence of the single market."

What is happening here may provide a taste of what to expect on the other side of the Atlantic if Congress ratifies the North American Free Trade Agreement (NAFTA), which former President George Bush signed last year with Canada and Mexico.

Variations in salaries and benefits within Western Europe pale in comparison with the differences in North America. Average U.S. manufacturing wages are about eight times as great as those in Mexico. American politicians such as Ross Perot have warned that NAFTA would devastate U.S. industry as companies flocked to

Please see JOBS, A4

by public defenders, a three-judge panel said police should have arrested only those individuals whose actions threatened to "impend lives or property or prevent, hinder or delay" police or fire crews.

City officials vowed Tuesday to appeal the ruling by the Appellate Department of the Superior Court, noting that such emergency measures may again become necessary after verdicts in the Rodney G. King civil rights trial and the Reginald O. Denny beating case.

"There are two trials going on right now that have the potential for disorder," Deputy City Atty. Lisa S. Berger said. "We have the interest in being able to enforce a curfew."

The mayor's office defended the use of a broad curfew but suggested that revisions might be made in appropriate sections of the City Administrative Code to satisfy the courts.

"Mayor Bradley's imposition of the curfew was a major factor in controlling last year's disturbances," spokeswoman Vallee Bunting said. "The mayor will be working with the LAPD and city attorney to ensure that the people of Los Angeles have an effective curfew option at their disposal in future emergencies."

The 10-page decision by the appellate panel—which heard arguments on the issue last week in

others, according to the decision written by Judge Abby Soven.

Brushing aside the objection of city attorneys that the interpretation...
Please see CURFEW, A7

Tougher Rules for Teen-Age Drivers Sought

By ROBERT W. STEWART
TIMES STAFF WRITER

WASHINGTON—States should restrict night driving by teenagers and toughen alcohol laws to reverse the growing incidence of traffic accidents involving young drivers, the federal agency responsible for promoting highway safety said Tuesday.

The National Transportation Safety Board, in a letter to be sent next week to all 50 governors, said that teen-agers have easy access to alcohol and are less experienced than older drivers and more prone to take risks behind the wheel.

"Younger drivers are overrepresented in traffic crashes and deaths," the board said. The agency noted that people under 21 years

Please see DRIVE, A7

phone threats, which defy an attack on any police beefed up security and some other U.N. mis...
However, the two dead in January—passed without...

On two separate occasions claiming to represent the Front for the Liberation of Palestine set 48-hour demonstrations permitting the deportees that Israel linked to Hamas, a Muslim group blamed for acts of violence.

City and federal investigators acknowledged that the puts Hamas and the Popular Front for the Liberation of Palestine on its list of possible terror subjects to investigation in connection with last week's bombing that left five dead and more injured.

However, FBI officials said a single group had so far been ruled out as a prime suspect. "We are not targeting any individual group based on the information to this point," said Fox, director of the FBI New York field office.

Kelly said police in New York receive about a dozen suggestions relayed to them by intelligence agencies each week.

The list of possible suspects receiving attention from...

Please see I

Sheep Exports Lead Way as Somali Economy Revives

■ **Africa:** Growing business in Mogadishu's streets and port augur well for the country's long-term survival.

By MARK FINEMAN
TIMES STAFF WRITER

MOGADISHU, Somalia—Lost in the shadow of a massive U.S. Navy vessel loading helicopters, tanks and trucks bound for home at the south pier of Mogadishu port, scores of sweating Somali stevedores tossed 100-pound sacks of chilies and sugar off the Al Mannal, a weather-beaten dhow, while another group loaded it with hay.

The workers were preparing the 100-foot dhow for its outbound cargo: 2,000 Somali sheep destined for the Persian Gulf port of Dubai, the first of what specialists here say could total exports exceeding half a million Somali sheep and goats in the weeks ahead.

The animals will bring as much as \$24 million from Muslims in the oil-rich Gulf as they prepare for the slaughter and feast of Eid al-Fitr, a holiday marking the end of the holy month of Ramadan later in March.

This might have seemed an isolated event—one commercial vessel docked in a newly liberated port, surrounded by the anarchy and bustle still dominated by the massive American military and U.N. humanitarian operations.

But the Al Mannal is one of

■ U.S. ENVOY CITES SUCCESS
Robert Oakley says mission's main goal is achieved. A3

lated event—one commercial vessel docked in a newly liberated port, surrounded by the anarchy and bustle still dominated by the massive American military and U.N. humanitarian operations.

But the Al Mannal is one of

Please see SOMALIA, A3

DATELINE CALIFORNIA



ROBERT DURELL / Los Angeles Times

Jeremy Cheung, left, and Ricky Wong with poster of latest

ENTERTAINMENT

The Good, the Bad and the Ugly Film

"Macaroni Madness," "Kickboxer Kids," "The Hour of the Pig." These are just a few titles among hundreds of other obscure ones on display in Santa Monica during this week's American Film Market.

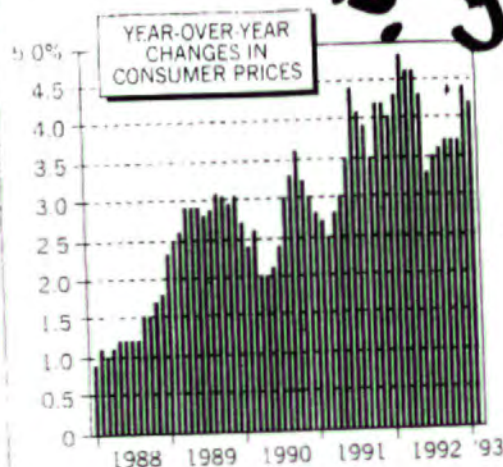
Independent studios, including the success of film "The Crying Game," hook buyers searching for to supply the worldwide market, video and television kets. **Story, B5**

GERMANY'S WOES

Rising inflation . . .

declining industrial productivity . . .

. . . and high wages have added to Germany's economic problems.



AVERAGE HOURLY COST FOR MANUFACTURING PRODUCTION WORKERS, IN U.S. DOLLARS

Germany

\$22.17

U.S.

\$15.45

Japan

\$14.41

France

\$15.26



SOURCES: Bloomberg Business News; Bureau of Labor Statistics

BY TUBEY—THE WASHINGTON POST

Europe's Premier Economic Engine Sputters

Deepening Recession Erodes Confidence in Germany's Affluence and Efficiency

By Marc Fisher
Washington Post Foreign Service

BERLIN, March 4

If the German economy is the engine of the European Community, then the United States and Japan have little reason to fear the imminent rise of a new economic superpower.

Economic reality is eroding the lingering stereotype of affluence and efficiency here. Automakers and steel companies are slashing their work forces by the tens of thousands. Even as unemployment soars, the government announces that its make-work program for nearly 400,000 jobless has run out of cash. Bankers watch their country sinking into recession and publicly fret that the economy may be suffering structural damage.

The extraordinary expense of lifting formerly communist eastern Germany up to western standards has combined with a lethargic world economy and political stalemate in Bonn to saddle Germany with pessimism, recession and a per capita deficit already larger than America's.

In an era of political and trade disputes that

threaten to weaken Cold War-era ties between the United States and Western Europe, the two economies are perhaps more interdependent than ever. That makes the health of Germany's economy a matter of distinct interest in Washington and on U.S. and global financial markets.

So when the German central bank, the Bundesbank, lets another opportunity to cut its 9 percent interest rate slide by, as it did today, it raises the hackles of governments and investors who believe that the widening gap between German rates and those in Western Europe and the United States is not only helping finance German reunification but also slowing the worldwide economic recovery.

Foreign pressure has had little impact on the Bundesbank, which, as Germany's most respected institution, has held true to its primary function: protecting the German mark against inflation. With German prices still rising at an annual rate of 4 percent—reasonable by most standards, but frightening to Germans schooled in tales from the destructive hyperinflation of the 1920s—the central

bank remains an admired disciplinarian at home.

The Bundesbank's vice president, Hans Tietmeyer, had signaled the bank's continuing dissatisfaction with Chancellor Helmut Kohl's failure to produce a long-promised economic recovery plan last week.

"Unless the inner-German problems are dealt with credibly, it will be difficult to get new dynamic growth going in Europe," Tietmeyer said. "If we get our own house in order, that is simultaneously the best contribution to Europe."

For seven months, Kohl has been talking to political parties, labor unions and business leaders about a "solidarity pact," a package of tax hikes and spending cuts designed to fund the transformation of eastern Germany without casting the country into a course of endlessly mounting deficits.

Kohl and the premiers of Germany's 16 states are to meet next week for a showdown on the pact. But few participants expect a quick compromise. State leaders want to raise taxes immediately to help boost annual payments to eastern Germany by \$36 billion.

See GERMANY, B5, Col. 1

DIGEST

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that brokers at several firms helped him with a massive scheme to bulk small towns and others out of more than \$100 million. Steven

MedImmune, Merck Rev

By Daniel Southerland
Washington Post Staff Writer

MedImmune Inc., a Gaithersburg biotechnology

monoclonal antibody causes AIDS.

But early this Merck was revie

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THE WALL STREET

MARKET

Enterprise: Products, services to deal with disasters are getting hard sell **Page B2.**

Corporate Focus: Cox gains U.K. cable stake, seeks programming **Page B4.**



AUTOMOBILES

BY OSCAR SURIS

Buyers Shrug Off Cost And Snap Up Options

HOT DEMAND for high-cost options is surprising car companies.

Chrysler initially expected to sell antilock brakes on half of its new LH sedans — the Chrysler Concorde, Eagle Vision and Dodge Intrepid. Instead, buyers are ordering the \$599 option on nearly 80% of the cars. The unexpected demand is providing a boost to companies like ITT's ITT Automotive unit, which supplies antilock brakes to Chrysler and other auto makers. But a Chrysler dealership in Chicago reports that customers must wait 45 to 60 days for their LH cars if they order antilock brakes. If they're willing to do without, they can get a new car in 15 to 25 days.

General Motors' Cadillac division, meanwhile, underestimated demand for its 32-valve, 295-horsepower Northstar engine. Since Cadillac put the Northstar in its Seville STS last fall, sales of the model have more than doubled — even though the engine pushed up the car's price by \$5,000 to about \$42,000. GM's conclusion: The younger consumers that Cadillac seeks demand more from the "guts" of their automobiles. Like Chrysler's customers, however, some of Cadillac's new fans have had to wait months for their Northstar engines. A GM spokesman says smaller dealers have had a tougher time keeping the Seville STS in stock, because most of the company's output has gone to high-volume dealers.

Consumers Union, a consumers-advocacy group, warns against being overcharged for popular options. A

created a database that contains information on 3.7 million vehicle titles. Before it auctions a vehicle, the company now checks its title against the database. If a damage history appears, the car's seller either discloses the damage history or pulls the vehicle out of the auction.

Price at the Pump Keeps Guzzlers Going

STABLE GASOLINE prices have kept the popularity of fuel-efficient cars.

Citing sales data, the American Automobile Manufacturers Association says passenger cars with fuel economies of 24 miles per gallon or more account for less than 1% of the U.S. car market. "A third of the market now is for trucks and minivans. They are the fuel-efficient vehicles," says Mike Stanton, an AAMA director. Auto-industry analyst Christopher Cedergrén says consumers have rejected fuel-efficient cars that look like "conoboxes."

To increase demand for fuel-efficient vehicles, auto makers had hoped President Clinton's budget proposal would include a substantial boost in federal gasoline taxes. But the Clinton plan calls for only a modest tax increase that is expected to have little impact on consumer car-buying patterns.

Mr. Cedergrén says gasoline prices would have to rise by 50% to 70% before consumers begin valuing fuel economy over styling, safety or price. Only then, he says, will you see people with larger cars go down a class and buy a smaller car.

When Drivers Have

Sony's Ad Bo

Columbia Pictures is about to put advertising clutter to a new stratosphere. The Sony Corp. unit said it will become the first and only paid advertiser to appear on 51.5 feet of prime ad space: the main fuselage and booster rocket of an unmanned commercial space mission scheduled to be launched during the first two weeks of May.



Columbia will plaster the rocket and booster rockets with the logo of its big-budget summer movie release, "Last Action Hero," starring Arnold Schwarzenegger. The muscle-laden star's mug won't be featured on the side of the Conestoga 1620 expendable rocket, possibly out of fear of frightening any aliens out there in space.

The movie's logo also will be featured on the payload, which will be orbiting Earth for more than two years, long after

HEALTH

States Take Medical Cost

By GREG STEINMETZ

Staff Reporter of THE WALL STREET JOURNAL

The cost of treating injured workers is soaring, but state governments aren't waiting for Washington to rein in medical expenses.

They're pushing ahead with their own plans to combat high workers' compensation costs, clearing the way for businesses to review X-ray bills, for example, or advise employees which doctors to use.

Many of the states are continuing

CURING
Health
Care

States Claim Share of Awards In Liability Suits

By MILO GEYELIN

Staff Reporter of THE WALL STREET JOURNAL

The state of Georgia would be the biggest winner if the recent \$105 million jury verdict against General Motors Corp. is upheld.

That's because a Georgia law commands 75% of all punitive-damage awards from product-liability suits and steers it into the state treasury. Facing budget squeezes, six other states have passed similar laws, and several more are considering such measures.

The idea sounds great as a potential revenue booster. But it also raises a significant constitutional question: whether such laws allow the government to convert private property to public use without paying for it, in violation of the "takings" clause of the Fifth Amendment of the U.S. Constitution. A Florida plaintiffs' lawyer is asking the U.S. Supreme Court to consider the issue. The court hasn't yet taken up the request.

Punitive damages are intended to punish wrongdoers and deter future misdeeds. They are assessed in addition to compensatory damages, designed to reimburse the plaintiff for any harm done. In the GM case, \$101 million of the total award was punitive, based on the jury's apparent belief that the company ignored internal tests indicating gas tanks on certain pickups were vulnerable to puncturing and explosion.

All the state laws—in Georgia, Florida, Illinois, Iowa, Missouri, Oregon and Utah—were passed as part of nationwide

Please Turn to Page B8, Column 5

States Take On the Job of Holding Down Medical Costs of Workers' Compensation

By GREG STEINMETZ

Staff Reporter of THE WALL STREET JOURNAL

The cost of treating injured workers is soaring, but state governments aren't waiting for Washington to rein in medical expenses.

They're pushing ahead with their own plans to combat high workers' compensation costs, clearing the way for businesses to review X-ray bills, for example, or advise employees which doctors to use.

Many of the steps are controversial and raise questions about whether

workers are being shortchanged. So far, the efforts have gone largely unnoticed in Congress. But if the current wave of cost cutting threatens the quality of care, workers' compensation could become a federal issue.

Already, there are rumblings that the Clinton administration will take it up as part of health-care reform. In addition, organized labor is calling for action. "It's time that Congress looked seriously at this," says James Ellenberger, assistant director of the AFL-CIO in Washington.

At the turn of the century, workers hurt on the job had little chance of getting their employer to pay for medical treatment or lost wages. A worker who, for instance, lost a leg at the factory often ended up destitute. Then, in 1910, Wisconsin became the first state to adopt a system of workers' compensation. Under the rules, employers had to compensate workers hurt on the job regardless of who was at fault. In return, workers gave up their right to sue employers.

Workers' compensation systems vary widely from state to state, but one thing they share is the problem of rising medical

vehicles," says Mike Stanton, an AAMA director. Auto-industry analyst Christopher Cedergren says consumers have rejected fuel-efficient cars that look like "conoboxes."

To increase demand for fuel-efficient vehicles, auto makers had hoped President Clinton's budget proposal would provide a substantial boost in federal gasoline taxes. But the Clinton plan calls for only a modest tax increase that is expected to have little impact on consumer car-buying patterns.

Mr. Cedergren says gasoline prices would have to rise by 50% to 70% before consumers begin valuing fuel economy over styling, safety or price. Only then, he says, will you see people with larger cars go down a class and buy a smaller car.

When Drivers Have Eyes but Do Not See

AUTO MAKERS and their suppliers are testing ways to enhance drivers' fields of vision.

GM and Ford Motor are adapting defense technology used for radar or infrared-vision systems that warn drivers of impending collisions or help them navigate through dense fog. Sparton, Jackson, Mich., has an Air Acoustic Echo Ranging System that triggers a warning when a vehicle moves into a blind spot behind the driver. But these systems aren't quite ready for the showroom yet.

A Ford spokesman cites the problem of "getting the radar to do this without having to mount a disk on the car's roof that would make it look like some kind of moon vehicle."

GM's Up-Front Lease Woos Cash Customers

THE LATEST wrinkle in leasing is being offered by GM: A "Smartlease Plus" for customers who want to make one big lease payment up front instead of

CURING Health Care

PART OF A SERIES

Growing Workers' Comp Claims

PROBLEM:

Medical costs for job-related injuries are rising even faster than health-care costs in general.

COST:

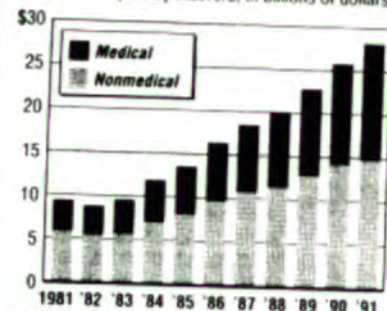
Insurers and companies that self-insure pay \$20 billion a year for medical care for injured workers.

POSSIBLE SOLUTIONS:

- Beefed-up emphasis on worker safety
- Cost controls for medical services
- Keeping closer tabs on doctors

Medical Care Claims

Total medical and nonmedical workers' compensation claims paid by insurers, in billions of dollars



Source: Insurance Information Institute

costs. Employers now pay \$40 billion a year to compensate and care for injured workers, with \$4 in every \$10 going to pay medical bills. While general health-care costs increased 8% a year over the last decade, the medical part of workers' compensation rose even faster, at 11% a year. One reason: fewer cost controls on occupational medicine.

Responding to the crisis, business, labor and others are working on ways to hold down costs. Everybody can agree on some solutions — greater attention to safety, for example. Boston-based Liberty Mutual Insurance Co. and Hartford-based Travelers Corp. have saved money for businesses by dispatching safety auditors to factories. The inspectors look for health hazards and recommend ways to prevent workers from hurting themselves.

But other methods are more controversial. Pennsylvania officials are now wrestling with several proposals for change, kicking up a storm among interest groups.

Last September, buses loaded with 1,500 business executives descended on Harrisburg, Pa., to lobby lawmakers for aggressive cost controls. Labor countered with a series of demonstrations inside the state capital building.

One thing Pennsylvania lawmakers seem to have agreed on — despite protests from doctors — is limits on how much physicians and hospitals can charge for specific services. But lawmakers are still fighting over whether to give employers more say over the choice of doctors their workers can use, a change that business argues is essential to contain costs. As in most states, employees in Pennsylvania can generally pick their own doctor for job-related injuries.

In a panel discussion earlier this month that aired on more than 100 television stations, interest groups squared off over the issue. Bill George, head of the state's AFL-CIO, worried about "company doc-

Please Turn to Page B2, Column 1

LEGAL BEAT



WHITE HOUSE CORRESPONDENCE MANUAL (3-4-93 DRAFT, MARK MILLER)

STYLE GUIDELINES -- NAMES AND ADDRESSES

In general, letters signed by President Clinton should use informal salutations, using the writer's first name as signed on the original letter (including doctors, judges, professors, and foreign citizens). The address block should contain the formal name as the writer uses it, and the salutation should be the same style as the signature.

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3/8/93

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M.D.

titles.

USN, USAF, USCG, and other branches of military service
(with no periods)

Marsha

First name
condolences for

people he doesn't know
John

Do not abbreviate the following words in names and titles:

Professor

the Honorable

the Reverend

Examples of Punctuation with Names:

Mr. Charles E. Morris, Jr.

Mr. David A. Jones III

Shahid A. Ansari, M.D.

In company names, follow the style on the letterhead. Use the abbreviations Inc., Ltd., Co., Bro., Bros., &, etc. if the letterhead uses them.

March 7, 1993

MEMORANDUM TO THE EMPLOYEES OF THE CORRESPONDENCE UNITS

FROM: JOHN PODESTA
STAFF SECRETARY 
SUBJECT: CORRESPONDENCE UNITS PAST

I ran across the description of the correspondence system in Andrew Jackson's White House and thought you might like to see it.

In 1833, this, allegedly, was the System:

The Ginerall [President Jackson] says he likes things simple as a mouse-trap. . . . There is enuff of us to do all that's wanted. Every day, jest after breakfast, the Ginerall lights his pipe and begins to think purty hard, and I and Major Donaldson begin to open letters for him; and there is more than three bushels every day, and all the while coming. We don't git through more than a bushel a day; and never trouble long ones, unless they come from Mr. Van Buren, or Mr. Kindle [Amos Kendall] or some other of our great folks. Then we sort 'em out jest as Zekel Bigelow does the mackerel at his Packin Yard. . . . We only make three sorts and keep three big baskets, one marked 'not red,' another 'red and worth nothin,' and another 'red and to be answered.' And then all the Ginerall has to do is to say 'Major, I reckon we best say so and so to that,' and I say 'jest so,' or not, as the notion takes me—and then we go at it.

We keep all the Secretaries, and the Vice President, and some District Attorneys, and a good many of our folks, and Amos Kindle, moving about; and they tell us jest how the cat jumps.

And as I said afore, if it warnt for Congress meetin once a year, we'd put the Government in a one horse wagon, and go jest where we liked.¹

The more things change, the more they stay the same.

CHEON

THE WHITE HOUSE
WASHINGTON

March 7, 1993

MEMORANDUM TO MARK GEARAN
BERNIE NUSSBAUM 
FROM: JOHN PODESTA
SUBJECT: APPLICATION OF THE ETHICS GUIDELINES

I received your memo on Ethics Guidelines and the accompanying ethics pledge and wanted your views on one matter. During my interview process in Little Rock, I discussed the application of the draft Executive Order on Ethics with Michael Waldman, who was working on the draft order at the time. He informed me that the transition considered whether the Staff Secretary had personal and substantial responsibility for all executive branch agencies because paper from those agencies flowed through the Staff Secretary's office to the President. The transition staff came to the conclusion that the Staff Secretary did not have personal and substantial responsibility over executive branch agencies by virtue of the paper flow function. I wanted to confirm that that was Bernie's judgement, as well.

I am aware that special circumstances could arise where, because of my personal involvement with an agency or issue, the lobbying ban on executive agencies beyond the EOP could be triggered.

You should be aware that I have signed the pledge, but wanted to clarify my understanding of what I was signing.