THE PRESIDENT HAS SEEN 3/12

Roberta Thanks very much BC

DATE: March 8, 1993

TO: President William J. Clinton

FROM: Supervisor Roberta Achtenberg

RE: Venus Rodriguez

To honor your request I had my staff make a personal visit to Venus Rodriguez and her mother, Katrina Powell.

I. **Venus Rodriguez**

Venus Rodriguez is 12 years of age and in the seventh grade at Herbert Hoover Middle School in San Francisco. She is very bright and capable and is doing extremely well in school. She hopes to become a doctor.

Mr. Tom Ammiano, President of the San Francisco School Board, has assured me that regardless of the family's living situation, Venus will be allowed to finish out the school year at Herbert Hoover. Efforts to keep her there will have to be pursued, and I will help oversee that process.

Venus is in receipt of your thoughtful note and photo. Enclosed is a letter to you from Venus. Hamilton Shelter will also be sending you an invitation to a fundraiser they are holding on March 21, 1993. I would be happy to convey a greeting letter from you. I'd be glad to do this

II. **Katrina Powell**

Last Thursday, Katrina Powell and her daughter Venus moved on to Tenderloin Neighborhood Development Corporation, which is "supportive transitional housing" with coordinated care. This is the next step in the process toward achieving independent housing.

A lack of this type of housing accounts for why many homeless people relapse. Participation in this phase of supportive services takes nine months, subsequent to which other housing and employment options can be pursued.

I have a grave concern that Katrina will not be able to sustain herself and complete the program of supportive transitional housing. She feels the restrictions and requirements are an intrusion on her privacy, which is understandable. She is anxious to be independent. However, her counselors feel that she and Venus require sustained intensive counseling and that if they do not complete the program they will relapse as they have done so many times before. I fear the worst. I will be visiting Venus and Katrina on Monday and will offer support and encouragement.

Katrina Powell has been through two interviews with Pacific Bell for a position as a telephone operator. I have been in contact with Mr. Steve Coulter, a vice-president of Pacific Bell, and he has assured me that he will inquire as to the status of her employment application. She is now on the six-month priority waiting list.

Mr. Coulter also described to me the many in-house skills training programs of which Katrina can avail herself, if and when she is accepted at Pacific Bell. These training programs often lead to better opportunities both within and outside of Pacific Bell. The company also has a program which pays one hundred percent of tuition costs if an employee opts to seek education outside Pacific Bell.

I have been in contact with Dr. Tim Wolfred, President of the San Francisco Community College Board. Dr. Wolfred informs me that they have many homeless people in their system. Of particular interest is their Women's Re-Entry Center. Dr. Wolfred will place me in contact with the proper person in the college system to set up an interview with Katrina to explore a personalized plan for her, using the education benefits available to her through Pacifica Bell should she get the job.

III. **Hamilton Family Shelter**

Hamilton Shelter is one of the better emergency family shelters in San Francisco and has developed a very good working relationship with the residents of the immediate neighborhood and with Herbert Hoover Middle School.

Upon cursory inspection by my staff, Hamilton Family Shelter was found to be clean and well-staffed. As an emergency shelter, Hamilton is geared for short-term emergency care but finds itself dealing with families who are trapped there for the long term because there exists little in the way of supportive transitional housing.

While legwork and ingenuity means relief for a fortunate few, as you well know there are no federal funds to develop and maintain a supportive transitional housing program. Thus, places like Tenderloin Neighborhood Development Corporation can accommodate only a very small percentage of Hamilton's "graduates".

My staff has met with Hamilton staff to address some of their needs -- such as the lack of washers and dryers, computers for their after-school program, more adequate kitchen facilities, upgraded health, dental and eye care. My staff will also work with the City's Redevelopment Agency as well as Hamilton Methodist Church to begin the process of securing additional facilities. I will also explore the possibility of putting the Tenderloin Neighborhood Development Corporation in contact with the right people at HUD.

IV. **In Closing**

I have enclosed for your perusal the resume of Katrina Powell, statistics from the Hamilton Family Shelter and a personal note from Venus. I assure you, Mr. President, that I will personally monitor this situation, and try and smooth over any rough spots Venus and Katrina may encounter as they proceed through the system. Please let me know if there are additional, specific things you would like me to try and accomplish.

Clearly, there are many problems for Venus and Katrina. I will do what I can. I will speak with Secretary Cisneros about what I have found, and I will keep you posted.

My best wishes to you!

THE HAMILTON FAMILY CENTER

San Francisco's Emergency Family Shelter

1525 Waller Street
San Francisco, CA 94117
(415) 665-2100

March, 2, 1993

William Jefferson Clinton
President of the United States
1600 pensylvania AVE.
Washington DC

Dear Mr. President

It was nice meeting you. I enjoyed staying In Washington. I met good people there that I will keep in touch with.

We have many pictures and wondeful memories In our hearts. And yesterday we received your letter.

It was very important for me to see you and thanks to ABC I was able to meet you.

We know you are unable to come but we would still like to invite you to a fundraiser for the Hamilton Family Center Childrens programs

Thank you for listening to our problems!

Sincerely
Venus E. Rodriguez

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO NANCY

FROM: MARSHA
DATE: March 9, 1993

Supervisor Roberta Achtenberg, San Francisco, was called by BC to look into the status of a young woman, Katrina Powell. The attached is her follow-up to the request.

THE HAMILTON FAMILY CENTER BOARD OF DIRECTORS
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Sharleen Harty, Development Associate-Hamilton
Katy Sullivan, Development Assistant-Hamilton

Special Guests
Venus Rodriguez, her mother Katrina Powell,
and her friends from The Hamilton Family Center

Sponsors and Special Thanks to
Hon. Angela Alioto Mrs. Angelina Genaro Alioto
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Scott Talen Carolyn Tyler Evan White

The Board of Directors,
Dick Clark, Hamilton Executive Director,
Jeanie Kortum-Stermer
Director of Children's Services,
and
Ed and Mary Etta Moose

invite you

to Celebrate the First Day of Spring

to benefit

The Children's Programs of The Hamilton Family Center

Hors d'Oeuvres
Sunday, March 21, 1993

from three to five o'clock in the afternoon

Moose's
1652 Stockton
San Francisco

Donor's choice $250 or $500
Cash Bar

RSVP 665-2100 ext 106
Space Limited

Surprise Art Raffle

CHRON

THE WHITE HOUSE
WASHINGTON

Bob –

We need to resolve this issue

Podesta

TO: Bob Rubin

THE SECRETARY OF THE TREASURY
WASHINGTON

March 9, 1993 93 MAR 9 AM 11:19

MEMORANDUM FOR THE PRESIDENT

FROM: Lloyd Bentsen LB

SUBJECT: The Debt Limit

ACTION-FORCING EVENT:

Congressional action to increase the statutory limit on the public debt will be needed soon to prevent disruption in Treasury financing. Although there are always some uncertainties about such projections, our best estimate at present is that the Treasury will run out of cash and room under the current $4,145.0 billion debt limit on April 7 as social security recipients and others attempt to cash their checks.

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

OPTIONS:

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

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

RECOMMENDATION:

We recommend that you approve Option 1.

Approve Option 1 ______; Approve Option 2 ______;

Let's Discuss ______

BACKGROUND/ANALYSIS:

Past Practice

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

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

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

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

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

Considerations this year

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

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

Option 1

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

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

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

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

Option 2

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

THE WHITE HOUSE
WASHINGTON

DATE: 3-12

Jack Quinn

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

FYI

THE WHITE HOUSE
WASHINGTON

DATE: 3-12

TO: Bernie Nussbaum

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

FYI

DATE: 3-12

): Melanne Verveer

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

FYI

THE WHITE HOUSE
WASHINGTON

DATE: 3-12

TO: Bruce Reed

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

FYI

CAMPAIGN FINANCE REFORM ISSUES

1. **<u>SPENDING LIMITS</u>** (linked to public benefits)

<u>Opening position</u>: Follow the limits in last year's bill.

• The Senate limits may be unreasonably low, but we'll let the Senate bring that up.

___ **Accept** ___ **Accept as amended** ___ **Reject** ___ **More info.**

2. **<u>PUBLIC BENEFITS</u>** (for candidates who comply with the spending limits)

<u>House:</u> Retain last year's provision (which was matching funds for small contributions worth up to $200,000, or 1/3 of the spending limit).

<u>Senate:</u> You reserved your options for the Senate. They are:

1. Going along with Mitchell-Boren. Their bill had broadcast vouchers worth 12.5% of the general election limit. They are now likely to <u>increase the public funding to 34%</u> of the general election total (25% of the total).

___ **Accept** ___ **Accept as amended** ___ **Reject** ___ **More info.**

2. <u>Go one step beyond Mitchell-Boren</u>: propose that the partial public funding be increased to 50%. (As you may recall, that is the figure Mitchell used at the leadership meeting on this topic. This would push the envelope, and possibly make it easier for Mitchell to sell a somewhat smaller proposal.)

___ **Accept** ___ **Accept as amended** ___ **Reject** ___ **More info.**

3. Proposing something like what Kerry, Biden and Bradley advocated -- <u>full public funding for Senate general elections</u>, which would "ban all special interest contributions from Senate general election campaigns."

___ **Accept** ___ **Accept as amended** ___ **Reject** ___ **More info.**

— **<u>Conditions for communications vouchers</u>: Require recipients of broadcast vouchers to debate their opponents (following a model proposed by Sen. Graham).**

___ Accept ___ Accept as amended ___ Reject ___ More info.

Broadcast discounts: Seek to extend the 50% discount for broadcast time, now available only for Senate candidates, for House candidates as well.

___ Accept ___ Accept as amended ___ Reject ___ More info.

3. PAYING FOR THE PUBLIC BENEFITS

Opening position: Use the funds from the repeal of the tax deductibility of lobbying.

Note: This position will win wide acceptance among Democrats on the Hill.

___ Accept ___ Accept as amended ___ Reject ___ More info.

Backup position: Expansion of the checkoff (to $2.50, $3, or whatever).

___ Accept ___ Accept as amended ___ Reject ___ More info.

4. PAC LIMITS

Opening position: Cut PAC contributions to $1000.

Bottom line: We cannot move beyond the aggregate limit for the House of $200,000 in S.3. (As Stan Greenberg pointed out, an increase in this amount simply will not fly. This position will make the House very unhappy.)

Next proposal: Change the nature of PACs by a) cutting the size of PAC contributions to candidates in half, to $2500; and b) cutting the amount that can be given to a PAC from $5000 to either $250 or $500. (We are analyzing the variable partisan impact of either number.)

___ Accept ___ Accept as amended ___ Reject ___ More info.

5. INDIVIDUAL LIMITS

Proposal: Cut the amount of money that can be given by individuals to candidates by one half -- to $500 per election -- the same rate that PAC money is cut.

___ Accept ___ Accept as amended ___ Reject ___ More info.

6. **SOFT MONEY**

Proposal: The DNC's proposal, which does the following:

- Soft money is banned from use in federal (presidential and congressional) campaigns. Only "hard money" -- legal under federal limits -- could be used for coordinated campaigns (get out the vote, voter registration, etc.).

- Individuals and PACs (but not direct contributions from corporations or unions) would be allowed to give up to $25,000 to national Democratic committees.

- Each state party will be authorized to establish a "Grassroots Fund" from which to fund all "grassroots activity." These will be the sole funds to pay for candidate specific and generic activity including: voter registration, town meetings and rallies, GOTV, volunteer-processed mail and volunteer-processed phone banks, literature and generic media.

- Contributions to the "Grassroots Fund" will be limited to $25,000 for individuals or PACs, with an aggregate national total of $100,000 for individuals and $250,000 for PACs.

- Full disclosure.

- National parties will be entitled to federal matching funds for contributions of $250 or less to be paid from the funds currently designated for the funding of the national conventions.

- Another method for funding these matching funds could come from either to expand the Presidential checkoff (which must be raised to approximately $3 to pay for future presidential funding) to $5, or by allowing taxpayers to donate up to $10 of any refund owed them to the political party of their choice.

NOTE: The DNC is drafting this proposal in detail, and the details of the draft will be available to you before the formal discussions, if you desire.

___ Accept ___ Accept as amended ___ Reject ___ More info.

7. LOBBYISTS: Ban registered lobbyists (or those who should register under the law) or their employers from contributing to candidates.

Note: Employers are generally corporations, who cannot contribute now.

S.3's bundling provision already bars lobbyists from bundling.

___ Accept ___ Accept as amended ___ Reject ___ More info.

8. INDEPENDENT EXPENDITURES

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

- Faster and fuller disclosure of independent expenditures.
- Bans covert cooperation between "independent" spender and candidates.
- Provides capped matching funds for complying candidate to compensate for independent ads.

___ Accept ___ Accept as amended ___ Reject ___ More info.

9. NONCOMPLYING OPPONENT

Proposed option: Accept the provisions contemplated by congressional drafters:

- House: Complying candidate may exceed spending limit once opponent who has declared he or she will not comply raises 50% of spending limit, and may receive additional matching funds once opponent raises 80% of limit.
- Senate: Complying candidate receives additional public benefits to match non-complying opponent's spending beyond limit (up to double the spending limit); at that point, additional spending allowed if non-complying opponent more than doubles the limit.

___ Accept ___ Accept as amended ___ Reject ___ More info.

10. **BUNDLING**

Proposed options:

• Generally, accept the anti-bundling provisions in S.3.

• In re: EMILY's List, a) let it be fought out on the Hill, and b) support a compromise that lets EMILY's List continue to bundle, but narrows the exemption as much as possible.

Note: This compromise is politically necessary, and EMILY's List has been instrumental in electing Democratic women. However, it is also the case that this exemption will ultimately allow big money to bundle -- e.g., insurance executives who oppose national health care could give $100,000 to congressional candidates through a PAC, but the UAW would be limited to $2500, or whatever the PAC limit is.

___ Accept ___ Accept as amended ___ Reject ___ More info.

TWO ISSUES THAT WERE NOT DISCUSSED AT THE MEETING

1. THE PRESIDENTIAL SYSTEM

The FEC argues that the Presidential checkoff fund -- which has not been indexed to inflation -- is about to run out of money. The agency, Sen. Mitchell and other congressional reformers propose that this bill include reforms to the presidential system as well:

- **Increase in the checkoff to $3 to cover additional costs**

  NOTE: This could include the matching funds for small contributions to parties sought by David Wilhelm for the DNC.

  NOTE: As an incumbent President, a collapse of the presidential fund might help deter primary opponents for you, but would also limit the number of Republican candidates who would likely carve each other up.

- **Repealing the state-by-state spending limits for primaries, which add complexity and gamesmanship to presidential primaries.**

___ **Accept** ___ **Accept as amended** ___ **Reject** ___ **More info.**

2. STRENGTHENING THE FEC

The FEC is currently relatively toothless, and would be required to assume new responsibilities under this system.

The agency is very slow. In addition, its makeup of 3 Democrats and 3 Republicans guarantees gridlock.

In addition to being sound public policy to strengthen the FEC, it is probably good partisan politics -- since the Republicans generally are much more aggressive about ignoring the rules (e.g., the Coverdale election, where they pumped $500,000 into the runoff with dubious legal cover).

<u>Proposal</u>: **We work with congressional staff and the FEC to strengthen the agency.** Preferred options:

- Creating an administrative law judge corps at the FEC to make quick preliminary rulings on complaints.

- Requiring a majority vote of the commission to overrule the General Counsel (who in turn is chosen by a bipartisan majority).

___ **Accept** ___ **Accept as amended** ___ **Reject** ___ **More info.**

APPENDIX A:
GENERAL SCHEME OF S.3
(a refresher on last year's congressional proposal)

HOUSE:

• General scheme: spending limits of $600,000, with up to $200,000 in PAC money, $200,000 in individual contributions and $200,000 in matching funds (i.e., 1/3, 1/3, 1/3).

• PACs: aggregate cap, but contribution size stays at current level ($5000).

• Individuals: current level.

SENATE:

• General scheme: spending limits varying by state size.

• PACs: contribution size cut to $2500; aggregate limit of 20% of spending limit.

• "Broadcast vouchers" worth 20% of general election limit (12.5% of total).

• Broadcast discounts of 1/2 lowest unit rate for complying candidates

SOFT MONEY:

• Bans use of soft money in federal campaigns.

• Slight increase in availability of hard money.

APPENDIX B

CAMPAIGN FINANCE REFORM ISSUES -- SUMMARY OF ORIGINAL OPTIONS MEMO

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

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

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

   B. Strengthening last year's bill

   - Senate races:
   - House races:
   - Presidential races:
   - Using communications vouchers to improve level of campaigns -- debates, candidates in ads, etc.

3. **PAYING FOR THE PUBLIC BENEFITS**

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

   B. Increasing the checkoff

   C. Tax credits

4. **PAC LIMITS**

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

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

   D. $2500 PAC limit.

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

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

   G. Retain S.3's PAC limits

APPENDIX B

5. **INDIVIDUAL LIMITS**

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

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

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

6. **SOFT MONEY - DNC proposal**

7. **INDEPENDENT EXPENDITURES**

8. **NONCOMPLYING OPPONENT**

9. **BUNDLING** -- what to do about EMILY'S LIST

APPENDIX B

CAMPAIGN FINANCE REFORM ISSUES:
ORIGINAL OPTIONS MEMO (FOR WEDNESDAY'S MEETING)

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

Current law: None

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

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

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

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

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

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

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

APPENDIX B

2. PUBLIC BENEFITS (linked to spending limits for complying candidates)

Current law: none

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

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

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

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

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

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

Campaign position:

- In Putting People First, you proposed "opening up the airwaves."

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

Options:

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

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

APPENDIX B

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

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

- Senate races:

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

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

- House races:

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

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

- Presidential races:

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

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

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

APPENDIX B

- Candidates could be required to debate their opponents.

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

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

APPENDIX B

3. PAYING FOR THE PUBLIC BENEFITS

S.3: None.

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

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

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

Options:

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

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

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

Con: At a time of tight budgets, this money should be used for the deficit. Since it was included in the original budget plan, we would need to come up with some corresponding budget cut or tax increase to fill the hole. (Note: Since it's "only" $200 million per year, that might be relatively easy in the tumult of the economic plan.)

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

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

• Lobby registration fee

• A PAC registration fee

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

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

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

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

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

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

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

APPENDIX B

4. PAC LIMITS

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

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

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

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

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

Options:

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

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

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

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

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

Con: The proposal tilts private campaign financing away from labor and other pro-Democratic donors, who can give only with

PACs, and toward wealthy individuals (especially Republican-leaning businesspeople and professionals).

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

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

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

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

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

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

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

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

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

APPENDIX B

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

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

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

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

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

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

APPENDIX B

5. INDIVIDUAL LIMITS

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

S.3: No provision.

Campaign position: None.

Options:

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX B

6. SOFT MONEY

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

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

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

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

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

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

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

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

APPENDIX B

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

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

- Soft money could no longer be used for federal (presidential and congressional campaigns). Only "hard money" -- legal under federal limits -- could be used for coordinated campaigns (get out the vote, voter registration, etc.).

- Individuals and PACs (but not direct contributions from corporations or unions) would be allowed to give up to $25,000 to national Democratic committees.

- Each state party will be authorized to establish a "Grassroots Fund" from which to fund all "grassroots activity." These will be the sole funds to pay for candidate specific and generic activity including: voter registration, town meetings and rallies, GOTV, volunteer-processed mail and volunteer-processed phone banks, literature and generic media.

- Contributions to the "Grassroots Fund" will be limited to $25,000 for individuals or PACs, with an aggregate national total of $100,000 for individuals and $250,000 for PACs.

- Full disclosure.

- National parties will be entitled to federal matching funds for contributions of $250 or less to be paid from the funds currently designated for the funding of the national conventions.

- Another method for funding these matching funds could come from either to expand the Presidential checkoff (which must be raised to approximately $3 to pay for future presidential funding) to $5, or by allowing taxpayers to donate up to $10 of any refund owed them to the political party of their choice.

Pro: This would be real reform. We could correctly say that we banned soft money from federal election -- no more money that is raised under state law, not disclosed, from prohibited

APPENDIX B

sources, and in prohibited amounts. And it ensures adequate funding for the party.

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

APPENDIX B

7. INDEPENDENT EXPENDITURES

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

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

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

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

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

Campaign commitment: None.

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

APPENDIX B

8. NONCOMPLYING OPPONENT

Current law: None.

S.3:

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

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

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

Campaign commitment: None.

Proposed option: Accept the congressional proposal.

APPENDIX B

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

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

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

- PAC with a connected organization (i.e., not free-standing PACs). This distinction was inserted to protect EMILY's List; however, it encompasses approximately 1/4 of all PACs, and critics charge that this will be the loophole through which PAC funds flow.

- union, corporation, or trade association;

- partnership (e.g., law firm)

- someone required to register as a lobbyist

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

Options:

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

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

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

APPENDIX B

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

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

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

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

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

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

THE WHITE HOUSE
WASHINGTON

DATE: 03/12/93

TO: THE VICE PRESIDENT
MACK MCLARTY
TONY LAKE
HOWARD PASTER

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

The attached has been forwarded
to the President.

United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

March 11, 1993

MEMORANDUM

TO: The President

FROM: Sam Nunn Sam

SUBJECT: **Initiatives regarding Russia - Consultation with the Senate**

Per your request during our March 8 phone conversation, I have given some thought to a mechanism for your consulting with the Senate on new initiatives toward Russia, in connection with preparations for your meeting with Yeltsin.

After you advise the Senate leadership (Senators Mitchell and Dole) of your intention, I believe a small working group should be formed to serve as a primary point of contact between the White House and the Senate on these matters. A similar House group should also be formed. I suggest two separate meetings, although they could be merged if time pressure requires.

For the Senate group, I'd suggest that the Democratic side include Senators Mitchell, Pell, Biden, Boren, Leahy, and myself. On the Republican side (I've discussed this privately with Dick Lugar), I'd suggest Senators Dole, Lugar, Stevens, Domenici, and Warner.

I'd like to suggest one other step in connection with the upcoming Summit. I think we're all agreed that the active participation of the U.S. private sector in the economic development of Russia and the other new countries is essential. An important symbolic gesture in this regard would be your convening a meeting of business leaders at the White House to tell them personally that private sector investment is squarely in U.S. national security interests and a top priority for you and your Administration.

Economic and business leaders -- such as New York Federal Reserve Bank official and former Yeltsin advisor Tom Corrigan, Dresser Industries CEO Jack Murphy, and Bob Strauss -- could work with Strobe Talbott and Ron Brown to put a representative group together.

While we don't want to create false hopes of rapid, massive U.S. investment, or of high-cost government assistance to our private sector, a carefully caveated gesture of this sort would send a positive signal to our private sector, as well as to the G-7 and to interested parties in the former Soviet Union. It would also help energize the various involved components of the Executive Branch, including EXIM, OPIC, the Trade Development Agency, Treasury, and Commerce.

I applaud your G-7 initiative. This is where the problem has been and where U.S. leadership is required. It is unacceptable for Japan to continue to remain passive because of the dispute over the northern islands.

I believe you are leading in the right direction on this matter, which must be our top national security priority.

THE WHITE HOUSE

WASHINGTON

March 10, 1993

93 MAR 10 P1:35

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) Corrine Brown (D-FL), concerning Naval Aviation Depot in Jacksonville, FL;

2) John Linder (R-GA), concerning spending cuts;

3) Paul Simon (D-IL), thanking for article from 1838 concerning Arkansas legislature tragedy;

4) Jim Exon (D-NE), concerning Committee on Foreign Investment in the U.S. investigation;

5) Jay Rockefeller (D-WV), thanking for product liability information;

6) Bill Jefferson (D-LA), birthday greeting.

THE WHITE HOUSE

WASHINGTON

93 MAR 10 A11 : 58

March 9, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: RAHM EMANUEL R.E.

SUBJECT: GOVERNOR ZELL MILLER

I have attached a copy of a letter Governor Zell Miller wrote to Senator Sam Nunn asking the Senator to support your economic plan for your information. We clearly could not have a better friend than Governor Miller.

I have expressed the Administration's appreciation to the Governor and his staff.

cc: Howard Paster
George Stephanopoulos
Mark Gearan
Paul Begala

FM1

STATE OF GEORGIA

OFFICE OF THE GOVERNOR

ATLANTA 30334-0900

Zell Miller
GOVERNOR

March 8, 1993

The Honorable Sam Nunn
United States Senator
303 Dirksen Senate Office Building
Washington, DC 20515

Dear Sam:

I am writing to urge your support for the President's economic package.

I do so recognizing that there are many legitimate differences of opinion over various elements of the President's plan. But all in all, it represents a bold and honest attempt to put our economy back on a sound footing, by simultaneously reducing the drain on our productive capacity caused by the budget deficit, and increasing public and private investment in the physical and human capital we need for long-term growth.

Many Members of Congress are undoubtedly concerned that the plan includes new spending along with the deficit reduction measures--some in the short-term "stimulus package," and some in the long-term "investment package." These increases are obviously an easy target for generating the additional deficit savings we all want.

I urge you to resist the temptation to retreat to the mindless across-the-board approach to federal spending that has prevailed so often in the past. For the first time in many years, a President has made a good-faith effort to separate the sheep from the goats, increasing spending for programs that do indeed pay for themselves in increased productivity, and cutting those that do not. That's what the investment package is all about, and the stimulus package is simply an effort to begin the pro-growth increases in time to contribute to the ongoing economic recovery.

Cut where you can and cut where you must, but please give credence to the compelling logic of the President's overall plan. The budget is not just a series of numbers--it's a set of decisions on those priorities that are worth an expenditure of the hard-earned taxpayer's dollars.

Honorable Sam Nunn
Page 2
March 8, 1993

If you have a comprehensive alternative to the President's plan that makes those decisions in a manner conducive to short-term and long-term economic growth, then by all means come forward with it. Otherwise, I urge you to support the President's plan down the line. It's good for Georgia, and it's good for America.

Thanks for your hard work for Georgia in Congress.

With kindest personal regards, I remain,

Sincerely,

Zell

Zell Miller

ZM:jfc

THE WHITE HOUSE

WASHINGTON

March 5, 1993

The Honorable Zell B. Miller
Governor of Georgia
Atlanta, Georgia 30334

Dear Zell:

Thank you for your invaluable help. I truly appreciate your favorable public comments about my economic package and am grateful for your continued support, which will be crucial to our success.

I look forward to working with you on this and other projects.

Sincerely,

930308

THE WHITE HOUSE
WASHINGTON

March 11, 1993

[redacted]

MR. PRESIDENT:

I have forwarded to George and the speechwriters.

John Podesta

[redacted]

[redacted]

THE WHITE HOUSE

WASHINGTON

February 28, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY

SUBJECT: SUPERFUND

I wanted to bring to your attention a point of clarification on Superfund. In a speech you gave on February 11, you remarked that 85% of Superfund program costs go to lawyers. While that is a common belief, it is not quite accurate. That figure comes from a recent Rand study that concluded that 88% of monies paid by insurance companies involved in Superfund sites went to lawyers. However, only 20% of industry costs were paid to lawyers. In a weighted average of total private sector Superfund costs, only 25-30% of expenditures went to lawyers.

I hope this is helpful.

Chron

to Pastor for dispatch

Senator Sasser

THE WHITE HOUSE

WASHINGTON

3/11/93

Dear Jim

Thanks again for all your hard work on the budget - let's go pass it

Best,

Bill

Chron

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 3/12

NOTE FOR: Howard

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

Information ☑

Action ☐

[redacted]

Thank you.

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

[redacted]

cc:

THE PRESIDENT HAS SEEN

Howard

Memorandum for The President
From: Howard Paster
Subject: Speaker Foley
Date: March 11, 1993

Werner Brandt, House Sergeant-at-Arms and one of the Speaker's closest aides for more a decade, now recommends that you call the Speaker to notify him officially of your intention to nominate Jean Smith as Ambassador to Ireland. Werner is not suggesting an apology call, but rather a courtesy call.

I recommend you take Werner's advice and call the Speaker before the close of business today and make these points:

1) You have decided to nominate Jean Smith to be Ambassador to Ireland, and you wanted to tell that to him directly since you know he had recommended former Representative Brian Donnelly;

2) You hope his birthday was a happy one, and that he will celebrate many more as Speaker; and

3) You very much look forward to attending his St. Patrick's Day lunch next week.

Fund for Ireland

3/11

Good talk

I offered to
come over for
greeting

THE PRESIDENT HAS SEEN 3/12

THE WHITE HOUSE

WASHINGTON

March 7, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: HOWARD PASTER

SUBJECT: SPEAKER FOLEY'S BIRTHDAY

This past Saturday, March 6, was Speaker Foley's birthday. Heather Foley had asked if you wanted to come to the joint party she was giving for Speaker Foley and Alan Greenspan, who shares birthdays with the Speaker.

As your personal plans took shape for Saturday I called Heather and explained you would not be coming. However, your birthday letter was not delivered because of the weekend.

Therefore...would you please call the Speaker today to wish him a belated happy birthday and regret you were unable to attend the event on Saturday.

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/12

NOTE FOR: Howard, Mack, V.P.

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

[redacted]

Information ☑

Action ☐

[redacted]

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 3/12

THE WHITE HOUSE

WASHINGTON

MARCH 5, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Howard Paster HP

The Vice President has secured an agreement from Chairman Dellums to postpone his hearings on gays in the military if Senator Nunn will do the same. The Vice President is rightly concerned that those hearings will, if held this month, undermine our work on the economic plan.

It is the Vice President's view that it will be necessary for you to call Senator Nunn to get him to postpone the hearings. As you know, Senator Nunn did speak out today on the defense budget, and it is fair to say he modulated the tone of his remarks. Also, he has signed the Brown letter on the stimulus package.

While I do not dispute the Vice President's view that you may have to ask to have the hearings postponed, I am not certain it is worth the potential price. My recommendation is that Mack call Senator Nunn and make the effort but I felt it appropriate to make you aware of the Vice President's view.

Mack

(He - Nunn is amenable to changing the date a bit

I have so informed Paster but

call Neil

cc: Mack McLarty

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/12

NOTE FOR: Christine Varney, Bob Rubin

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

[redacted]

Information ☐

Action ☑

[redacted]

Thank you.

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

cc:

THE PRESIDENT HAS SEEN

[redacted]

THE WHITE HOUSE
WASHINGTON

Bruce —
Make sure
we're doing
all we should
BC

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.

JP

John Podesta

[redacted]

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

[redacted]

THE PRESIDENT HAS SEEN
3/12

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

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 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 93 MAR 8 P2:11

FAX MESSAGE

DATE: 3/8/93

4 PAGES + COVER

TO: STEVE SILVERMAN

FAX#: 456-2983

PHONE#:

FROM: DAYTON J. WATKINS
ACTING ADMINISTRATOR, SBA

FAX#: (202) 205-6802

PHONE#: (202) 205-6605

SUBJECT:

MESSAGE:

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/12

NOTE FOR: Bruce Lindsey

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

- Information ☐
- Action ☑

[redacted]

Do you want to let Summers, Carey + Levine know about this?

John

[redacted]

Thank you.

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

cc:

[redacted]

THE WHITE HOUSE
WASHINGTON

93 MAR 11 P2:42

Dear Nancy –

I spoke with the President this morning and he asked that I send him a note reminding him to speak with Bruce Lindsey regarding the attached.

[redacted]

Thank you –

Paul

[redacted]

THE PRESIDENT HAS SEEN
3.11.93

THE WHITE HOUSE

WASHINGTON

93 MAR 11 P5:18

ok to hire Susan

BRL

March 4, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Paul Carey

SUBJECT: Susan Levine

BC

I. As per your request, Susan Levine's status is as follows: She interviewed with Larry Summers, Under Secretary for International Affairs at Treasury on Monday for the position of Deputy Assistant Secretary for Development. Susan has told me that Summers would like to hire her and will do so if he is told she has the backing of The White House.

II. The competition for this position is considerable and Larry Summers needs to hear from Bruce Lindsey before he can proceed further.

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/12

NOTE FOR: Michael Waldman, Paster

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

Information ☐

Action ☐

[redacted]

Do you want to share with David?

John

[redacted]

Thank you.

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

cc:

Mike Waldman
to: Kerry, Biden, Bradley

SWING LIST -- PUBLIC FUNDS

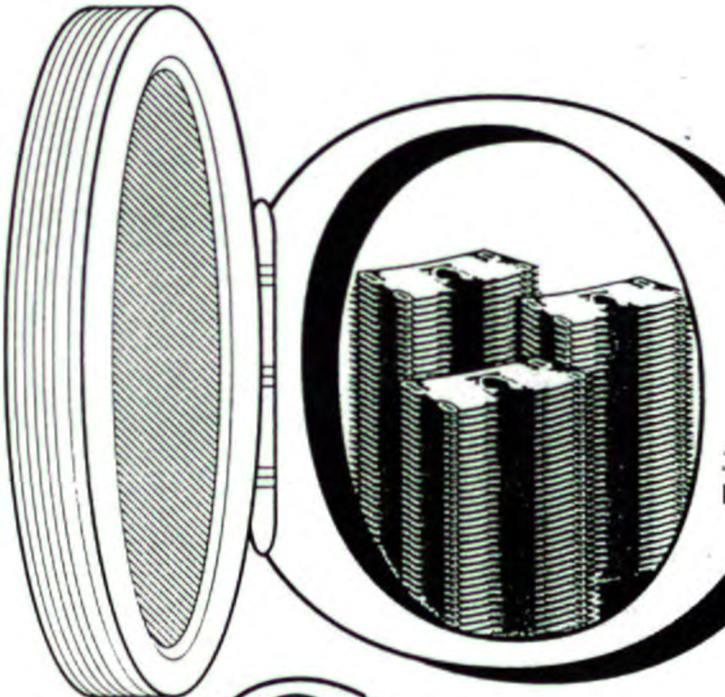
YES PUBLIC FUNDS	LIKELY YES	???	VOTED NO	STRONG NO
90% general				against S.3
Kerry/Biden/Bradley	(not in 102nd)		K/B/B	Mitchell/Boren
(32)	(9)	(1)	(15)	(4)
Akaka	Boxer	Krueger	Breaux	Breaux
Baucus	Campbell		*Bryan	Hollings
Biden	Dorgan		Exon	Johnston
Bingaman	Feingold		*Ford	Shelby
Boren	Feinstein		*Graham	
Bradley	Mathews		Heflin	PLUS:
Bumpers	Moseley-Braun		Hollings	Exon
Byrd	Murray		Johnston	(yes on S.3
Conrad	Pryor		*Kerrey	but against
Cranston			*Kohl	public
Daschle			*Levin	funds)
DeConcini			Nunn	
Dodd			*Robb	
Glenn			*Rockefeller	
Harkin			Shelby	
Inouye				
Kennedy				
Kerry				
Lautenberg				
Leahy				
Lieberman				
Metzenbaum				
Mikulski				
Mitchell				
Moynihan				
Pell				
Riegle				
Sarbanes				
Sasser				
Simon				
Wellstone				
Wofford				

GOP SENATORS WHO VOTED FOR FINAL PASSAGE OF BOREN WITH 20 PERCENT PUBLIC FUNDING
(5)
Cohen
Durenberger
Jeffords
McCain
Pressler

OTHER GOP SENATORS WHO MIGHT SUPPORT LEG
Chafee
Danforth
Hatfield

*Senators most likely to vote "YES" on public funding if it is in President's package; if you had them, you have 50.

Second Edition



Open Secrets

The Encyclopedia of Congressional Money and Politics

Larry Makinson
Center for Responsive Politics

Contents

Introduction

Many Americans view politics as a necessary nuisance, tuning in each election season only long enough to make their choices — or to decide they'd rather not participate. But within the Washington beltway, among the permanent political community of interest groups, lobbyists, fundraisers, political consultants, and the candidates and members of Congress themselves, politics is an all-consuming endeavor. Inside that rarefied world, politics has a different image and a different purpose than it does for most voters — one that is almost never talked about on the campaign trail or in 30-second TV spots. Quite apart from all the rhetoric about war and peace, handguns and abortion clinics, the business of government has much to do with the governing of business. And inside Washington, the worlds of business and government converge on Capitol Hill.

Decisions are made in committee rooms and around conference tables that can mean billions of dollars to industries and tens of millions to individual companies. Pressures from all sides in competing interest groups can be intense, as lobbyists buttonhole lawmakers and try to win nuances in legislative amendments that can make or break business — as well as political — fortunes. In this pressure-cooker world, one of the most potent tools in the lobbyist's arsenal is money. The prohibitive cost of modern campaigning has dictated that dollars are crucial to electoral victory, and nearly every member of Congress spends more time than they'd like courting it, raising it, stockpiling it for the next election.

All this is well known to the political community inside Washington. It is less well known outside Washington, where many people these days assume the worst. Voters may be wrong when they think that all members of Congress are crooks, more interested in their personal fortunes than the welfare of the folks back home. But they are not far off the mark when they worry that their own representatives may be listening to two competing sets of constituents — the *real* constituents back home in the district, and the *cash* constituents who come calling in Washington, DC. Money drives American politics these days, and the pursuit of money drives many a member of Congress, looking nervously ahead to the next election day.

This book attempts to bring the realities of that world — both the details and the patterns — to a wider audience. The facts on these pages will no doubt be useful to political practitioners inside the beltway, but this book was not written for them. It was written for the great majority of Americans who live hundreds or thousands of miles from Washington. It was written to show everyone where their own members of Congress get the money that keeps them in office, and to reveal the specific industries and interest groups that are most generous to Congress as a whole.

In pursuit of that goal, this second edition of *Open Secrets* goes much farther than the original version, which focused only on political action committees. Besides tracking the PAC dollars, this new edition also analyzes the patterns behind tens of millions of dollars in large contributions from *individual* contributors — a huge block of money that has never before been examined in this detail. This combined approach reveals many patterns never before seen, and gives a much more complete picture of the dynamics behind the funding of congressional elections.

Much additional work remains to be done in identifying contributors and tracking their influence, and future editions of *Open Secrets* will continue to expand and refine the analysis. Meantime, this book is offered as a state-of-the-art guide to the realities of money and politics on Capitol Hill. You can read it like an encyclopedia, picking out pages at random and skipping back and forth between committee profiles, member profiles, industry profiles and the Big Picture section in front. Every page has something that may raise eyebrows or give pause for thought.

Readers will note that the narrative in this book is sparse. The facts have been presented as directly and simply as possible so that each reader can absorb and interpret them on their own, without the need for outside experts or a grand unifying theory. It is the author's hope that in the process of browsing through these pages, attentive readers will gain many new insights into the way government works in the real world of our modern American democracy.

Larry Makinson
Center for Responsive Politics
May 1992

Top Soft Money Contributors in 1989-90*

Name	City	Amount	To Dems	To Repubs
Assn of Trial Lawyers of America	Washington, DC	$540,000	$540,000	$0
United Auto Workers	Detroit, Mich.	$325,700	$325,700	$0
Amer Fedn of State/County/Munic Employees	Washington, DC	$322,550	$322,550	$0
Atlantic Richfield Co	Los Angeles, Calif.	$308,360	$12,000	$296,360
National Education Assn	Washington, DC	$290,000	$285,000	$5,000
United Steelworkers of America	Pittsburg, Pa.	$283,518	$283,518	$0
Mary C. Bingham	Louisville, Ky.	$281,000	$281,000	$0
RJR Nabisco	Atlanta, Ga.	$201,755	$42,825	$158,930
American Federation of Teachers	Washington, DC	$170,000	$170,000	$0
Irvine Co	Newport Beach, Calif.	$165,100	$15,000	$150,100
AFL-CIO	Washington, DC	$163,734	$163,734	$0
Roy M. Huffington	Houston, Tex.	$151,000	$0	$151,000
American Financial Corp	Cincinnati, Ohio	$150,460	$0	$150,460
Occidental Petroleum	Los Angeles, Calif.	$149,780	$50,000	$99,780
Machinists/Aerospace Workers Union	Washington, DC	$147,000	$147,000	$0
Thomas A. Dennis	Chicago, Ill.	$137,000	$137,000	$0
Philip Morris	New York, N.Y.	$134,650	$43,150	$91,500
Frederick W. Field	Los Angles, Calif.	$131,400	$131,400	$0
Mark B. Dayton	Minneapolis, Minn.	$131,000	$131,000	$0
Joseph J. Bogdanovich	Rolling Hills, Calif.	$130,000	$0	$130,000
Teamsters Union	Washington, DC	$125,350	$104,850	$20,500
Gary Winnick	Beverly Hills, Calif.	$125,000	$0	$125,000
Auto Dealers & Drivers for Free Trade	Jamaica, N.Y.	$120,000	$50,000	$70,000
Sheet Metal Workers	Washington, DC	$114,300	$114,300	$0
Service Employees Intl Union	Chicago, Ill.	$112,500	$112,500	$0
Albert B. Glickman	Beverly Hills, Calif.	$110,000	$0	$110,000
Archer-Daniels-Midland	Decatur, Ill.	$108,500	$58,500	$50,000
Bruce D. Benson	Golden, Colo.	$107,000	$0	$107,000
Intl Brotherhood of Electrical Workers	Washington, DC	$106,250	$105,250	$1,000
Agenda for the 90s	San Francisco, Calif.	$106,000	$106,000	$0
Henley Group	Hampton, N.H.	$106,000	$50,000	$56,000
Monte Friedkin	Boca Raton, Fla.	$105,000	$105,000	$0
Richard J. Dennis	Chicago, Ill.	$105,000	$105,000	$0
Lawyers Involved for Texas	Austin, Tex.	$104,832	$104,832	$0
Sunrise Co	Palm Desert, Calif.	$102,374	$0	$102,374
Milton Petrie	Secaucus, N.J.	$102,010	$100,000	$2,010
Trammell Crow	Dallas, Tex.	$101,150	$0	$101,150
Growth Industries Inc	Grandview, Mo.	$100,300	$0	$100,300
Alexander P. Papamarkou	New York, N.Y.	$100,000	$0	$100,000
Beatrice Corp	Chicago, Ill.	$100,000	$0	$100,000
Bertram R. Firestone	Waterford, Va.	$100,000	$0	$100,000
Hibbard Brown & Co	New York, N.Y.	$100,000	$0	$100,000
James F. Keenan	Aiken, S.C.	$100,000	$0	$100,000
James W. Walter	Tampa, Fla.	$100,000	$0	$100,000
Jerome V. Ansel	New York, N.Y.	$100,000	$0	$100,000
John W. Harris	Charlotte, N.C.	$100,000	$0	$100,000
Moey Segal	Las Vegas, Nev.	$100,000	$0	$100,000
Monty Hundley	New York, N.Y.	$100,000	$0	$100,000
Mr. & Mrs. Bill Cosby	Santa Monica, Calif.	$100,000	$100,000	$0
Robert I. MacDonnell	Hillsborough, Calif.	$100,000	$0	$100,000
Salem Leasing Corp	Winston Salem, N.C.	$100,000	$0	$100,000
Sonic Communications	Walnut Creek, Calif.	$100,000	$0	$100,000

* This list was compiled by the Center for Responsive Politics and includes contributions made to the Democratic and Republican National Committees, as well as to state parties in nine states that had key congressional races in the 1990 elections. The states included Colorado, Hawaii, Illinois, Iowa, Kentucky, Minnesota, North Carolina, Oregon and Texas.

Serious Money: The Top 100 Contributors

Rank	Contributor	Total	PAC Pct	Dem Pct	Rep Pct	Principal Category
1	National Assn of Realtors	$3,094,228	100%	56%	44%	Real Estate
2	American Medical Assn	$2,647,981	100%	49%	51%	Doctors
3	Teamsters Union	$2,438,184	99%+	92%	8%	Teamsters
4	National Education Assn	$2,334,715	99%+	93%	7%	Teachers Unions
5	United Auto Workers	$1,801,772	99%+	99%	1%	Manufacturing Unions
6	Letter Carriers Union	$1,755,478	99%+	86%	14%	Postal Unions
7	American Fedn of State/County/Munic Employees	$1,549,720	99%+	98%	2%	Local Govt Unions
8	National Assn of Retired Federal Employees	$1,545,122	100%	76%	24%	Fedl Worker Unions
9	Assn of Trial Lawyers of America	$1,539,550	100%	87%	13%	Lawyers
10	Carpenters Union	$1,526,534	99%+	96%	4%	Constr Unions
11	National Assn of Life Underwriters	$1,487,800	100%	51%	49%	Life Insurance
12	Machinists/Aerospace Workers Union	$1,487,495	99%+	98%	1%	Manufacturing Unions
13	AT&T	$1,477,200	98%	57%	43%	Long Distance
14	American Bankers Assn	$1,473,061	100%	55%	45%	Commercial Banks
15	National Assn of Home Builders	$1,362,550	99%+	48%	52%	Resid Construction
16	Laborers Union	$1,359,119	99%+	92%	8%	Constr Unions
17	National Auto Dealers Assn	$1,313,900	100%	38%	62%	Auto Dealers
18	Intl Brotherhood of Electrical Workers	$1,257,920	99%+	97%	2%	Communication Unions
19	Air Line Pilots Assn	$1,167,797	100%	81%	19%	Air Transport Unions
20	American Institute of CPA's	$1,089,294	99%+	56%	44%	Accountants
21	AFL-CIO	$1,075,142	99%+	97%	2%	Manufacturing Unions
22	Marine Engineers Union	$1,066,125	100%	62%	38%	Sea Transport Unions
23	American Federation of Teachers	$1,043,616	99%+	97%	3%	Teachers Unions
24	American Postal Workers Union	$976,403	100%	92%	8%	Postal Unions
25	American Academy of Ophthalmology	$961,411	100%	52%	48%	Eye Doctors
26	Seafarers International Union	$955,796	99%+	85%	15%	Sea Transport Unions
27	National PAC	$953,500	100%	61%	39%	Pro-Israel
28	Food & Commercial Workers Union	$945,281	100%	98%	2%	Food Svc Unions
29	National Cmte to Preserve Social Security	$914,052	99%+	91%	9%	Elderly/Soc Security
30	United Steelworkers	$897,675	100%	100%	0%	Manufacturing Unions
31	Operating Engineers Union	$881,809	99%	91%	8%	Constr Unions
32	American Dental Assn	$824,578	100%	54%	46%	Dentists
33	RJR Nabisco	$823,337	98%	50%	50%	Tobacco
34	Communications Workers of America	$807,737	100%	99%	0%	Communication Unions
35	Associated Milk Producers	$769,800	100%	67%	33%	Dairy
36	Federal Express Corp	$765,225	99%	63%	37%	Express Delivery
37	National Rifle Assn	$749,493	100%	39%	61%	Pro-Gun Control
38	Plumbers/Pipefitters Union	$740,750	100%	93%	7%	Constr Unions
39	United Transportation Union	$710,350	99%+	92%	8%	Railroad Unions
40	BellSouth	$699,974	95%	51%	49%	Phone Utilites
41	American Council of Life Insurance	$692,743	99%+	58%	42%	Life Insurance
42	Independent Insurance Agents of America	$676,335	100%	58%	42%	Insurance
43	Sheet Metal Workers Union	$673,058	100%	98%	1%	Constr Unions
44	United Parcel Service	$659,732	99%+	60%	40%	Express Delivery
45	ACRE (Action Cmte for Rural Electrification)	$654,769	100%	69%	31%	Rural Electric
46	Associated General Contractors	$654,194	99%	22%	78%	Heavy Construction
47	General Motors	$650,056	95%	45%	55%	Auto Manufacturers
48	Auto Dealers & Drivers for Free Trade	$644,450	100%	33%	67%	Japanese Auto Dlrs
49	National Beer Wholesalers Assn	$633,150	100%	57%	43%	Liquor Wholesalers
50	Philip Morris	$623,411	97%	53%	47%	Tobacco/Food Prod

Labor PACs, Financial Interests Dominate Top 100 Contributor List

These 100 corporations, labor unions, trade associations, professional societies and assorted interest groups were the top contributors in the 1990 elections. Together, they gave a combined $79.2 million to congressional candidates. The total includes some $77 million in PAC contributions — nearly half the total given by all PACs in the 1989-90 election cycle. Nearly all the top contributors gave the bulk of their funds through PACs. Only three — Time Warner, Goldman, Sachs and Salomon Brothers — gave more than half their funds through contributions from individuals.

Labor unions were the leading sector, accounting for 28 positions in the Top 100 and seven in the Top 10. In all, the leading unions gave over $31 million in direct contributions to candidates — almost all of it delivered through political action committees. The figure is particularly remarkable given that all labor PACs combined gave just $36.6 million.

Rank	Contributor	Total	PAC Pct	Dem Pct	Rep Pct	Principal Category
51	National Cmte for an Effective Congress	$598,575	100%	100%	0%	Dem/Liberal
52	National Restaurant Assn	$582,492	100%	20%	80%	Restaurants
53	National Cable Television Assn	$574,475	99%	63%	37%	Cable TV
54	Union Pacific Corp	$552,164	93%	42%	58%	Railroads
55	Aircraft Owners & Pilots Assn	$513,900	100%	49%	51%	General Aviation
56	Amalgamated Transit Union	$512,630	100%	95%	5%	Misc Transport Union
57	Credit Union National Assn	$512,098	100%	57%	43%	Credit Unions
58	American Hospital Assn	$506,639	99%+	68%	32%	Hospitals
59	Mid-America Dairymen	$485,950	100%	71%	29%	Dairy
60	Human Rights Campaign Fund	$479,371	99%	84%	16%	Gay/Lesbian
61	Chicago Mercantile Exchange	$475,875	97%	66%	34%	Commodity Investment
62	General Electric	$473,142	82%	61%	39%	Aerospace/Nuclear
63	Dow Chemical	$468,225	69%	12%	88%	Chemicals
64	Barnett Banks of Florida	$466,250	99%	44%	56%	Commercial Banks
65	Goldman, Sachs & Co	$449,650	38%	74%	26%	Investmtent Banking
66	American Family Corp	$447,968	96%	54%	46%	Health Insurance
67	Waste Management Inc	$434,962	90%	58%	42%	Waste Mgmt
68	National Rural Letter Carriers Assn	$430,875	100%	87%	13%	Postal Unions
69	Lockheed Corp	$428,409	99%	42%	58%	Air Defense
70	Ford Motor Co	$425,675	87%	51%	49%	Auto Manufacturers
71	Northrop Corp	$421,463	98%	37%	63%	Air Defense
72	American Express	$421,064	55%	71%	29%	Stock Investment
73	Ironworkers Union	$419,999	100%	96%	4%	Constr Unions
74	GTE Corp	$413,425	99%	49%	51%	Phone Utilites
75	JP Morgan & Co	$412,925	98%	55%	45%	Commercial Banks
76	Citicorp	$412,178	93%	60%	40%	Commercial Banks
77	Sierra Club	$410,210	99%+	91%	9%	Environment Policy
78	American Crystal Sugar Corp	$408,125	100%	63%	37%	Sugar
79	McDonnell Douglas	$404,300	92%	52%	48%	Air Defense
80	Metropolitan Life	$402,482	92%	65%	35%	Insurance
81	Salomon Brothers	$394,925	39%	48%	52%	Stock Investment
82	Textron Inc	$390,625	96%	57%	43%	Air Defense
83	Akin, Gump, Hauer & Feld	$389,400	69%	79%	21%	Lawyers
84	US League of Savings Assns	$388,418	100%	59%	41%	Savings & Loans
85	Time Warner	$388,075	31%	91%	9%	Broadcast/Movies
86	Chicago Board of Trade	$388,011	96%	69%	31%	Commodity Investment
87	National Abortion Rights Action League	$385,495	99%+	89%	11%	Pro-Choice
88	Martin Marietta Corp	$383,610	99%	46%	54%	Air Defense
89	General Dynamics	$378,279	98%	58%	42%	Air Defense
90	Transportation Communication Intl Union	$377,401	100%	97%	3%	Misc Transport Union
91	Food Marketing Institute	$376,572	100%	35%	65%	Food Stores
92	Rockwell International	$375,085	97%	38%	62%	Air Defense
93	Burlington Northern	$371,246	88%	49%	51%	Railroads
94	US West	$357,485	93%	43%	57%	Phone Utilites
95	Prudential Insurance	$356,816	75%	67%	33%	Stock Investment
96	Atlantic Richfield	$339,389	88%	41%	59%	Oil & Gas
97	FMC Corp	$337,690	99%+	26%	74%	Chemicals
98	Transport Workers Union	$335,615	100%	96%	4%	Misc Transport Union
99	Amoco Corp	$334,373	97%	20%	80%	Oil & Gas
100	KidsPAC	$334,350	100%	88%	12%	Health/Welfare

NOTE: Contributors with PAC percents of "99%+" gave more than 99.5% but less than 100% of their contributions through PACs.

Financial interests were the second leading group on the Top 100 list. Nineteen companies from the Finance, Insurance & Real Estate sector dispensed a total of $14 million. Leading the list — both in the finance sector and among all other contributors — was the National Association of Realtors, whose Realtors PAC contributed nearly $3.1 million to some 510 congressional candidates.

Transportation companies were next on the list. Nine transport-related contributors gave a total of $5.9 million. They were led by the National Auto Dealers Association and Auto Dealers and Drivers for Free Trade, a PAC representing dealers of Japanese imports.

Eight ideological and single-issue groups made the Top 100 list. Biggest of all was National PAC, the largest of the pro-Israel political action committees.

Individual Givers: A Counterpoint to the PACs

While most attention by the public and the news media is concentrated on contributions from political action committees, an entirely different community of contributors has received almost no notice at all. Individual contributors giving $200 or more accounted for more than $101 million in contributions to winning House and Senate candidates in the 1990 elections. Until now, little has been known about the details of that money — where it came from, who were the top contributors, and what were the patterns by which it was dispensed. The Center's research, which eventually resulted in the identification and classification of approximately 75 percent of that $101 million, shows that many of the same industries and interest groups that have come to dominate the PAC world also give heavily through individual contributions.

The Finance, Insurance & Real Estate sector was the biggest contributing group overall, accounting for some $16.5 million in individual donations to winning candidates. Lawyers & Lobbyists ranked second, with just over $14 million in contributions. Overall, three-quarters of the dollars from lawyers and lobbyists were delivered through individual contributions. In contrast to its high profile in the world of PACs, organized labor was scarcely in evidence among individual donors; nearly all of labor's dollars were delivered through PACs. Defense contractors were also very small players compared with other industries. A chart comparing each sector's PAC and individual contributions can be found on page 22.

Who Gives Individually

One notable pattern that emerges from a study of individual versus PAC giving is that, by and large, PACs are an instrument of large organizations, while individual givers tend to be connected with smaller companies. A clear example of this can be seen in the oil industry, where a discernible split can be found in the spending patterns of large oil companies versus small ones. Nearly all the dollars delivered by major oil companies — such as Exxon, Atlantic Richfield, or Mobil — are funneled through PACs. Few oil executives from these companies make substantial contributions directly to candidates. Among smaller companies — known in the trade as "independents" — PACs are rare and most of the dollars are given as individual contributions.

That trend is consistent among a cross-section of American industries. Firms that are big enough to form PACs tend to use those PACs as their primary means of delivering campaign dollars. Firms that are smaller tend to rely on individual donations. The one exception to the rule is in the case of small businesses connected with nationwide organizations — such as doctors, Realtors, or trial lawyers. Those groups often give both ways — directly through individual contributions, and through the PAC of their national affiliate.

Wall Street, Hollywood and Washington Lobbyists Lead Individual Givers

Another pattern that emerges from examining individual contributions is that certain industries, whether large or small, tend to prefer individual contributions to PACs. Most noteworthy among these are the securities industry based in Wall Street, the film industry, based in Hollywood and New York, and the influential community of lobbyists and lawyers concentrated in Washington, DC.

Some of the biggest contributors (seen in the chart on the facing page) give both through PACs and individually. Some of them also tend to deliver large bundles of contributions to selected candidates. The "bundling" of individual contributions from a group of executives within a particular company has become a popular means of supporting favored candidates. PACs alone are limited to a maximum $10,000 contribution during a normal election cycle. But a group of, say, a dozen vice presidents or partners in a law firm, can easily give much more than that, particularly if their spouses (and sometimes children) add contributions of their own. A list of the biggest "bundled" contributions to candidates in the 1990 elections can be found on pages 28 and 29.

The chart on the opposite page shows the biggest individual contributors in 1989-90. Goldman, Sachs & Co., the Wall Street investment firm, was the biggest of all, giving nearly $280,000 to congressional winners. Time Warner, the giant media conglomerate, ranked second. Third on the list was Salomon Brothers, another leading New York securities firm. Walt Disney Co., with an interest both in motion picture production, cable TV and the world's most popular resorts, was fourth. American Express held fifth place; most of its dollars came from its securities subsidiary, Shearson Lehman Hutton.

A number of other Wall Street investment houses — including Morgan Stanley, Bear Stearns and Merrill Lynch — also made the Top 50 list. The top recipient of the Wall Street money was New Jersey Senator Bill Bradley, who collected $25,000 or more from nine different investment firms. Most of those dollars came through individual contributions.

Washington law firms and lobbying groups were also well-represented on the Top 50 list. Leading the list was Cassidy & Associates, a D.C. lobbying firm whose partners included Bob Farmer, chief fundraiser for Michael Dukakis in his 1988 bid for the presidency. Farmer has since left Cassidy & Associates to raise funds for Democratic presidential candidate Bill Clinton. In all, six of the 12 largest contributors of individual contributions are legal or lobbying firms with Washington offices.

Top 50 Individual Contributors

Rank	Contributor	Individual Total	Grand Total	Category
1	Goldman, Sachs & Co	$279,850	$449,650	Investmtent Banking
2	Time Warner	$337,800	$467,150	Broadcast/Movies
3	Salomon Brothers	$242,775	$394,925	Stock Investment
4	Walt Disney Co	$190,515	$277,034	Movies/Resorts
5	American Express	$188,300	$421,064	Stock Investment
6	Cassidy & Associates	$176,877	$176,877	Lobbyists
7	Akin, Gump, Hauer & Feld	$121,798	$389,400	Lawyers
8	Skadden, Arps et al	$120,050	$200,400	Lawyers
9	E&J Gallo Winery	$118,426	$118,426	Wine & Liquor
10	Williams & Jensen	$114,100	$193,311	Lawyers
11	Camp, Barsh, Bates & Tate	$105,950	$130,700	Lawyers
12	Neill & Co	$102,130	$102,130	Lobbyists
13	Morgan Stanley & Co	$100,925	$277,175	Investmtent Banking
14	Bear, Stearns & Co	$99,975	$146,825	Investmtent Banking
15	MCA Inc	$94,550	$277,950	Broadcast/Movies
16	NL Industries	$91,250	$161,250	Chemicals
17	Prudential Insurance	$89,401	$356,816	Stock Investment
18	General Electric	$87,409	$473,142	Aerospace/Nuclear
19	Dow Chemical	$86,950	$468,225	Chemicals
20	Stephens Inc	$85,150	$138,400	Investmtent Banking
21	Merrill Lynch	$74,575	$196,130	Stock Investment
22	Paramount Communications	$71,520	$185,570	Broadcast/Movies
23	Emily's List	$69,300	$140,313	Womens Issues
24	USX Corp	$62,850	$230,550	Oil & Gas/Steel
25	Arkla Inc	$62,100	$135,300	Natural Gas
26	Sears	$59,833	$290,532	Retail/Insurance
27	Occidental Petroleum	$59,450	$297,850	Oil & Gas/Meat Prod
28	Chrysler Corp	$57,950	$301,300	Auto Manufacturers
29	Mobil Oil	$57,550	$267,350	Oil & Gas
30	Ford Motor Co	$56,230	$425,675	Auto Manufacturers
31	Archer-Daniels-Midland Corp	$54,700	$297,700	Grain Traders
32	Anheuser-Busch	$53,700	$187,470	Beer
33	Arthur Andersen & Co	$51,850	$176,325	Accountants
34	Ernst & Young	$50,950	$187,361	Accountants
35	Deloitte & Touche	$48,865	$184,525	Accountants
36	Equitable Life	$45,600	$220,350	Insurance/Securities
37	Burlington Northern	$45,500	$371,246	Railroads
38	Eli Lilly & Co	$43,400	$219,140	Pharmaceuticals
39	Tyson Foods	$43,000	$169,950	Poultry
40	First Boston Corp	$42,700	$127,200	Investmtent Banking
41	Waste Management Inc	$42,582	$434,962	Waste Mgmt
42	Coopers & Lybrand	$40,667	$187,953	Accountants
43	Union Pacific Corp	$39,550	$552,164	Railroads
44	Atlantic Richfield	$39,125	$339,389	Oil & Gas
45	Corning Glass Works	$38,800	$203,260	Communications Equip
46	BellSouth	$37,974	$699,974	Phone Utilites
47	Blue Cross/Blue Shield	$36,575	$272,210	Health Insurance
48	Hill & Knowlton	$35,230	$150,764	Lobbyists/PR
49	McDonald's Corp	$35,050	$226,550	Restaurants
50	Beneficial Management Corp	$33,000	$162,775	Credit/Loans

Bundles of Money: Biggest Contributions in the 1990 Elections

In the Senate . . .

Despite the fact that political action committees are limited to a maximum of $10,000 in one election cycle and individuals are limited to $2,000, a total of 18 Senators received contributions of $20,000 or more from a single company or interest group in the 1990 elections. Most of the dollars were given through individual contributions from company executives and their families, supplemented in many cases by PAC funds.

New Jersey Democrat Bill Bradley was the king of bundled contributions. Bradley collected $20,000 or more from nine securities firms, five law firms and three film studios. His biggest contributor — and the biggest donor to any Senate campaign in the 1990 elections — was Shearson Lehman Hutton, the Wall Street brokerage firm. Other major contributors to the Bradley campaign were the investment houses of Goldman, Sachs & Co., Salomon Brothers, Bear, Stearns & Co., Smith Barney, Prudential-Bache Securities, Morgan Stanley, First Boston Corp. and Merrill Lynch. Communications giant Time Warner was his leading entertainment industry contributor, followed by Walt Disney Co. and Paramount Communications. His top law firm contributors were Skadden, Arps and Bryan, Cave.

Bradley wasn't the only one to cash in on large gifts in 1990. Indiana Republican Dan Coats drew more than $51,000 from pharmaceutical executives, their families, and the company PAC at Indianapolis-based Eli Lilly & Co. Democrat Sam Nunn of Georgia collected over $48,000 from Goldman, Sachs. Massachusetts Democrat John Kerry, who declined to take PAC donations, did take more than $40,000 from members of the Boston law firm of Mintz, Levin and their families. He collected another $38,500 from individuals connected with Time Warner.

Overall, the Wall Street investment firm of Salomon Brothers was the most prolific bundler of campaign dollars, giving $20,000 or more to five U.S. Senators — Bill Bradley, Pete Domenici, Dan Coats, Mark Hatfield and Carl Levin. Time Warner gave $20,000 or more to four Senators — Bill Bradley, John Kerry, Jay Rockefeller and Sam Nunn.

Biggest Contributions to Senators

Contributor	Total	Type	Recipient
Shearson Lehman Hutton	$71,800	Indiv	Bill Bradley (D-NJ)
Eli Lilly & Co	$51,700	PAC/Ind	Daniel R. Coats (R-Ind)
Goldman, Sachs & Co	$50,100	Indiv	Bill Bradley (D-NJ)
Goldman, Sachs & Co	$48,550	PAC/Ind	Sam Nunn (D-Ga)
Time Warner	$48,525	PAC/Ind	Bill Bradley (D-NJ)
Salomon Brothers	$47,550	Indiv	Bill Bradley (D-NJ)
Salomon Brothers	$46,800	PAC/Ind	Pete V. Domenici (R-NM)
Bear, Steams & Co	$44,225	PAC/Ind	Bill Bradley (D-NJ)
Mintz, Levin et al	$40,496	Indiv	John Kerry (D-Mass)
Walt Disney Co	$40,040	PAC/Ind	Bill Bradley (D-NJ)
Smith Barney	$39,350	PAC/Ind	Bill Bradley (D-NJ)
Time Warner	$38,500	Indiv	John Kerry (D-Mass)
Prudential-Bache Securities	$38,142	PAC/Ind	Bill Bradley (D-NJ)
Skadden, Arps et al	$37,700	PAC/Ind	Bill Bradley (D-NJ)
JMB Realty Corp	$36,100	PAC/Ind	Paul Simon (D-Ill)
Willkie, Farr & Gallagher	$34,250	Indiv	Bill Bradley (D-NJ)
Time Warner	$34,000	Indiv	John D. Rockefeller IV (D-WVa)
First City Bancorp/Texas	$31,428	Indiv	Phil Gramm (R-Texas)
Morgan Stanley & Co	$31,425	PAC/Ind	Bill Bradley (D-NJ)
First Boston Corp	$30,450	PAC/Ind	Bill Bradley (D-NJ)
Union Pacific Railroad	$30,300	Indiv	Jim Exon (D-Neb)
Chicago Board of Trade	$28,950	PAC/Ind	Paul Simon (D-Ill)
Baker & Botts	$28,675	PAC/Ind	Phil Gramm (R-Texas)
Salomon Brothers	$28,225	PAC/Ind	Daniel R. Coats (R-Ind)
Arkla Inc	$26,850	PAC/Ind	J. Bennett Johnston (D-La)
Bryan, Cave et al	$26,753	Indiv	Bill Bradley (D-NJ)
Merrill Lynch	$26,550	PAC/Ind	Bill Bradley (D-NJ)
Warner-Lambert	$25,500	PAC/Ind	Bill Bradley (D-NJ)
Cyprus Minerals Co	$25,177	PAC/Ind	Hank Brown (R-Colo)

In the House . . .

The biggest bundle of cash delivered to any candidate in the 1990 election went to freshman Republican House member Dave Camp of Michigan. Camp, whose hometown of Midland, Mich. is also the headquarters of Dow Chemical, received over $100,000 from Dow's PACs, its employees and officials, and their families. The total does not include contributions under $200, since small donations are not itemized on federal campaign reports.

Another freshman House member, Democrat Ray Thornton of Arkansas, drew $67,200 in contributions from Stephens Inc., an investment banking firm located in Little Rock. Nearly all the money came from Stephens executives and their families. Thornton had previously served three terms in the House during the 1970s, before running unsuccessfully for the U.S. Senate in 1978.

House Majority Leader Dick Gephardt (D-Mo) was another top-dollar recipient in 1990. He collected over $62,000 from the St. Louis law firm of Thompson & Mitchell — all in individual contributions. Gephardt also received nearly $50,000 from Anheuser-Busch executives and the company PAC.

Washington state Democrat Jolene Unsoeld drew more than $61,000 in contributions from Emily's List, a PAC that supports progressive women candidates. Though the PAC itself was limited to the maximum $10,000, it was able to direct several dozen "earmarked" contributions from Emily's List contributors who specifically requested that their contributions go to Unsoeld. Even though the PAC was the conduit for delivering the funds, federal law treats earmarked contributions as individual gifts which do not count against the PAC's $10,000 limit.

Democrat Pete Geren of Texas collected $49,000 from members of the oil-rich Bass family during his two campaigns in 1989-90. He first won his seat in Congress in a 1989 special election following the resignation of House Speaker Jim Wright, then ran for reelection in 1990.

In all, some 46 House members drew contributions of $15,000 or more from a single source in the 1990 elections.

Biggest Contributions to House Members

Contributor	Total	Type	Recipient
Dow Chemical/Dow Corning	$100,200	PAC/Ind	Dave Camp (R-Mich)
Stephens Inc	$67,200	PAC/Ind	Ray Thornton (D-Ark)
Thompson & Mitchell	$62,510	Indiv	Richard A. Gephardt (D-Mo)
Emily's List	$61,205	PAC/Ind	Jolene Unsoeld (D-Wash)
Anheuser-Busch	$49,250	PAC/Ind	Richard A. Gephardt (D-Mo)
Bass Brothers Enterprises/Bass International	$49,000	PAC/Ind	Pete Geren (D-Texas)
Latham & Watkins	$27,200	Indiv	C. Christopher Cox (R-Calif)
Corning Inc	$25,450	Indiv	Amo Houghton (R-NY)
Teamsters Union	$25,000	PAC	Jill L. Long (D-Ind)
National Assn of Realtors	$24,999	PAC	Greg Laughlin (D-Texas)
Kelly, Hart & Hallman	$23,659	Indiv	Pete Geren (D-Texas)
Morgan Stanley & Co	$22,350	PAC/Ind	Nita M. Lowey (D-NY)
Federal Express Corp	$21,000	PAC/Ind	Harold E. Ford (D-Tenn)
E&J Gallo Winery	$20,626	Indiv	Gary Condit (D-Calif)
JT Moran & Co	$20,225	Indiv	Joseph P. Kennedy II (D-Mass)
American Bankers Assn	$20,000	PAC	Peter Hoagland (D-Neb)
American Medical Assn	$20,000	PAC	Nita M. Lowey (D-NY)
Intl Brotherhood of Electrical Workers	$20,000	PAC	Jill L. Long (D-Ind)
National Assn of Realtors	$20,000	PAC	Ileana Ros-Lehtinen (R-Fla)
National Education Assn	$20,000	PAC	Pete Geren (D-Texas)
New Enterprise Stone & Lime	$20,000	Indiv	Bud Shuster (R-Pa)
United Auto Workers	$20,000	PAC	Pete Geren (D-Texas)
USX Corp*	$19,700	PAC/Ind	John P. Murtha (D-Pa)
RJR Nabisco	$19,187	PAC/Ind	Stephen L. Neal (D-NC)
United Auto Workers	$18,900	PAC	Glen Browder (D-Ala)
Archer-Daniels-Midland Corp	$18,500	PAC/Ind	Robert H. Michel (R-Ill)
Intl Brotherhood of Electrical Workers	$18,500	PAC	Glen Browder (D-Ala)
National Education Assn	$18,300	PAC	Glen Browder (D-Ala)
McDonnell Douglas*	$18,250	PAC/Ind	Ike Skelton (D-Mo)
Sun-Diamond Growers*	$18,000	PAC	Gary Condit (D-Calif)
Amer Fedn of State/County/Munic Employees	$17,500	PAC	Jill L. Long (D-Ind)
Assn of Trial Lawyers of America	$17,500	PAC	Nita M. Lowey (D-NY)
National Education Assn	$17,500	PAC	Craig Washington (D-Texas)

* Contributions came from more than one PAC affiliated with this sponsor

Leading Categories of Individual Contributions

Contributions from lawyers towered over all other industries and interest groups among individual contributions made to congressional candidates in the 1990 elections. In all, attorneys gave just over $11 million — three and a half times as much as the second leading category, physicians.

Close behind the doctors were lobbyists — many of whom are also attorneys. The total includes only registered lobbyists and employees of lobbying firms. Because of the nature of lobby registration laws in the nation's capital, however, many attorneys and other professionals who function as lobbyists never officially register. These de facto lobbyists are classified elsewhere, depending on their occupation.

Pro-Israel contributors were the fourth leading group of individual contributors. This total was compiled by counting individuals who had contributed $200 or more both to a pro-Israel PAC and to a candidate who was supported by pro-Israel PACs.

Category	Total from Individuals	GrandTotal
Attorneys & law firms	$11,053,117	$15,425,424
Physicians	$3,066,512	$5,947,306
Lobbyists & public relations	$2,948,676	$3,168,285
Pro-Israel	$2,707,456	$6,747,554
Retired	$2,660,255	$2,660,255
Security brokers & investment companies	$2,543,243	$3,775,778
Real Estate developers & subdividers	$2,058,261	$2,369,556
Real estate, diversified	$1,823,656	$1,823,656
Misc finance, diversified or unclassified	$1,604,229	$1,604,229
Insurance companies, brokers & agents, diversified	$1,528,486	$6,126,838
Commercial banks & bank holding companies	$1,473,078	$7,775,819
Construction, unclassified or diversified	$1,429,455	$1,429,455
Real estate agents & managers	$1,034,276	$4,265,904
Motion picture production & distribution	$954,495	$1,303,815
Conservative/Republican	$939,297	$1,351,283
Independent oil & gas producers	$934,012	$1,501,245
Investment banking	$903,675	$1,392,356
Liberal/Democrat	$871,991	$2,202,277
Accountants	$840,166	$2,550,917
Public works, industrial & commercial construction	$737,618	$2,219,773
Misc business services	$720,769	$782,069
Building operators and managers	$715,605	$741,455
Oil & gas, diversified	$667,411	$945,311
Crop production & basic processing	$649,347	$699,547
Auto dealers, new & used	$630,125	$1,944,025
Civil servant/public employee	$623,745	$623,745
Schools & colleges	$577,673	$581,973
Restaurants & drinking establishments	$565,159	$1,760,397
Book, newspaper & periodical publishing	$554,697	$672,197
Livestock	$531,048	$947,903
Industrial/commercial equipment & materials	$530,578	$1,019,022
Engineering, architecture & construction mgmt services	$514,088	$945,451

Retirees were another important sector of individual contributors. The total includes all individuals who described themselves as "retired," except those who were classified as ideological contributors because of contributions to ideological or single-issue PACs.

Securities brokers accounted for $2.5 million in individual contributions, while another $900,000 came from individuals connected with investment banking houses. Together, these securities professionals comprised one of the most important industry groups making individual contributions. Many of the larger Wall Street firms bundled numerous contributions from partners, brokers and their families, to deliver sizable contributions to individual candidates. Those donations were often supplemented by PAC contributions from the parent firm.

Real estate brokers, developers and investors were also very much in evidence with individual contributions. Developers in particular were much more likely to give individually than through political action committees. Other financial sector categories with substantial individual contributions were bankers and insurance agents, but both those groups delivered the vast majority of their campaign dollars through PACs.

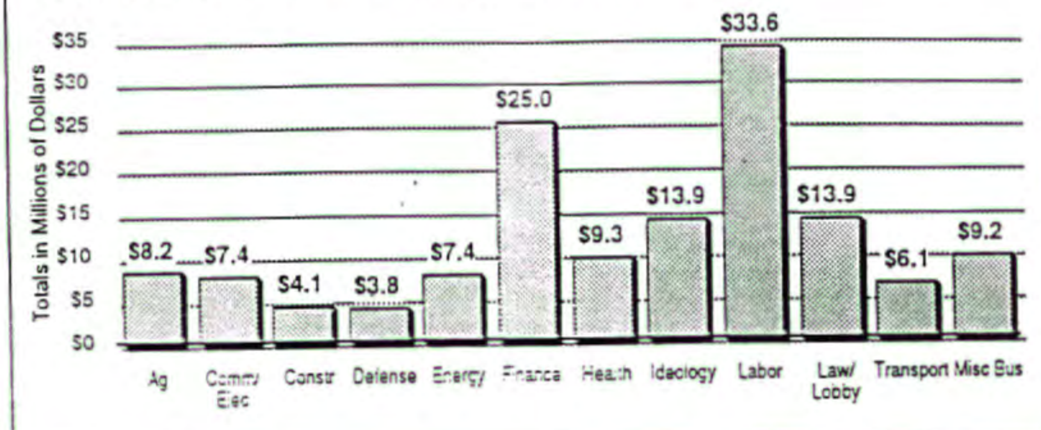
Industry Support of Democrats & Republicans

The widespread assumption that labor unions support Democrats while business groups support Republicans is only partially true — and in many cases is downright wrong. Organized labor is indeed heavily Democratic in its politics and its campaign contributions, though Republicans on committees important to labor often receive substantial financial support from unions. But the world of business is much more diverse in its political orientation than most casual observers realize. Overall, business groups split their dollars nearly evenly between Democrats and Republicans in Congress. It is common even for individual companies to support both parties — sometimes even in the same race.

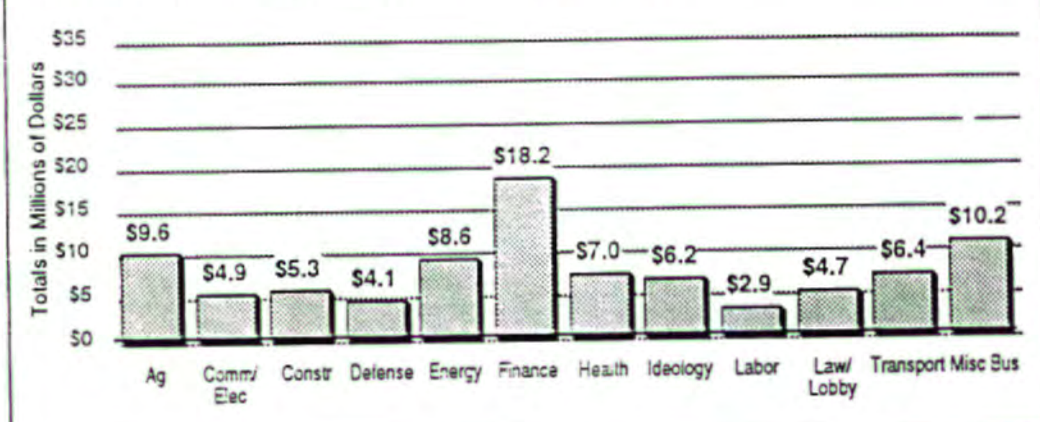
Even among industries and individual businesses that are Republican in their politics, there is a tendency — presumably born of hard-headed pragmatism — to ensure a favorable reception on Capitol Hill by giving to members on both sides of the aisle. That inclination is strengthened by the fact that Democrats hold strong majorities in both the House and Senate. In that environment, virtually no bill becomes law without wide support among Democratic members — a fact that business groups must take into account, whatever their political orientation.

A glance at the charts at right illustrates several patterns in congressional contributions. Most obvious is the contrast in Labor dollars between Republicans and Democrats. Also clear, from both the charts and the bottom line below is that congressional Democrats received considerably more money overall than Republicans in the 1990 elections.

Contributions to Democrats by Industry



Contributions to Republicans by Industry



Other interesting findings can be seen by looking more closely. The finance, insurance and real estate sector, for example, is clearly the heaviest business contributor to both parties. Moreover, the bankers, Realtors, insurance agents and others that make up that sector gave considerably more to Democrats than to Republicans. Lawyers and lobbyists were even more strongly Democratic in their contributions, as were ideological and single-issue contributors.

A more detailed examination of the spending patterns in each of these sectors can be found in the Industry Profiles section beginning on page 41. A closer look at the individual categories most important to members of each party appears on the following two pages.

Sector	To Democrats	To Republicans
Agriculture	$8,206,840	$9,265,251
Communications/Electronics	$7,365,932	$4,904,348
Construction	$4,134,583	$5,341,418
Defense	$3,833,272	$4,050,081
Energy & Natural Resources	$7,371,577	$8,618,709
Finance, Insurance & Real Estate	$24,973,503	$18,167,437
Health	$9,303,032	$6,987,048
Ideology/Single-Issue	$13,924,578	$6,224,773
Labor	$33,647,405	$2,880,667
Lawyers & Lobbyists	$13,893,577	$4,698,732
Transportation	$6,122,135	$6,376,019
Misc Business	$9,209,979	$10,245,259
GRAND TOTAL	$94,414,430	$79,014,302

Top-Dollar Categories to Each Party

Listed below are the industry and interest group categories that gave the most money to congressional Democrats and Republicans in the 1990 elections. A complete listing of categories used throughout this book, and the totals they provided in contributions, can be found in Appendix A, which begins on page 1307.

To Democrats . . .

Labor unions and lawyers provided the biggest financial assistance to Democratic candidates in the 1990 elections. Attorneys and law firms were by far the leading single category giving to Democrats, though taken as a whole, unions contributed more heavily than any other sector.

Of the top 20 categories contributing to Democrats, eight came from the Labor community, two (Pro-Israel and Liberal/Democrat) were ideological, and the remaining 10 were from the world of business. Among the business categories, five were from the finance, insurance & real estate sector.

The category totals in this list include contributions both from PACs and individuals. In this list, and throughout the book, PAC classifications are based on the industry or interests of the sponsoring organization or company. Contributions from individuals are classified based on the occupation/employer of the contributor. Individuals are classified as ideological givers only if they made contributions to an ideological/single-issue PAC.

Rank	Category	To Democrats	Dem Pct
1	Attorneys & law firms	$11,541,116	75%
2	Construction unions	$5,920,053	94%
3	Manufacturing unions	$5,270,812	98%
4	Pro-Israel	$5,042,408	75%
5	Commercial banks & bank holding companies	$4,349,862	56%
6	US Postal Service unions & associations	$3,274,119	86%
7	Teachers unions	$3,202,106	95%
8	Insurance companies, brokers & agents, diversified	$3,074,172	50%
9	Physicians	$3,013,116	51%
10	Security brokers & investment companies	$2,431,748	64%
11	Real estate agents & managers	$2,408,401	56%
12	Lobbyists & public relations	$2,352,461	74%
13	Teamsters	$2,243,149	92%
14	Defense areospace contractors	$2,192,977	50%
15	Liberal/Democrat	$2,180,027	99%
16	Life insurance	$2,100,121	57%
17	Mechant marine & longshoremen unions	$1,834,661	74%
18	Telephone utilities	$1,744,353	50%
19	Federal employees unions	$1,568,475	79%
20	State & local govt employee unions	$1,510,820	97%

To Republicans . . .

Attorneys and law firms also topped the Republicans' Top 20 list of leading categories, though lawyers gave only one-third as much to Republicans as they did to Democrats.

Seventeen of the top 20 categories were business related. The two ideological categories were Pro-Israel and Conservative/Republican. Retirees, who gave nearly 60 percent of their dollars to Republicans, ranked tenth on the list.

The finance, insurance & real estate sector accounted for six of the Republicans' top 20 categories — more than any other sector.

Rank	Category	To Republicans	Repub Pct
1	Attorneys & law firms	$3,881,908	25%
2	Commercial banks & bank holding companies	$3,418,207	44%
3	Insurance companies, brokers & agents	$3,052,666	50%
4	Physicians	$2,931,988	49%
5	Defense areospace contractors	$2,232,538	50%
6	Real estate agents & managers	$1,857,303	44%
7	Telephone utilities	$1,759,473	50%
8	Pro-Israel	$1,705,146	25%
9	Major (multinational) oil & gas producers	$1,683,350	70%
10	Retired	$1,570,591	59%
11	Life insurance	$1,553,713	43%
12	Public works, industrial & commercial construction	$1,370,558	62%
13	Security brokers & investment companies	$1,338,855	35%
14	Conservative/Republican	$1,322,286	98%
15	Defense electronic contractors	$1,243,443	51%
16	Restaurants & drinking establishments	$1,221,449	69%
17	Auto dealers, new & used	$1,196,077	62%
18	Tobacco & tobacco products	$1,117,275	53%
19	Accountants	$1,090,183	43%
20	Pharmaceutical manufacturing	$1,078,450	54%

The Most Heavily Partisan Categories

These were the categories that gave most heavily to one party or the other during the 1989-90 election cycle. The categories have been pared to include only those that accounted for $50,000 or more in contributions to one party.

To Democrats . . .

Labor unions dominate the list of most-partisan categories giving to Democrats. As a group, organized labor delivered 92 percent of its campaign dollars to Democratic candidates, making it by far the most important sector for Democrats. In fact, the strong partisanship of labor unions accounts for much of the overall edge in fundraising that congressional Democrats enjoyed over their Republican opponents.

In all, 15 of the 20 most partisan categories on the Democrats' list were from the Labor sector. Of the remaining five, three were from ideological & single-issue groups— Liberal/Democrat, Democratic leadership PACs, and Pro-Peace groups.

Rank	Category	To Democrats	Dem Pct
1	Democratic leadership PACs	$1,484,312	99.5%
2	Misc unions	$84,040	99.4%
3	Liberal/Democrat	$2,180,027	99.0%
4	Labor unions, diversified	$829,427	98.9%
5	Communications & hi-tech unions	$1,104,103	98.6%
6	Manufacturing unions	$5,270,812	98.3%
7	Outpatient health services (incl drug & alcohol)	$61,550	97.5%
8	State & local govt employee unions	$1,510,820	97.5%
9	Retail trade unions	$923,222	97.4%
10	IBEW (Intl Brotherhood of Electrical Workers)	$1,224,495	97.3%
11	Misc commercial unions	$294,796	97.2%
12	Misc transportation unions	$1,175,971	95.9%
13	Welfare & social work	$201,530	95.5%
14	Food service & related unions	$329,253	95.1%
15	Pro-Peace	$320,769	94.7%
16	Teachers unions	$3,202,106	94.6%
17	Mining unions	$300,090	94.5%
18	Construction unions	$5,920,053	94.0%
19	Railroad unions	$1,135,991	93.6%
20	Teamsters	$2,243,149	92.0%

The dearth of business categories on the list of partisan categories is not surprising, given the tendency of most business groups to spread their dollars relatively evenly between Democrats and Republicans.

To Republicans . . .

Ideological and single-issue contributors accounted for the five most heavily partisan categories giving to Republicans, and seven of the top 20. But a number of business categories were also heavily Republican in their giving.

The construction industry was the friendliest to Republicans. Overall, the industry gave 56 percent of its dollars to GOP candidates. It also accounted for four of the most partisan categories on this list.

Rank	Category	To Republicans	Repub Pct
1	Republican leadership PACs	$854,612	99.3%
2	Republican officials, candidates & former members	$61,191	99.2%
3	Anti-Union	$445,878	98.0%
4	Conservative/Republican	$1,322,286	97.9%
5	Fiscal & tax policy	$72,954	97.6%
6	Builders associations	$100,662	93.7%
7	Pro-business organizations	$106,266	93.4%
8	Household appliance manufacturers & dealers	$107,090	85.7%
9	Pro-Defense	$209,304	85.0%
10	Small business organizations	$316,484	82.8%
11	Plumbing, heating & air conditioning contractors	$247,395	79.7%
12	Direct mail advertising services	$75,875	79.2%
13	Computer software manufacturers & dealers	$67,904	78.2%
14	Pro-Life	$154,406	77.9%
15	Construction equipment	$120,995	77.7%
16	Farm machinery & equipment	$201,575	77.6%
17	Greeting card publishing	$70,000	75.6%
18	Paper & pulp mills and paper manufacturing	$785,858	75.1%
19	Stone, clay, glass & concrete products	$379,135	73.6%
20	Defense shipbuilders	$197,350	73.1%

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/12

NOTE FOR: McGinty, Waldman, Dreyer

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

Information ☑

Action ☐

[redacted]

[redacted]

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 3/12

THE WHITE HOUSE

WASHINGTON

February 28, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY kam

SUBJECT: SUPERFUND

I wanted to bring to your attention a point of clarification on Superfund. In a speech you gave on February 11, you remarked that 85% of Superfund program costs go to lawyers. While that is a common belief, it is not quite accurate. That figure comes from a recent Rand study that concluded that 88% of monies paid by insurance companies involved in Superfund sites went to lawyers. However, only 20% of industry costs were paid to lawyers. In a weighted average of total private sector Superfund costs, only 25-30% of expenditures went to lawyers.

I hope this is helpful.

THE PRESIDENT HAS SEEN
3/12

Forecasters Revise Upward Their Outlook on Economy

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON — Forecasters are growing more optimistic about the prospects for the economy this year, the latest monthly survey by the Blue Chip Economic Indicators newsletter found.

The average of the 51 forecasts predicts the economy will grow 3.2% this year, 0.1 percentage point higher than the previous month's forecast. It's the third month in a row the Blue Chip forecasters have revised their 1993 outlook upward.

The major reasons cited for the rosier prediction are the stronger-than-anticipated growth in the fourth quarter and the steadily growing length of the average workweek, which the newsletter terms "one of the most reliable indicators of future job growth."

The Blue Chip forecasters expect the economy to grow about 2.9% in the current quarter, substantially slower than the 4.8% growth in the fourth quarter. They expect consumer prices to rise 3.1% this year, about the same as last year.

For 1994, the average forecast is for 3.1% growth, down from the 3.3% prediction made a month earlier. Economists who lowered their forecasts cited the likely negative impact of President Clinton's deficit-reduction plan on the economy.

Laura

What does this mean for employment, likely unemployment changes, likely revenue estimates?

BC

70

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 03/11/93

TO: BRUCE LINDSEY

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

[redacted]

The attached has been forwarded to the President.

Do you want me to pass this along to Summers; or what would you like me to do with it?

[redacted]

THE WHITE HOUSE
WASHINGTON

93 MAR 11 P2:42

Dear Nancy -

I spoke with the President this morning and he asked that I send him a note reminding him to speak with Bruce Lindsey regarding the attached.

Thank you -

Paul

THE WHITE HOUSE

WASHINGTON

93 MAR 11 P5:18

ok to hire Susan

BRL

March 4, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Paul Carey

SUBJECT: Susan Levine

I. As per your request, Susan Levine's status is as follows: She interviewed with Larry Summers, Under Secretary for International Affairs at Treasury on Monday for the position of Deputy Assistant Secretary for Development. Susan has told me that Summers would like to hire her and will do so if he is told she has the backing of The White House.

II. The competition for this position is considerable and Larry Summers needs to hear from Bruce Lindsey before he can proceed further.

THE WHITE HOUSE
WASHINGTON

March 11, 1993

[redacted]

MR. PRESIDENT:

I have forwarded to George
and the speechwriters.

John Podesta

[redacted]

[redacted]

THE WHITE HOUSE

WASHINGTON

February 28, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY

SUBJECT: SUPERFUND

I wanted to bring to your attention a point of clarification on Superfund. In a speech you gave on February 11, you remarked that 85% of Superfund program costs go to lawyers. While that is a common belief, it is not quite accurate. That figure comes from a recent Rand study that concluded that 88% of monies paid by insurance companies involved in Superfund sites went to lawyers. However, only 20% of industry costs were paid to lawyers. In a weighted average of total private sector Superfund costs, only 25-30% of expenditures went to lawyers.

I hope this is helpful.

to Rubin

THE PRESIDENT HAS SEEN
3/11/93

Clinton Plan for Banks Gets Mixed Reception

By JOHN H. CUSHMAN Jr.

Special to The New York Times

WASHINGTON, March 10 — In the words of a Treasury Department official outlining the Clinton Administration's new proposals today to spur lending to small businesses, the credit crunch is not a matter of clogged arteries but of constricted capillaries.

So what the economic doctors apparently prescribed today was a thorough massage of bank regulations, not open heart surgery. And the prescription, presented by President Clinton after weeks of promotion, was cheered quietly by advocates of less regulation but criticized mildly by others concerned with the safety of the banking system.

"No one could quarrel with the President's goal," said Representative Henry B. Gonzalez, a Texas Democrat who is chairman of the House Banking Committee. In an ambivalent statement, he said that "the true test" would come only when full details were provided, and that "the trick is to insure that lenders are not tempted again to become casinos."

Clinton Outlines Program

Mr. Clinton, outlining the program to lenders and borrowers at the White House, called it "a step to speed the economic recovery that will increase jobs by increasing access to credit for the main engine of our economy, small- and medium-sized businesses."

What specifically do they want [illegible] on [illegible] to do—

Bankers were pleased but not ecstatic. "We are certainly supportive of what he is attempting to do, but we would like to see a lot more regulatory rollback," said James R. Lauffer, chairman and chief executive of the First National Bank of Hermanie in Pennsylvania. Mr. Lauffer was recently elected president of the International Bankers Association of America.

The broad outlines of the Administration's proposals, which make technical changes in the ways that borrowers' creditworthiness and collateral are assessed, had been revealed in the last few days.

For example, the plan changes the way problem loans would be rated by examiners when borrowers have not actually defaulted, and allows some real estate to be used as collateral without costly appraisals.

Regulators to Coordinate

The bank regulators from four agencies — the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board and the Office of Thrift Supervision — have agreed to coordinate their work better and avoid disruptive duplication in bank examinations. And each agency will establish processes by which bankers, and even potential borrowers who have been turned down, could appeal regulatory decisions.

Although the plan requires no legislation, members of Congress said they would hold hearings on the proposals anyway, as if to remind the Administration that the newly enacted banking laws that have led to stricter regulation must not be disregarded.

"Our best estimate of the number of banks that will fail as a result of this program is zero, zero, zero," said an Administration official who insisted on anonymity at a briefing for reporters because his nomination to a Treasury banking post had not been confirmed by the Senate. "The cost to the taxpayer as a result of this program is zero."

Administration officials said that the fine print that regulatory agencies would be disgorging as they put the changes into writing should have more than a psychological effect on lenders and bank examiners.

"What we're doing is not just making broad statements, but we are going to be issuing very specific, very detailed regulations," the Treasury official said. But crucial details were not disclosed today, because, officials said, they were still being worked out.

Cutting Down Paperwork

For example, one proposal will allow strong banks to create baskets of loans for small businesses with minimal documentation. At his presentation, President Clinton held up a fat folder of paperwork for such loans under the current system, and a thin sheaf of forms under the new process.

> A thorough massage of lending rules, but no drastic surgery.

But officials would not say how a strong bank would be defined, how big a small business could be and still qualify for fast-track loans, how big the loans could be, how many a bank would be allowed to include in its portfolio or exactly what documentation would be required under the new rules.

Some of the changes affecting how banks may treat real estate involved in foreclosures are likely to be much more difficult to work out. Two of the changes, one allowing banks to lend more money to buyers of foreclosed property and the other dictating how loans are valued on banks' books when borrowers have no hope of repaying them, must be negotiated with the Securities and Exchange Commission and the Financial Accounting Standards Board before they can be adopted.

M. Scott Reed, a partner at the accounting firm of Grant Thornton and head of its financial institutions practice, called those two changes "troubling."

"What it smells to me of is loosening accounting requirements to make a bank look better," he said. "I think the opportunity for abuse is significant in that area."

THE NEW YORK TIMES, THURSDAY, MARCH 11, 1993

THE PRESIDENT HAS SEEN 3/11

THE WHITE HOUSE

WASHINGTON

MARCH 5, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Howard Paster HP

SUBJECT: Senator Boren

Senator Boren has placed a call to you to recommend Jane Alexander to head the National Endowment for the Arts. I have been talking to the Senator about the economic plan and the stimulus package, and he wanted me to assure you his call was not on that subject. He has accepted your invitation to come in with the group of Senators who want to discuss the stimulus package on Tuesday at 5:00 p.m.

I recommend you return his call.

BC

Chron

THE WHITE HOUSE

WASHINGTON

GS—

Did you know
Secy Bergland announced
moratorium on
foreclosures on
small farms w/in
his ~~xx~~ reach — apparently
about 3,500 —
Apparently got little
or no press —

THE PRESIDENT HAS SEEN

B Rubin
good memo
but don't waste
too long
B.

Reich Task Force Targets Pension Agency Problems

AHG

By David A. Vise
Washington Post Staff Writer

The Clinton administration has set up a task force to analyze the threat to taxpayers and retirees of mounting financial problems at the federal agency that insures employee pensions, administration officials said yesterday.

The task force, organized by Labor Secretary Robert Reich, will try to make recommendations within several months about what to do about the multibillion-dollar shortfall at the Pension Benefit Guaranty Corp (PBGC).

The agency insures the pensions of 40 million American workers for amounts up to $29,250 a year for each worker, but it has $2.7 billion less than it needs to meet current obligations and faces a risk from the approximately $51 billion in underfunding in company-sponsored pensions plans.

Rep. J.J. Pickle (D.-Tex.) and others have warned that action is needed to prevent the PBGC's financial weaknesses from costing taxpayers billions of dollars and turning into another savings and loan debacle. If the federal pension insurance fund ran out of money, taxpayers would have to make up the difference, Pickle has said.

Staff members of the new PBGC working group held an organizational meeting yesterday, with representatives from Labor, the PBGC, the Treasury Department, the Office of Management and Budget (OMB) and the Commerce Department participating, according to Labor Department spokesman Bob Zachariasiewicz. He said Reich had not named all of the group's members.

Earlier this week, OMB Director Leon Panetta sent a letter to Reich, asking that the task force come up with solutions within 60 to 90 days so that any proposals having federal budget implications could be included in legislation later this year.

"There is a lot of concern in the administration about the PBGC," OMB spokesman Barry Toiv said yesterday. "His [Panetta's] concern in a nutshell is that there aren't enough resources there to ensure that people's pensions will be there. . . . We need to see what needs to be done to shore it up."

On the first day of the new Congress, Pickle, chairman of the House oversight subcommittee, said he would make pension reform a top priority and introduced pension legislation that would tighten funding rules and require most companies that increase pension benefits to set aside the money to pay for them up front.

As labor secretary, Reich also serves as chairman of the PBGC. The other members of the board are Treasury Secretary Lloyd Bentsen and Commerce Secretary Ron Brown.

In testimony before the House Ways and Means Committee earlier this week, Panetta said the PBGC was an issue that he and Pickle had discussed when he was chairman of the House Budget Committee and added that, "I have developed even greater concerns about this issue as director of the Office of Management and Budget."

Pension industry experts noted that the Clinton administration is moving forward with its review of pension issues even before naming a new chief for the PBGC or a new assistant secretary for the Labor Department's Pension and Welfare Benefits Administration.

"In the absence of having an executive director at PBGC, you can't let these issues dangle," said Jim Kaitz, vice president of the Washington-based Financial Executives Institute. "They do need to be addressed, and I would say they are taking appropriate action. I hope they also move quickly to fill the executive director's slot. It is most important to have leadership over there."

Other pension industry lobbyists said the Clinton administration should grapple with the PBGC's financial problems without raising the annual premiums that companies with pension plans pay the agency.

"If what the administration's task force is going to be concerned with is real reform, we would certainly be supportive," said Mark Ugoretz, head of the Washington-based ERISA Industry Committee, which represents large corporations with pension funds. "We would be opposed to premium increases. The idea of premium increases exacerbates the problem of this being an income transfer between companies that are funding their plans and companies that are not."

25

Chron

[redacted]

THE WHITE HOUSE
WASHINGTON

March 10, 1993

MR. PRESIDENT:

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

Mack - fyi
#1 ~~goo~~ missed com
out of your
weekly —

[redacted]

John Podesta

[redacted]

THE PRESIDENT HAS SEEN 3/11

John Sculley
Chairman
and CEO

March 8, 1993

Dear Mr. President:

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

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

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

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

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

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

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

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

Best Regards,

John

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

Chron

THE WHITE HOUSE

WASHINGTON

<u>Mark</u>

I suggested to VP
that we needed
to get Pol, Intergov't
involved in Forest Summit.

Please follow up w/ him
re — Rahm, John Hart
if that's who (re) we want

B

Chron THE PRESIDENT HAS SEEN 3/11

THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1000

2 6 FEB 1993

Maria
Might we go to [illegible]?
B

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

Dear Mr. President:

On behalf of the Acting Secretary of the Army and the Chief of Staff of the Army, I cordially invite you and Mrs. Clinton to attend the Seventy-first Anniversary Concert of the United States Army Band.

The Concert will be held in the Kennedy Center's Concert Hall on Monday, March 29th, from 8:00 p.m. to 10:00 p.m. The performance will feature musical selections by the world renown Strolling Strings, the Army Chorus, the Army Chorale and Army Band.

The attendance of you and the First Lady would greatly enhance the significance of this occasion.

Respectfully yours,

Les Aspin

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN 3/11/93

FOR THE PRESIDE

FROM: John Poc

THE PRESIDENT HAS SEEN

THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1000

THE PRESIDENT HAS SEEN
3/11

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Defense Reinvestment and Base Closures

To support your goals of maintaining military effectiveness while drawing down the force, reducing the deficit, and reinvesting in America, the Department of Defense is:

o Downsizing in the same way many major corporations are. As they are shedding product lines, eliminating overhead, and closing plants, we are inactivating forces, eliminating overhead, and closing military bases worldwide. By downsizing in this way, we make resources available to allow us to do the right things in defense: maintain the quality of the people in uniform and maintain the quality of their weapons.

o Supporting economic growth initiatives which will ease the transition for displaced workers (military, civilian and private sector); promoting high-wage job growth by investing in dual-use technologies and by better integrating the commercial and military business sectors; and supporting productive private sector reuse of bases no longer needed by defense.

Closing Bases Saves Taxpayer Dollars and Maintains Military Effectiveness

Closing military bases worldwide saves taxpayer dollars; permits DoD to invest properly in the forces and bases retained, in order to ensure their continued effectiveness; and frees up valuable defense assets (people, facilities and real estate) for productive private sector reuse.

The defense budget will decline by 40 percent in real terms from 1985 to 1997, and military personnel will be reduced by about 35 percent. In the 1988 and 1991 rounds of base closures, domestic base structure was reduced by nine percent. DoD must further reduce the domestic and overseas base structures to align them with the force and budget reductions, thereby preserving military effectiveness and the capability to respond to crises.

The Process for Closing Domestic Bases Is Objective and Fair

For over a decade, the law made it easy for individual Members of Congress to stop any base closure proposal. In 1988 and again in 1990, Congress and the Executive Branch joined hands to change the law. Congress gave the Executive Branch extraordinary authority to close domestic bases, provided we follow the established rules strictly and keep our compact with the Congress.

That means using an objective, fair analytical process for closing bases that will withstand scrutiny by the Base Closure Commission, GAO, Congress and the public. The process has worked well so far.

On March 15, 1993, I will recommend base closures and realignments to the 1993 Commission. The recommendations are based on detailed analyses, which must, by law, be consistent with the approved selection criteria and a six-year force structure plan. The plan DoD has used is the Bush Administration's "base force". The legal deadline for recommendations precluded us from making changes based on future force reductions not yet decided.

On July 1, 1993, you will receive the 1993 Commission's recommendations for approval. The Commission is permitted to add or subtract bases from my list, if they find DoD substantially deviated from the force structure plan and the selection criteria. The law also prescribes rules for the Commission's work.

The Planned 1993 Round of Closures Will Save $3.6 Billion Per Year

The Military Departments and Defense Agencies made their recommendations to me on February 22, 1993. The Joint Staff and the Office of the Secretary of Defense are now reviewing the recommendations. The Departments and Agencies have recommended substantial reductions: closing 35 major bases, realigning 12 additional bases, and reducing a host of other smaller activities. Nationwide, these actions will reduce employment by 35,000 military and 60,000 DoD civilian jobs, with nearly that many more in the private sector. These totals, as well as the other numbers in this memorandum regarding 1993 actions, are preliminary, since I have not made final decisions.

Estimates, in fiscal 1994 constant dollars, of the six-year costs and savings for the 1993 closure program are:

	FY94	FY95	FY96	FY97	FY98	FY99	TOTAL
Costs ($Billions)							
Army	*	0.1	0.2	0.1	0.3	0.0	0.7
Navy/USMC	1.4	1.2	1.1	0.8	0.4	0.2	5.1
Air Force	0.2	0.5	0.2	0.2	0.1	0.1	1.3
Agencies	0.4	0.3	0.4	0.4	0.2	0.2	1.9
Total	2.0	2.1	1.9	1.5	1.0	0.5	9.0
Savings ($Billions)							
Army	0.2	*	*	0.1	0.1	0.3	0.7
Navy/USMC	0.8	0.8	0.9	1.2	1.5	1.7	6.9
Air Force	0.1	0.2	0.3	0.5	0.5	0.6	2.2
Agencies	0.1	0.2	0.4	0.7	0.9	1.1	3.4
Total	1.2	1.2	1.6	2.5	3.0	3.7	13.2
Net Cost(Savings)	0.8	0.9	0.3	(1.0)	(2.0)	(3.2)	(4.2)

The 1993 closures and realignments will save approximately $4.1 billion during the six-year implementation period. Annual recurring savings are expected to be $3.7 billion. The table shows that DoD will not need base closure appropriations from Congress beginning in FY 1997.

The 1993 program, coupled with the previously approved 1988 and 1991 closures, will reduce the domestic base structure by about 20 percent (measured by replacement value). Total savings from all three rounds of closures are $6.4 billion in net savings during the implementation periods, and $5.6 billion in annual recurring savings. At TAB A is a breakdown of the proposed 1993 closures by category of base. At TAB B is a list of the 1988 and 1991 major closures and realignments.

We Are Carefully Considering Regional Impacts

I will consider the regional economic impacts of these necessary, yet tough, closure decisions. In looking at the regional impacts, I will consider the cumulative economic impact of previously approved closures and the ones I will propose.

In considering the regional impact, the DoD calculates the maximum potential direct and indirect employment loss, assuming no economic recovery. We then give special attention to those communities with a potential effect greater than ten percent. At TAB C is a list of areas most affected.

The actual effect will be less severe than the calculated potential maximum, because everything will not happen instantly, and because we will work to restore economic growth. The employment reductions will typically occur over a period of two to four years. Planning for reuse and recovery can start this spring, giving time to alleviate the effect of closures.

We're concerned not only about the regional impacts of bases on our 1993 closure list, but also about the effects at bases closed by earlier rounds. Our review has led us to establish a new approach to restoring economic growth, discussed later in this memorandum. We believe this will help any area hit by base closures, regardless of when the closure occurs.

In spite of the economic impact, it is still best to close the bases now, rather than drag the decisions out, so that we may preserve military effectiveness and restore economic growth quickly (3-4 years). In addition, some areas will gain employment as defense missions relocate. Finally, given the magnitude of the drawdown, many unaffected regions will be relieved when they see the list.

We're Reducing Overseas Bases Even More, To Save Money and Be Fair

DoD is reducing its military forces and its overseas base structure much more than in the U.S.

DoD has, to date, announced it will end or reduce its operations overseas at 40 percent of its worldwide sites, accounting for 28 percent of replacement value.

We expect to announce additional reductions in the next few weeks. Our plan is to reduce the overseas base structure by 35-40 percent, measured by replacement value, as we complete our reduction in Europe to about 100,000. Eventually, military personnel stationed overseas will drop from 450,000 in 1985 to about 200,000, a 56 percent reduction.

DoD base spending overseas will also decline dramatically between 1985 and 1997, both because of troop reductions and because Japan and Korea are paying an increasing share of the costs of stationing U.S. forces there.

While DoD will continue to reduce its forward deployed forces, those forces have played a fundamental role in regions vital to the national interest. Permanently stationing and periodically deploying forces overseas have been key to averting crises and preventing war. They show our commitment, lend credibility to our alliances, enhance regional stability, provide crisis response capability, and promote U.S. influence and access throughout the world.

We're Doing All This in Ways That Are Fair to People and Support the Reinvestment Necessary to Restore Economic Growth

Closing domestic bases and reducing DoD's weapons and equipment purchases are critical elements of a balanced defense drawdown -- one which will preserve a fully capable, albeit smaller, military.

Nationally, the drawdown in defense spending does not pose any extraordinary problems for the economy. The economic impact of the planned drawdown is actually smaller than the impacts after the Korean and Vietnam wars. However, the impacts are substantial in regions where the local economy depends heavily on defense spending.

There are three ways DoD can help support economic growth: investing in people; investing in industry; and, investing in communities.

Investing in People

DoD can help support economic growth through a host of initiatives that will ease the transition for displaced workers (military, civilian and private sector):

o Military: DoD has a number of programs to ease the transition of military personnel into the civilian job market including separation bonuses, early retirement incentives, educational assistance, civil service employment preference and extended health benefits.

o Civilian: DoD eases the transition for the civilian work force through a number of programs including priority placement for other government jobs, out-placement referral for private sector jobs, joint participation with individual states in retraining programs, post-closure hiring preference with contractors, voluntary early retirement authority and separation pay incentives.

o Homeowners Assistance: DoD helps military and civilian homeowners who face a financial loss selling their homes when real estate values have declined as the result of a base closure decision.

o Private Sector: Many defense-related private employers have transition assistance programs for their employees who face layoffs. The Federal Government has a well-established role which complements private employer efforts including initiatives under: the Economic Dislocation and Worker Adjustment Assistance Act; the Worker Adjustment and Retraining Notification Act; the Employment Services Program; the unemployment insurance system; and the health benefits system.

Investing in Industry

DoD can help support economic growth by promoting high-wage job growth through investment in dual-use technologies and by better integrating the commercial and military business sectors:

o Dual-use Technology: About $1 billion of FY 1993 DoD funds are for support of dual-use technologies.

o Industrial Base: DoD is looking to expand industry access to maintenance and overhaul work.

o Arsenals: DoD is encouraging private sector use of arsenals and has $200 million in FY 1993 for this purpose.

o Energy Conservation: DoD is encouraging energy conservation projects and is making such investments.

Investing in Communities

DoD can help support economic growth by promoting productive private sector reuse of base facilities and real estate no longer needed by defense.

History shows us that most local communities economically recover from base closures and actually end up better off, with more jobs and a more diverse economic base -- but in the past the recovery has taken too long and cost too much.

DoD is developing a new reuse and reinvestment strategy with initiatives that will: close bases quickly, thereby making them available for reuse quicker; promote reuse opportunities, in concert with local community efforts; and, refocus DoD internally to consider, for the first time, the trade-offs between DoD needs and local community needs. The law gives me considerable X authority to decide whether the land is sold or given away, and to whom it would go.

o DoD's Office of Economic Adjustment (OEA) spearheads the President's Economic Adjustment Committee which focuses Federal assistance programs on adversely affected communities. OEA also gives planning assistance grants to affected communities.

o DoD funds ($80 million in FY 1993) will help the Economic Development Administration assist communities.

o DoD wants to ensure, wherever possible, that environmental cleanup is not a barrier to economic recovery. DoD has spent and will continue to spend significant defense resources on environmental restoration, but we will need help from Congress and the Environmental Protection Agency to streamline the process.

Lastly, I propose creating, in coordination with other Cabinet agencies, a new community economic redevelopment fund to help communities most affected by base closures. The fund would ~~be used~~ as a catalyst to spur new economic growth, especially where recovery would be difficult. Funding could be provided by setting aside a portion of the net savings from base closures.

BASE CLOSURE AND REALIGNMENT RECAP

Baseline: Base Structure Report (495-U.S. includes 10 territories and possessions)

1988 Commission

16 Closures

Chanute AFB, IL
Mather AFB, CA
Pease AFB, NH
George AFB, CA
Norton AFB, CA
Naval Station Brooklyn, NY
Phila Naval Hosp, PA
Naval Station Galveston, TX
Naval Station Lake Charles, LA
Presidio of San Francisco, CA
Fort Sheridan, IL
Jefferson Proving Ground, IN
Lexington Army Depot, KY
Army Material Tech Lab, MA
Fort Douglas, UT
Cameron Station, VA

11 Realignments

Naval Station Puget Sound, WA
Pueblo Army Depot, CO
Umatilla Army Depot, OR
Fort Dix, NJ
Fort Bliss, TX
Fort Meade, MD
Fort Monmouth, NJ
Fort Huachuca, AZ
Fort Holabird, MD
Fort Devens, MA
Fort McPherson, GA

1991 Commission

26 Closures

Fort Ben Harrison, IN
Fort Devens, MA
Fort Ord, CA
Sacramento Army Depot, CA
Hunters Point Annex, CA
Tustin MCAS, CA
Chase Field NAS, TX
Moffett NAS, CA
Naval Station Long Beach, CA
Naval Station Philadelphia, PA
Philadelphia Naval Shipyard, PA
Naval Station Puget Sound, WA
NAV ELEC SYS ENGR CTR, San Diego, CA
Bergstrom AFB, TX
Carswell AFB, TX
Eaker AFB, AR
England AFB, LA
Grissom AFB, IN
Loring AFB, ME
Lowry AFB, CO
Myrtle Beach AFB, SC
Richards-Gebaur ARS, MO
Rickenbacker AGB, OH
Williams AFB, AZ
Wurtsmith AFB, MI
Castle AFB, CA

19 Realignments

MacDill AFB, FL
Beale AFB, CA
AVSCOM/TROSCOM, MO
Fort Chaffee, AR
Fort Polk, LA
Letterkenny Army Depot, PA
Rock Island Arsenal, IL
NAVAIR Eng Ctr, Lakehurst, NJ
NAVAIR Devel Ctr, Warminster, PA
NAVAIR Propul Ctr, Trenton, NJ
NAV ORD STA, Indian Head, MD
NAV ORD STA, Louisville, KY
NAV Avionics Ctr, Indianpolis, IN
NAV Costal Sys Ctr, Panama City, FL
NAV Surf Wpns Ctr, White Oak, MD
NAV Undsea Warfre Eng Sta, Keyport, WA
NAV Wpns Ctr, China Lake, CA
NAV Wpns Sup Ctr, Crane, IN
Pac Misle Tst Ctr, Point Mugu, CA

Regional Economic Impact

In assembling the list of proposals, the DoD has analyzed and taken account of the regional economic impact. This section discusses the areas with a *potential* employment loss -- that is, assuming no recovery or job replacement whatsoever -- of ten per cent or more in a metropolitan statistical area. The areas are listed in declining order of severity.

Using a 7.5% impact level, only Fauquier County, Virginia, Seneca County, New York, New London, Connecticut, and Burlington County, New Jersey would be included as most affected, and Cochise County, Arizona would be added to the list of gainers.

Areas Most Affected by the 1993 Recommendations

1. Tooele County, Utah

The Army depot is the largest employer in Tooele County. The impact will be spread over 10 years, while the Army completes the demilitarization at Tooele of a large portion of its chemical weapons stockpile. While the calculated impact on Tooele is large, Tooele is only 25 miles from Salt Lake City, 30 times as populous; and 60 miles from Ogden, where the Hill Air Force Base and the Defense Logistics Depot employ four times as many people as Tooele, providing substantial opportunity for relocation to comparable Defense jobs.

2. Anniston, Alabama

Closure of Fort McClellan will leave this city with the Anniston Army Depot, which employs three times as many civilians now, with employment planned to rise. Anniston is 65 miles from Birmingham, ten times as populous.

3. Charleston, South Carolina

Closure of the Naval Shipyard, the Naval Station, and the Defense Depot, leave the city with the Naval Weapons Station, and the Air Force Base, which is scheduled to grow as the new C-17 airlifter arrives at its East Coast home. Employment at Beaufort, 60 miles away will grow as the Navy moves some fighter planes into the Marine Air Station.

4. Marquette County, Michigan

K. I. Sawyer Air Force Base is the only major DoD activity for several hundred miles. Redevelopment of this Upper Peninsula area will be a special challenge to the Defense conversion effort.

5. Laauderdale County, Mississippi

Closure of the Naval Air Station at Meridian affects 1000 military and 300 civilian employees, eight per cent and three per cent, respectively, of the military and DoD civilian employment in the state. At the same time, the Defense Finance and Accounting Service plans to add over 3,000 civilian jobs in Jackson, 75 miles away, with plans for another 1,300 jobs in the subsequent four years. So DoD employment in Mississippi grows.

I thought they hadn't been selected

6. Vallejo-Fairfield-Napa, California

Closing the Mare Island Shipyard represents a loss of 8,000 jobs, partially offset by a planned increase of 1,000 at nearby Travis Air Force Base. Redevelopment at Mare Island will take advantage of significant industrial capacity and an exceptional waterfront location.

Areas Affected, but Under 10% Potential Employment Loss

1. Homestead, Florida

Homestead, Florida will be significantly affected by the closure of the Air Force Base, but the growing Dade County metropolitan statistical area will not. About $40 million remains available from the $60 million appropriated for the restoration of the base. This could be used to make the base an attractive site for redevelopment.

2. Arlington, Virginia and the National Capital Region

The National Capital Region stands to lose 7,000 jobs net, with some locations gaining and some losing. The biggest part of the decrease is a move out of leased space in the Crystal City complex, well suited for re-lease because of proximity to National Airport, rapid transit, roads, railroad, shopping, and major corporate headquarters.

3. Franklin County, Pennsylvania

Job losses of 2,700 at the Letterkenny Army Depot are more than offset by gains at Mechanicsburg(1,700) and New Cumberland (4,200). These installations are within an hour's drive.

Can we give this to the State or a community?

Areas Most Affected by the Cumulative Effect of 1993 and Earlier Recommendations

1. Salinas-Seaside-Monterey, California

Closure of the Presidio of Monterey and its Fort Ord Annex add to the effect of the 1991 action to close Fort Ord as a major Army Division Post. The hardship for the region will be mitigated and eventually reversed by the complete withdrawal of the Army from the city center of Monterey and from the huge oceanfront tract at Fort Ord. Prior to the Army's latest closure proposal, the Army had intended to retain much of Fort Ord's land, thereby effectively blocking the reuse desires of the cities of Marina and Seaside.

2. Sacramento, California

Sacramento, California could lose six per cent of its total employment as a result of 1988, 1991, and 1993 closures. Redevelopment will be a special challenge, mitigated by the presence of the State capital, and by the extensive facilities being vacated by the Air Force.

3. San Francisco-Oakland-Alameda, California

The Navy withdrawal from the San Francisco Bay Area follows the 1991 action to close the Army's Presidio of San Francisco. While large numbers of people are affected, the potential per cent impact on employment in the metropolitan area is smaller than in the other regions discussed here.

Areas that gain from the 1993 Recommendations

The following areas have potential employment gains greater than ten per cent.

1. Camden County, Georgia

The Navy is moving various submarine operations into the Kings Bay Submarine Base from New London and Charleston.

2. Craven County, North Carolina

The Navy is moving Navy fighter planes into the Marine Air Station at Cherry Point, and is moving aircraft maintenance work into the Aviation Depot at Cherry Point.

3. Kings County, California

The Navy is moving fighter planes into the Naval Air Station, Lemoore.

<u>4. Jefferson City, Missouri</u>

The Army is moving training operations into Fort Leonard Wood.

<u>5. Clinton County, New York</u>

The Air Force is moving aerial refueling units into Plattsburgh Air Force Base.

<u>6. Bremerton, Washington</u>

The Navy is moving submarine operations into the Submarine Base at Bangor, and will forego its plans to relocate the aircraft carrier that is now homeported at the Puget Sound Naval Shipyard.

<u>7. White Oak, Maryland</u>

The Navy is moving one of its headquarters into White Oak, Maryland from Arlington, Virginia. Both are within the National Capital Region.

1993 Base Closure and Realignment Recommendations

Army

Post Closures:

2 School
1 Commodity
3 Total

Post Realignments:

4 Depots
1 Commodity
1 Command and Control
6 Total

Navy

Closures:

4 Naval Stations
7 Air Stations
1 Marine Air Station
3 Naval Aviation Depots
2 Naval Shipyards
2 Training Centers
1 Inventory Control Point
6 Other Activities
26 Total

Realignments:

1 Training Center
1 Naval Air Station
1 Submarine Base
3 Total

Air Force

Closures:

1 Fighter
1 Bomber/Tanker
2 Logistics Centers
4 Total

Realignments:

1 Airlift
1 Tanker
1 Bomber/tanker
3 Total

Defense Logistics Agency

Closures:

2 Centers

National Capital Region*

Navy

4 Systems Commands
7 Other Activities
11 Total

* National Capital Region activities in leased space.

THE PRESIDENT HAS SEEN 3/11

THE WHITE HOUSE

WASHINGTON

March 10, 1993

MEMORANDUM FOR THE PRESIDENT

Through: Robert E. Rubin

From: Dorothy Robyn

Subject: Defense Reinvestment/Conversion

Overview. On March 11, you will unveil a $1.8 billion package of defense reinvestment and conversion programs for implementation this year. These initiatives:

-- provide immediate assistance to the workers, communities and firms that are experiencing the impact of declining defense budgets;

-- increase funding for investments that will provide new opportunities for those workers, communities and firms and enhance U.S. competitiveness.

This total includes $1.4 billion that Congress appropriated last year for defense conversion but that the Bush Administration had opposed and declined to spend. In addition, the Clinton Administration has reprogrammed funds and proposed other FY93 spending totaling $400 million.

The Administration will expand these programs significantly in FY94; by FY97, spending will total $4 billion to $6 billion.

This memo summarizes the elements of your strategy for defense reinvestment/conversion, both near-term and longer-term. Several issues concerning FY94 spending require your input.

Campaign Statements. Your campaign statements on defense conversion called for a five-part program:

1. Expand training and assistance programs for defense workers. Provide incentives for military personnel to retire early and to go into critical professions, and (re)education opportunities for military personnel and defense engineers.

2. Target defense cuts to infrastructure investments.

3. Emphasize civilian technology through federal R&D investments and permanent extension of the R&D tax credit.

4. Aid small defense firms through conversion loans/grants, an

expanded Ex-Im Bank, manufacturing extension centers, and targeted tax expenditures.

5. Assist communities by making it easier for them to implement military base re-use plans and acquire military-owned land.

FY93 Initiatives. Congress appropriated about $1.4 billion of defense funds for reinvestment/conversion initiatives for FY93:

-- $400 million for military and civilian personnel (including $75 million for the Department of Labor's displaced worker training program);

-- $275 million for community adjustment assistance (including $80 milliiion for Commerce's Economic Development Administration); and

-- $750 million for dual-use technology and industrial base programs, and an expansion of DoD's Small Business Innovation Research (SBIR) set-aside.

Sen. Mitchell considers this one of Congress' most significant accomplishments in 1992. The Bush Administration opposed most of the programs and declined to implement them despite bipartisan support.

Bush's opposition/inaction is one reason you can claim genuine ownership of these programs, but there are others: You endorsed many of the initiatives in the campaign (e.g., early retirement for military personnel, and manufacturing extension for small defense firms). Moreover your public support for these programs was a major reason they received large appropriations last October. Finally, your Secretary of Defense led the fight in the House for conversion.

DoD is prepared to implement all but about $100 million of the $1.4 billion appropriated. (DoD believes it can carry out two of the programs -- Troops to Teachers and Temporary Health Transition Assistance -- for less than was appropriated, and several small programs are still being developed.) Two elements are especially newsworthy:

1. DARPA is ready to solicit proposals for $760 million in technology programs. These very innovative programs target smaller firms and build on creative state programs to enhance competitiveness.

2. DoD is ready to transfer $75 million to the Department of Labor for worker training and $80 million to the Department of

Commerce for community adjustment assistance. Labor and Commerce are revamping their programs to respond sooner and better to displaced workers and hard-hit communities.

In addition to these legislated programs, the Clinton Administration has reprogrammed FY93 funds and proposed additional spending in the stimulus package for investments that can contribute significantly to conversion:

-- The Department of Energy has reprogrammed $188 million to transfer technology to industry from its weapons labs.

-- The stimulus package contains $15 million for EDA adjustment assistance to defense-dependent communities; $47 million for Department of Energy R&D partnerships with industry; and $181 for civilian technology programs that offer a good fit with defense firms/workers.

These total $431 million.

Finally, it's worth noting that there are relevant programs in DoD's baseline: e.g., $60 million for personnel transition assistance and $100 million for SEMATECH. These ongoing programs will also contribute to defense reinvestment and conversion.

FY94 Initiatives. Reporters will ask two questions about your FY94 spending on reinvestment/conversion: Is there continued funding for the programs initiated in FY93? What else is in your budget for defense workers, communities and firms?

On the first question, although an apples-to-apples comparison is impossible, it is fair to say that your FY94 budget significantly increases funding for the manpower and technology programs; spending on communities drops somewhat, partly because of reduced EDA funds for defense communities. (Three things account for the increase: a surge in the cost of early military retirement; a much-expanded DOL program for displaced workers; and DoD's allocation of new SBIR set-aside funds to conversion.) The total is about $2 billion.

On the second question, the FY94 investment package contains technology spending that offers large and direct opportunities for defense firms/workers ($786 million) and additional technology spending that, though not targeted, provides a good fit with defense firms and workers ($840 million).

The grand total for FY94 is $3.6 billion.

<u>FY95 and Beyond</u>. The longer-run strategy for defense conversion is to (1) build on current efforts to assist those who are hard-hit by declining defense budgets, and (2) increase investments that will provide new opportunities for defense workers, communities and firms. Total spending in FY97 will total from $4 billion to $6 billion.

The weak link is community adjustment assistance: Although DoD has an excellent program to provide early assistance, the Commerce Department's Economic Development Administration does a poor job of following up: EDA often does not get involved in a base closure until the community is ready to physically convert the base; that's several years too late. EDA needs to become a quick-response unit that assists communities in rethinking their local economy.

The underappreciated link is DoD as a potential source of support for commercial technology and industry. To build a leaner but still mean defense machine, we must restructure the military-industrial complex so that commercial firms play the dominant role, since they now produce much state-of-the-art technology. Stated differently, <u>for its own sake</u>, DoD must shift its massive R&D budget toward "dual-use" technology and revamp its arcane procurement system to favor commercial products. There are obstacles, to be sure, but Les Aspin and Bill Perry are deeply committed to this kind of "commercial- military integration."

<u>Additional Issues</u>. You may want to consider some additional ways of targeting those hurt by defense cutbacks. One possibility is a set-aside of CDBG funds for defense-dependent communities. Similarly, there might be a set-aside of SBA loans and loan guarantees for defense firms. Short of that, you might direct SBA to treat defense firms as a top priority; the problem is not a lack of SBA funds but rather how SBA allocates them.

<u>Interagency Process</u>. To ensure that individual parts of the defense reinvestment/conversion program work in synergy, activities will be coordinated through the National Economic Council and interagency committees. The NEC has already convened two staff-level meetings of the Interagency Group on Defense Reinvestment and Conversion. That group is preparing a white paper on defense conversion, to be released in early April.

THE PRESIDENT HAS SEEN 3/11

09-Mar-93

Defense Reinvestment and Economic Growth Initiatives

Budget Authority ($ in millions)

	1993	1994	1995	1996	1997	1993-7
Assistance for Defense Workers, Personnel and Communities						
Department of Defense Personnel Assistance and Community Support	597	697	697 1/	697 1/	697 1/	3,385
Department of Labor Displaced Worker Training		300 2/	400	400	400	1,500
Department of Commerce Community Diversification Assistance (EDA)	15	33	55	55	55	213
Total: Worker and Personnel Assistance Programs	612	1,030	1,152	1,152	1,152	5,098
Department of Defense Dual-Use Technology Reinvestment	760 3/	964 3/	964 1/	964 1/	964 1/	4,616
New Federal High Technology Investments (Conversion Opportunities) 4/	416	1,626	3,413	4,043	4,677	14,175
Grand total: Programs that will assist Defense workers, personnel, communities and firms — (1) Full	1,788	3,620	5,529	6,159	6,793	23,889
(2) 50%		3,200	4,414	4,823	5,290	19,595
(3) Range		2780-3620	3360-5529	3588-6159	3,788-6743	15,304-23,889

1/ This is the 1994 level. Specific estimates for 1995, 1996, and 1997 will not be available until the DOD completes its comprehensive review of Defense programs this year.

2/ Portion of overall investment increase that could be expected to be attributed to retraining displaced defense workers.

3/ Excludes impact of broadened scope of allowable IR&D reimbursement and SBIR refocused to dual-use.

4/ In addition, increases for Enterprise zones, Community Development Banks, National Science Foundation, Highways, and the R&D tax credit will provide opportunities for Defense firms and workers, and help develop infrastructure useful for community economic diversification.

09-Mar-93

Defense Reinvestment and Economic Growth Initiatives

($ in millions)

	Widely Advertised Program BA	Actual FY 1993 Appn BA	FY 1993 current program BA	FY 1993 current program Outlays
Personnel Assistance Programs	686	452	353	279
Temporary early retirement	254		10	10
Temporary health transistion assistance	76	76	11	8
Guard and reserve transition initiatives	40		40	38
Separation pay and civilian health benefits	72	72	72	55
Troops to teachers/healthcare/law enforcement personnel	65	65	6	6
DOD Environmental scholarship program	10	10	*	*
Grants to colleges for training in environmental restoration	10	10	*	*
Job training and employment services	75	75	75	57
Participation of discharged military personnel in Upward Bound	5	5		0
Job bank program	4	4	4	3
Military personnel occupational conversion & training	75	75	75	57
Transition Assistance/Relocation Assistance Programs		60	60	46
Community Adjustment and Assistance Programs	200	283	244	182
Office of Economic Adjustment		30	30	19
Philadelphia Naval Shipyard Economic Conversion (1-time)	50	50	50	38
Economic Development Administration (moved to EDA in 1994)	80	80	80	61
~~Nat'l Guard Civilian Youth Opportunity Pilot~~ Program	~~30~~	~~35~~	20	15
Junior ~~ROTC~~		~~50~~	57	43
High School Academies			7	5
Civilian Com~~munity Corps~~	~~20~~	~~20~~	*	*
~~Commission on National and Service programs~~	~~20~~	~~20~~	*	*
Troops to Mentors Program (Nat'l Guard, Rotc, academies, ~~Grant~~ Service Corps)	70	123		

* Program not yet developed

09-Mar-93

Defense Reinvestment and Economic Growth Initiatives

($ in millions)

	Widely Advertised Program BA	Actual FY 1993 Appn BA	FY 1993 current program BA	FY 1993 current program Outlays
Defense Reinvestment Technology Programs	881	806	760 1/	359
Reinvestment initiatives	375	345	327	154
Dual Use Technology Partnerships	100	100	95	45
Commercial-Military Integration Partnerships	50	50	48	23
Regional Technology Alliances	100	100	95	45
Agile Manufacturing/Enterprise Integration	30	30	29	14
Advanced Materials Partnerships	30	30	29	14
Advanced Manufacturing Technology Partnerships	25	25	23	11
Manufacturing Engineering Education Program	30	30	29	14
US Japan Management Training	10	10	9	4
Less earmarked ongoing programs		-30	-30	-14
Manufacturing/Technology Extension 2/	200	200	190	90
Electronics and Materials Initiatives	306	261	243	115
Projects listed in DOD Appropriations report	306 3/			
High definition systems		100	92	43
Optoelectronics		25	23	11
Metal matrix and ceramics		10	9	4
Diamond substrates		10	9	4
Multi chip modules/high temperature superconductivity		15	14	7
Multi chip modules		26	25	12
Advanced lithography		75	71	34
TOTAL: DOD personnel assistance, community adjustment and assistance, and reinvestment technology programs	1,767	1,541	1,357	819

1/ Excludes impact of broadened scope of allowable IR&D reimbursement and SBIR refocussed to dual use.

2/ Program to be managed by DOC (NIST) with active DOD participation; FY 1993 funds support program over two year period.

3/ These projects have fewer dual-use characteristics than those, added by Congress, for which funding is shown in the next column.

March 11, 1993

MR. PRESIDENT:

Enclosed is a memorandum from Secretary Bentsen concerning RTC Funding which I previously sent you on an information basis. OMB had wanted to comment on the memo. Secretary Bentsen is extremely anxious that you sign off on his recommendation before you leave in the morning. Leon was unavailable this evening. I checked with John Angell at OMB and while they have some concerns they are willing to support Bentsen's recommendation. Everyone else is on board, including Howard Paster and George. I recommend that you act on the memorandum before your departure tomorrow.

John Podesta

JP took up
Before I could get
a copy
S

THE WHITE HOUSE
WASHINGTON

[redacted]

March 11, 1993

MR. PRESIDENT:

I normally pass these through Marcia; since she's out of town I'm sending directly to you and copying her so you can discuss when she returns.

John Podesta

[redacted]

[redacted]

THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON
20506

93 MAR 11 P12:57

MEMORANDUM TO: Mack McLarty

FROM: Mickey Kantor

SUBJECT: Speech request for President Clinton

DATE: March 8, 1993

I have been asked by Michael Eisner, chairman of the board of Disney, to recommend that the president speak at the formal dinner honoring retiring NAACP head, Dr. Benjamin Hooks, on April 29th in Los Angeles.

Obviously I do not need to regale you with the reasons this would be important; however, let me caution that the trial of the four Los Angeles police officers and the California economy are two matters we should take into account as we make this decision.

Mar. 11/93

Mickey -

Request has Been forwarded to Pres. Clinton and Marcia Hale for review.

Your comments are helpful and insightful -

We will keep you posted

Mack

cc: Forward to Pres. Clinton

P Ap. 1

Faxed to Amb Kantor via Michael Jackson
KABC - Los Angeles on 2/19.

February 19, 1993

Dear Ambassador Kantor

CO-CHAIRMEN

Lew Wasserman, Chairman of the Board & CEO, MCA, Inc.
Alan Ladd, Jr., Chairman of the Board & CEO, MGM
A. Jerold Perenchio, Chairman of the Board & CEO, Chartwell Entertainment
Peter O'Malley, Owner & President, Los Angeles Dodgers
Sherry Lansing, Chairman of the Board & CEO, Paramount Pictures
Barry Munitz, Chancellor, California State University System
Edward James Olmos, Actor & Community Activist
Sidney Poitier, Actor & Community Activist

I need to arrange a note to the president + chief of staff

Join

DINNER CHAIRMAN

Michael D. Eisner, Chairman of the Board & CEO, The Walt Disney Company

in once again [redacted] at the Bonaventure Hotel in Los Angeles. The dinner is sponsored by the Western Regional NAACP and proceeds will go toward the establishment of an NAACP Training Center, which Los Angeles does not have and badly needs in order to serve our inner-city kids. This night will mark the one-year anniversary of the outbreak of rioting in Los Angeles ... we choose to consider that one year ago found Los Angeles at its worse and one year later we will come together to go forward.

Certainly we know how busy this week has been at the White House (and we congratulate the President on his remarkable achievement on Wednesday night). It would, however, mean a great deal if we could get at least an indication from you as to when we could expect an answer.

Thanks for your help, Mickey.

With every good wish,

Lezi

Elizabeth McMillion
The McMillion Group

with care re King friend!

Sharon!!! Regina

THE McMILLION GROUP

FACSIMILE TRANSMISSION SHEET

PHONE: 818/564-1553 FAX: 818/564-1581

NUMBER OF PAGES INCLUDING COVER SHEET: ~~2~~ 4

DATE OF TRANSMISSION: ~~2/8/93~~ 2/23/93

TO: Ambassador Michael Kantor

COMPANY: ~~Erin - 395-3204~~

FAX #: (202) 395-3911 PHONE #: (202) 395-3230

FROM: Liz McMillion

COMMENTS: Re: Michael Eisner Request (following)

Mickey - we would be so grateful if you could help us get a positive quick response from the President.

P.S. L.A. is very proud of you & the job you've done.

Fed Ex 2/5/93

The Walt Disney Company

Michael D. Eisner
Chairman and Chief Executive Officer

February 4, 1993

The Honorable William Clinton
The White House
Washington, DC 20500

Dear Mr. President:

April 29, 1993, marks the one-year anniversary of the darkest day in the history of Los Angeles.

Even as we acknowledge that one year ago found us at our worst, we choose April 29, 1993, to commit ourselves to the best that is within each of us so that we might go forward together.

[illegible] accepted the invitation of The Western Region, NAACP, to serve as Dinner Chair when this city -- Asian, African American, White, Hispanic -- joins hands and hearts to try to overcome the odds.

It is my privilege to invite you to address the 2,000 individuals who will gather at the Bonaventure Hotel on the evening on April 29, 1993. I also invite you to join with me that night in the presentation of a lifetime achievement award to our friend Ben Hooks.

It will mean a great deal to the people of Los Angeles to have our President share the despair that was ours "yesterday" and the hope that remains for "tomorrow."

Sincerely,

Michael D. Eisner

[illegible] Burbank, California 91521-1010 / 818-560-6180

FEB 05 '93 03:21PM

NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE
4805 MT. HOPE DRIVE • BALTIMORE, MD 21215-3297 • (410) 358-8900

BENJAMIN L. HOOKS
Executive Director/CEO

February 4, 1993

The Honorable Bill Clinton
President of the United States
THE WHITE HOUSE
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

On Thursday, April 29, 1993, the NAACP Western Regional Office will host a dinner at the Westin Bonaventure Hotel, "Equality Through Unity," to mark the one-year anniversary of the verdict that set Los Angeles ablaze.

Mr. Michael Eisner, Chairman and Chief Executive Officer of The Walt Disney Company has agreed to serve as Dinner Chairman. We of the NAACP are grateful that he has agreed to be a part of this festive occasion. In the last nine months, Mr. Eisner and The Walt Disney Company have literally spread magic over the City of Los Angeles playing a significant role in its rebuilding and economic recovery.

I am asking that you serve as speaker at the dinner, and sincerely hope your schedule will permit you to do so. Additionally, I understand that I am to receive "The Equality Through Unity" award. I would be humbly grateful if you would consent to present this award to me.

I will be happy to provide additional information and hopefully answer any questions you may have. I can be reached at the Baltimore Headquarters until March 31, 1993, telephone (410) 486-9100.

The dinner will be coordinated by the NAACP West Coast Regional Director, Shannon Reeves. He can be reached at (213) 931-6331. The regional office address is: 4929 Wilshire Boulevard, Suite 360, Los Angeles, CA 90010.

The evening will surely be one filled with hope and inspiration, a time of "coming together," and your acceptance would most certainly be an added bonus for all of Los Angeles.

I look forward to hearing from you.

Sincerely,

Ben

Benjamin L. Hooks
Executive Director

BLH/kw

THE WHITE HOUSE
WASHINGTON

March 11, 1993

MR. PRESIDENT:

The attached was originally addressed to Bob Rubin. I've also forwarded to Tony Lake.

John Podesta

Congress of the United States
House of Representatives
Washington, D.C. 20515

Dan Rostenkowski
Illinois

Chairman
Committee on Ways and Means

March 10, 1993

Dear Mack:

— getting memo faxed 3/10

I sent the attached memo to Bob Rubin yesterday, at his request. It elaborates on my memo dated February 4, 1993, to the President about Most-Favored-Nation status for China. Please share it with the President at his convenience.

Sincerely yours,

Dan Rostenkowski
Chairman

Thomas F. "Mack" McLarty, III
Chief of Staff
The White House
Washington, D.C. 20500

DR — Forwarded per your request to Pres. Clinton
Mack

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6348

March 10, 1993

MEMORANDUM

TO: Bob Rubin

FROM: Dan Rostenkowski

RE: Policy on most-favored-nation (MFN) status for China

As a follow-up to our phone conversation last week, this memorandum briefly describes the political climate in the House on the China MFN issue and suggests steps that the President can take to address Members' concerns.

As you know, the House, led by Congresswoman Nancy Pelosi, made failed attempts in the last Congress to condition China's future MFN status on progress by the Chinese Government in the areas of human rights, weapons proliferation, and trade. It appears that Mrs. Pelosi intends to introduce similar, but not identical legislation, again this year. She has had overwhelming support for such legislation in the past, particularly among Democrats, and she and many other Members continue to feel strongly that China needs to show significant improvement, particularly in the human rights area, if China is to maintain its MFN status in the future. I firmly believe, however, that Mrs. Pelosi and her supporters' objective is not to bring about the revocation of China's MFN status but to obtain meaningful improvements in human rights conditions in China.

I believe most Democrats would prefer for the President to take the lead on this issue. However, many, including Mrs. Pelosi, feel a strong commitment to the issue and do not want to appear to be backing down simply because a Democrat is in the White House. I therefore believe it is essential that the Administration immediately begin quiet, high-level discussions with the Chinese Government with the objective of having tangible, concrete steps to improve human rights conditions in China announced by the Chinese Government before June 3.

It is my belief that the Chinese Government is sufficiently apprehensive about whether the Clinton Administration will be recommending renewal of China's MFN status on June 3, that they would be willing to take significant steps to insure continued MFN status. This is evidenced by the unilateral steps they have taken in recent months. I believe it is essential for such discussions to take place quietly, however, because I think the Chinese will not, or cannot, respond favorably when they are publicly embarrassed, such as by publicly stating the conditions which they must achieve in order to maintain MFN status. This is why I believe it is essential that your discussions with the Chinese be discreet.

If such quiet discussions are unsuccessful before June 3, the President must decide whether to recommend continued MFN status for China, which I believe he should, and if so, whether to publicly state conditions which must be satisfied before he recommends any further extensions. Unless he does the latter, conditions will be ripe for enactment of the Pelosi legislation.

Based on discussions my staff has had with relevant interest groups such as Chinese students, and Members offices, I have set out below some examples of concrete steps that the Chinese Government can take to address Congressional concerns. Hopefully, some of these can be accomplished before June 3; others may take longer. I hope these ideas will be helpful to you and the President. I want to make it clear, however, that these are suggestions, and that I intend to work with the President to carry out his policy, whatever that may be, on this important issue.

<u>Human Rights</u>

(1) Release those convicted and imprisoned or under criminal or administrative detention for offenses of counterrevolution, or analogous offenses, due to their non-violent, political or religious activities. (If met, this condition would result in the release of the lion's share of political prisoners in China both in and outside of Beijing. I think it is necessary to insist on a substantial number of releases without expressly asking for the release of *all* who fall into this category. I would indicate that recent releases of two or three prisoners in Beijing, while a step in the right direction, fall far short of meeting this condition.)

(2) Provide the International Committee of the Red Cross (ICRC) with confidential access to political prisoners in China for purposes of administering humanitarian services. (This condition would create a deterrent to the use of torture and ill treatment in Chinese jails, prison camps, and detention centers.)

(3) Furnish a *real* accounting of political prisoners in China. China would be directed to give this accounting to either the United States or to an international group such as the United Nations Human Rights Commission or the United Nations Working Group on Arbitrary Detentions. (Unlike accountings the Chinese Government has provided in the past, information solicited under this condition should include the following: precise locations where named prisoners are being held; their current legal status; description of charges, if any, that have been brought against prisoners; if convicted, what prisoners' sentences were; and if released, when, and with what restrictions on subsequent re-arrest.)

(4) Open Tibet to regular access by foreign journalists and independent human rights monitors. (This would not fully satisfy those who lobby on behalf of the Tibetan cause; however, it would represent a modest step toward encouraging the Chinese to change repressive practices, especially in areas outside of Lhasa.)

<u>Trade</u>

(1) Take effective, verifiable action to prevent export to the United States of products manufactured through forced labor and allow U.S. customs officials to visit places suspected of producing such goods. [This language gets at the problem of implementation of the prison labor Memorandum of Understanding (MOU) that China signed with the United States in August 1992.]

(2) Demonstrate greater compliance with the market access MOU that China signed with the United States in October 1992. (Under this MOU, China pledged to reduce or eliminate over the next five years a wide variety of trade barriers including tariffs, quotas, import licenses, and import substitution laws. China also committed to making its trade regime more transparent and to establishing a joint working group on eliminating standards and testing barriers to agricultural imports. Since China's GATT-accession protocol is likely to incorporate the terms of the U.S.-China MOU on market access, China will have a dual reason for meeting this condition.)

(3) Provide adequate protection for U.S. intellectual property rights. (This implies better compliance with the intellectual property MOU that China signed with the United States in January 1992.)

(4) Cease use of unfair practices in trading with the United States, particularly transshipment of textile and apparel products.

Weapons Proliferation

(1) Cease activities inconsistent with the Missile Technology Control Regime (MTCR) and with the standards and guidelines set by the Nuclear Suppliers Group and the Australia Group on chemical and biological arms proliferation.

(2) Refrain from testing of nuclear devices. (In May 1992, the Chinese conducted a 150-kiloton, underground nuclear test that substantially exceeded a nuclear testing limit observed by the former Soviet Union and the United States since 1976. The United States was not observing a strict moratorium at the time of this incident; however, we have committed to a moratorium since, along with Russia and France, and would therefore like to see China refrain from testing of any kind, especially that which is violative of the U.S.-Soviet recognized limit.)

(3) Cease transfers of M-9 and M-11 missiles to Syria, Iran, and Pakistan. (China developed for export the mobile, solid-fuel M-9 and M-11 short-range ballistic missiles that violate the MTCR, allegedly with Pakistan, Syria, and Iran as interested buyers.)

(4) Stop transfers of nuclear material and technology to non-nuclear states. (China has reportedly provided assistance to countries, including Algeria, Pakistan, Iraq, and Iran, engaged in building nuclear capability.)

THE WHITE HOUSE

WASHINGTON

March 11, 1993

93 MAR 12 A9:28

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) Phil Sharp (D-IN), thanking for support on BTU tax;

2) Luis Gutierrez (D-IL), concerning bill to repeal automatic salary increase for members of Congress;

3) Eleanor Holmes Norton (D-DC), concerning federal appointments;

4) Richard Bryan (D-NV), thanking for feedback on Secretary Cisneros' trip to Nevada;

5) Tim Valentine (D-NC), birthday greeting;

6) Don Sundquist (R-TN), birthday greeting;

7) Pat Moynihan (D-NY), birthday greeting;

8) Cynthia McKinney (D-GA), birthday greeting;

9) Howard Coble (R-NC), birthday greeting;

10) Steven Schiff (R-NM), birthday greeting;

11) David Minge (D-MN), birthday greeting;

12) Larry Combest (TX), birthday greeting.

THE WHITE HOUSE

WASHINGTON

March 11, 1993

93 MAR 11 P6:53

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT E. RUBIN

SUBJECT: **Department of Defense Membership on National Economic Council**

I. ACTION-FORCING EVENT: Les Aspin called yesterday and suggested, for the second or third time, that the Department of Defense be added to the National Economic Council.

II. BACKGROUND/ANALYSIS: The addition of one more Cabinet department won't create any operating problem. Most of the Cabinet agencies are already members of the National Economic Council, and the Council never meets as a whole at the Secretaries' level. Meetings at the Secretaries' level always involve smaller sub-groups relevant to whatever the particular matter for discussion may be, e.g., the sub-group that has been meeting with you on the economic plan.

At the Deputies' level, the NEC does meet as a whole. The group is large, but the Deputies' meetings process, run by Bo Cutter, seems to work well.

The Department of Defense has been exceedingly cooperative with regard to defense conversion, and we are beginning to feel that Defense may have a lot to add in dealing with other economic issues.

III. RECOMMENDATION: Tony Lake and I recommend that you grant Les Aspin's request. However, if you would rather not, that could easily be explained in terms of Defense's primary mission and Defense's current involvement with the NEC on an as-needed basis.

IV. DECISION:

___Approve ___Approve as amended ___Reject ___No action