

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	From Marsha Scott re: Agency Liaison Cases [partial] (1 page)	03/15/1993	b(6)
002. resume	[Personally Identifiable Information] [partial] (1 page)	03/00/1993	b(6)

COLLECTION:

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

FOLDER TITLE:

March 11-13, 1993 [2]

2018-0662-S

rs3038

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

NEWS FROM

U.S. Senator Al Gore



(D - Tennessee) SR 393 Russell Building, Washington, D.C. 20510 (202) 224-4944

FOR IMMEDIATE RELEASE
FRIDAY, April 10, 1992

Contact: Marla Romash
202-224-7155
301-585-9408 (H)

**GORE AMPLIFIES CONCLUSIONS IN NEW STUDY FAULTING OREGON PLAN
Says Health Care Rationing Plan Moves Policy in Wrong Direction
IN LETTER, URGES ADMINISTRATION TO DENY WAIVER**

WASHINGTON -- A new Congressional study questioning the state of Oregon's plan to ration health care services for poor people -- including families and children -- should convince the federal Department of Health and Human Services to deny the state's request for a waiver of Medicaid rules needed for the plan to be funded, said Sen. Al Gore, D-TN, one of the Members of Congress who requested the study.

"New and innovative approaches to cutting health care costs and expanding coverage are urgently needed but this plan to ration health care would leave too many vulnerable and would hurt most those who have the least," said Gore. "This new study should convince the Administration to reject Oregon's request for the waiver that would allow this program to be funded."

Gore urged President George Bush and Secretary Louis Sullivan of the Department of Health and Human Services to deny the waiver in separate letters sent today as the Office of Technology Assessment released its report on the Oregon proposal.

"While the nation debates how we can together craft a health care system that will cover everyone, Oregon proposes a plan that has poor people taking from other poor people, creates a tattered system, and leaves poor women and children at risk," said Gore. "This plan is seductive to policy makers but dangerous to the people who really need help."

The Oregon Medicaid plan creates a list of medical services --ranked according to cost and benefits by a special state panel -- and refuses to pay for certain services that fall below a predetermined line. Medicaid provides health care to the poor and while Oregon officials claim their rationing plan would provide health care coverage to a larger number of people, the ranking of services would reduce the level of care provided.

Sen. Al Gore/ April 10/ p2

'There are no guarantees that tighter budgets won't produce a shorter list of allowed services, almost indiscriminately deciding who gets care and for what and in the process severely reducing services. And it's clear that even under current circumstances, critical -- and sometimes fatal -- illnesses will not be covered,' said Gore.

The OTA study questions the list: the rankings of treatments, the fact serious -- and potentially fatal -- conditions are below the cut off and that categories are omitted. The OTA study also expresses concern that some pregnant women and young children might be ineligible for benefits under the new rules. And, it questions the usefulness of the Oregon program as a demonstration that could provide useful lessons to other states.

At issue is whether the federal government will waive existing Medicaid rules to allow Oregon to use Medicaid funds to pay for this rationing plan. Avoiding strong Congressional opposition, state officials have sought the waiver from the Department of Health and Human Services which has said a decision would be made this spring.

ROUTING SLIP

DATE:

3, 17, 93

93 MAR 17 P4:19

FROM:

Marcia Hale
Director of Scheduling & Advance

TO:

Rahm Emanuel

☒

John Podesta

☒

Mark Gearan

☒

Carol Rasco

☒

Alexis Herman

☐

Bob Rubin

☐

Nancy Hernreich

☐

Eli Segal

☐

Anthony Lake

☒

George Stephanopolous

☒

Bruce Lindsey

☒

Ann Stock

☐

Mack McLarty

☐

Christine Varney

☒

Regina Montoya

☐

David Watkins

☐

Bernie Nussbaum

☐

Maggie Williams

☐

Howard Paster

☐

Marcia
VPOTUS

FOR YOUR:

Information ☐

Advice ☐

Action ☐

John

COMMENTS:

Could you please advise
if you think the President needs
to do this? If not, ~~the~~ who should
Thanks
Mr.

Military Production Network

A national alliance of organizations working to address
issues of nuclear weapons production and waste clean-up

March 12, 1993

Marcia Hale, Office of the President
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Ms. Hale:

I am writing on behalf of the Military Production Network, a national alliance of organizations working on issues related to the Department of Energy's nuclear weapons complex. From April 18-21, representatives from numerous states will be in Washington for our annual DC Week and we hope the President would consider meeting our group -- or perhaps a smaller delegation -- for a brief time.

Formed in 1987, the Military Production Network has member groups located at every principal site within the DOE complex. As citizens who live in the shadows of these facilities, we are acutely aware of the problems that have resulted from the operations of the nuclear weapons complex over the past fifty years. We see the problems at local facilities as evidence of national policy gone awry and, through our collective efforts, we seek to address the serious nuclear weapons production and waste issues that affect us all.

Even in the Cold War's aftermath, numerous health and environmental dangers exist for these communities, and citizens are still kept largely out of the decision-making process. During these next few years, there are real policy decisions the President will have to make which will directly impact the health and welfare of these communities.

During the campaign, Vice-President Gore met Lisa Crawford, an active member of the Military Production Network who has been working for years on problems associated with the operations of the Fernald, Ohio DOE plant, now called the Fernald Environmental Management Project (FEMP). In fact, Lisa came to Washington as a Face of Hope, someone who, in the face of significant scorn and opposition, has led an effort to educate her community about the dangers of the Fernald plant's operations.

The Military Production Network is filled with people like Lisa Crawford -- people who have acted unselfishly with little or no pay, to address the issues of their communities. The President clearly values the input and concerns of people like this, many of whom have been the victims of the government's neglect and secrecy.

Our DC Week is an annual opportunity for citizens to interact with policy makers to express our views and concerns. This year, we are particularly excited that we have an opportunity to meet with representatives of the Clinton Administration.

While we understand the President is tremendously busy, we believe that a short meeting with our folks would give him the opportunity to hear some of the concerns of these communities directly. As individuals, many people who are part of the Military Production Network were quite active in the Clinton-Gore campaign and we would like nothing more than to have a President we can applaud and support for being open and responsive to our needs -- something that has been largely absent for the last twelve years.

Enclosed is some information about the Military Production Network and its member organizations, including two of our recent reports, Facing Reality, and Rhetoric Vs. Reality.

Please call me at 206-547-3175 to arrange a meeting. I will check with you by phone within a week's time. Thank you for considering our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Mitchell". The signature is fluid and cursive, with the first name "Bill" and last name "Mitchell" clearly distinguishable.

Bill Mitchell

on behalf of the Military Production Network

Military Production Network

A national alliance of organizations working to address
issues of nuclear weapons production and waste clean-up

RHETORIC VS. REALITY

ADMIRAL JAMES D. WATKINS AT THE HELM

The Department of Energy:

1989-1992 and Beyond

December, 1992

**Rhetoric vs. Reality--Admiral James D. Watkins at The Helm
The Department of Energy: 1989-1992 and Beyond**

By the Military Production Network

December 1992

EXECUTIVE SUMMARY

James D. Watkins ends his 45-month term as Secretary of Energy--longer than any previous occupant of the office--with many of the underlying problems of the department's nuclear weapons production complex left unresolved.

In response to dramatic changes in the international arena and widespread evidence of environmental hazards, Admiral Watkins did preside over the *de facto* shutdown of the nation's bomb manufacturing plants. But he was not able to fundamentally reform the Department of Energy (DOE), in his words to "get his arms around" many of the basic health, safety, budget and cleanup problems which continue to plague the agency. Despite high-sounding statements to the contrary, DOE's basic culture has not changed.

This brief report by the Military Production Network (MPN) analyzes the DOE's record under James Watkins and offers an eight point agenda for the next Secretary of Energy. A national alliance of forty local, regional, and national organizations--many from communities in the shadows of the U.S. nuclear weapons complex--MPN works to address issues of nuclear weapons production and waste clean-up.

THE DOE OPERATING PHILOSOPHY

From the day of his nomination to head the DOE on January 12, 1989, Admiral Watkins pledged to reform the troubled agency, reeling from a three year long barrage of press stories of environmental contamination and shoddy management practices across the 20-site weapons complex.¹ In this as well as later public appearances, he promised to take the bomb factories from the 1950s to the 1990s--from secrecy, distrust and a production-first mentality to one of candor, cooperation and environmental stewardship.

Unfortunately, many of the DOE's actions under Secretary Watkins did not match this rhetoric. The DOE is unique among federal agencies in that it relies on contractors to do almost all of its work, employing only a relatively small number of federal employees to supervise that work. Changing a deeply embedded culture therefore requires both retraining and increased oversight, as well as more exemplary management by officials sincerely dedicated to reversing the production-first mentality.

The June, 1989 selection of Victor Stello, Jr., to be Assistant Secretary for Defense Programs--the senior official directly responsible for the weapons complex--sent a wave of concern through the environmental community and into the U.S. Senate, which ultimately refused to act on the nomination.²

are more likely to be reported, but even here a free and open exchange of information is frequently stymied by outdated concepts of security, leaving Congress, the public and the media with the impression that the DOE still has something to hide.

DOE's policy of openness, of being willing to listen to its critics and learn, still leaves much to be desired. Comments at public hearings are frequently ignored, no matter how many individuals make the same, valid point. Input from community activists and independent observers is arrogantly dismissed as either a nettlesome distraction or the product of some hidden agenda.⁵ Even the recommendations of the well-respected Advisory Committee on Nuclear Facility Safety were often dismissed by senior agency officials.

The DOE also continues to stifle its own employees. In 1991, the agency went so far as to bar scientists at the Lawrence Livermore National Laboratory from attending, in an official capacity, a conference attended by Russian, American and Chinese scientists, activists, and scholars to examine the environmental consequences of nuclear weapons development.⁶ Whistleblowers at many sites still face threats and job loss. Little has been done, however, to investigate many of their claims, or to discipline those officials responsible for their harassment.⁷

DOE's handling of Freedom of Information Act (FOIA) requests also remains atrocious, with delays of months and even years in responding to the most basic requests being the norm rather than the exception. In a not so subtle effort to discourage FOI requests, non-profit groups have been told by the DOE that they would be billed thousands of dollars to fulfill their information requests, and one organization in Idaho was informed that it would cost more than \$1.2 million to compile and release information on radioactive and hazardous chemical releases to the environment from the Idaho National Engineering Laboratory.⁸

Sec. Watkins's 1991 proposed overhaul of the Department's FOIA policy (which has not yet been adopted) would further restrict the already measly flow of information, erect additional barriers to gaining access, and illegally exempt from disclosure all material not created by government employees, placing off-limits the bulk of DOE's document base, which is generated and maintained by contractors.⁹

THE NUCLEAR WEAPONS BUDGET

Throughout Secretary Watkins's tenure, the percentage of the DOE budget devoted to the nuclear weapons complex stayed at about 70 percent, more than twice the proportion it received ten years ago.¹⁰ The billions of dollars directed since 1989 toward cleaning up the radioactive and toxic aftermath of the arms race are responsible for some of that increase. But billions more continue to be spent on weapons and weapons-related activities despite an official end to new nuclear weapons production. Moreover, an analysis of the DOE's fiscal year 1992 environmental restoration and waste management budget found more than \$500 million going to activities that had nothing to do with "cleanup" but were in fact production programs.¹¹

For fiscal year 1993, DOE will spend \$1.3 billion for nuclear

questionable test phase to commence even though the site may not meet Environmental Protection Agency (EPA) standards.

ENVIRONMENT, SAFETY AND HEALTH OVERSIGHT

In the spring of 1989, as his first major action, Admiral Watkins announced that he was transferring responsibility for insuring environmental protection, radiation and reactor safety, and worker and public health and safety from the office of Environment, Safety and Health (ES&H) to the Assistant Secretary for Defense Programs.¹⁶ This action significantly diminished the authority of the ES&H office, established several years earlier by his predecessor to ride herd over nuclear weapons officials who were unwilling to enforce nuclear safety regulations. ES&H officials previously had the authority to order the closure of facilities they deemed unsafe. As a result of Watkins's action, those responsible for making nuclear weapons would once again oversee their own compliance with environmental and safety laws and regulations.

Critics suggested Watkins's move was designed to secure a faster restart of the tritium-producing Savannah River reactors. The ultimate restart of the reactors did not accelerate, but subsequent accidents and errors at Savannah River and elsewhere demonstrate once again that self-oversight with no external counterbalance is an ineffective means of protecting worker and public health and ensuring compliance with the law.

THE END OF NUCLEAR WEAPONS PRODUCTION

The most surprising legacy of Sec. Watkins is the near-total shutdown of the U.S. nuclear weapons production complex and an end to new weapons production.

On his watch, the Feed Material Production Center in Ohio was closed and eventually transferred from Defense Programs to Environmental Restoration and Waste Management and renamed the Fernald Environmental Management Project. At the Hanford Reservation, the N-reactor was mothballed and the PUREX (Plutonium-Uranium Extraction) reprocessing facility was placed on standby. The three aging reactors at the Savannah River Site were overhauled at a cost of more than \$3 billion, but by 1992 their tritium capacity was unnecessary and just the 40 year-old K-reactor limped through a short test phase, only to be shut again and placed in a standby mode. The Rocky Flats Plant was raided by the FBI in June, 1989, resumed production for a short time, and then shut down again due to massive safety and environmental concerns.

Several of DOE's high priority "modernization" projects never made it off the ground. The Special Isotope Separation (SIS) plant slated for Idaho was cut from the fiscal year 1991 budget after Sec. Watkins finally acknowledged what his predecessor had discovered nearly two years earlier, that the DOE was "awash" in plutonium.¹⁷ The New Production Reactor (NPR) survived until the collapse and dissolution of the Soviet Union and was deferred this September. The Plutonium Recovery Modification Project (PRMP) to be built at Rocky Flats also was canceled. Earlier

be provided in ways that minimize risks to workers and nearby residents.

5. Cost controls are required to prevent waste and fraud in the environmental restoration and waste management program. The Secretary should support improved state and federal oversight of clean-up programs. The system of "government-owned, contractor-operated" (GOCO) facilities must be overhauled to end the practice of cost-plus contracts in which large corporations are rewarded for wasting taxpayer funds. Removing the nuclear waste clean-up function from DOE altogether must also be strongly considered.

6. Building on language in the Fiscal Year 1993 Defense Authorization Act, the DOE should devote adequate resources to aiding both nuclear facility workers and local communities as DOE facilities shut down and begin the transition to environmental restoration.

7. Transfer all epidemiological research activities on DOE workers and off-site health and environmental effects of weapons production from the DOE. In its place, the Department of Health and Human Services and other credible, independent agencies should be given the responsibility and resources to investigate and monitor illnesses caused by exposure to toxic and/or radioactive substances.

8. The Secretary must give high priority to sweeping away the secrecy practices that permeate the nuclear weapons complex. Whistleblowers must be encouraged and fully protected, true openness required at all levels of the Department, and public participation, including the establishment of site-specific citizens advisory boards, must become a hallmark of all future activities.

.

Further elaboration of these recommendations may be found in Facing Reality: The Future of the U.S. Nuclear Weapons Complex to which many MPN members contributed. We urge the Congress, the transition team, the new Secretary of Energy, and indeed the entire new administration to heed its analysis and recommendations.

NOTES

1. "I have confidence that after I've had a chance to get my feet on the ground...I can help find that desired and balanced formula wherein safety is never subverted...environment is adequately protected and national security and other energy objectives are achieved in harmony with each other." From a transcript of a White House news conference, New York Times, January 13, 1989, p. D16.

10. When Ronald Reagan took office, the DOE's nuclear weapons budget was \$5.4 billion, or 27 percent of the Department's total budget. The DOE's fiscal year 1993 budget for Atomic Energy Defense Activities, as appropriated by Congress, is \$12,118,625,000, or 71 percent of the DOE's total budget.
11. *The Dirt in The U.S. DOE's Nuclear Waste Clean-Up Budget*, Heart of America Northwest, July 1991.
12. Letter from Gloria E. Inlow, Office of Intergovernmental and External Affairs, Department of Energy Albuquerque Operations Office to Stephen I. Schwartz, Greenpeace USA, July 19, 1991.
13. "Duffy Critiques Energy Department's Cleanup Effort," *The Energy Daily*, November 18, 1992, p. 1.
14. "How Well Run is the Federal Government?," *Financial World*, October 27, 1992, pp. 50-51; "A \$200 Billion Scandal," *U.S. News and World Report*, December 14, 1992, pp. 34-47. See also three recent reports from the U.S. General Accounting Office--Energy Management: *Entertainment Costs Under DOE's Uranium Enrichment Production Contract* (RCED-92-230FS), July 30, 1992; DOE Management: *Impediments to Environmental Restoration Management Contracting* (RCED-92-244), August 14, 1992; Department of Energy: *Status of Reporting Compliance for DOE's Major System Acquisitions* (RCED-92-204FS), August 24, 1992.
15. "A Mountain of Trouble," by William J. Broad, *New York Times Magazine*, November 18, 1990, p. 36.
16. Secretary of Energy Notice, SEN-6-89, "Departmental Organization and Management Arrangements," May 19, 1989.
17. SIS lives on, however, in the form of U-AVLIS (Uranium Atomic Vapor Laser Isotope Separation). A full-scale prototype of U-AVLIS has been constructed at the Lawrence Livermore National Laboratory, in Livermore, California, and Congress recently appropriated \$70 million for a demonstration project in fiscal year 1993.
18. "Fuels Errand," by Margaret Kriz, *National Journal*, October 17, 1992, pp. 2355-2360.

ROUTING SLIP

DATE: 3, 17, 93

93 MAR 17 P4:19

FROM: Marcia Hale
Director of Scheduling & Advance

TO:

Rahm Emanuel

☒

John Podesta

☒

Mark Gearan

☒

Carol Rasco

☒

Alexis Herman

☒

Bob Rubin

☐

Nancy Hernreich

☐

Eli Segal

☐

Anthony Lake

☐

George Stephanopolous

☒

Bruce Lindsey

☒

Ann Stock

☐

Mack McLarty

☐

Christine Varney

☒

Regina Montoya

☒

David Watkins

☐

Bernie Nussbaum

☐

Maggie Williams

☐

Howard Paster

☒

FOR YOUR:

Information ☐

Advice ☒

Action ☐

COMMENTS:

MARCIA —
I think it would be better
to have done something
more serious first but it
would be good to go to Iran.
This could be perceived by
the general farm community as a little
a little left a little
a little flaky a little
a little wacky
To the

U.S. DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY



SENT TO:

MarciaM-

Farm AID?
Would he go?
Satellite?
Video?

PHONE #:

FAX #:

202/ 456NUMBER OF PAGES SENT:
(excluding cover sheet)11

FROM:

Peta Barrett FitzgeraldPHONE #: 202-720-3631FAX #: 202-720-5437

COMMENTS:



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

March 15, 1993

TO: Marcia Hale

FROM: Oleta Garrett Fitzgerald *Oleta Garrett Fitzgerald*

Attached is additional information we have received from FARM AID VI, regarding their April 24th Ames, Iowa fundraising concert.

Secretary Espy is very hopeful that President Clinton will be able to join him at this concert. Obviously, this is an opportune time to meet with family farmers from across the country at one of their most visible events. Anything you can do to assist in securing an affirmative response from the President is greatly appreciated by Secretary Espy. Call me at 720-3631 or 720-0619 if I can be of any help. Thanks.



March 12, 1993

Oleta Fitzgerald
United States Department of Agriculture
14th and Independence Ave., SW
Washington, DC 20250

Dear Ms. Fitzgerald:

Thank you for calling today about Secretary Espy coming to FARM AID VI: "Planting the Seeds of Change" on April 24, 1993 in Ames, Iowa. Willie Nelson is looking forward to welcoming Secretary Espy to the heart of the heartland.

I have enclosed the materials that you requested including the artists currently scheduled to appear and information on who receives FARM AID funding.

In addition to being an exciting musical event, FARM AID VI will be a gathering place for family farmers and rural folks from all across the country. Among the farm organizations that will be present are the National Farmers Union, National Family Farm Coalition, National Farmers Organization, American Agriculture Movement, Federation of Southern Cooperatives, and the Rural Coalition.

The day before FARM AID VI we are planning to hold a Town Hall meeting with farmers from across the country as well as with representatives from numerous consumer and environmental groups concerned about farm and food issues. Such a forum would be an ideal setting for Secretary Espy to meet directly with farmers, consumer advocates and people concerned about the environment.

I would be glad to talk more in detail with your office about a possible agenda for such a forum. Please don't hesitate to contact us if you need additional information.

We look forward to working with the new Administration to provide a platform for family farmers to bring their message to the American public.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carolyn Mugar".

Carolyn Mugar
Executive Director





FEBRUARY 22, 1993
FOR IMMEDIATE RELEASE

FOR MORE INFORMATION:
EVELYN SHRIVER, SHRIVER
PUBLIC RELATIONS (615)383-1000

WILLIE NELSON LAUNCHES FARM AID VI IN IOWA

(AMES, IA) Willie Nelson, President of FARM AID, Inc., today launched FARM AID VI to be held Saturday, April 24th at Cyclone Stadium in Ames, Iowa featuring a star studded list of performers who will make FARM AID VI the biggest musical event in Iowa history.

As of today, some of the artists scheduled to appear are:

HOSTS: Yakoff Smirnoff, Roseanne and Tom Arnold, Lou Diamond Phillips, Williams and Ree

PERFORMERS: Willie Nelson, John Mellencamp, Neil Young, Paul Simon, Alice in Chains, Soundgarden, Charlie Daniels Band, Don Was with Ringo Starr, Levon Helm and Jonelle Mosser, Bryan Adams, Dwight Yoakam, Jayhawks, The Pipefitters with Lou Diamond Phillips, The Highwaymen (Willie Nelson, Waylon Jennings, Johnny Cash, Kris Kristofferson), Travis Tritt, Marty Stuart, Tammy Wynette, Ricky Van Shelton, John Conlee, Delbert McClinton, El Dorado. (See attachment for complete list.)

DATE: Saturday, April 24, 1993

TIME: ^{Noon} ~~3:00 PM~~ to 11:00 PM (CST)

Additional performers will be announced in the coming weeks.

Mr. Nelson said, "We are proud to bring FARM AID VI to Ames, Iowa the heart of the heartland and that TNN will once again bring FARM AID to the nation." Citing an all-star line-up of many of today's top musical entertainers, he commented, "The concert promises to be a great musical event and a tremendous show of support for America's family farmers. What we accomplish here at FARM AID VI will reach beyond the corn fields of Iowa to every American. Every family farmer at work in the fields means more jobs in the factories and businesses of Des Moines, Detroit, and Los Angeles. An investment in our family farmers is an investment in a strong American economy."

334 Broadway • Suite 5 • Cambridge, MA 02139 • Tel. (617) 354-2922 • Fax (617) 354-6992

Mr. Nelson declared that FARM AID VI, "is planting the seeds of change that will allow family farms to flourish in this new political climate. Family farmers have the solutions that will provide America with good jobs, safe food, and a clean environment. FARM AID is honored to provide the sound and stage to amplify the voices of the American people-the feeders and the eaters. Starting here in the heartland, we will make sure that family farmers lead the way when the folks in Washington sit down to make a new farm policy."

Since FARM AID was founded in 1985 by Willie Nelson, John Mellencamp and Neil Young, the organization has granted over \$10.5 million to more than 100 farm groups, hotlines, churches, and service organizations in 43 states, according to Carolyn Mugar, Executive Director of FARM AID. Funds have been distributed for emergency needs, education, outreach, hotlines, legal assistance, land stewardship and self-help projects.

Joining Willie Nelson at the press conference were Governor Terry Branstad, State Secretary of Agriculture Dale Cochran and Ames Mayor Larry Curtis who presented Mr. Nelson with a key to the city. Iowa State University Vice President Reid Crawford welcomed Nelson and FARM AID, and dozens of farm leaders thanked Nelson and FARM AID for joining in the fight to support family farms.

Tickets for FARM AID VI will go on sale this Saturday, February 27th at 10 AM (CST) and can be purchased through your local Ticketmaster or 1-800-659-4242. The Nashville Network will air FARM AID VI live from 3 PM to 11 PM (CST).

The toll-free number to support FARM AID and America's family farmers is 1-800-FARM AID.

###

FARM AID VI CONCERT INFORMATION SHEET**HOSTS INCLUDE:**

YAKOFF SMIRNOFF, ROSEANNE AND TOM ARNOLD,
LOU DIAMOND PHILLIPS, WILLIAMS AND REE

SCHEDULED TO APPEAR AS OF FEBRUARY 22, 1993:

WILLIE NELSON, JOHN MELLENCAMP, NEIL YOUNG,
PAUL SIMON, ALICE IN CHAINS, ~~SOUNDGARDEN~~, CHARLIE
DANIELS BAND, DON WAS WITH RINGO STARR, LEVON
HELM AND JONELLE MOSSER, BRYAN ADAMS, DWIGHT
YOAKAM, JAYHAWKS, THE PIPEFITTERS WITH LOU
DIAMOND PHILLIPS, HIGHWAYMEN (WILLIE NELSON,
WAYLON JENNINGS, JOHNNY CASH, KRIS KRISTOFFERSON),
TRAVIS TRITT, MARTY STUART, TAMMY WYNETTE, RICKY
VAN SHELTON, JOHN CONLEE, DELBERT McCLINTON, EL
DORADO. (SEE ATTACHMENT FOR COMPLETE LIST)

DATE: SATURDAY, APRIL 24, 1993

TIME: ~~Noon~~ 3:00 PM-11:00 PM (CST)

ON SALE DATE: SATURDAY, FEBRUARY 27, 1993

ON SALE TIME: 10:00 AM C.S.T.

VENUE: CYCLONE STADIUM AT IOWA STATE CENTER/AMES,
IOWA

TICKETS: \$27.50* RESERVED SEATING
\$46.00* LIMITED "GREEN BELT" PREFERRED SEATING
(*INCLUDES PFMS) SUBJECT TO AGENCY CONVENIENCE CHARGE

AVAILABLE AT: IOWA STATE CENTER BOX OFFICE/STEPHENS
AUDITORIUM/ALL TICKETMASTER OUTLETS

CHARGE BY PHONE: 515/243-1888 in Des Moines, IA
515/233-1888 in Ames, IA
319/363-1888 in Cedar Rapids, IA
319/326-1111 in Quad Cities
712/252-3434 in Sioux City, IA
605/334-8181 in Sioux Falls, SD
402/422-1212 in Omaha, NE
402/475-1212 in Lincoln, NE

NATIONWIDE TOLL FREE: 1/800-659-4242
PROMOTED BY: AN OGDEN/MCA CONCERTS PRESENTATION

FARM AID ARTIST ROSTER

(As of 2/22/93)

Willie Nelson
John Mellencamp
Neil Young
Paul Simon
Alice in Chains
~~Soundgarden~~
Charlie Daniels Band
Don Was with Ringo Starr,
Levon Helm & Jonelle Mosser
Bryan Adams
Dwight Yoakam
Jayhawks
The Pipefitters with
Lou Diamond Phillips
Highwaymen (Willie Nelson,
Waylon Jennings, Johnny
Cash & Kris Kristofferson)
Travis Tritt
Marty Stuart
Tammy Wynette
Ricky Van Shelton
John Conlee
Zaca Creek
Delbert McClinton
Little Joe Y La Familia
Lee Clayton
Milo Tremley
Asleep at the Wheel
El Dorado
Dennis Alley Wisdom
Indian Dancers
David Amram
C.T.P.
Geezinslaw Brothers
Bells of Joy Choir
Johnny Gimble
Ray Price
The Calhoun Twins
Jimmy Dale Court
Mickey Newbury
Towns Vans Zandt

Kimmie Rhodes
~~Shelley Long~~
Paul Buskirk
Common Sense
John Trudell
Black 47
~~Fabulous Thunderbirds~~
Winner of the Jose Quervo
"Quest for Gold"
Talent Contest



FOR IMMEDIATE RELEASE

CONTACT: Evelyn Shriver
Shriver Public Relations
(615) 383-1000

FARM AID BACKGROUNDER

FARM AID was incorporated on September 4, 1985 to raise public awareness about the plight of the American family farmer and to provide assistance to those families whose livelihood is dependent on agriculture. Since that time FARM AID has played a crucial role in educating the American public about the important role that family farmers play in creating jobs, preserving our food supply and protecting our environment.

FARM AID I, held in Champaign, Illinois on September 22, 1985, was organized in 6 weeks by Willie Nelson, Neil Young, and John Mellencamp. FARM AID II was held on July 4, 1986 in Austin, Texas; FARM AID III was held on September 19, 1987 in Lincoln, Nebraska; FARM AID IV was held in Indianapolis, Indiana on April 7, 1990; and FARM AID V was held in Irving, Texas on March 14, 1992.

Since 1985 FARM AID has granted over 10.5 million dollars to 100 farm organizations, churches, and service agencies in 43 states. Nearly a quarter of FARM AID grants have been Emergency Grants which provide short-term relief from the financial hardships caused by U.S. farm policies. More than 15 thousand farm families in 43 states have received much needed emergency grants for groceries, health care, clothing and heating bills.

The remainder of FARM AID funds are distributed as Program Grants to organizations which are building long-term solutions to the problems facing American farm families. As the farm crisis has become chronic FARM AID seed money has allowed small projects to expand into strong organizations which build on the energy and know-how of thousands of family farmers across the country.

Program grant categories include **Hotlines/Outreach-** to get information to farmers before financial disaster arises and to provide supportive services to those families already struggling; **Education/Legal-** to get information out to the countryside on farm issues and to educate farmers on their legal rights; and **Program Support and Development-** to support ongoing projects and provide technical assistance to allow family farm organizations to develop long-term solutions designed to put more family farmers back on the land.

Here are a few examples of FARM AID funds in action:

PrairieFire Rural Action is an Iowa-based rural education and training organization that is committed to revitalizing family farm agriculture and rural communities. PrairieFire is currently working to combat the growing trend of corporate concentration in the livestock industry which is forcing many small farmers out of business. For 11 years PrairieFire has worked with farm and rural communities across the nation to develop and promote fair farm policies from the roots up.

It is estimated that unless government farm policies are changed, there will be no African-American family farmers left on the land by the year 2000. Since 1967, the **Federation of Southern Cooperatives/Land Assistance Fund (FSC/LAF)** has promoted community-based economic development through a network of 30 rural cooperatives in 11 Southern states. Generating jobs, services, training and a spirit of self-help, FSC/LAF brings hope to America's most impoverished and exploited rural counties.

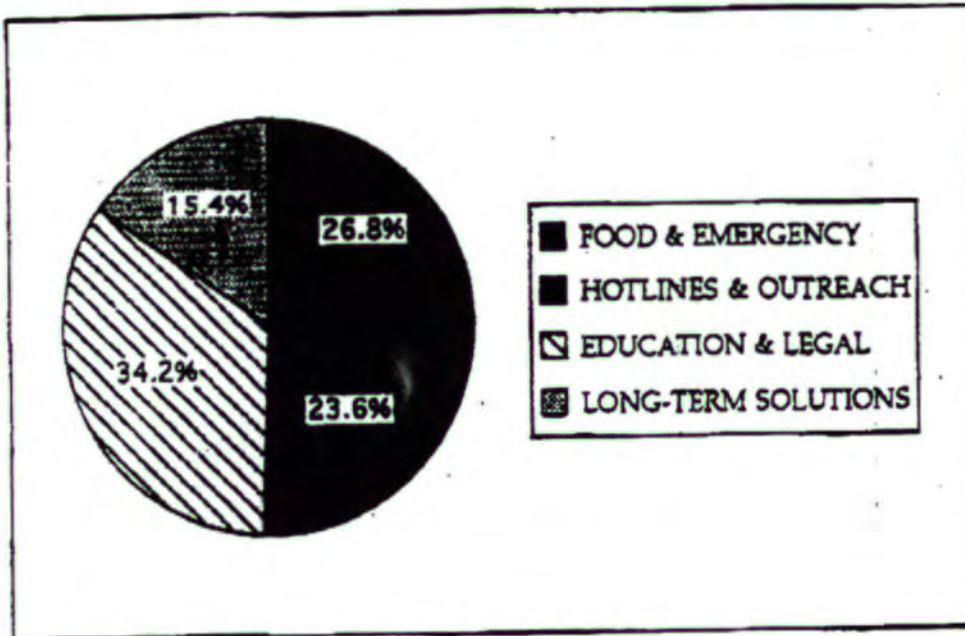
The **Farmers Legal Action Group (FLAG)**, based in Minnesota, works nationally to provide individual legal advocacy, litigation on major law reform, and legal rights workshops for farmers. FLAG has conducted over 300 trainings in 30 states for over 20 thousand farmers, lawyers and farm advocates. Through lawsuits and legislation, FLAG has worked with farm groups to change the direction of farm policy.

Between 1983 and 1988 suicides killed 5 times more Oklahoma farmers than did farm accidents. **Oklahoma Ag-Link Farm Crisis Hotline** was founded in response to rising suicide rates among farmers. Ag-Link workers represent a last, life-saving resource for farmers who have reached an emotional breaking point. Since its inception, the Ag-Link Farm Crisis Hotline has received over 50 thousand calls.

###

FARM AID GRANTS 1985- 1992

FOOD & EMERGENCY	\$2,876,069
HOTLINES & OUTREACH	\$2,531,626
EDUCATION & LEGAL	\$3,663,594
LONG-TERM SOLUTIONS	\$1,647,002

TOTALS:**\$10,718,291**



FARM AID VI 1993 EVENT OVERVIEW

FARM AID VI follows five successful concerts in Irving, Texas in 1992, Indianapolis, Indiana in 1990, Lincoln, Nebraska in 1987, Austin, Texas in 1986, and Champaign, Illinois in 1985.

With the help of thousands of donors, FARM AID has been able to grant more than \$10.5 million to 100 farm organizations, churches, hotlines, and service agencies in 43 states. Among the organizations that FARM AID has helped include:

American Agriculture Movement	Land Loss Prevention Project (NC)
California Action Network	Louisiana Interchurch Conference
Children's Health Fund (MS)	Minnesota COACT
Community Farm Alliance (KY)	Missouri Rural Crisis Center
Dakota Rural Action	Nebraska Farmers Union
Farmers Legal Action Group	Oklahoma Conference of Churches
Farm Labor Research Project (OH)	Prairiefire Rural Action (IA)
Idaho Rural Council	Rural Coalition
Iowa Farm Unity Coalition	Rural Vermont
Kansas Rural Center	Wisconsin Farmland Conservancy
	Younkers/FARM AID Scholarship Fund



March 15, 1993 **MAR 15 P4:54**

MEMORANDUM FOR JOHN PODESTA

FROM: Howard Paster *HP*
SUBJECT: Attached invitation

I received the attached letter of invitation from Representatives Vic Fazio, Jerry Lewis, and Cal Dooley to address the California Agricultural Leadership program. They are looking for top Administration officials to address the group.

Alex Heslop with Representative Lewis' office has informed my office that they will be meeting in the Indian Treaty Room on Friday, April 2 between 2:00pm and 5:00pm.

I thought that as a former Staff Director of the Agriculture committee that you might be interested in attending.

*I'll be
out of town
I assume.
Regretted
HW 3/18*

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

March 4, 1993

The Honorable Howard Paster
 Special Assistant to the President
 Director of Legislative Affairs
 The White House
 Washington, D.C. 20500

456-2230

Dear Howard:

The California Agricultural Leadership Program, now in its 23rd year, is coming to Washington, D.C. March 27th through April 4th for its annual meetings with top Administration officials and Members of Congress. This group consists of 30 of California's brightest young leaders who have distinguished themselves in agriculture and related industries. We are writing to request a meeting with you for the participants during this time period.

The California Leadership Program involves a series of seminars held at four participating universities, a two-week travel study in the United States, and a three-week international tour. During their two years of training, the participants are exposed to the view points of people from diverse segments of our society and from different cultures around the world. Through this program, they develop the skills to effectively communicate agricultural interests to a world arena, as they gain an understanding of the competing interests and needs of our society and the world community.

California is the nation's leading agricultural state and competes successfully in international markets. The members of this year's class are the best that California agriculture has to offer. The significance of a meeting with you can not be understated. We have attached a list of participants in this year's program, along with the Agricultural Education Foundation's 1992 annual report.

Thank you for your consideration of this request. To set up a meeting time or ask any questions, please contact either Alex Heslop with Jerry Lewis at 225-5861 or Lisa Quigley with Cal Dooley at 225-3341.

Sincerely,

Jerry Lewis
 Jerry Lewis

Vic Fazio

Cal Dooley

THE WHITE HOUSE
WASHINGTON

MEMORANDUM
OF CALL

Previous editions usable

TO:

JOHN

☐

YOU WERE CALLED BY-

☐

YOU WERE VISITED BY-

ALEX HESLOT

OF (Organization)

Cons. JERRY LEWIS

☐

PLEASE PHONE ►

☐

FTS

☐

AUTOVON

275-5861

☐

WILL CALL AGAIN

☐

IS WAITING TO SEE YOU

☐

RETURNED YOUR CALL

☐

WISHES AN APPOINTMENT

MESSAGE

Re: Invitation to Cal for lead
open. from Fazio, Kniss, and Decker
4/2 3-5 in Irvine - being
conducted and give 5-10 min
informal introduction?

RECEIVED BY

DATE

TIME

63-110 NSN 7540-00-634-4018

☆ U.S.G.P.O. 1992 312-070-40024

STANDARD FORM 63 (Rev. 8-81)
Prescribed by GSA
FPMR (41 CFR) 101-11.6

As Economists Snipe, Adviser Gets to Work

By STEVEN GREENHOUSE

Special to The New York Times

WASHINGTON, March 14 — Backbiting is a time-honored practice in the nation's capital, but the nastiness that greeted Laura D'Andrea Tyson's appointment to head the President's Council of Economic Advisers surprised even veteran Washingtonians.

Respected academics telephoned each other — and their journalist friends — to snipe at her, whispering that she was an ill-advised choice because she was not a free-trader, was outside the economics mainstream and was not one of the brightest stars in her field.

Some members of the Cambridge Intelligentsia protested because after 12 years of Republican rule they felt a sense of entitlement that this coveted post should go to one of their city's young liberal superstars, like Lawrence Summers of Harvard University or Paul Krugman of the Massachusetts Institute of Technology.

And a few economists muttered about a reverse sexism in which President Clinton passed over a dozen male heavyweights to pick Ms. Tyson as the first woman to head the three-member council, which was set up under President Harry S. Truman.

'Professional Jealousy'

Ms. Tyson, an easy-going, 45-year-old professor from the University of California at Berkeley, was stunned and hurt by all the viciousness.

"It seems clear that to some extent it must be professional jealousy," she said in her first one-on-one interview since taking office. "A lot of these people I know pretty well, and I feel personal loyalty to them. I would have hoped they felt some of the same loyalty toward me."

The tumble of recent events has helped her get over the uncomfort-

able episode. For the past few weeks, she has worked 13-hour days, sitting through marathon meetings on the President's economic plan, testifying before Congress and appearing on television news programs to defend the plan.

Her role in the economic plan, she said, included making sure that the amount of deficit reduction was not so large that it undermined the fragile recovery and not so small that it would be scoffed at by financial markets and the public. She also did much of the heavy intellectual lifting on the \$31 billion stimulus program intended to speed job creation.

Knowledge of Trade

When President Clinton set up the National Economic Council to coordinate the Administration's economic policy making, some prominent economists voiced fears that this would push the often-marginalized Council of Economic Advisers further into the background.

But Ms. Tyson says she is too busy to feel marginalized. Her job involves interpreting economic data for the President, preparing the Administration's economic forecasts, helping formulate policies and assessing the costs and benefits of a raft of proposals.

Because of her expertise on trade, she has helped tutor Mickey Kantor, the United States Trade Representative, on the ABC's of a subject in which he had little experience. She has also been instrumental in drafting a strategic trade policy that will pressure Japan and other Asian nations to open their markets more while providing more generous Federal support for high-tech industries.

Many economists have seen Ms. Tyson's unmistakable hand in some of the President's speeches. The clearest example was Mr. Clinton's Feb. 22 speech to Boeing workers in which he vowed to take a tougher approach toward Airbus, the European aircraft consortium.

Ms. Tyson explored in detail how Airbus had hurt American aircraft manufacturers in her most recent book, "Who's Bashing Whom? Trade Conflict in High-Technology Industries" (Institute for International Economics). She suggested that Washington subsidize the industry to offset the subsidies Airbus receives.

Displaying modesty that is rare in a city fueled by big egos, she denied that her thinking had heavily influenced the President. "One of the reasons he chose me was he thinks about many problems the way I do," she said.

Worries About Family

Ms. Tyson's husband, Erik Tarloff, a Hollywood screenwriter who specializes in comedy, says his wife hesitated two and a half minutes before accepting the post. She felt that when the President beckoned she could not say no, although she was worried by her 9-year-old son's fears that he would hardly ever see his mother.

In an Op-Ed article in The New York Times, Mr. Tarloff wrote that their son's reaction was, "I'm going to become a Republican." But Mr. Tarloff added, "I've persuaded him that the cure he proposes is worse than the disease."

Sitting on a white sofa in an office that has a half-moved-into air, with a glossy picture of Mr. Clinton and four small Monet reproductions on the wall, Ms. Tyson exudes an I'm-just-glad-to-be-here attitude. A thin woman fond of bright scarves and suits, she said she was "honored" to be the first chairwoman of the council.

She said she was surprised that Mr. Clinton had chosen her because she had never met him before last Au-

Laura

3/14/93

Gospice — Congratulations

TSC

THE NEW YORK TIMES, MONDAY, MARCH 15, 1993

Laura D'Andrea Tyson

Born: June 28, 1947;
Bayonne, N.J.

Hometown: Berkeley, Calif.

Education: Holy Trinity High School, Westfield, N.J., 1965; B.A., Smith College, 1969; Ph.D., 1969; Massachusetts Institute of Technology, 1974

Career Highlights: Assistant Professor, Princeton University, 1974-1977; Assistant Professor, University of California at Berkeley, 1978, associate professor 1983, full professor 1988

Publications: "The Yugoslav Economic System and Its Performance in the 1970's" (University of California at Berkeley, 1980); "Economic Adjustment in Eastern Europe" (Rand Corporation, 1984); "Who's Bashing Whom: Trade Conflicts in High-Technology Industries" (Institute for International Economics, 1992)

Family: Married to Erik Tarloff; one son, Elliot, 9

Hobbies: Reading fiction; exercise, taking her son to museums, music lessons, parks

The Council of Economic Advisers' first woman chief holds to unusual views.

THE NEW YORK TIMES, MONDAY, MARCH 15, 1993

A trade expert helps Clinton tackle economic policy.

gust. She was invited to a meeting of economic advisers in Little Rock, Ark., where she was expected to be eclipsed by luminaries like Mr. Summers, Mr. Krugman and James A. Tobin, a Yale professor and Nobel laureate.

But it turned out to be her opportunity to shine. When Mr. Clinton said he wanted to do something about the loss of manufacturing jobs, several economists suggested that his worries were misplaced, explaining that in industrial nations the number of manufacturing jobs typically shrinks as the economy shifts toward service jobs. In a campaign where lost jobs

was a major issue, that ivory-tower answer was the last thing Mr. Clinton wanted to hear.

But Ms. Tyson's response was pragmatic music to his ears. She outlined how Washington could help American manufacturers by taking a tougher stance against foreign trade barriers and by providing seed money for promising new technologies.

"She was able to give answers that were to the point and addressed what he wanted," Mr. Krugman said. "There was an immediate personal rapport between them. She's a smart, very sophisticated economist."

Outside Mainstream

Ms. Tyson is outside the mainstream in that she specializes in trade, international competitiveness and high technology. In contrast, mainstream economists focus on theoretical models and elaborate mathematical equations to analyze how

economies work. Another difference is that she discusses her profession in conversational English rather than the hypertechnical jargon favored by many of her colleagues.

"There's no artifice with Laura," said Michael Borras, a Berkeley professor and colleague. "She's really an honest evaluator of ideas."

Her advocacy of government activism has brought criticism from conservatives, who see her suggestion for Boeing subsidies as evidence that she is an interventionist who favors government-run industrial policy.

Washington has long helped specific industries, Ms. Tyson argues, pointing to Pentagon contracts and farm subsidies. She says that when Europe and Japan are providing seed money to help promising industries it might be foolish for Washington to shun the idea. It is not a matter of picking which industries are going to live and which are going to die, she said, but of having the Government

join business in financing research in new technologies, like superconductors, that might help many industries.

Ms. Tyson's book has also brought catcalls for shunning free-trade thinking. She defended the Bush Administration for persuading Japan to set aside 20 percent of its semiconductor market for American and other foreign suppliers. Her book, though condemning import quotas, also approved Washington's threats to erect trade barriers to put pressure on other nations to remove barriers to American goods.

To her critics, she is a pamphleteer who supports managed trade and protectionism. "She is increasingly unique among economists in being very sympathetic to protection," said Daniel Mitchell, a senior fellow at the Heritage Foundation, a research organization in Washington. "She has come to policy conclusions that I think are at odds with reality."

Ms. Tyson can hardly hide her exasperation with such criticism. "Many charges come from people who haven't actually read anything I have written, or if they read it, they haven't read it carefully," she said.

"The dichotomy between free trade on the one hand and protection on the other is usually not the choice that exists in reality. There is always some shade of gray in between."

What is Washington to do when American semiconductor makers face a Japanese market all but closed to imports? she asks. Free-trade shibboleths provide no answers, she says, and nor does heavy-handed protection. Instead she says that "aggressive unilateralism," like threatening retaliation, may be warranted until unfair trade barriers are removed and better multilateral trade rules are negotiated.

But Gene Grossman, a Princeton University economist, said, "She doesn't, in my view, recognize that the fact that markets don't work perfectly isn't necessarily a rationale for government intervention unless you think you can put in place a political system that isn't subject to being co-opted by special interests."

Michael J. Boskin, who led the council under President George Bush, said the carping about Ms. Tyson's academic credentials was foolish, but he asserted that it was legitimate to worry about "her unorthodox views" on industrial policy and trade, because the council is often the sole voice in the Administration speaking up for the market.

Defending herself, Ms. Tyson says: she is not a knee-jerk advocate of government intervention.

"The market does many things very well, but there is a rationale for the Government doing things that the market doesn't do very well," she said. "The role of the Council of Economic Advisers is to help evaluate when there is a defensible role for government policy and whether government policy in pursuit of that objective is efficient."

THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/17/93

NOTE FOR: *Alas Blinder, Bob Rubin*

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

Information ☒

Action ☐

see the president's wife

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 3/17

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS

March 16, 1993

NOTE TO THE PRESIDENT

RE: Tonight's Consumer Price Index Release
Memo

This will not be read as a good report.
(Chairman Greenspan reacted that way.) Last
month's 0.5% core inflation rate could be
written off as a fluke. Two months in a row
is harder to dismiss. Market reaction is
hard to predict, but it is liable to be
adverse.

Some critics will suggest that this is an
early warning of overheating, and, hence,
fiscal stimulus is misguided. But we now
have only 2 months worth of poor inflation
data; there were some unusual movements in
apparel prices; and there still seems to be
considerable slack in most product markets at
home and abroad.

Alan
Alan S. Blinder

*Call to lower
unemployment
by 3% inflation
probably 6 months
from 4%*



THE CHAIRMAN

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20500

March 16, 1993

83 MAR 16 P8:15

MEMORANDUM FOR THE PRESIDENT

FROM:

LAURA D. TYSON

Laura D. Tyson

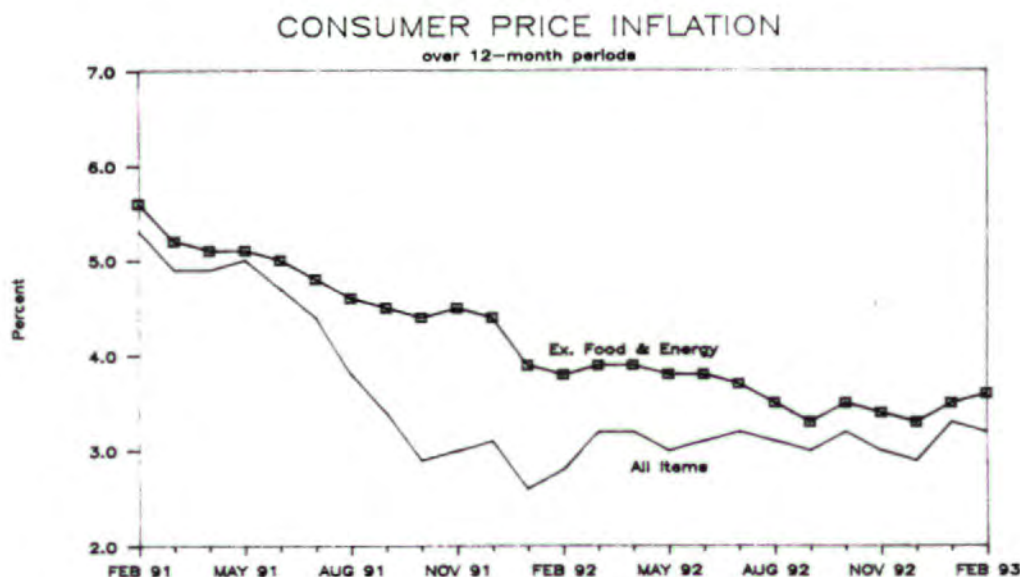
SUBJECT:

Consumer Price Indexes for February, Labor
Department Release, Tomorrow Morning, 8:30 a.m.

The report on consumer prices in February showed a stronger than expected underlying rate of inflation, although a significant part of the increase resulted from an unusual seasonal pattern for apparel prices.

- o Overall, consumer prices rose 0.3 percent in February, precisely matching private analysts' expectations, after increasing 0.5 percent in January. Over the past 12 months, consumer prices have risen 3.2 percent.
- o Core inflation--the increase in consumer prices excluding food and energy items--rose 0.5 percent in February, the same as in January. This means that core inflation has now proceeded at a 4.6 percent annual rate over the past 3 months and a 3.6 percent rate over the past year.
- o Approximately one-fourth of the increase in prices in February can be attributed to an unusual seasonal pattern in apparel sales, and hence in prices.

The chart below shows that consumer price inflation and core inflation have picked up slightly in recent months.





EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20500

THE CHAIRMAN

March 16, 1993 93 MAR 16 P8:15

MEMORANDUM FOR THE PRESIDENT

FROM:

LAURA D. TYSON

Laura D. Tyson

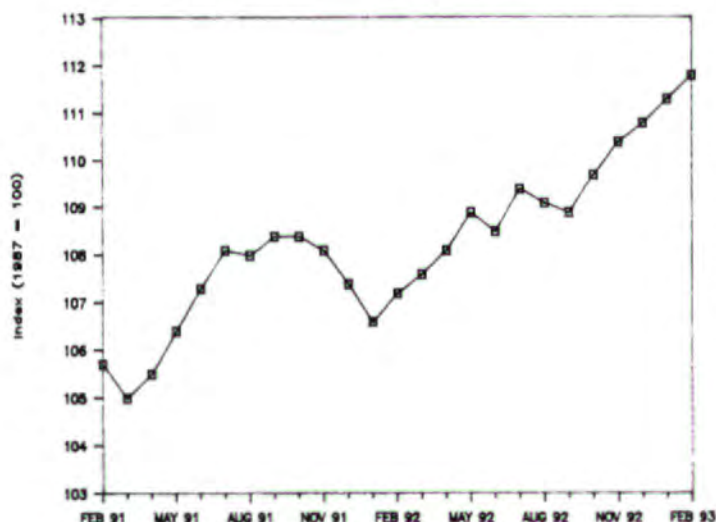
SUBJECT:

Industrial Production and Capacity Utilization in February, Federal Reserve Release, Tomorrow Morning, 9:15 a.m.

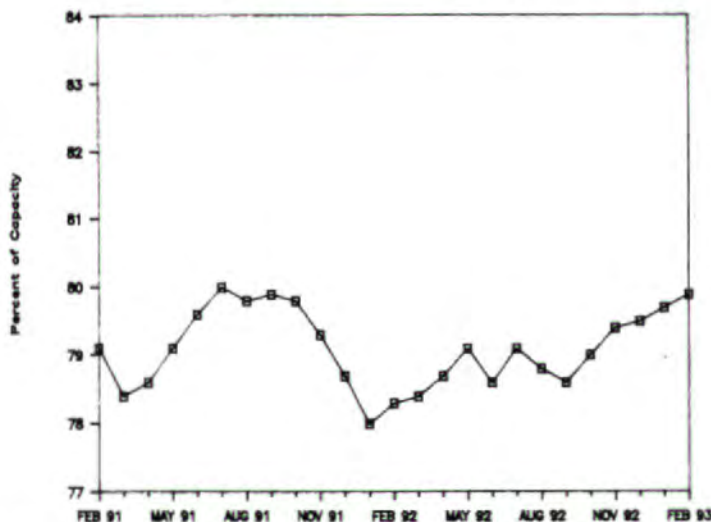
Industrial production--the output of the Nation's factories, mines and utilities--increased moderately in February, matching expectations.

- o Industrial production rose 0.4 percent in February, matching private analysts' expectations. This was the fifth straight monthly increase and followed gains of 0.5 percent in January and 0.4 percent in December.
- o Capacity utilization increased 0.2 percentage point in February, to 79.9 percent. In manufacturing, capacity utilization increased 0.1 percentage point to 78.9 percent.
- o Manufacturing output rose 0.3 percent in February despite a 2 percent decline in motor vehicle production. Production of business equipment other than motor vehicles increased 0.5 percent.
- o Utilities production--which had been held down by warm weather in January--surged 3.7 percent in February. Mining output fell in February, due in part to a coal mining strike.

TOTAL INDUSTRIAL PRODUCTION



TOTAL CAPACITY UTILIZATION



THE WHITE HOUSE
WASHINGTON

chron

DATE:

3/17

NOTE FOR:

PAS rer

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

Information

☐

Action

☒

Thank you.

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

cc:

ILEANA ROS-LEHTINEN

18TH DISTRICT, FLORIDA

COMMITTEES:

FOREIGN AFFAIRS

GOVERNMENT OPERATIONS



Congress of the United States
House of Representatives

March 16, 1993

The President
The White House
Washington, D.C. 20515

Dear Mr. President:

South Florida is greatly concerned about the Secretary of Defense's recommendation to close Homestead Air Force Base because we believe that Fidel Castro poses a potential threat to United States security due to the dictator's unpredictable decision making process.

With the growing instability in Russia, it is possible that hard-liners will regain control and these individuals might advocate a build-up of a military presence in Cuba. Therefore, it is important to have a base like Homestead Air Force, so close to Cuba, ready at a moment's notice.

Homestead Air Force Base has served as a powerful deterrent to Castro and to see the dismantling of this military facility will give him a sense of relief because he will believe that the United States is not fully committed to safeguard our residents.

There were strong commitments made by you and other Federal officials about the future of Homestead Air Force Base and now is the time to make good on those promises by maintaining some sort of military presence in the facility.

South Dade has been dealt many hard blows since Hurricane Andrew struck on August 24th and the closing of the base is an unbearable shock for all of our residents to bear.

Please help us in our fight to keep a military presence and a strong drug interdiction program in Homestead Air Force Base.

Sincerely,

Ileana Ros-Lehtinen
Member of Congress

IRL:ae

THE PRESIDENT HAS SEEN 3/17
PLEASE RETURN TO:
127 CANNON BUILDING
WASHINGTON, DC 20515-0918
(202) 225-3931
DISTRICT OFFICE:
5757 BLUE LAGOON DRIVE
(NW 11TH STREET)
SUITE 240
MIAMI, FL 33126
(305) 262-1800

Congress of the United States
House of Representatives
Washington, DC 20515-3212

March 16, 1992

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

Dear President Clinton:

I write to call your attention to a matter of grave importance. I am deeply concerned with the Administration's proposed changes to Section 936 of the Internal Revenue Code.

As you know from your own experience, economic development is a delicate process involving many components, not the least of which is incentives that attract investment in productive enterprises.

Like your home state of Arkansas, Puerto Rico has experienced some success in that endeavor, largely due to 936, but still has much to do in order to eliminate the severe unemployment that has now reached 17 percent. As United States citizens, Puerto Ricans join all Americans in support of your efforts to solve our nation's problems, including your on going attempts to create jobs and reduce the federal budget deficit. Puerto Ricans are prepared to respond to your call for shared sacrifice. Of course, equity requires that Puerto Rico's American citizens not be singled out to bear a disproportionate share of the nation's burden.

As a native of Puerto Rico, I can assure you that any effort to repeal or amend Section 936 will have catastrophic consequences to a fragile island economy. The continued presence of American-based manufacturers in Puerto Rico is critical to the island's economic stability and growth. These companies are also critical to the Commonwealth's banking industry, accounting for approximately 30% of bank deposits, which in turn finance the island's economic development programs. According to a Price Waterhouse study, elimination or drastic changes in Section 936 benefits would likely result in the loss of some 100,000 jobs directly tied to 936 supported manufacturers, and a loss of over 180,000 indirect jobs.

I share your concern over the disproportionate profits of the pharmaceutical sector, but you must understand that they account for only 17 percent of all the 936 companies in Puerto Rico. Penalizing the rest of the industries will damage the

The Honorable William Jefferson Clinton
March 16, 1993
Page 3

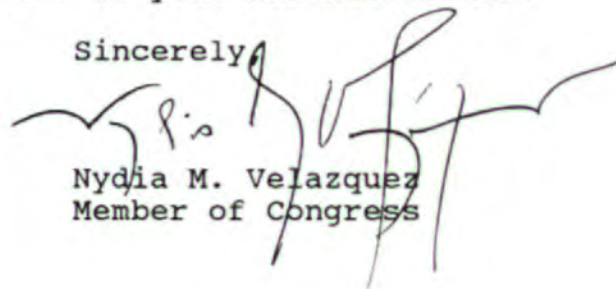
Puerto Rican and American economies and will cause severe social dislocation.

Erosion of the island employment base will increase the exodus of Puerto Ricans to the mainland, in particular, New York State and New York City. Most Puerto Ricans in the United States are residing in large metropolitan areas. The new wave of Puerto Ricans coming to the United States will be searching for jobs they are not likely to find and housing that at any level commands premium prices. In addition, there will be an added burden to the already embattled health care services in our communities and the overcrowded class rooms.

Section 936, therefore, can not be viewed in purely fiscal terms as a cost factor to the United States. Instead, Section 936 must be seen for what it is; an effective vehicle for advancing the economic and social progress that serves the practical and strategic interests of all American citizens, including the people of Puerto Rico.

I urge you Mr. President, to consider carefully the consequences of any decision to repeal or significantly alter section 936. Thank you in advance, for your consideration of my views and I stand ready to discuss this issue in greater detail with you or any representative of your Administration.

Sincerely,



Nydia M. Velazquez
Member of Congress

NMV/iro

Congress of the United States
House of Representatives
Washington, DC 20515-5301

March 16, 1993

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

Dear Mr. President:

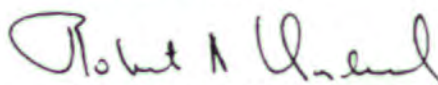
Thank you for the opportunity to meet with me and my colleagues on the Congressional Hispanic Caucus. It is indeed a pleasure and an honor to share with you issues of import to our constituents back home.

As you continue your work in organizing the executive branch, it is vitally important that you recognize the talents of people from Guam and the insular territories. I want to share with you a statement which I delivered on the House floor last week urging your administration to consider this matter seriously.

Pursuant to my letter to you dated March 4, I would like to once again invite you to visit Guam on your next trip to Asia. I assure you that you will find the stopover at our beautiful island to be worthwhile and enjoyable.

I look forward to working with you on critical issues affecting Guam and the insular territories. With best regards,

Sincerely,



Robert A. Underwood
Member of Congress

—
Enclosures

Congress of the United States
House of Representatives
Washington, DC 20515-5301

March 4, 1993

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

Dear Mr. President,

As America's western-most community, Guam prides itself in being a bridge between the United States and Asia. Japan, the Republic of Korea, the Republic of the Philippines and other Asian nations have strong cultural ties to Guam because of the rich diversity of our island community.

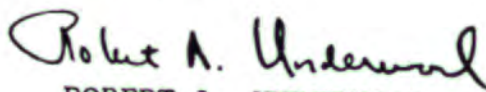
As your attention turns to Asia and the Pacific rim countries, I would encourage you to include Guam in your focus. Our contribution to the understanding between Asian cultures and America is invaluable. Our contribution to the American national interest is undeniable.

I would like to invite you to visit Guam if your duties as President of the United States bring you to the far east. I understand that a visit to Asia might be planned for this summer. A visit to Guam that coincides with the celebration of the Liberation of Guam, July 21, would be a tremendous, and unprecedented, honor for the People of Guam.

I hope you do not mind my pointing out that although you could not make a bus trip to our community, for us, a stop by Air Force One would be just as good. We can even arrange a short bus trip around our beautiful island, if you wish.

I look forward to greeting you on Guam.

Sincerely,



ROBERT A. UNDERWOOD
Member of Congress

cc: Marcia Hale
Scheduling Director

APPOINTMENT FOR DEPUTY ASSISTANT IN THE OFFICE OF TERRITORIAL AND INTERIOR AFFAIRS (OTIA), DEPARTMENT OF INTERIOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam (Mr. UNDERWOOD) is recognized for 15 minutes.

Mr. UNDERWOOD. Mr. Speaker, my major concern here in Congress and with the Clinton administration is Guam and how insular affairs policy is formulated and administered. I sit on the Natural Resources Subcommittee on Interior Affairs and I carefully monitor the activities of the Department of the Interior and, in particular, the Office of Territorial and Interior Affairs (OTIA).

I applaud the appointment of Bruce Babbitt as Secretary. In the past months, I have enjoyed working with him and his able and competent staff.

It is my understanding that the administration will soon appoint a distinguished lawyer to the position of Assistant Secretary of Territorial and International Affairs. I support the administration's plans and hope that the nomination process proceeds promptly so that this person can begin working on critical issues affecting Guam and the other territories.

I am disappointed that the administration, however, does not intend to nominate a candidate from one of the territories. My disappointment is sincere because since last Saturday, March 6, it has been 32 years since a person from the territories has been appointed to this position. In 1961, Richard Taitiano from Guam was appointed by President Kennedy to fill the Director of the Office of Territorial Affairs, the precursor of OTIA. In 32 years, no one from Guam, no one from the Virgin Islands, no one from Puerto Rico, no one from American Samoa, no one from the Northern Mariana Islands, has been appointed to a position which has significant influence on policies intimately affecting the lives of people of the territories.

While the administration has apparently made a decision about the Assistant Secretary's position, I believe that it is imperative that this person have a competent staff including people from the territories with experience handling territorial issues. In light of the strategic challenges facing the territories, it is crucial that the administration appoint someone from the territories to fill these additional positions. The administration not only needs to appoint someone who intimately understands the culture and history of the people whose lives are affected by OTIA's decisions, but also someone who understands the issues and the current mood of the people of the territories—someone who can assist the Assistant Secretary in repairing the 12 years of a strained and decayed relationship between the Federal Government and the local governments of Guam and the other territories.

With the current emphasis on diversity and inclusion, the skills and competence of the people from the territories must not be ignored. There are competent people from the territories who can and should be considered for policymaking positions within the Office of Territorial and International Affairs. It would be a refreshing change for the Government to have its own territorial experts and to see their influence on policies.

It would be a mistake, however, to assume that competent people from the territories should only be placed in those departments of sole interest to the territories. Qualified competent people from the territories should be considered for other policymaking positions.

Why not appoint a person from the territories as an associate solicitor? Why not appoint a person from the territories to the position of Deputy Assistant Secretary of Water and Science? Why not appoint a person from the territories as Director of U.S. Geological Survey? Why not appoint someone from the territories as special assistant to the Director of National Park Service. The citizens from the territories are ready, competent and capable to assume responsible positions in the executive branch; in the spirit of inclusion and with respect for all, I hope that we will see new faces, fresh faces from the territories in executive offices. Thirty-two years have passed since any citizen from the territories has been appointed to a major responsible position.

THE WHITE HOUSE
WASHINGTON

DATE: 03/16/93

NOTE FOR: CHRISTINE VARNEY

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

Information ☐

Action ☒ , to dispatch.

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
03.16.93

March 16, 1993

93 MAR 16 A 9:36

MEMORANDUM FOR THE PRESIDENT

FROM: CHRISTINE A. VARNEY 
Secretary to the Cabinet

SUBJECT: Attached Draft Letter of Commendation Request
from Secretary Riley

At Secretary Riley's request, I am forwarding for your approval and signature a draft commendation letter for Ray Hamilton of the Department of Education, for his extraordinary efforts during the blizzard this past weekend.

Recommendation:

That you sign the attached commendation letter.

THE WHITE HOUSE
WASHINGTON

March 16, 1993

Mr. Ray Hamilton
United States Department of Education
Office of Management and Budget
400 Maryland Avenue, S.W.
Washington, D.C. 20202-4100

Dear Ray:

I was impressed to hear of your dedication during the Blizzard of '93. The kind of commitment that you showed last weekend gives me the greatest faith that our government can work in a manner that all Americans can be proud of.

Please accept my gratitude for your hard work.

Sincerely,

Bill Clinton

THE WHITE HOUSE
WASHINGTON

March 16, 1993

MR. PRESIDENT:

Attached is a memorandum from Secretary Bentsen concerning extension of the debt limit which I previously sent you for information purposes.

It lays out two options: (1) request a temporary extension through September 30, 1993, and (2) request a permanent extension through the Spring of 1995.

The Secretary, Panetta, and all White House staff recommend option 1 as the only politically realistic option and the one that best serves our goals in enacting the economic plan.

The Secretary is anxious to have this decided because he needs to inform the Hill. I recommend you approve option 1.



John Podesta



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 _____

THE WHITE HOUSE
WASHINGTON

Cham

DATE: 3/16

NOTE FOR:

Howard Passer

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

Information ☒

Action ☐

Howard, please call
me about this.

John

Thank you.

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

cc:



Pastor's Squad
Call - (Capt Goshko
Here met us or called
on the scene)

RK



THE WHITE HOUSE
WASHINGTON

February 13, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: *BC* BARBARA CHOW via HOWARD PASTER

SUBJECT: Calls to Senators

I. SUMMARY

You asked for a list of additional Senators that you may wish to call over the weekend with regard to the economic program. The names are listed in priority order.

II. DISCUSSION

I have divided that list into five major groups with separate talking points for each one. The groups include:

1. Key swing Democratic votes (mostly conservative, deficit hawks);
2. Democratic base (those who will carry your message to the Senate);
3. Senate Democratic Class of 1994 (Members who are normally supportive of the leadership position but are expected to run hard races in the midterm elections);
4. Liberals (will likely support the program but may attack it from the left).
5. Moderate Republicans who have voted with Democrats in the past.

In addition to these calls additional appointments are pending with the following Senators:

- * Senator Patrick Moynihan
- * Senator Bill Bradley
- * Senator Bennett Johnston
- * Senator Jim Sasser

THE WHITE HOUSE

WASHINGTON

February 13, 1993

RECOMMENDED TELEPHONE CALLS

TO:

✓ Senator Howard Metzenbaum
✓ Senator Edward (Ted) Kennedy

DATE:

February 13, February 14

RECOMMENDED BY:

Barbara Chow via Howard Paster

PURPOSE:

Ask for support on economic program

BACKGROUND:

This group represents the more liberal members of the Senate. They will likely support the economic program but may be critical of some of the spending cuts (e.g. the size of the Medicare reductions) and argue for higher spending levels for education, social services, and other programs.

TOPICS OF DISCUSSION:

1. Indicate that you share their concerns that the package be balanced and fair. Wealthy Americans will contribute first to deficit reduction before any sacrifices are asked of the middle class. The poor will not bear the brunt of deficit reduction as they have done over the past decade.
2. Emphasize the importance of the stimulus and investment programs and your overriding focus on the need for job creation and economic growth.
3. Indicate that this is our best opportunity in over a decade to gain control over the deficit and move it in the right direction. We cannot afford to squander it.
4. Ask for support. Keep the momentum going. Ask for assistance in preserving the stimulus and investment programs through the appropriations process.

CONTACT PERSON:

Howard Paster (x 2230)

Barbara Chow (x 6493)

DATE OF SUBMISSION:

February 13, 1993

ACTION:

THE WHITE HOUSE
WASHINGTON

February 13, 1993

RECOMMENDED TELEPHONE CALLS

TO:

~~Senator Ernest (Fritz) Hollings~~
~~Senator Kent Conrad~~
~~Senator Richard (Dick) Shelby~~
~~Senator Sam Nunn~~
~~Senator David Boren~~
~~Senator Charles (Chuck) Robb~~

DATE:

February 13, February 14

RECOMMENDED BY:

Barbara Chow via Howard Paster

PURPOSE:

Ask for support on economic program

BACKGROUND:

This is a group of key swing votes, generally deficit hawks, who have demonstrated independence from leadership positions in the past. A number of them will likely express concerns about the level of taxes in the package, the ratio of taxes to spending and/or specific issues in the package (e.g. energy tax).

TOPICS OF DISCUSSION:

1. Acknowledge work by members on deficit reduction.
2. Emphasize tough nature of the package and strict adherence to principles of budget realism. No smoke and mirrors, no phony accounting, no black boxes. Savings are real, credible, enforceable.
3. Indicate that this is our best opportunity in over a decade to gain control over the deficit and move it in the right direction. We cannot afford to squander it.

4. Ask for support. Keep the momentum going. Vote in favor of a budget resolution, appropriation and reconciliation bills that codify our economic program.

CONTACT PERSON:

Howard Paster (x 2230)
Barbara Chow (x 6493)

DATE OF SUBMISSION:

February 13, 1993

ACTION: _____

THE WHITE HOUSE

WASHINGTON

February 13, 1993

RECOMMENDED TELEPHONE CALLS

TO: ✓ Senator Dennis DeConcini
✓ Senator Frank Lautenberg
✓ Senator Richard Bryan
✓ Senator Paul Sarbanes

DATE: February 13, February 14

RECOMMENDED BY: Barbara Chow via Howard Paster

PURPOSE: Ask for support on economic program

BACKGROUND: This group is normally supportive of the leadership position but may be skittish about the economic program because they are all up in 1994 and most are expected to run in hard races.

TOPICS OF DISCUSSION:

1. Indicate that you will be asking for their support on the economic program and you recognize the difficult political choices some of the reductions will pose for them.
2. We sink or swim together. Failure to pass a bold economic program means sluggish or declining economic growth which will not provide a credible platform to run on in the midterm elections.
3. Indicate that this is our best opportunity in over a decade to gain control over the deficit and move it in the right direction. We cannot afford to squander it.
4. State that you know that 1994 will be a tough political year and that you are willing to work hard to help them with their races.

5. Ask for support. Keep the momentum going. You will support--in Washington and in their states--those who vote in favor of the economic program.

CONTACT PERSON:

Howard Paster (x 2230)
Barbara Chow (x 6493)

DATE OF SUBMISSION:

February 13, 1993

ACTION: _____

THE WHITE HOUSE

WASHINGTON

February 13, 1993

RECOMMENDED TELEPHONE CALLS

TO:

~~Senator~~ Tom Daschle
~~Senator~~ Bob Graham
~~Senator~~ Joseph (Joe) Lieberman
~~Senator~~ John Glenn

DATE:

February 13, February 14

RECOMMENDED BY:

Barbara Chow via Howard Paster

PURPOSE:

Ask for support on economic program

BACKGROUND:

This group can be expected to carry your message to the Senate. This is a generally receptive audience within the Democratic base of the Senate. These calls would fall in the "rally the troops" category.

TOPICS OF DISCUSSION:

1. Indicate that their support is particularly important to you and you hope that they will carry the message on the economic program to the Congress.
2. Emphasize the importance of producing a program that balances investment and credible deficit reduction.
3. Indicate that this is our best opportunity in over a decade to gain control over the deficit and move it in the right direction. We cannot afford to squander it.
4. Ask for support. Keep the momentum going. Vote in favor of a budget resolution, appropriation and reconciliation bills that codify our economic program.

CONTACT PERSON:

Howard Paster (x 2230)
Barbara Chow (x 6493)

DATE OF SUBMISSION:

February 13, 1993

ACTION: _____

THE WHITE HOUSE
WASHINGTON

no 3/16/9
original
back
FW

February 13, 1993

RECOMMENDED TELEPHONE CALLS

TO: Senator James (Jim) Jeffords
Senator John Chafee
Senator Dave Durenberger
Senator John Danforth
Senator William (Bill) Cohen

DATE: February 13, February 14

RECOMMENDED BY: Barbara Chow via Howard Paster

PURPOSE: Ask for support on economic program

BACKGROUND: This group represents moderate
Republicans (some of whom have already
announced their planned retirement in
1994) who have voted with Democrats in
the past.

TOPICS OF DISCUSSION: 1. Indicate that you would like their
support on the economic program.
Building a strong economy is a
bipartisan goal.

2. Emphasize the importance of
producing a program that balances
investment and credible deficit
reduction. Stress the positive
environmental aspects of the program.

3. Ask for support. This package
reflects much of the philosophy that
they have championed over the past
several years. Please vote in favor of
a budget resolution, appropriation and
reconciliation bills that codify our
economic program.

CONTACT PERSON: Howard Paster (x 2230)
Barbara Chow (x 6493)

DATE OF SUBMISSION: February 13, 1993

ACTION: _____

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.

F.W.

3/17/93

Can you put a
packet together
for John Emerson
+ Jan Piercy

~~at~~ our two
paperflow memos
the briefing book

memo
the student forms
MARCIA'S scheduling
memo +
marcia's scheduling
form

Thanks

— TOM

THE WHITE HOUSE
WASHINGTON

DATE: 03/16/93

NOTE FOR: SECRETARY REICH
SECRETARY BROWN
BOB RUBIN
GEORGE STEPHANOPOULOS

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

Information ☐

Action ☒X

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 3/16

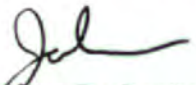
THE WHITE HOUSE
WASHINGTON

March 15, 1993

MR. PRESIDENT:

Attached is a decision memo from Secretary Reich seeking your approval to form a Commission on Worker-Management Relations. It is not a Presidential Commission but rather would be formed jointly by Secretaries Reich and Brown. It implements an idea you discussed with Lane Kirkland.

Bob Rubin, George, and Howard all recommend approval. Mark for Mack has cleared. Bernie is OK, but notes that it probably needs to comply with the Federal Advisory Committee Act which I will make sure Secretary Reich knows. I recommend you approve the memo.


John Podesta

THE PRESIDENT HAS SEEN 3/16

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

MAR 12 1993

MEMORANDUM TO THE PRESIDENT

FROM: Secretary of Labor Robert B. Reich *Bm*

SUBJECT: Commission on the Future of Worker-Management Relations
DECISION NEEDED

I'd like your go-ahead to form a Commission on Worker-Management Relations, charged with recommending means for enhancing private-sector workplace productivity--through worker participation, better cooperation between workers and managers, and reduced reliance on litigation for resolving workplace disputes.

I don't recommend a formal Presidential commission, which would have too much visibility. I'd like instead to announce that the President had asked Secretary of Commerce Ron Brown and me to establish the Commission, which would report back to us in 12 months. The two Secretaries would then consider the Commission's ideas and recommendations, and make final recommendations to the President.

Why it's needed. Don't worry--I'm sweeping away all sorts of old advisory committees and commissions around here, but this new one is strategically important.

--Lane Kirkland wants it (his presidents are divided over labor law reform and he views this as a way to put that issue on the back burner; he spoke with you about this last month, and you agreed);

--It would give us a year's breathing space as well, although legislation barring replacement of striking workers can not be put off;

--More importantly, it will focus public attention on the rising costs of litigation over employment issues, and on the large potential benefits of worker-management collaboration--complementing the two-day conference which Ron Brown and I are planning for the late spring;

--It also complements our efforts to "reinvent" the public sector for greater efficiency;

*Why not add Brown - A Union man
OK - 8/93
Commission on Future of Worker-Management Relations*

--And it will develop and legitimize new ideas for employee representation, beyond traditional labor law and the perennial struggle over labor law "reform."

Attached is a proposed charter.

Why not add Ron Brown to the list?

Membership. The Commission should be composed of distinguished people who represent a balanced view of these issues but who also seek constructive change. I've conditionally asked three former labor secretaries (John Dunlop as chair, Ray Marshall, and Bill Usery); a former Secretary of Commerce (Juanita Kreps); four experts in labor law and economics (Tom Kochan from MIT, Richard Freeman from Harvard, Bill Gould from Stanford, Paula Voos from Wisconsin); one highly respected union person (Doug Fraser); and one highly respected business executive (Paul Allaire). That makes ten, including one African-American and two women.

I spoke with Dunlop at length and am convinced that he has the vision and stamina to do a superb job. I also think it useful to have a former Republican labor secretary; Marshall, of course, was with the Carter Administration, as was Juanita Kreps.

Clearance. Ron Brown is comfortable with this idea, and happy to co-sponsor it with me. Lane Kirkland is satisfied with the list, and had even recommended Dunlop as chair. Jerry Jasinowski of NAM is also satisfied. I've also checked in with Bill Ford, Pat Williams, Ted Kennedy, and Howard Metzenbaum, all of whom are comfortable with it.

With your approval, Ron and I could announce it in the next week or so.

Attachment

cc: Secretary Ron Brown

Commission Charter

The future living standards of our nation's people, as well as the competitiveness of the United States, depend largely on the one national resource uniquely rooted within our borders: our people – their education and skills, and their capacities to work together productively.

The President's economic plan lays a new foundation for the education and training of the nation's work force. But even a work force that is well prepared for the jobs of the future will fail to adequately improve the nation's productivity and living standards unless workers and managers work together more effectively. Both parties must take on new responsibilities.

To this end, the President has asked the Secretary of Labor to form a Commission on the Future of Employee Representation. The Commission will investigate the current state of employee representation in the United States and report back to the Secretary, by no later than March 1, 1994, in response to the following questions:

1. What (if any) new methods or institutions should be encouraged, or required, to enhance work-place productivity through labor-management cooperation and employee participation?
2. What (if any) changes should be made in the present legal framework and practices of collective bargaining to enhance cooperative behavior, improve productivity, and reduce conflict and delay?
3. What (if anything) should be done to increase the extent to which work-place problems are directly resolved by the parties themselves, rather than through recourse to state and federal courts and government regulatory bodies?

THE WHITE HOUSE
WASHINGTON

DATE: 03/16/93

TO: MACK MCLARTY
MARK GEARAN
BOB RUBIN
LEON PANETTA

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

The attached has been forwarded
to the President.



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

March 16, 1993 93 MAR 16 P8:15

MEMORANDUM FOR THE PRESIDENT

FROM:

LAURA TYSON *LT*
ALAN BLINDER *AB*

RE:

Budget Update

At the end of February, OMB made a rough estimate of how recent economic events--especially the stunning decline in long-term interest rates--affect future deficits. The main changes are:

1. Much lower longer-term interest rates than assumed in the budget. The OMB calculation assumes an 80 basis point reduction in long rates below CBO levels between 1993 and 1998. This saves \$14.5 billion in 1997 and \$60 billion over 1993-1998.
2. GDP in the fourth quarter of 1992 came in much higher than the CBO baseline forecast. Even keeping the assumed future growth rates the same, the entire projected path of future GDP is higher. This saves \$10.1 billion in 1997 and \$56 billion over 1993-1998.
3. The associated debt service savings from lower deficits along the way is \$4.6 billion in 1997 and \$18 billion over 1993-1998.

Adding this up, the 1997 deficit now looks \$29.2 billion better, and the 1993-1998 sum has improved by \$134 billion.

THE WHITE HOUSE
WASHINGTON

DATE: 03/16/93

TO: HOWARD PASTER

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

The attached has been forwarded
to the President.

THE WHITE HOUSE
WASHINGTON

93 MAR 16 P5:18

March 15, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: ELI J. SEGAL *ESJ*
SUBJECT: Enclosed Articles

Overall, the response to your March 1 address at Rutgers has been extraordinarily positive. Your speech received front page coverage in papers around the country on March 2, and we are aware of nearly 20 papers running editorials about your initiative in the subsequent weeks (ranging from the Bismarck Tribune to the Philadelphia Inquirer).

Two quotes are illustrative (from regional papers, which proved most supportive): From the **San Francisco Chronicle**: "If Clinton's fledgling program can help restore the tarnished spirit of service for the MTV generation, as the Peace Corps did for the baby boomers, the accomplishment would outshine the narrower goal of making college a more affordable option for more Americans. Anything that motivates young people to get immersed in community work -- tutoring, child care, pollution cleanup, health and drug counseling -- is good for them, good for the community and good for the nation. If it helps pay off college loans as well, all the better."

From the **Seattle Times**: "The goal is lofty. The work needs to be done. The cost is low. The program deserves congressional approval and funding."

Spin-off columns were also enthusiastic (I enclose Chris Matthews' and Coleman McCarthy's, in case you've missed them, and a cartoon). Generally, your appearance helped move the debate from being over whether the initiative was "scaled back" to an understandable interest in the ultimate legislative and operational details.

President Clinton
March 16, 1993
Page Two

The enclosed article from this week's TIME is more problematic. The column's focus (differential benefits for pre- and post-college) is similar to the "scaling back" debate -- it is peripheral. When we last met with you to discuss a short list of policy matters, we had arranged to reconvene about additional operational issues. We will be prepared to have that follow-up meeting within the next week, and at that time will present a handful of options regarding benefit levels, in the context of a broader presentation which will once again move the debate forward.

Dick Riley and I are working closely on the development of one piece of loan reform/national service legislation. We hope that it will be ready for introduction on, or shortly after, April 19 which is both a) when Congress returns after the Easter recess and b) the beginning of National Volunteer Action Week.

There are several non-legislative matters on our initiative which I would like to discuss with you including the summer program, Volunteer Week, military involvement in the program and inventory of existing federal programs. I will be in touch with Marcia on this with a view toward getting together later this week.

EJS:ke

lion uninsured. Sin taxes alone, however, won't be enough. Last week *Magaziner* privately asked representatives of large and small businesses how best to cap costs in the short term while phasing in benefits more slowly. That idea concerns some in the White House, who insist, as one put it, "We have to create winners before we create losers."

In the past two weeks, the AMA, U.S. Chamber of Commerce and the Pharmaceutical Manufacturers Association have publicly jumped on the managed-competition bandwagon. Under fire from the White House for price gouging, the drug-makers last week asked the Justice Department to grant an exemption from anti-trust prosecution so that they can negotiate voluntary price restraints. "The train is leaving the station," said a drug lobbyist. "We're just trying to slow the train down long enough ... to get on board."

Until now, Hillary has not submerged herself in the day-to-day work of the task force but has been briefed regularly by *Magaziner*. For the most part, she has played congressional lobbyist, paying calls on members and listening for ideas while a trio of aides take copious notes. Lawmakers report that the First Lady, for all her reputed aloofness, knows the right moves. When Illinois Democrat Dan Rostenkowski suggested to Hillary that her husband was sending her into a "huge hellfire" on health care, she adroitly replied, "You know, Mr. Chairman, Chicago looks a lot better as a result of that fire." Legislators always get a letter the next day—and sometimes a picture—thanking them for their thoughts on very specific subjects. "This is not a casual exercise," said a top White House aide. "She is making a set of judgments about where there are sensitivities and who will be natural allies."

She is also involved in legislative strategy. For the past few weeks, Democratic leaders in the Senate have been wrestling with ways to attach the health-care bill to the economic package in a giant superbill later this year. Senate rules made the gambit look unlikely from the start, but last week Hillary joined one final push on the issue before Senator Robert Byrd confirmed that it wouldn't be appropriate.

The general public has yet to see the Hillary who is everywhere at once, perfectly conversant on 100 different health-care topics. For now, her goal is to avoid becoming a distraction—or a target for opponents. At a health-care forum last Friday in Tampa, Florida, a visibly tired Hillary listened quietly while witnesses made their cases for various reforms. She usually made her comments, such as they were, in the form of a question, much as Justices do when they hear oral arguments at the Supreme Court. Meanwhile the other 11 Hillaries were probably working back in Washington. ■

The Political Interest/Michael Kramer

Life After High School

"IF I EVER WIN THIS DEAL," BILL CLINTON SAID 14 MONTHS AGO, "AND IF I'm remembered for only one thing, I hope it's national service. It's the best money we could ever spend, and I mean to spend it."

As good as his word, Clinton is pushing a four-year, \$7.4 billion appropriation for national service, the plan that would permit students to finance their post-secondary education by working for up to two years in a variety of community jobs. Even with a price tag that steep, however, the program can fund at most 150,000 Americans a year by 1997, a fraction of the potential demand and a far cry from Clinton's campaign pledge that "every young American could borrow the money necessary to go to college" by "giving two years of his life to rebuild America."

A spirited debate has arisen as the plan's advocates maneuver to craft its details. The key question involves the program's target audience. The Administration is currently considering giving up to \$10,000 a year to those who serve after graduating from college, twice the sum contemplated for those who complete their work stint after high school. Neither figure would come close to purchasing a private education, but the White House says four years at many state universities could be covered by \$20,000. The three legislators most associated with national service over the years—Representative Dave McCurdy and Senators Sam Nunn and Barbara Mikulski—are dead set against favoring college grads. "Skew it to those who've completed college," says Nunn, "and you've wiped out a major rationale for the plan, which is to get kids of varied backgrounds to work together in a common civic experience. You also want to aid as many members of the college-age population as you can who want decent vocational training. Leave them behind and you pay later in welfare and other costs. And besides," Nunn notes, "most of the jobs that need filling, like helping the elderly in their homes—which could save billions in health-care costs—don't require a college degree." What's more, says American University president Joe Duffey, "at least a quarter of those who go to college aren't sure of what they want, so many drop out. A year or so of service can help them get their heads straight."

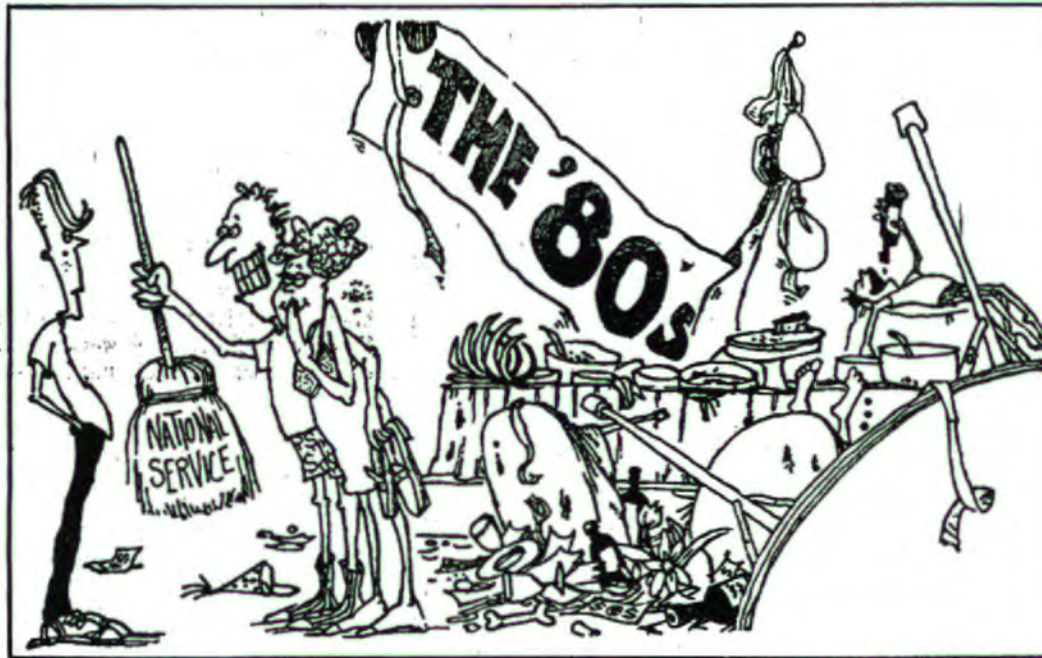
Clinton initially became enthusiastic about national service through his participation in the Democratic Leadership Council. Will Marshall of the D.L.C.'s think tank, the Progressive Policy Institute, offers several other reasons for concentrating on high school graduates. "First," says Marshall, "the opportunity costs to the economy are lower. If a college grad delays taking a regular private-sector job, society loses the tax receipts of his labor. Second, since most high school graduates would live at home and are unmarried, we'd be spared the ancillary housing and child-care costs the program aims to pay for. Third, job displacement is less likely. You don't want to put current wage earners on the street because national servants cost an employer less."

During a morning jog with McCurdy last Friday, Clinton confirmed what others have said, that his emphasis on aiding students after college derives in part from his desire to assuage middle-class voters upset with his breaking his promise to lower their taxes. Fair enough, but more middle-class families would receive help if their children joined the program after high school, as a confidential transition memorandum pointed out. The President ought to reread that memo and change course. ■

CYNTHIA JOHNSON FOR TIME



Touting the program in New Jersey



BY SIGNE WILKINSON FOR THE PHILADELPHIA DAILY NEWS

SATURDAY, MARCH 13, 1993 A21

Colman McCarthy

Clinton's Call to Service

No speech in the Clinton campaign was more inspirational than the candidate's remarks at the University of Notre Dame last September. As president, Clinton didn't match it until his March 1 speech at Rutgers University. At both campuses, he issued calls for national service for college students.

At Notre Dame: "If we are truly to practice what we preach, Americans of every faith and viewpoint should come together to promote the common good." It was similar at Rutgers: "National service is nothing less than the American way to change America."

Clinton's effort to rally the young to altruism has created a debate that pits idealism against realism, as if the two are forever locked in conflict. Where's the money, ask realists, for the tuition-for-service program that Clinton is proposing: \$389 million in scholarships for 25,000 students the first year and \$3.4 billion for 100,000 by 1997. Realists say that Clinton's sweet talk ignores sour facts: There's no money for a new social program.

From that negative, despairing argument, Clinton is supposed to get the message: Don't even try. That means don't lead, just preside. The past 12 years witnessed two presidencies in the White House. Most first-year college students today were in kindergarten when Ronald Reagan was elected and in fourth grade when reelected. They came into adolescence under a politician who tried nothing by way of linking government with national service. Instead of selflessness to others, he extolled self-enrichment.

Evidence suggests that the young weren't seduced either by Reagan's message of contempt for government or his disdain for altruism. The 1980s saw a surge in campus community-service programs, such as the ones Clinton praised at Notre Dame and Rutgers. Amnesty International chapters increased on campuses, as did those of Oxfam USA. Applications to Peace Corps remained high, as they did for such private domestic programs as the Jesuit Volunteer Corps and the Lutheran Volunteer Corps.

Yet Clinton's philosophy of service represents intellectual newness to many in high school and college. John F. Kennedy's appeals to national service are seen as historical relics, known from books but not live on MTV as are Clinton's. It wasn't a politician's celebrityhood that created support for the president at Notre Dame and Rutgers. Students saw in him someone with a positive message—put community interest above self-interest—that many professors and counselors at their schools had been exposing them to all along: If you can't teach the illiterate, comfort the sick and handicapped, or mend whatever and whoever is broken during your college years, you're receiving a limited education.

Clinton deserves to be honored for taking a risk that he'll be able to raise the money for his program of national service. Critics in Congress with no greater agenda than carping about ideas they were too dull-witted or timid to propose themselves now lie in wait for the president when he comes in with specifics. They will say Clinton's ideas are dangerous because they are romantic and utopian, a charge that ignores the thought of James Madison in 1788: "No theoretical checks—no form of government, can render us secure. To suppose that any form of government will secure liberty or happiness without any virtue in the people is a chimerical idea."

Some critics charge that Clinton is into bribery: tuition money for service. While the details are being worked out on how much money for what service, who complains that the U.S. Army entices recruits with as much as \$20,000 toward a college education. Why isn't it bribery when ROTC programs pay students to shine their boots occasionally and take gut courses in military lore. Nor is much alarm expressed over the most lavish enticement of all: a free ride at the military academies in exchange for a few years in uniform after graduation.

Clinton's Rutgers speech marked the 32nd anniversary of the Peace Corps. Kennedy's spirited message was repeated by Clinton: "Answer the call to service." In "The Bold Experiment," a history of the Peace Corps by Gerard Rice, one of those who responded to Kennedy's call explained why: "I'd never done anything political, patriotic or unselfish because nobody ever asked me to. Kennedy asked."

So has Clinton.

3/5/93

In 1951, U.S. Rep. John F. Kennedy complained on national television about all the nerds he found serving in the State Department. Just back from a round-the-world trip, he asked why the country couldn't find "well-rounded" young people to serve abroad. Why, the young Massachusetts lawmaker wondered aloud on "Meet the Press," weren't there any "American types" representing us in foreign lands?

Kennedy had another complaint: How come those pinstriped Foreign Service boys infesting the diplomatic corps knew so little of the people of their assigned countries, so little of the local language and customs?

A decade later, the newly inaugurated President Kennedy offered a solution. His new Peace Corps would have three goals: First, it would help countries develop economically. More than that, it would show people overseas the best of what America can offer, the can-do zeal of its idealistic youth. Finally, it would expose America to foreign cultures by getting its youth fully immersed in them, "doing the same work, eating the same food, speaking the same language."

This week, a U.S. president inaugurated an enterprise with similar goals. Under Bill Clinton's national service program, Americans will work throughout the country in a variety of tasks — teaching, health care, community action. In exchange, they will receive government grants for their educations.

In launching his own new program, President Clinton paid tribute to the older one that had inspired it.

By entering other ghettos, these young people will escape their own.

The legacy of the Peace Corps, he said, is "not simply good will and good works in countries all across the globe, but a profound and lasting change in the way Americans think about their country and the world."

A returned volunteer could not have said it better.

Viewed from the outside, the Peace Corps is usually seen for what it achieves overseas, the furthered economic development, the enhanced U.S. good will. The secret every volunteer shares is what this service did for him or her.

Personally, I will never forget an experience of a quarter-century ago: that of standing in a schoolroom in Swaziland, a small, wonderful country in southern Africa, with 17 other people. All of them were local traders with whom I had been working. I knew them all personally, as you would any fellow worker. Yet in that rich range of personalities, it settled on me that warm afternoon that I was the only one in the room who was not a Swazi, the only one who was of a different color.

This is the heart of it: The great thing about joining the Peace Corps is that it gets you out there, out in the world. It forces you, against all your timidity, to deal one-on-one with people who were placed on this Earth in very different circumstances than you. It requires that, raised one way, you learn another. Ready or not, it makes a Peace Corps volunteer see the world he or she left behind with the same succinct clarity as astronauts once got to gaze on the globe.

The great prospect for Bill Clinton's national service program is that it will do much the same here in our own diverse land. Tens of thousands of Americans will get to see their country the way they would never have known it otherwise. The fortunate ones will be assigned to jobs and living environments far removed from where they came. They will meet people of totally different circumstances and religions and colors. They will develop a self-confidence about their country and its people they could never have gained staying at home, continuing along the same career-driven, TV-lit rut. By entering other ghettos, they will escape their own.

I speak from experience. Immediately after returning from the Peace Corps, I went to Washington, and, by knocking on some strange Capitol Hill doors, began a career that had me, while still quite young, working at the White House, writing speeches for a president.

My aging grandmother was impressed, not so much by the achievement as the differentness of my course, how extraordinary my road had been from those of my four brothers, all of whom had stayed fairly close to home.

"It was Africa, wasn't it?" she asked, already knowing the answer.

Yes, grandmom, it was Africa. And, thanks to President Clinton's national service program, many other Americans someday will answer a similar question with "Harlem" or "Alabama" or "Detroit" or "Alaska." This will be the shorthand for an experience that changed a life.

Christopher Matthews, Washington bureau chief for the San Francisco Examiner, is a nationally syndicated columnist.

2/2

THE WHITE HOUSE
WASHINGTON

DATE: 03/16/93

TO: MACK MCLARTY
RAHM EMANUEL

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

The attached has been forwarded
to the President.

FYJ → Orig: President Clinton

xc: Rubin

Panetta

Montoya

all

→ copy Kamm
Mack



03 MAR 16 A9:36

*The Mayor of San Juan
Capital City of Puerto Rico*

March 10, 1993

Ms. Carol Rasco
Assistant to the President for Domestic Policy
The White House
Washington, D.C. 20500

Dear Ms. Rasco:

It was a pleasure meeting with you to discuss President Clinton's economic recovery initiative and the possible negative impacts on Puerto Rico of limiting or rescinding Section 936 — the cornerstone of the Island's economy. I appreciate the opportunity to convey our concerns and look forward to working with you to ensure Puerto Rico is treated fairly and does not suffer a disproportionate negative impact.

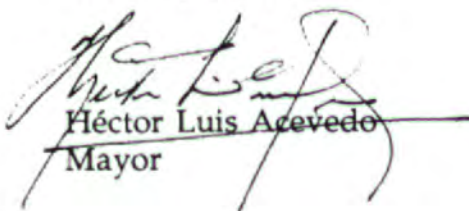
- As a mayor, I am very excited by President Clinton's plan, as many facets will be of great benefit to our cities, especially the additional funding for the Ryan White Programs, the \$2.5 billion increase for community development projects, the expanded Head Start program and the summer jobs program. Aside from our concern with the Section 936 provision, I feel it is a balanced program, and want to offer my endorsement and support.

I am confident you and other leaders in Washington will not let the plan have such a negative impact on Puerto Rico once a full and thorough evaluation has been realized. During my meetings here in Washington, I met much support and understanding of our position, and hope this will translate into concrete action to ensure this issue is addressed.

Once again, thank you for meeting with us on this most important matter. I look forward to working with you on this issue.

With my best regards, I remain,

Sincerely yours,


Héctor Luis Acevedo
Mayor

Box 4355

San Juan, Puerto Rico

THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/16

NOTE FOR: *Tony, Sandy*

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

Information

☒

Action

☐

Thank you.

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

cc:

Taylor Branch
1806 South Road
Baltimore, Maryland 21209

Bony/Surey
FH

March 4, 1993

Dear Bill:

I was glad to read that you and Hillary will open the baseball season for both leagues on April 5. Our family will be in our Baltimore seats to see your first pitch. In case your arms feel rusty, our son Franklin has offered to train you and Hillary to make sure your pitches are respectable. He has spent ten months now in his awkward leg brace, but he can still throw and catch like a pro.

Through director Jonathan Demme ("Silence of the Lambs"), who is my new partner in an ongoing effort to make a film out of Parting the Waters, I spent a long evening last night with exiled President Aristide of Haiti. I think you will like him. Together, the two of you have a chance to accomplish something truly historic. Aristide sees that the overriding goal is not refugees or Guantanamo but the lasting re-establishment of Haiti's first democratic regime. His major frustration seemed to be that he is still dealing with Bush holdovers when the need is so urgent to be working out complex arrangements closely with officials in your confidence. He spoke of your upcoming meeting with him on March 16 as one of enormous symbolic and political importance in itself, but he hopes to go beyond that to a working relationship. I relayed my first impressions of Aristide in greater detail to Barbara Owens of Tony Lake's staff.

We're whole hog for you. Call me if you need me.

yours,
Taylor

THE WHITE HOUSE
WASHINGTON

Chen

DATE: 3/16

NOTE FOR: *Bruce Lindsey*

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

Information ☒
Action ☐

Thank you.

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

cc:

Telephone Log for PRESIDENT CLINTON
 Telephone Calls for 03/15/93

Page #: 1

5:36 PM	JOHNSON, ROGER	To offer him the job of Administrator, General Services Administration (GSA)
☐	Ph #: (714) 932-7800 Home: (714) 497-2997 Other Car: Fax:	Taken By: BMC
5:38 PM	KENNEDY SMITH, JEAN	OFFER HER THE AMBASSADORSHIP TO IRELAND.
☐	Ph #: (516) 537-3118 Home: (212) 826-5010 Other Car: Fax:	Taken By: BMC
5:39 PM	HARRIMAN, PAMELA	OFFER HER THE AMBASSADORSHIP TO FRANCE
☐	Ph #: Home: (202) 338-8330 Other Car: Fax:	Taken By: BMC

BL
 We need to decide
 how to answer
 May 4, bring into
 Gore's running
 initiative
 B

THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/16

NOTE FOR: Bob Rubin

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

Information ☒

Action ☐

Thank you.

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

cc:

**U.S. FOREST SERVICE TIMBER SALES PROGRAM
ANNUAL REPORT --Fiscal Year 1992**

<u>State</u>	<u>Jobs at Stake</u>	<u>Personal Federal Income Tax Paid on Below Cost Forests</u>
Alaska	3,170	\$ 23.3 million
Arizona	998	\$ 4.15 million
Arkansas	355	\$ 1.03 million
California	310	\$ 1.98 million
Colorado	1,235	\$ 5.93 million
Idaho	2,501	\$ 13.9 million
Illinois	96	\$.45 million
Indiana/Ohio	76	\$.49 million
Kentucky	410	\$ 2.1 million
Michigan	1,631	\$ 7.54 million
Minnesota	900	\$ 7.18 million
Montana	3,670	\$18.12 million
Nebraska	5	\$.01 million
Nevada	41	\$.28 million
New Hampshire	438	\$ 3.18 million
New Mexico	1,436	\$ 6.0 million
North Carolina	694	\$ 2.28 million
Oregon	877	\$ 9.52 million
Tennessee	384	\$ 1.21 million
Utah	455	\$ 3.63 million
Vermont	144	\$.83 million
Virginia	574	\$ 1.46 million
Washington	1,478	\$ 14.1 million
Wisconsin	2,104	\$ 16.1 million
<u>Wyoming</u>	<u>618</u>	<u>\$ 3.36 million</u>
TOTAL	24,600	\$148.13 million

* Numbers tabulated on only those forests that show a net loss before payments to states.

PRESIDENT'S PLAN

Below Cost Timber Sales:

Five year projected saving	\$274 million
<u>Less lost timber receipts</u>	<u>- \$202 million</u>
Five year savings realized	\$ 72 million

Boor Philin
from Western
Swanton - should
be evaluated

Bee

THE PRESIDENT HAS SEEN 3/16/93

Bot Ruler
fr. Dan Egan
troubled
B

ESTIMATES OF ENERGY TAX COSTS ON CENTRAL NEBRASKA 1550 ACRE IRRIGATED FARM USING 1992 ACTUAL DATA

FUEL SOURCE & TYPE OF USE	AMOUNT OF SOURCE USED	1992 TOTAL COST OF INPUTS	FIRST YEAR PER UNIT TAX AT 1/3 OF FULL RATE	FIRST YEAR TAX RELATED COST INCREASE	SECOND YEAR TAX RELATED COST INCREASE	THIRD YEAR TAX RELATED COST INCREASE
DIESEL FUEL FOR TILLAGE OPERATIONS	6712 GALLONS	\$5,168	0.0277	\$185.92	\$371.84	\$557.77
GASOLINE IN MOTOR VEHICLES	4757 GALLONS	\$5,470	0.025	\$118.93	\$237.85	\$356.78
GASOLINE FOR OFFROAD USE	3890 GALLONS	\$4,396	0.025	\$97.25	\$194.50	\$291.75
PROPANE FOR IRRIGATION	10920 GALLONS	\$5,098	0.0077	\$84.08	\$168.17	\$252.25
DIESEL FOR IRRIGATION	2724 GALLONS	\$2,098	0.0277	\$75.45	\$150.91	\$226.36
PROPANE FOR CROP DRYING	25039 GALLONS	\$11,518	0.0077	\$192.80	\$385.60	\$578.40
DIESEL FOR TRUCKING	5348 GALLONS	\$4,118	0.0277	\$148.14	\$296.28	\$444.42
ELECTRICITY FOR UTILITIES & DRYING	71840 KWATTS	\$3,592	0.00095	\$68.25	\$136.50	\$204.74
ELECTRICITY FOR IRRIGATION USE	82471 KWATTS	\$5,773	0.00095	\$78.35	\$156.69	\$235.04
TOTALS	53390 GALLONS 154311 KWATTS	\$47,231		\$1,049	\$2,098	\$3,148

= 0.21% of total costs

IDEAS TO BE NOTED FOR USE IN FUTURE YEARS COMPUTATIONS

1. COST INPUTS LISTED HERE WERE ONLY 94% OF THREE YEAR AVERAGES DUE TO WEATHER RELATED SAVINGS
2. COSTS LISTED HERE DO NOT INCLUDE FAMILY AUTO AND HOME ENERGY USE
3. COSTS LISTED HERE DO NOT INCLUDE POTENTIAL FOR INCREASED COSTS PASSED TO FARMERS FOR CHEMICALS, FERTILIZERS, MACHINERY, AND SEED
4. THIRD YEAR COSTS ARE EQUAL TO 9/10 OF 1% OF TOTAL DIRECT COST INPUTS
5. USING FARM LENDER ESTIMATES OF 3-5% AVERAGE RETURN ON INPUTS, THIRD YEAR COSTS EQUAL 17% - 28% OF PROFIT MARGINS
6. FIRST YEAR COST = 1/3 TARGETED TAX RATE --- SECOND YEAR COST = 2/3 TARGETED TAX RATE

THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/16

NOTE FOR:

Bruce Lindsey

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

Information

☐

Action

☒

Thank you.

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

cc:

DENNIS DeCONCINI
ARIZONA

COMMITTEES
APPROPRIATIONS
JUDICIARY
VETERANS' AFFAIRS
INDIAN AFFAIRS
RULES AND ADMINISTRATION
INTELLIGENCE

COMMISSION ON
SECURITY AND COOPERATION
IN EUROPE/CHAIRMAN

PLEASE DIRECT YOUR RESPONSE TO
☐ WASHINGTON OFFICE
☐ PHOENIX OFFICE
☐ TUCSON OFFICE
☐ MESA OFFICE

United States Senate
WASHINGTON, DC 20510-0302

WASHINGTON OFFICE
328 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-0302
(202) 224-4521

PHOENIX OFFICE
323 WEST ROOSEVELT #C-100
PHOENIX, AZ 85003
(602) 261-8756

SOUTHERN ARIZONA OFFICE
2730 EAST BROADWAY, SUITE 106
TUCSON, AZ 85716-5340
(602) 629-6831

EAST VALLEY OFFICE
40 NORTH CENTER STREET #110
MESA, AZ 85211
(602) 261-4998

March 16, 1993

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

Dear Mr. President:

I know you are swamped with many important decisions, but I need to call to your attention at this time a friend of yours and mine, Mr. Enzo de Chiara.

Enzo is the kind of individual the United States and President and Mrs. Clinton need to represent our nation as Ambassador to Italy. Because of his friendship with you he is hesitant to ask directly or campaign for the position as others may be doing. Having known Enzo for more than sixteen years, I can vouch for his deep loyalty to the United States, his expertise in European affairs, his thorough knowledge of Italy as well as his fluency in the Italian language. I truly believe that there could be no better person for this Embassy post. I hope you will concur and decide to name Enzo as the United States Ambassador to Italy.

Thank you for your consideration.

Sincerely,

Dennis
DENNIS DeCONCINI
United States Senator

DDC/na

you can't go wrong with Enzo-

THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/16

NOTE FOR:

Bob Rubin / Laura Tyson

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

Information



Action



we should discuss

John

Thank you.

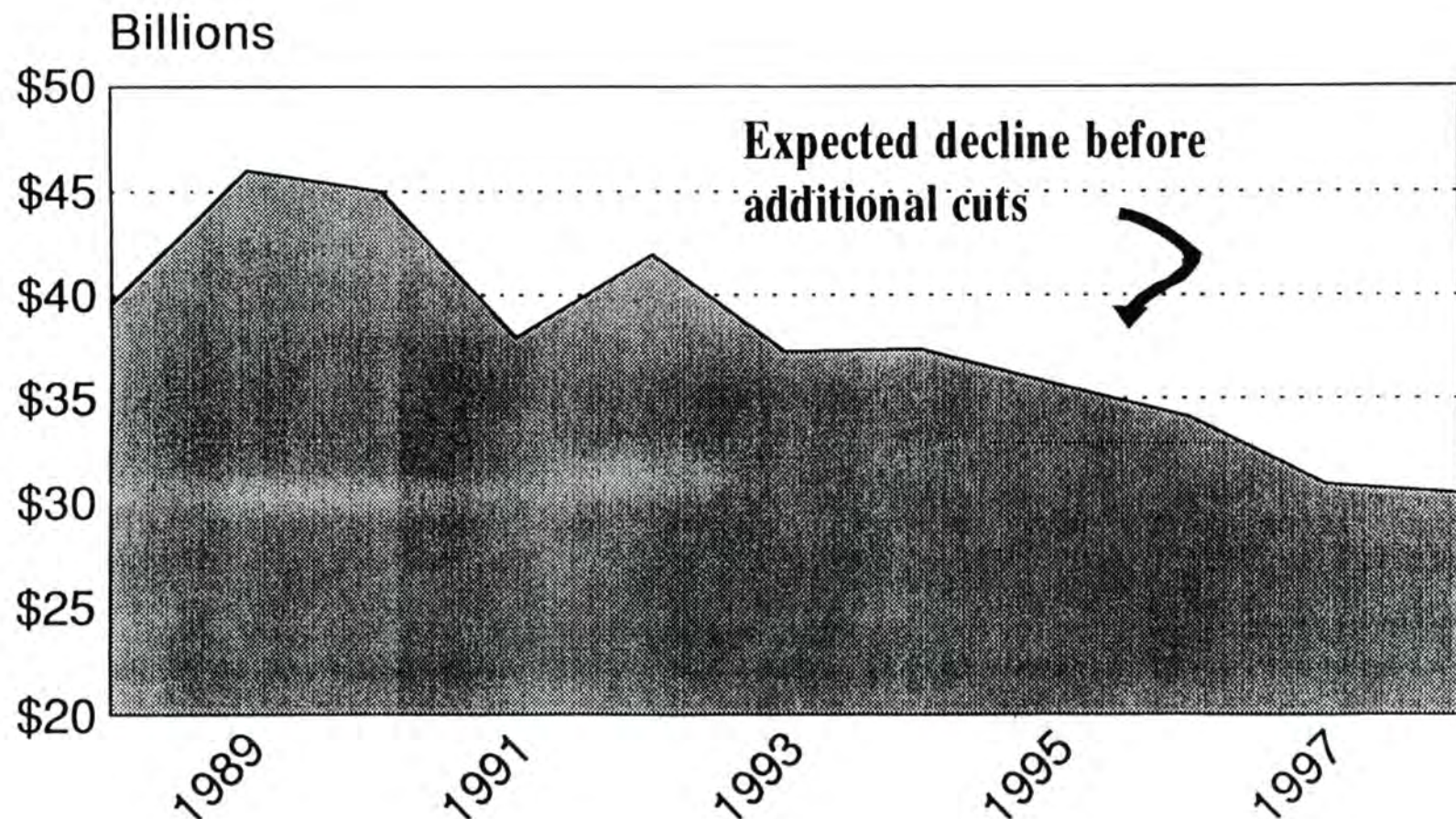
JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

Boo Oubín
from San Carlos
Saver -
Munster
B

Net Farm Income Trend

Before Proposed Budget Cuts in Farm Program
Real \$'s (1987=100)

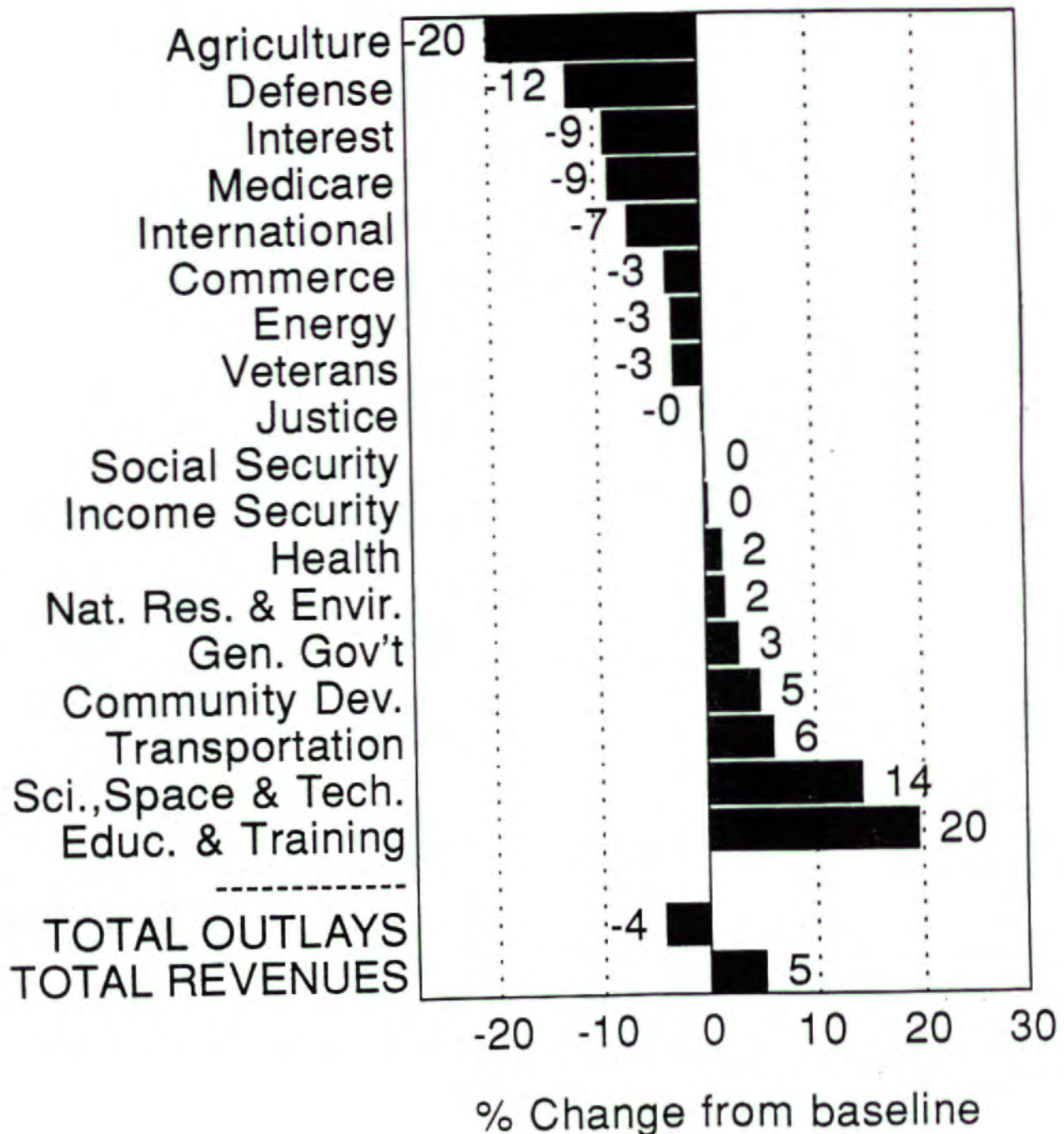


Source: USDA ERS, FAPRI projections.

Effect of the Clinton Budget

on Budget Functions and Revenues

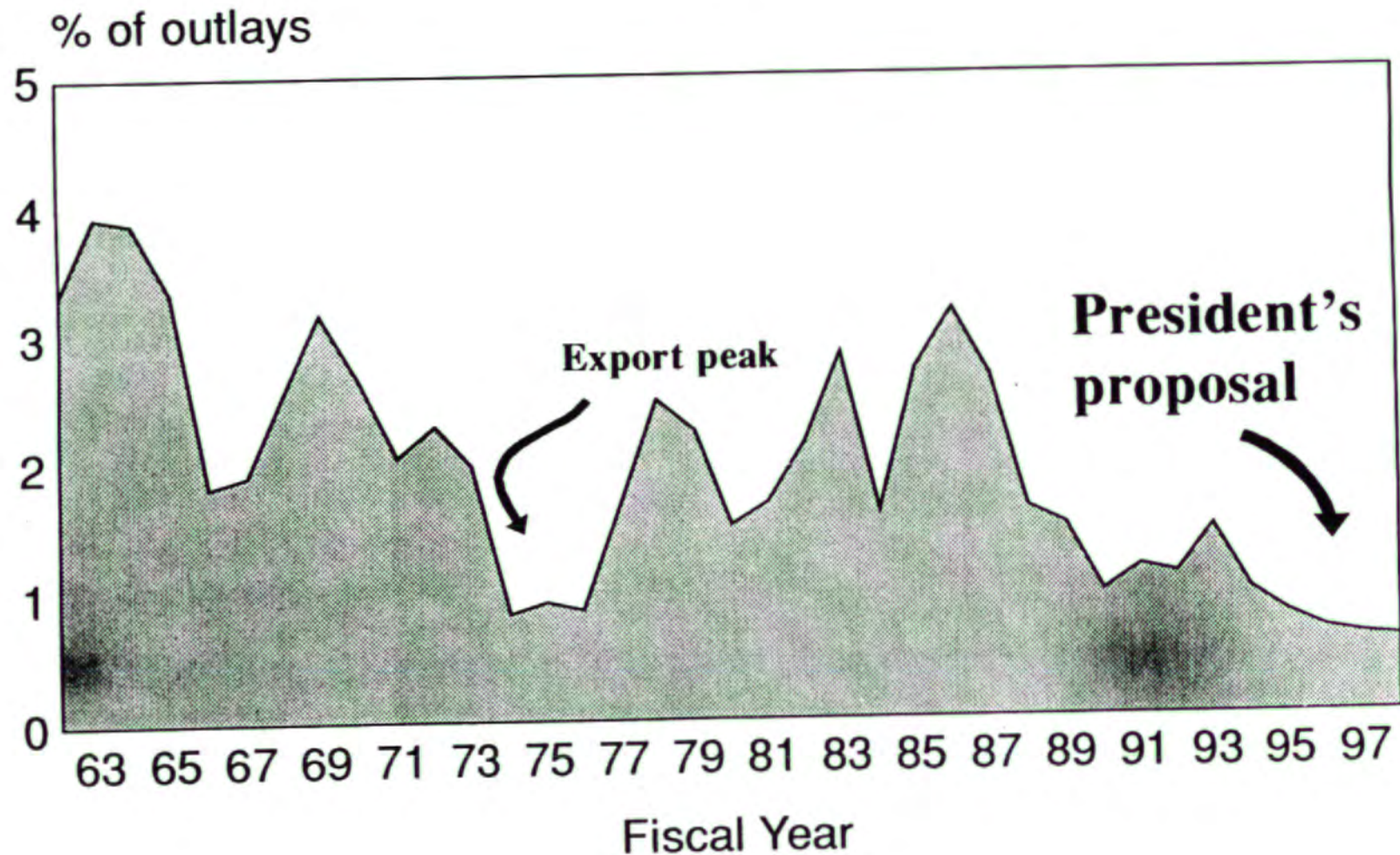
FY 1998



Note: FY 98 plan contains \$9.1 b. unallocated reductions (included in total outlays).

Federal Agriculture Spending

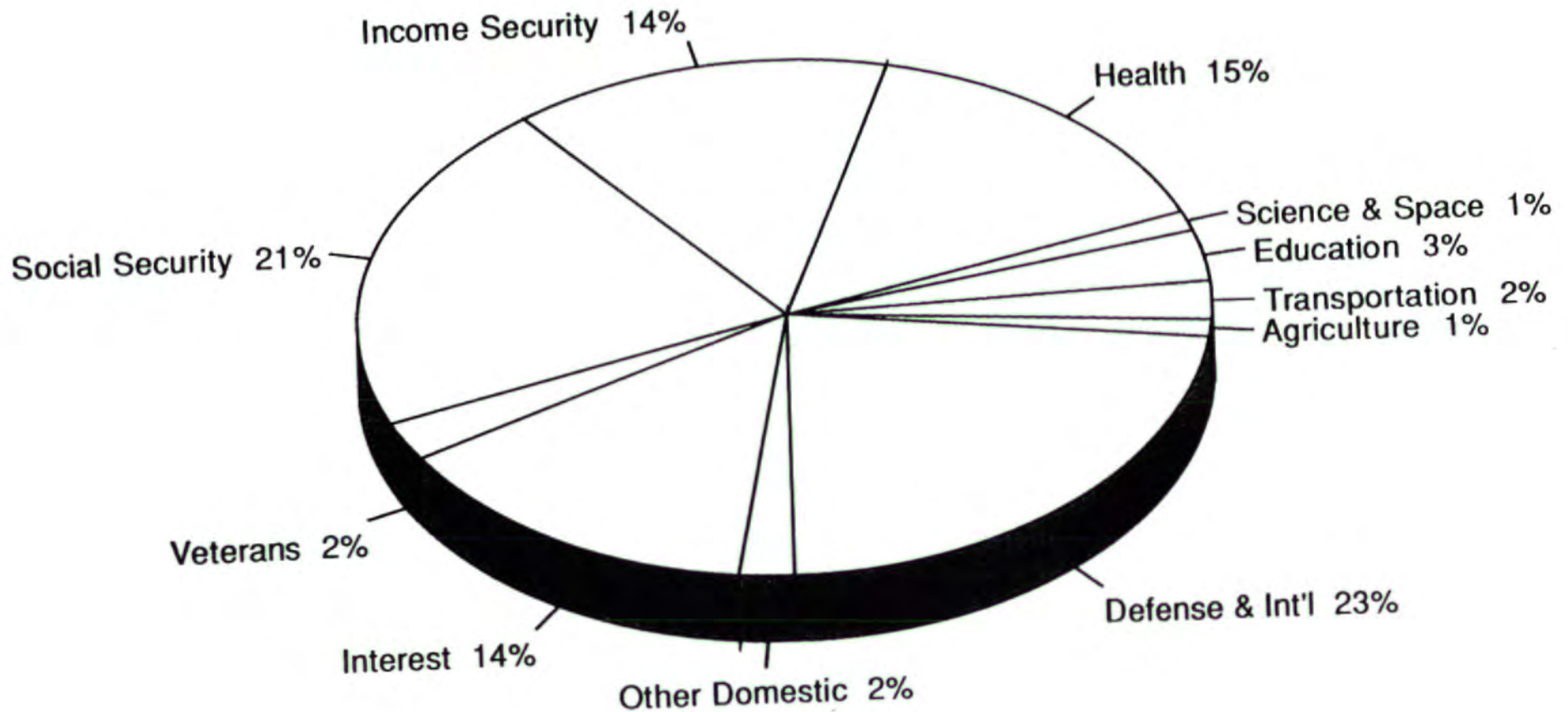
As % of Total Federal Budget



FY 93 - 98: CBO reestimates of President's budget

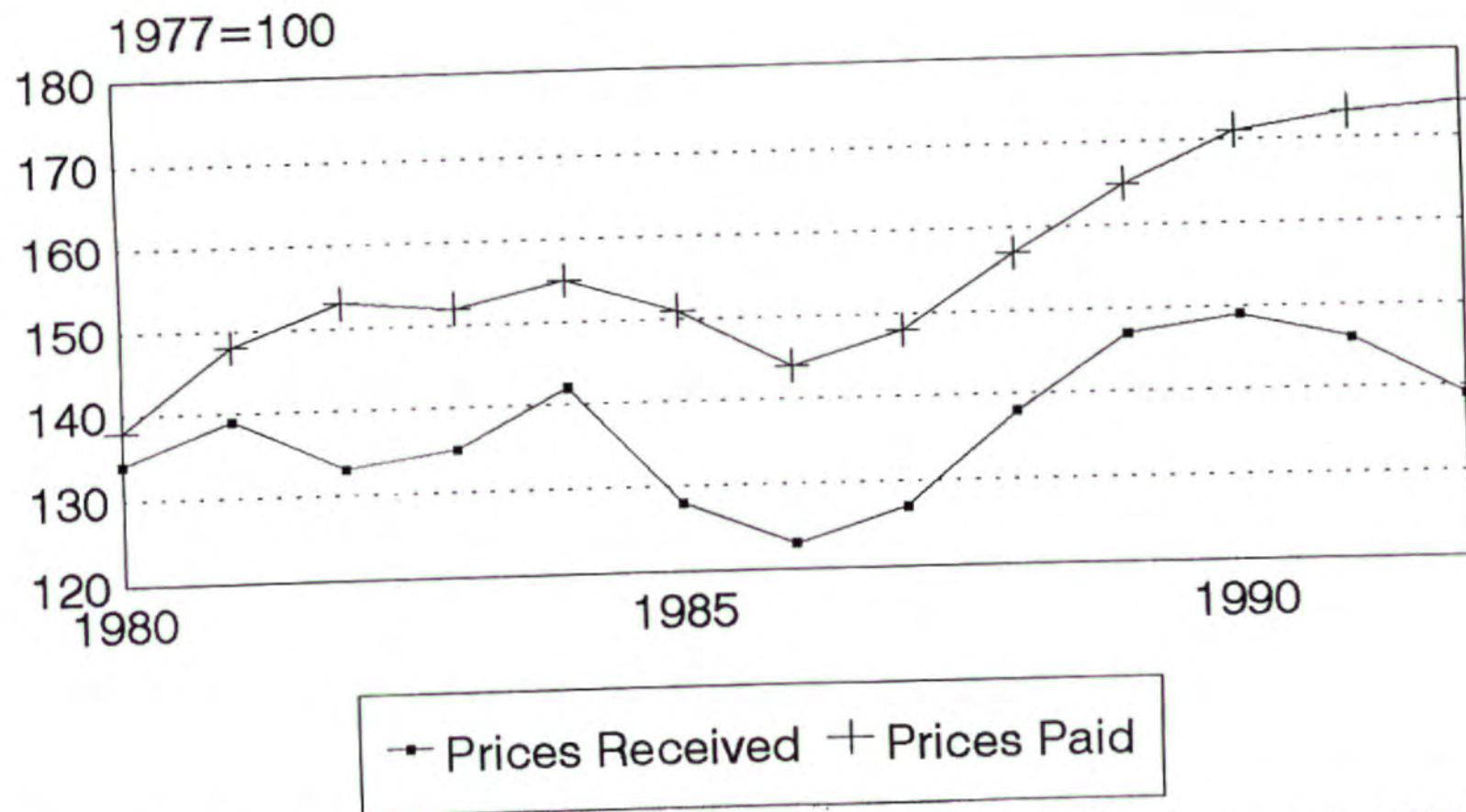
Federal Spending by Function

FY 1992 Actual



The Farm Cost-Price Squeeze

Prices Paid by Farmers Have Outpaced Prices Received
Index with 1977=100

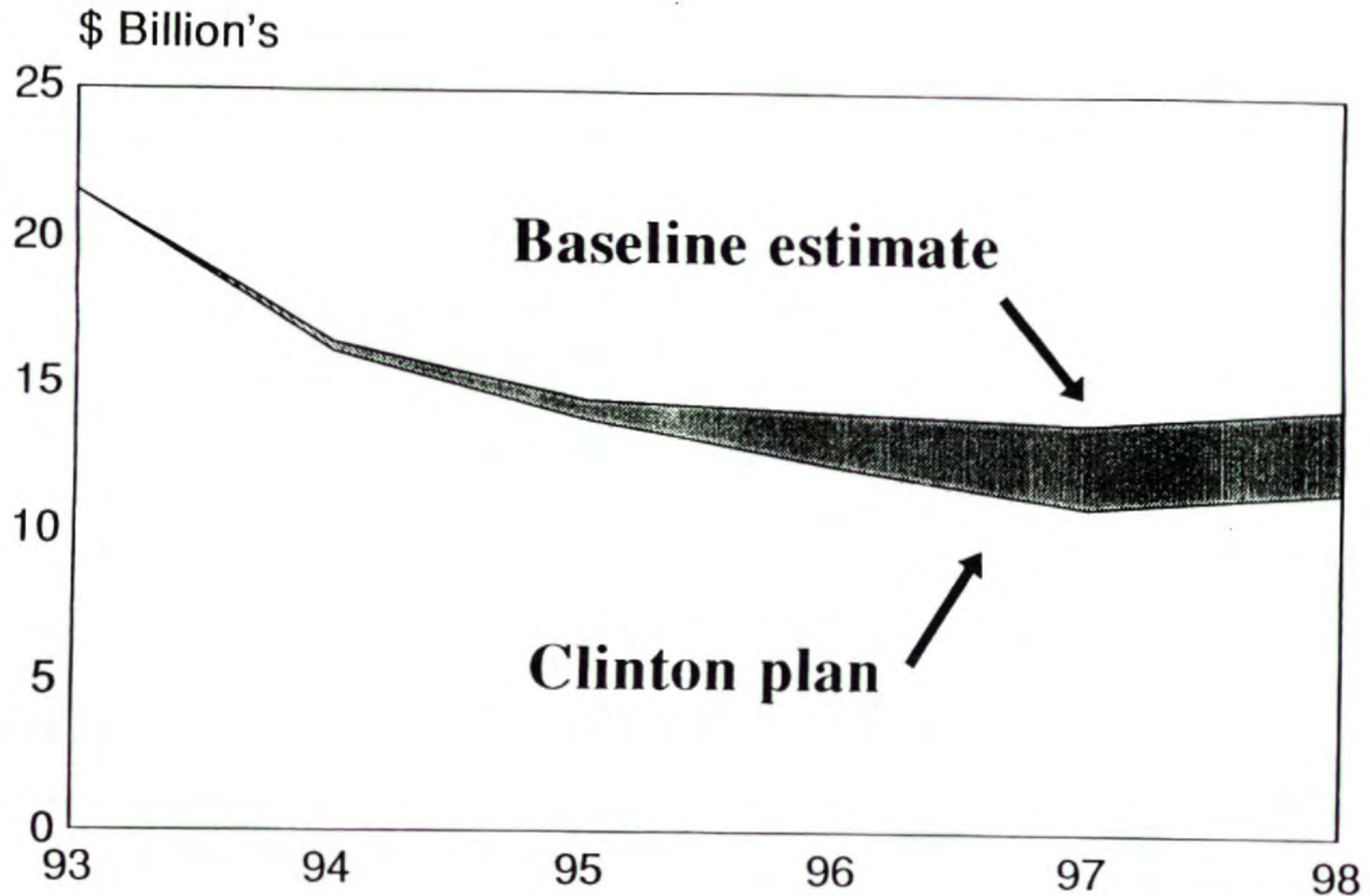


In 1992, the ratio of prices received to prices paid was at its lowest level ever, below 80%.

Source: USDA

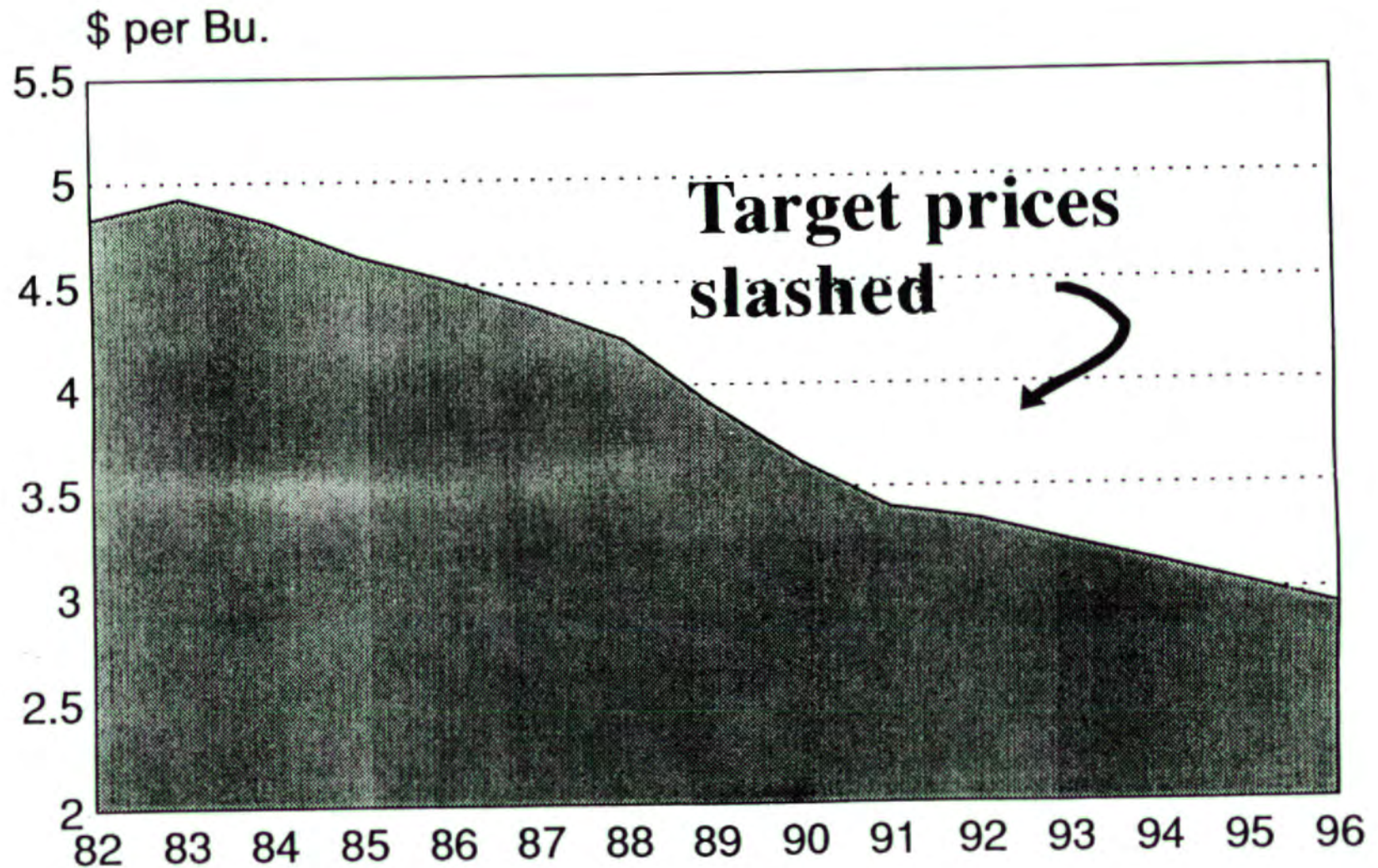
Agriculture Spending

In Clinton Plan



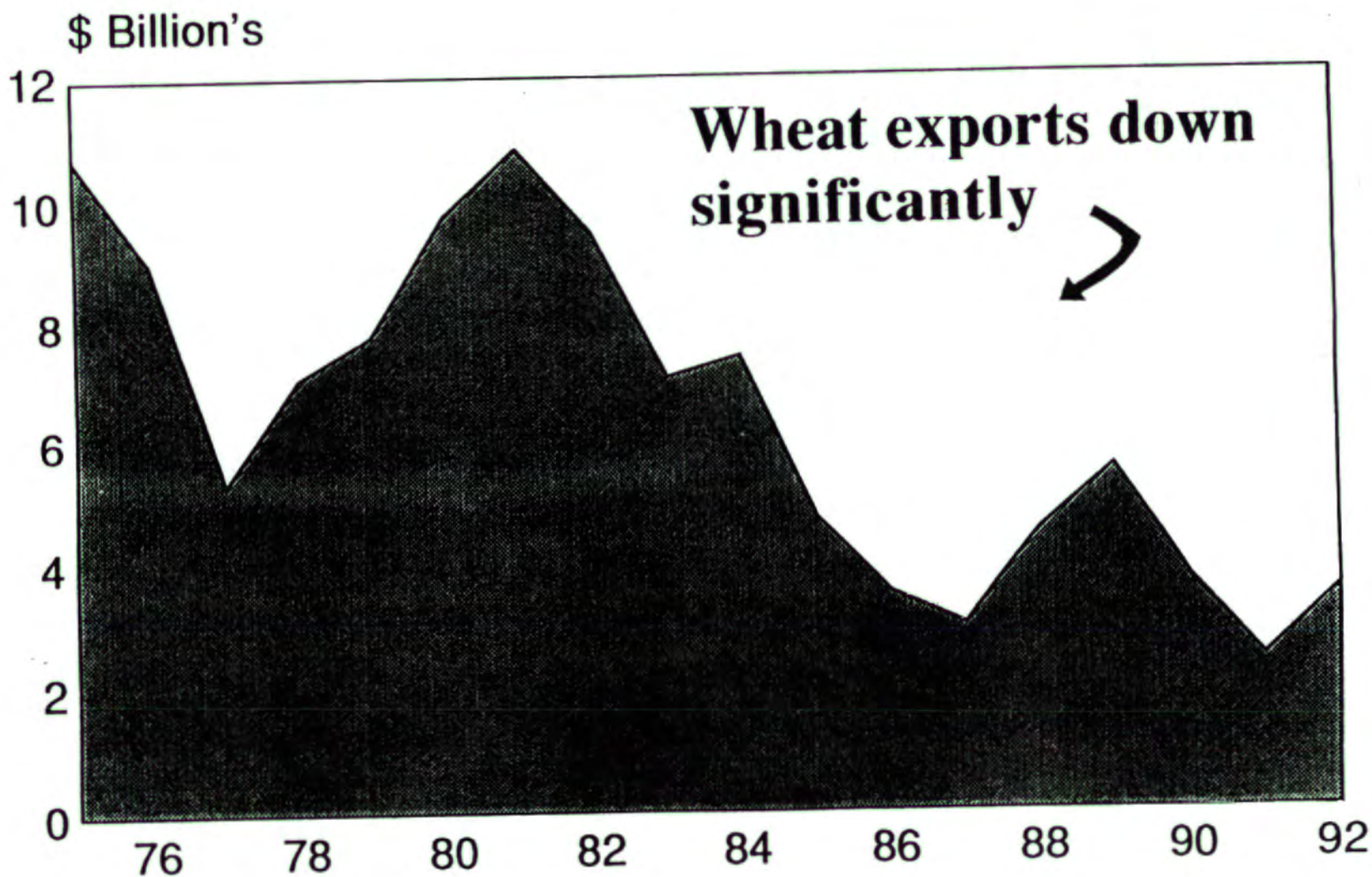
Target Prices for Wheat

Real \$'s (1987=100)



U.S. Wheat Exports

Real \$'s (1988=100)



THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/16

NOTE FOR: *MARSHA / JENNY*

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

Information ☐

Action ☒

*please discuss with
me before George*

Thank you.

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

cc:

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	From Marsha Scott re: Agency Liaison Cases [partial] (1 page)	03/15/1993	b(6)

COLLECTION:

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

FOLDER TITLE:

March 11-13, 1993 [2]

2018-0662-S

rs3038

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

THE PRESIDENT HAS SEEN ²/16

THE WHITE HOUSE
WASHINGTON

March 15, 1993

15 P6: 15

Handwritten:
This is when you
have the thing
and know about it
B

MEMORANDUM TO THE PRESIDENT

FROM: JENNIFER MCCARTHY, DIRECTOR
DANIEL W. BURKHARDT, DEPUTY DIRECTOR
OFFICE OF AGENCY LIAISON

THROUGH: MARSHA SCOTT, DIRECTOR OF PRESIDENTIAL CORRESPONDENCE

SUBJECT: AGENCY LIAISON CASES OF PARTICULAR INTEREST

Following are several cases that we thought would be of interest to you. Where someone has written, we enclose the original or copy of the letter.

1.

(b)(6)

We contacted White House Counsel about our responsibility to report the suspected abuse. Counsel determined that there is such a duty and has written Children, Youth & Families of the Pennsylvania Department of Public Welfare. We have drafted a letter to Lisa for your signature. We enclose it for your review.

2. Joshua Taylor: When you were at the Boeing plant in Seattle in February, James Taylor told you that his son Joshua had been on a waiting list to join the Job Corps for six months and sought your help in finding out when his son could start.

Our office contacted the Job Corps. They indicated that Joshua was scheduled to begin work the next week. The Taylor family was profusely grateful for our help.

Jennifer Littke, of Fall City, Washington, wrote to say that the story of your help "is running over and over again on the TV news. It's a very good story and shows how you really are the 'President for the People.'"

3. Carol Lynn Murphy: Last week we received a letter from Ms. Murphy, recently of Arkansas, in which she said she had not received her California income tax refund. She wrote: "not that anyone can do anything, it's just difficult as a single parent."

Our office contacted Ms. Murphy to inform her that she should continue to work through her California contacts on this state issue. In fact, she had just received her refund but was elated and very grateful for the call: "I just can't believe that you took the time to try to help me."

4. John F. Archdeacon: Twice since September 1992 the Department of Veterans Affairs has declared Mr. Archdeacon legally dead. This caused Mr. Archdeacon tremendous financial and psychological strain. He thought that it was a message that he should commit suicide. Mr. Archdeacon's physician wrote for your help.

When we looked into it, we learned that the matter had been resolved but the VA had not notified Mr.

Archdeacon or his physician. After we contacted his physician, Mr. Archdeacon wrote: "It is most reassuring to know someone like myself has access to people like you who are in a position to reconcile problems."

THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/16

TO: *Marcia, Tony, Howard*

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

*Of course, I think
this meeting should
take place*

John

PATRICK J. LEAHY
VERMONT

COMMITTEE
AGRICULTURE, NUTRITION, AND
FORESTRY
CHAIRMAN
APPROPRIATIONS
JUDICIARY

United States Senate
WASHINGTON, DC 20510

TELEFAX TRANSMITTAL COVER SHEET

TO: The Honorable William Clinton / Mr. Thomas McLarty
OF: The White House
FROM: Senator Patrick Leahy
OF: _____

DATE: 3/16/93

TIME: _____

3 PAGES (INCLUDING COVER SHEET)

A request for a meeting with President Clinton attached.
Original will be mailed to you as well.

PATRICK J. LEAHY, VERMONT, CHAIRMAN

DAVID H. PRYOR, ARKANSAS
 DAVID L. BOREN, OKLAHOMA
 HOWELL HEFLIN, ALABAMA
 TOM HARKIN, IOWA
 KENT CONRAD, NORTH DAKOTA
 THOMAS A. DASCHLE,
 SOUTH DAKOTA
 MAX BAUCUS, MONTANA
 J. ROBERT KERNEY, NEBRASKA
 RUSSELL D. FEINGOLD, WISCONSIN

RICHARD G. LUGAR, INDIANA
 ROBERT DOLE, KANSAS
 JESSE HELMS, NORTH CAROLINA
 THAD COCHRAN, MISSISSIPPI
 MITCH MCCONNELL, KENTUCKY
 LARRY E. CRAIG, IDAHO
 PAUL COVERDELL, GEORGIA
 CHARLES E. GRASSLEY, IOWA

United States Senate

COMMITTEE ON
 AGRICULTURE, NUTRITION, AND FORESTRY
 WASHINGTON, DC 20510-6000

March 16, 1993

The Honorable William Clinton
 President
 United States of America

Dear Mr. President:

Helping Russia and the other independent states to make the transition to democracy presents the West with the greatest foreign policy undertaking since World War II. I think the United States can play a decisive role in meeting this challenge, aid for Russia will go through the two committees I chair, and I request a meeting with you to discuss the aid.

When the First Deputy Prime Minister of the Russian Federation, Aleksey Shokhin came to Washington a few weeks ago, he asked for additional credit guarantees to purchase U.S. grain. However, Russia remains suspended from this program due to arrearages that are nearing \$500 million. To meet their food aid needs in light of these arrearages, I propose that we work together to pass a short term program to allow for more concessional loans to Russia and increased food aid to other independent states.

I see a great opportunity for the United States to galvanize the international community into action on assistance to Russia. The United States, other developed countries, and the multilateral organizations need to coordinate our approach to Russia, taking into account both the extraordinary stakes for world peace and the unique situation there. International coordination is needed in many areas, from the stalled negotiations on rescheduling Russian debt, to the provision of longer-term humanitarian, technical and commercial assistance to support reforms in Russia.

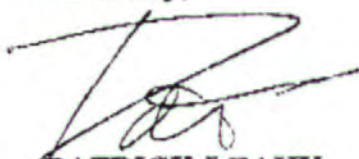
In the longer term, the United States can take the lead in developing an international social safety net fund for those people who will feel the most stress during Russia's transition to a market economy. Second, I propose that we target our assistance to those sectors where Russia can generate export earnings in the near term -- such as agriculture, natural resources and energy. Third, we should act to strengthen the democratic institutions in Russia, ensuring that the Russian people continue to have a voice in their government and its policies. Finally, I believe that the United States should support Russia and the independent states as they work to control and reduce their nuclear arsenal and improve the safety of their nuclear power reactors.

President Clinton
March 16, 1993
Page 2

If the Administration will work with me, I will seek \$1 billion in next year's foreign aid appropriation for Russia and the other independent states. I propose that a portion of this additional funding go to address the short term need for agricultural assistance and the longer-term priorities mentioned above.

I look forward to meeting with you to discuss these proposals as you prepare for the upcoming summit with President Yeltsin.

Sincerely,



PATRICK LEAHY
Chairman

*It will be difficult getting
the aid needed but there
are ways it can be done.*



WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/16/93 ACTION/CONCURRENCE/COMMENT DUE BY: _____SUBJECT: THE DEBT LIMIT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	PASTER	☐	☒
McLARTY	☐	☒	RASCO	☐	☒
GEARAN	☐	☒	RUBIN	☐	☒
PANETTA	☐	☒	SEGAL	☐	☐
EMANUEL	☐	☐	STEPHANOPOULOS	☐	☒
GIBBONS	☐	☐	VARNEY	☐	☒
HALE	☐	☐	WATKINS	☐	☐
HERMAN	☐	☐	WILLIAMS	☐	☐
LAKE	☐	☐	_____	☐	☐
LINDSEY	☐	☐	_____	☐	☐
MONTOYA	☐	☐	_____	☐	☐
NUSSBAUM	☐	☐	_____	☐	☐

REMARKS:

RESPONSE:

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
Ext. 2702

THE PRESIDENT HAS SEEN 3/16

THE WHITE HOUSE

WASHINGTON

March 16, 1993

MR. PRESIDENT:

Attached is a memorandum from Secretary Bentsen concerning extension of the debt limit which I previously sent you for information purposes.

It lays out two options: (1) request a temporary extension through September 30, 1993, and (2) request a permanent extension through the Spring of 1995.

The Secretary, Panetta, and all White House staff recommend option 1 as the only politically realistic option and the one that best serves our goals in enacting the economic plan.

The Secretary is anxious to have this decided because he needs to inform the Hill. I recommend you approve option 1.


John Podesta



THE SECRETARY OF THE TREASURY

WASHINGTON

March 9, 1993

93 MAR 9 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.

BoV Rubin
future

Price of Progress

'Re-Engineering' Gives Firms New Efficiency, Workers the Pink Slip

One Company After Another Redesigns Tasks to Curb Its Need for Employment

But Long View Is Reassuring

By AL EHRBAR

Staff Reporter of THE WALL STREET JOURNAL

In President Clinton's quest to spur job creation, he faces an unlikely obstacle—too much productivity growth.

Evidence is building that "re-engineering," a new way of improving productivity, could usher in a prolonged era of job loss. Companies like Motorola Inc., Xerox Corp., Ford Motor Co. and Banc One Corp. have already achieved stunning productivity gains through re-engineering, and thousands of others are scrambling to copy their successes.

So far, the potential magnitude of the re-engineering movement and the productivity boom it could spawn have escaped the attention of Washington policy makers and even most economists who specialize in productivity trends. No one has a fix on the likely political and social ramifications of re-engineering, but some estimates call for it to wipe out as many as 25 million jobs; the private sector today encompasses roughly 90 million jobs.

Those thrown out of work aren't likely to find an abundance of opportunity awaiting them. "We can see many, many ways that jobs will be destroyed, but we can't see where they will be created," says John C. Skeritt, managing partner in the financial services group at Andersen Consulting. "This may be the biggest social issue of the next 20 years."

**DOWN
THE UP
ESCALATOR:
WHY SOME
WORKERS ARE
FALLING BEHIND
PART OF A SERIES**

Bleak Analogy

John Sculley, chief executive of Apple Computer Inc., has said that this "reorganization of work" could prove as massive and wrenching as the Industrial Revolution.

Re-engineering is a phrase that embraces such techniques as work teams—training employees in multiple skills so that they can do more than one job—and "empowerment," which means pushing decision-making authority as far down in an organization as possible. It also entails reorganizing assembly lines and offices to simplify and speed the flow of work.

In one sense, it is the application of just-in-time inventory controls to all phases of a company's operations. In another way of looking at it, re-engineering is a technique for finally getting the elusive productivity improvements that companies had hoped to reap from the hundreds of billions of dollars they invested in data-processing equipment over the past couple decades.

Re-engineering can be great for the performance of individual companies, but what about the economy as a whole? Virtually all economists agree that re-engineering ultimately should bring about faster economic growth, greater international competitiveness, higher real wages on average for the work force, and improved living standards. Like minerals in the ground, people are a natural resource. If millions of workers can be freed from tasks like processing mortgage applications, they will be available to produce other goods and services that don't exist now.

Victims of Progress

That's the good news. The bad news comes in the dislocation of all those people whose current jobs will disappear. "Absorbing displaced workers could be a very great problem in the short term—and a real tragedy for many families," says William Baumol, a Princeton economist.

One plus is that the "downsizing" scenario comes at a time when the U.S. labor force will be growing much more slowly than in recent decades. That should make it easier to absorb displaced workers than in the 1970s or 1980s, when each year brought a new batch of baby boomers to the workplace. Now, it is even possible that two million workers could be displaced each year with only a modest increase in the unemployment rate above where it would be in the absence of re-engineering.

Even so, general perceptions about the economy and job prospects could remain as dreadful as they have been for the past couple years. With millions being laid off, nearly everyone may feel threatened, and with good cause. For most workers, job security will be the most tenuous since the Depression.

Sounding much like President Clinton, some economists have lamented that the current recovery has been "productivity-led," meaning that rising productivity has enabled corporations to raise output without hiring many new workers. Last year's productivity growth of 2.8% was the greatest in 20 years. In a normal expansion, such growth would start to slow now, but that might not happen this time.

How fast jobs disappear because of re-engineering will depend on the pace at which corporations adopt the new techniques. Some experts say that re-engineer-

Please Turn to Page A11, Column 1

1/3
58

Price of Progress: 'Re-Engineering' Leaves Firms More Efficient but Many Workers Out in the Cold

Continued From First Page

ing could knock out between a million and 2½ million jobs each year for the foreseeable future. To put the impact in perspective, the defense "build-down" that has clobbered the economies of southeastern Connecticut and California is eliminating fewer than 500,000 jobs a year.

The new job shrinkage should not be confused with the regimental-size reductions announced by the likes of International Business Machines Corp., General Motors Corp., Boeing Co. and Sears, Roebuck & Co. Those layoffs, along with the defense-related firings, largely reflect shrunken demand for the companies' output.

Productivity-related job losses are of a distinctly different variety. They are staff reductions made by healthy companies that have found ways to produce more output with far fewer workers.

The consultant generally credited with coining the term "re-engineering," Michael Hammer of Cambridge, Mass., says, "Most companies have a lot of people whose functions don't add any value to the product or service. They are the corporate

glue that holds the real work together. When you design the real work better, you need a lot less glue." A former Massachusetts Institute of Technology computer science professor, Mr. Hammer developed his re-engineering insights while advising clients on how to use information technology effectively.

Unneeded Servers

Productivity-related job losses are expected to be especially heavy in the service industries. That's terrible news for millions of clerical workers, supervisors and middle managers in service companies and for workers who perform support functions at manufacturers.

Consider Capital Holding Corp., a financial services company in Louisville, Ky. Six years ago, its Commonwealth group of life insurance companies employed an administrative staff of 1,600 to do such chores as processing applications and claims. Then Commonwealth acquired two small life insurers, Durham Life and South Life, which had combined back-office staffs of about 300.

Today, Commonwealth employs fewer than 1,100 people to do the tasks those 1,900

used to do, even though its insurance business has risen 25%. And Capital Holding hopes to cut the number to just 800.

Job shrinkage is nothing new. U.S. manufacturers employ virtually the same number of production workers as they did in 1946 — about 12 million — to produce roughly five times as many goods. Total employment by the 500 largest industrial companies in the U.S. has been declining for decades.

But re-engineering has accelerated this trend, and its contribution to job shrinkage has barely begun. Management consultants and other experts in the field estimate that no more than 15% of U.S. manufacturers — and a much smaller number of service companies — have adopted re-engineering techniques in a major way. But suddenly, they say, companies everywhere are studying them.

Rising Attendance

"The number of companies doing this has been building very slowly for 10 years," says Mr. Hammer. "But it is now in the early stages of a major rollout — it is becoming a mass phenomenon."

The change is evident in the demand for

a three-day seminar that Mr. Hammer gives on how to apply re-engineering techniques. When he first offered it in 1991, about 300 executives attended. Last year, corporations put 1,500 executives through the seminars, and this year he expects 3,000 or more, at \$2,000 each.

Major consulting firms report similar increases in demand for re-engineering advice. "There is enormous interest in this," says John Hagel, head of "core process redesign" at McKinsey & Co. "That is especially true of companies that are going through structural change because of competition or deregulation."

Surveys by the American Management Association also indicate that "downsizing" of work forces (for a variety of reasons) is spreading rapidly. Of 836 companies that responded to an American Management Association survey last year, 25% said they planned to cut payrolls in the next 12 months. That was the highest percentage since the group began its survey six years before.

What is more, the number of companies that actually cut employees has always been more than double the number that say they will. In 1991, 22% told the association they planned cuts. A year later, 46% said they had reduced their work forces.

Eric Greenberg, survey director at the management association, also says that only a little more than half the companies shrinking employment this year are doing

213 59

so because of weak demand. "Downsizing preceded the recession and it will continue after the recession," he says.

Effect on Service Firms

In the coming years, competition is expected to compel more and more corporations to re-engineer. "The performance imperative is becoming much stronger," says Mr. Hagel. "Companies need much stronger performance just for survival, not to mention success."

From the standpoint of job creation — and job destruction — the most significant development is the recent spread of re-engineering to service industries. Service companies employ about 75% of workers in the private sector and accounted, on balance, for all the new jobs in the 1980s. And while conventional wisdom has it that virtually all job growth comes from small and midsize companies, Fortune magazine's Service 500 companies added 1.2 million workers, or 17% of the total job growth in the U.S., from 1986 through 1991.

Now, however, it appears that growing numbers of large and midsize service companies are joining manufacturers in slashing payrolls as they re-engineer their businesses. And as the Capital Holding example suggests, re-engineering can reduce head counts by 30% to 50%.

Among the service industries, re-engineering appears to be progressing most

rapidly in banking. Banc One, PNC Financial Corp., First Bank System Inc., NationsBank and many others are scrambling to streamline their back-office operations. Waino Pihl, a partner in Andersen Consulting's banking practice, predicts that re-engineering will reduce employment in commercial banks and thrift institutions by 30% to 40% over the next seven years. That would add up to a loss of 600,000 to 700,000 jobs in banking alone. Mr. Pihl expects to see similar "rationalizations" in insurance and even at electric utilities.

Re-engineering doesn't always bring layoffs. Capital Holding was able to offer most of its displaced Commonwealth workers jobs at other divisions that were adding employees. With those transfers plus normal attrition and retirements, Capital Holding had to discharge only 100 workers.

Workers at the Hills Pet Foods division of Colgate-Palmolive Co. have had similar luck. Hills first adopted a re-engineered production process in a new plant in Richmond, Ind., that became fully operational last year, and it is implementing the same system at three existing plants. Executive Vice President Warren Schmidgall says the new system will raise productivity — measured in pounds of pet food produced per employee — by up to 50% in just four years. But rising volume along with normal attrition should enable Hills to phase in the changes without any layoffs.

In most cases, however, re-engineering brings large layoffs. In the management association surveys, the average downsizing company cut its work force 9.3% in just one year, and many reported more reductions in subsequent years. And even in cases like Capital Holding and Hills Pet Food, re-engineering reduces the number of new jobs created.

Layoffs may hit hardest at the level of middle management. Mr. Greenberg says middle managers make up only 5% to 8% of the workers at companies that are reducing employment but constitute 18% to 22% of those let go. By that count, middle managers are three times as likely to be put out of work by re-engineering. That's bad news for baby boomers; a bigger proportion of them have management jobs than in any prior generation.

But the group facing the greatest hardship, says Richard Freeman, a Harvard labor economist, "is middle-aged men without college degrees who had union jobs and were earning more than a competitive wage." He says they will face the longest periods of unemployment — often more than six months — and have to take the biggest pay cuts to get new jobs.

Mr. Hammer adds that as companies re-engineer, the jobs that remain "are bigger ones that require a higher caliber of people." Since corporations will tend to keep their better workers and discharge the less skilled or those with poorer work habits, the people most likely to lose their jobs are the ones who will have the hardest time finding re-employment.

"There also will be far fewer mindless entry-level jobs," Mr. Hammer says. "That's bad for the displaced and it's bad for unskilled entrants to the labor force."

Mr. Freeman agrees. "There will be a further division in society between those who have long-term jobs and those who lose their jobs," he says. "We will see a further increase in the income-inequality problem."

Labor economists are confident that the displaced ultimately will find new jobs. They just don't know where the jobs will be, since they will come in industries that don't exist yet or in ones that will grow much faster than anyone now expects. "No one knows where we got all the jobs we have now," notes Orley Ashenfelter of Princeton.

Mr. Ashenfelter makes the reassuring observation that the most important determinant of job creation appears to be the size of the labor force. In the 1970s, for example, the economy created an unprecedented number of new jobs to accommodate baby boomers and higher labor participation by women.

"Just let the market take care of it," advises Mr. Ashenfelter, who is critical of recent hand-wringing about a lack of "good" jobs. "I think what that means," he says, "is a job that pays more than you are worth."

THE WHITE HOUSE

WASHINGTON

March 16, 1993

MEMORANDUM FOR MACK McLARTY
MARK GEARAN

FROM: JOHN PODESTA 
SUBJECT: DISASTER UPDATE

Per my conversation with the President on Sunday, emergency disaster declarations have been approved for 10 states: Tennessee, Alabama, Georgia, Maine, Massachusetts, New Hampshire, Rhode Island, Kentucky, Connecticut and Maryland.

We are waiting a formal request from Pennsylvania, which is likely to come in and be approved later today.

The President approved a full disaster declaration for Florida on Saturday.

North Carolina, New Jersey and Tennessee are also likely to seek full disaster declarations, which provide more substantial Federal resources than emergency declarations. These will take several days to process.

It appears that FEMA has been doing an excellent job in processing these requests expeditiously.

THE WHITE HOUSE
WASHINGTON

Chen

DATE: 3/15

NOTE FOR: *Buy Line*

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

Information

☒

Action

☐

Thank you.

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

cc:



3/15

~~Don't agree to~~

J Podesta

my note of meeting
w/ Richard Nixon -
same but send
copy to Tom Lales

Rx



3-8-93 6³⁰ pm w/ Rowen

THE WHITE HOUSE
WASHINGTON

- ① After Yulnir
Emergency Meet of G7 on Russia
- ② 806 dist inhibited step
be reached - (S) you -
probe See/Tag
- ③ G-7 deal tell IMF in
to have Run to same side
IMF go on Poland -
watchy on too much
- ④ Tag must do better
Down by Hoffman
Keep Tag afraid
- ⑤ 9 Big Areas - ① Grain
Stamm / Andrew - Esby -
Parker for Minerals etc -
② Energy -
Mitt Brought - 500 -

THE WHITE HOUSE
WASHINGTON

(3) Energy
get natural gas - get oil & gas
(4) State good
~~the~~ think big but to even -
cure for gas private
sector -
↳ we might have to get
\$500B - Conifers

- (1) End clean
- (2) not support

After Can. G-7

↳ get at opportunities
some state

THE WHITE HOUSE
WASHINGTON

DATE: 3/15

NOTE FOR: *Buy Line*

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

Information

☒

Action

☐

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

chem
DATE: 3/15



NOTE FOR:

Rach

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

Information

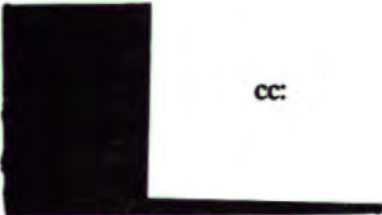
☒

Action

☐

Thank you.

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



cc:

THE WHITE HOUSE
WASHINGTON

March 4, 1993

93 MAR 4 P12:08

RECOMMENDED TELEPHONE CALL

TO: Freeman Bosley, St. Louis City Circuit Clerk
He will be at home today. The number is (314) 535-4929.

DATE: March 4, 1993, any time today or this evening

RECOMMENDED BY: Rahm Emanuel and Linda Moore, Political Affairs

PURPOSE: To congratulate him on his victory in the St. Louis Mayoral Democratic primary held on Tuesday, March 2.

BACKGROUND: Bosley received 44% of the primary vote and defeated Board of Alderman President Thomas Villa (36%), State Rep. Tony Ribaud (12%) and ex-Alderman Steve Roberts (8%).

He is favored over GOP nominee John O'Gorman and three independent candidates in the April 6 general election as this is a heavily Democratic city. He would be the first African American mayor of St. Louis.

Bosley was an early backer of yours who announced his support at a time when Rep. Clay was urging the African American community to vote undecided in Missouri's March caucus.

CONTACT PERSON AND

TELEPHONE NUMBER: Linda Moore, ext. 6500

DATE OF SUBMISSION: March 4, 1993

ACTION:

got him over the weekend
3-12 pm - mayor then

THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/15

NOTE FOR: *Bruce, Christine*

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

Information ☒

Action ☐

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

93 MAR 12 P6:28

March 12, 1993

RECOMMENDED TELEPHONE CALL

TO: Ron Brown
(202) 482-4233

DATE: Friday, March 12, 1993, prior to your dinner with Senator Hollings.

RECOMMENDED BY: Christine A. Varney and Bruce Lindsey

PURPOSE: Secretary Brown has requested to speak with you briefly prior to your dinner with Senator Hollings. Senator Hollings chairs the relevant oversight committees for the Department of Commerce.

BACKGROUND: Secretary Brown would like to discuss with you the personnel issue he has pending as it relates to Senator Hollings. As you know, Senator Hollings recommended Henry Techlinberg for Under Secretary for Trade and Tourism at the Department of Commerce. Secretary Brown is prepared to make this recommendation after discussing it with you. In addition, Secretary Brown will be leaving for Mexico Monday. He would like to discuss his trip with you prior to his departure.

TOPICS OF DISCUSSION:

1. Henry Techlinberg appointment.
2. Secretary Brown's trip to Mexico.

CONTACT PERSON AND

TELEPHONE NUMBER(S): Ron Brown - o: 482-4233 h: 362-3828
c: 288-3200
Personal Secretary - Barbara Schmitz: 482-1157
h: (301)890-3369

DATE OF SUBMISSION: March 12, 1993

ACTION:

*See this - Sen H did not need
the Techlinberg appo - Sen H gave him
this for another spot - he might take
something else -*
(B.)

chron

THE WHITE HOUSE
WASHINGTON

DATE: 3/15

NOTE FOR:

Howard Paster

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

Information

☒

Action

☐

Thank you.

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

cc:

Based on Senator Mitchell's request, I recommend you call Senator Durenberger as soon as possible and make these points:

- 1) You appreciate his vote for cloture last week and based on your conversation when he was at the White House hope he will be able to vote for cloture on the bill tomorrow.
- 2) You understand Senator Ford has accepted substantial portions of seven of the nine amendments proposed by Senate Republicans.
- 3) You further understand that Senator Ford is prepared to make a major change of importance to Senator Durenberger if he will vote for cloture.
- 4) In light of Senator Ford's concessions, it should be clear to all concerned that sustaining the filibuster has more to do with party politics than the substance of the legislation,
- 5) It would be a credit to him if Senator Durenberger could overcome partisanship and help advance this important electoral reform.

Please let me know as soon as you reach Senator Durenberger since Senator Mitchell needs the information right away. Thank you.

ROUTING SLIP

93 MAR 15 09:48

FROM: Mark Gearan
Deputy Chief of Staff

DATE:

3/15/93

TO:

Rahm Emanuel	_____	John Podesta	_____✓
Marcia Hale	_____	Carol Rasco	_____
Alexis Herman	_____	Bob Rubin	_____
Nancy Hernreich	_____	Eli Segal	_____
Anthony Lake	_____	George Stephanopoulos	_____
Bruce Lindsey	_____	Christine Varney	_____
Regina Montoya	_____	David Watkins	_____
Bernie Nussbaum	_____	Maggie Williams	_____
Howard Paster	_____	OTHER	_____

FOR YOUR:

Action ✓
See me _____

Information _____

Comments, please.
mark
I think this is too localized
I'd say NO
Toitn



1600 THOMPSON PARKWAY

SARASOTA, FLORIDA 34236

PHONE: (813) 388-4441 FAX: (813) 388-4312

"A nonprofit organization dedicated to excellence in marine sciences"

~~XXXXXXXXXX~~
Send to: Marcia
Howard
Rahm
J. Podesta

March 8, 1993

The Honorable William Clinton
President
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500-2000

Dear Bill:

I would like to invite you to be the Honorary Chairman for the "Senator Bob Graham Roast." The Roast, to benefit the Mote Marine Laboratory Endowment Fund, will be held on Saturday, May 1, 1993, at Mote Marine Laboratory here in Sarasota.

As Senator Graham has been a long time friend of Mote Marine laboratory and yours, we are excited to be able to honor him for his outstanding achievements as our governor and a senior U.S. Senator. His remarkable contributions to the protection of our valuable resources and the general welfare of Floridians will be recognized and honored at this event.

I want to assure you that your position on this committee would be honorary. Your willingness to act as Honorary Chair would be most beneficial, and if your schedule permits it would be great if you could attend.

The Mote Marine Laboratory Endowment Fund enables scientists at Mote to continue to expand marine and environmental research and education. The Laboratory's research programs include aquaculture, cancer and immunology research with sharks and skates, chemical fate and effects, coastal resources, environmental assessment and enhancement, marine mammals and sea turtles, and shark biology. Of course, it is the public who is the ultimate benefactor of such research and educational endeavors of the Laboratory.

I realize that your plate is full, but if you could let me know as soon as possible as to whether or not you would be the Honorary Chairman and your ability to attend, I would appreciate it very much. If staff has any questions I can be reached at (813) 388-4441. Thanks for your help.

Best regards,

Kerry Kirschner
Director of Development

P.S. Did Jeff Eller ever get the video of the "Georgetown Inaugural" Dinner to you - if not, let me know and I'll send another.

KK/gb

Chm
cc: COS

THE WHITE HOUSE

WASHINGTON

March 15, 1993

93 MAR 15 AIO: 59

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: RAHM EMANUEL

SUBJECT: ROMER POLL

For your information, I have attached an article regarding the gubernatorial race in Colorado. As you can see, Governor Romer's numbers are not as strong as we would like.

[Handwritten marks]

GREATER DENVER

Deborah Goeken, City Editor ■ 892-5381

41% in poll would vote for Romer

By Ann Carnahan

Rocky Mountain News Staff Writer

If Gov. Roy Romer were running for re-election today, he would have a tough battle on his hands.

A new Rocky Mountain News/9 News poll shows that 41% of Coloradans would vote for Romer if the election were held today and 39% would not. Another 13% want to know who his challengers are before deciding.

"That's wonderful," said state Republican Party chairman Bruce Benson. "I know of 10 people who are looking very hard" at running for governor in 1994.

Ironically, the bad news for Romer coincides with a relatively high favorability rating of 61%.

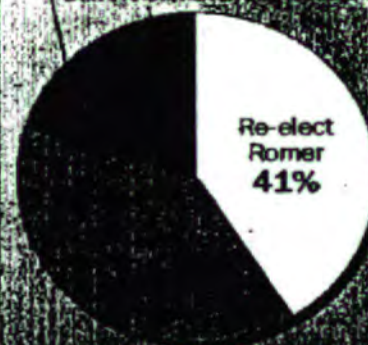
"Roy Romer is still a formidable politician and probably the leading politician in this state," said pollster Floyd Ciruli. "On the other hand, there is a very high level of dissatisfaction with government and incumbents are paying the price."

The telephone poll of 426 registered Colorado voters by Ciruli Associates showed that 36% rated

ROMER'S SUPPORT

Would you support or oppose Gov. Roy Romer for re-election in 1994?

Want to know the opposition 13%
Don't know/never decided 7%



Romer as unfavorable, up from 31% in September.

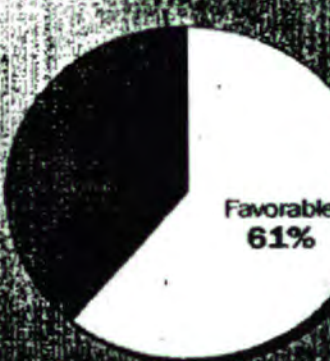
Romer attributed the rise in his unfavorable rating to controversial stands he took during the last election.

The governor's proposal to fund public education with an increase in the state sales tax lost.

Romer opposed the anti-tax

What is your view of Gov. Roy Romer?

Don't know 14%



Amendment 1 and Amendment 2, which bans anti-discrimination laws for homosexuals. Both of those measures passed.

"I fight hard for issues," Romer said. "When you're out fighting for what you believe in, you're going to lose some support. I'm willing to pay that price."

Romer said the 61% approval

rating puts him among the top 10 governors in the country, according to a poll he cited from late last year.

"I don't think I'm weak," he said. "I know my political base in Colorado."

He added, "Hey, I take any competition seriously. But if they feel I have lost my political base in Colorado, they are dead wrong."

Ciruli noted that Romer's favorability rating is well ahead of President Clinton's 53% and that Federico Peña was re-elected as

Denver's mayor with a 40% favorability rating.

The poll, conducted Friday through Tuesday, showed that 48% of voters believe Colorado is "generally going in the right direction" while 41% believe the state is on the wrong track.

"While we are more positive than negative, we are still clearly suffering some post-election concerns," Ciruli said. "Before the election, there seemed to be a positive sense that things were going to get better."

Rocky Mountain News
9NEWS

Rocky Mountain News

THE WHITE HOUSE
WASHINGTON

March 15, 1993

*Typed to
Bentson*
93 MAR 15 10:36
*original to
Clark*

MEMORANDUM FOR SECRETARY LLOYD BENTSEN

FROM: JOHN PODESTA *JJP*
SUBJECT: CHIEF EXECUTIVE OFFICER (CEO) FOR THE
RESOLUTION TRUST CORPORATION (RTC)

The President has approved your recommendation that Roger Altman be designated interim CEO of the RTC. White House Counsel advises that this should be accomplished through a Presidential memorandum rather than an Executive Order. I will have an appropriate memorandum prepared for signature today. Let me know if you have my concerns in proceeding in that fashion.

not rec'd

93 MAR 15 11:42

*sent
again
→ rec'd
per
Bentson's*

THE SECRETARY OF THE TREASURY
WASHINGTON

March 12, 1993

93 MAR 12 P4:40

MEMORANDUM FOR THE PRESIDENT

FROM: Lloyd Bentsen *LB*

SUBJECT: Chief Executive Officer ("CEO") for the Resolution Trust Corporation ("RTC")

ACTION FORCING EVENT:

Albert V. Casey, the CEO of the RTC, has indicated his desire to return promptly to the private sector. As you previously authorized, I intend to accept Mr. Casey's resignation on your behalf. I expect the effective date of his resignation will be March 15, 1993.

An interim CEO of the RTC should be ready to assume responsibility at the time I accept Mr. Casey's resignation. When we find a permanent candidate for the position, all authority can then be redelegated to him or her.

The temporary CEO must be a Presidential appointee confirmed by the Senate. However, Presidential appointees to independent agencies, such as the Federal Reserve Board, are not eligible for this type of appointment.

I believe that Deputy Secretary Altman is the most logical choice for the interim CEO. That way, the Administration's efforts on RTC funding legislation will not be impeded.

RECOMMENDATION:

That you sign an appropriate executive order, in substantially the attached form, making the Deputy Secretary of the Department of the Treasury, Roger C. Altman, the temporary CEO of the RTC, pursuant to 5 U.S.C. 3347. The order would be effective the earlier of March 13, 1993, or on Mr. Casey's resignation.

Agree ✓

Disagree _____

Executive Order _____ of March _____, 1993

Direction to the Deputy Secretary of the Department of the Treasury to perform, temporarily, the duties of Chief Executive Officer of the Resolution Trust Corporation.

By the authority vested in me as President by the Constitution and the laws of the United States, including the Vacancy Act (5 U.S.C. 3345 et seq.), it is hereby ordered as follows:

Section 1. In the event of a vacancy in the Office of the Chief Executive Officer of the Resolution Trust Corporation, or during the absence or disability of such Chief Executive Officer, the Deputy Secretary of the Department of the Treasury shall perform the duties of the office of Chief Executive Officer of the Resolution Trust Corporation, subject to the limitations of 5 U.S.C. 3348.

Section 2. The President may at any time, pursuant to law but without regard to the foregoing provisions of this Order, direct that an officer specified by the President perform the duties of the Chief Executive Officer of the Resolution Trust Corporation.

THE WHITE HOUSE
March _____, 1993

THE WHITE HOUSE
WASHINGTON

DATE: 3/15

NOTE FOR: Rubin, Tyson

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

Information



Action



Thank you.

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

cc:

Barry
B. Fey

March 13, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT

SUBJECT: ENERGY TAX QUESTIONS

I. SUMMARY

This memorandum responds to your questions regarding treatment of biomass, methane and home heating oil under the energy tax.

II. DISCUSSION

Biomass used to produce **fuel alcohols** is taxed at the rate for oil. **Methane** and other gases produced from **biomass** are exempt from the energy tax.

There is a controversy regarding **home heating oil**. It was my understanding that we had agreed to exempt home heating oil from the energy tax originally and then phase out the exemption. However, under the Treasury Department's proposal, home heating oil is taxed immediately at the basic rate for BTU content and only the supplemental tax on oil is delayed one year and then phased in over three years. Sen. Mitchell raised concerns about this proposal and seeks a greater exemption for home heating oil.

I believe we should revisit this and address whether the immediate imposition of the basic tax comports with our original understanding. In addition, we should consider phasing in only the basic tax on home heating oil rather than adding the supplemental rate for oil in the out years.

In addition to the questions you raised, there has been discussion regarding whether to exempt **ethanol** and **methanol**. One solution could be to tax them at the natural gas rate, rather than at the rate for oil. Totally exempting ethanol and methanol from the tax would cost \$50 million per year for each of them. We do not yet have estimates of the cost of applying the natural gas rate.

THE WHITE HOUSE
WASHINGTON

DATE: 3/15

NOTE FOR:

Rubin, Tyson

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

Information



Action



Thank you.

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

cc:

For R. Fy
B.

March 13, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT
SUBJECT: ENERGY TAX QUESTIONS

I. SUMMARY

This memorandum responds to your questions regarding treatment of biomass, methane and home heating oil under the energy tax.

II. DISCUSSION

Biomass used to produce **fuel alcohols** is taxed at the rate for oil. **Methane** and other gases produced from **biomass** are exempt from the energy tax.

There is a controversy regarding **home heating oil**. It was my understanding that we had agreed to exempt home heating oil from the energy tax originally and then phase out the exemption. However, under the Treasury Department's proposal, home heating oil is taxed immediately at the basic rate for BTU content and only the supplemental tax on oil is delayed one year and then phased in over three years. Sen. Mitchell raised concerns about this proposal and seeks a greater exemption for home heating oil.

I believe we should revisit this and address whether the immediate imposition of the basic tax comports with our original understanding. In addition, we should consider phasing in only the basic tax on home heating oil rather than adding the supplemental rate for oil in the out years.

In addition to the questions you raised, there has been discussion regarding whether to exempt **ethanol** and **methanol**. One solution could be to tax them at the natural gas rate, rather than at the rate for oil. Totally exempting ethanol and methanol from the tax would cost \$50 million per year for each of them. We do not yet have estimates of the cost of applying the natural gas rate.

THE WHITE HOUSE
WASHINGTON

Chron

DATE: 3/15

NOTE FOR: *MAK, MARCIA*

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

Information ☐

Action ☒

Thank you.

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

cc:



THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1000

26 FEB 1993

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Presentation of the Commander-in-Chief's Trophy -
ACTION MEMORANDUM

The Commander-in-Chief's Trophy was established in 1972 to be awarded to the Service Academy with the best record in the annual round-robin football competition. It is traditional for the President to present the Trophy in a White House ceremony.

Air Force retained the Trophy this year with victories over Navy and Army. The Academy made its fourth consecutive appearance in the Liberty Bowl in Memphis on 31 December 1992.

✓ If you wish to continue the tradition, a small ceremony to present the Trophy to members of the football team and officials of the United States Air Force Academy might be in order. Representatives of the Academy are prepared to come to Washington at your convenience.

The possibility of a trip to the White House to receive the Trophy has proven to be the largest single motivator for the players. This is an excellent opportunity to commend their achievements and to show your support for the Service Academies and the military as a whole. As this is the twentieth anniversary of the Trophy, your participation would be even more appropriate.

Mark Luther
Agree
For
up
B

J. H. Quinn

THE WHITE HOUSE
WASHINGTON

DATE: 3/15

NOTE FOR: Mack, Bruce

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

Information ☐

Action ☒

Thank you.

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

cc:

3/15

THE WHITE HOUSE
WASHINGTON

March 11, 1993

T. Michael Lee, Esq.
3505 Sevier
North Little Rock, AR 72116

Dear Mr. Lee:

Thank you for your letter of February 28, 1993 regarding your desire to be of assistance to the Clinton/Gore Administration. I apologize for the delay in responding to your letter but hope you will understand the hectic pace of a new Administration.

I have forwarded a copy of your letter to the ~~President~~ and to Bruce Lindsey, the Director of Personnel, and can assure you that your offer of assistance will receive every consideration. We appreciate your willingness to undertake a disruption in your career to be a part of this new Administration which we feel is going to do great things for our country.

You also mentioned your upcoming trip to the Washington area - my personal assistant has done some checking into the scheduled White House tours. She called to give you that information but was able only to leave a message on your recorder. The tour office has a number of early morning tours but they do fill up very quickly. There is also a public tour Tuesdays through Saturdays beginning at 10:00 am. If you will let us know what dates you would be available for a tour, we will try to accommodate your schedule.

Thanks again for writing. Best wishes to you and your family for a good trip and visit to the nation's capital.

Personally,



MMcL:sj

Lee
- This guy is really
a good man
P is arranging a personal
tour of WH for family - let
them come to Oval office
(I mean be out of town
then)
R.
- BL - let's try to
help

F0B

Arkansas

rec
hr. of
Mr. G.
White
House
456-7041

February 28, 1993

Mr. Thomas McLarty
The White House
Washington, D.C.

Dear Mr. McLarty:

I am writing for two reasons, the first being employment, the second being my wife and 17 year old son. I will start with the employment situation. I have attached a copy of my resume giving an outline of my background in industry and in the practice of law. I have reached a point in my life both family-wise and career-wise that I am able to make fairly large changes without too much dislocation. I am hopeful that my varied experience in the last 24 years would be of some use in the new administration. I would like the opportunity to serve in an appropriate position in the administration of President Clinton.

As an aside, I went to Hot Springs High School with the President and have been a supporter forever. While at college at the Naval Academy in the 60's I had some contact with him at Georgetown and he did spend several nights with my wife and I in Mountain Home during his first run for office in 1974 (in particular the night President Nixon resigned).

Getting back to my resume, as you can see I have extensive experience in industry, covering the technical end through engineering as well as the people end through management and personnel. I have represented corporations in labor related matters and I have represented injured workers in workers' compensation cases. Since leaving Reynolds Metals Company in 1984, I have practiced law at Gary Eubanks and Associates in Little Rock devoting the majority of my time to complex product liability litigation such as in all-terrain vehicle design and silicone gel breast implant safety.

Given my work history I feel I could most effectively be utilized in areas such as regulatory agencies, the Justice Department or the Labor Department.

With regard to my wife and son, we will be in the Washington area for a week beginning March 20. My son is a student at Catholic High School and we are visiting potential colleges for him in Virginia during that time. He has never been to the

Mr. Thomas McLarty
February 28, 1993
Page 2

nation's capitol and I would appreciate any information you have regarding White House tours. His father would like this information also!

Any help you could give regarding these two requests would be appreciated. I understand the crush of requests like this that you have received, but I feel I could make a contribution to your team if given the opportunity.

Thank you for your kind attention to this letter.

Sincerely yours,

A handwritten signature in cursive script that reads "Mike Lee". The signature is written in dark ink and is positioned above the printed name.

Mike Lee

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. resume	[Personally Identifiable Information] [partial] (1 page)	03/00/1993	b(6)

COLLECTION:

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

FOLDER TITLE:

March 11-13, 1993 [2]

2018-0662-S
rs3038

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

T. Michael Lee
3505 Sevier
North Little Rock, Arkansas 72116
(501) 758-8923

- General:
1. Legal education and experience. Last 6 years spent as trial lawyer with emphasis on product liability litigation.
 2. Personnel, safety and industrial management experience. Handled grievances, arbitrations, Workers' Compensation cases and safety program. Production management and administrative responsibilities.
 3. Engineering education and experience. Production engineering, project engineering and work measurement.

Education: United States Naval Academy
University of Arkansas
University of Arkansas at Little Rock School of Law
Bachelor of Science - Industrial Engineering
Juris Doctor

Experience: Gary Eubanks and Associates (1/84 to present)
Trial lawyer with firm of 6 attorneys. Have handled over 35 jury trials and numerous Workers' Compensation hearings. Majority of time spent on product liability litigation.

8/77 to 1/84 Reynolds Metals Company
Personnel assistant and production management at primary aluminum reduction plant. Directed plant safety activities and represented company in arbitration proceedings. Temporary assignment to international division in Venezuela.

6/69 to 8/77 Maybelline Cosmetics
Plant superintendent

Baxter Laboratories
Engineer and department manager at disposable hospital supply manufacturing facility.

Reynolds Metals Company
Production engineer

Personal Data: Born [REDACTED] (b)(6)
Height: 5'10" Weight: 160 lbs.
Married with 2 sons
Arkansas and American Bar Associations
Arkansas Trial Lawyers Association
Alpha Pi Mu (Industrial Engineering Honor Society)
1981-1983 Part-time faculty - Garland County
Community College: Courses - Labor Law & Statistics

THE WHITE HOUSE
WASHINGTON

DATE: 3/15

NOTE FOR: *Mike*

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

Information ☒

Action ☐

Thank you.

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

cc:

Poling not yet ready to give up on Clinton

MAX GATES

Staff Reporter

WASHINGTON — After raising hopes during the campaign, President Clinton has so far declined to take strong action against the Japanese on behalf of the Big 3.

But Ford Motor Co. Chairman Red Poling said he's not ready to give up on the new president.

"I'm not disappointed, yet," Poling said, noting that Clinton has been in office barely one month. Talking to reporters prior to a speech to the National Press Club last Tuesday, Poling said he's willing to give the new administration some time.

"If I don't see action on trade issues by the middle of the year, I'll be disappointed," he said.

Poling has emerged as the chief spokesman on trade among the Big 3 chiefs, picking up the mantle after Lee Iacocca's retirement from Chrysler Corp. at the end of last year.

Poling led the charge for a massive auto dumping case against Japanese automakers and has been pushing for higher tariffs on imported minivans and sport-utilities.

His efforts haven't met with much immediate success.

With General Motors President Jack Smith worried about negative public reaction, the Big 3 backed off on the dumping case

“If I don't see action on trade issues by the middle of the year, I'll be disappointed.”

RED POLING
FORD MOTOR CHAIRMAN

last month — at least for the time being. And the Clinton administration hasn't given the domestic automakers much encouragement on raising tariffs.

So last week Poling was giving new emphasis to his call for the Japanese to bring down the trade imbalance — \$49 billion in 1992 — over a five-year period. The automotive trade imbalance was \$27 billion, according to the American Automobile Manufacturers Association.

Poling wants Clinton and Japanese Prime Minister Kiichi Miyazawa to negotiate an agreement to bring the trade relationship into rough balance. An annual deficit or surplus of \$5 billion to \$10 billion would be acceptable to Poling.

Poling said he doesn't care how the Japanese do it — either by buying more U.S. products or sell-

ing less in the United States. And he argued that five years would give the Japanese time to adjust their trade policy without further damaging their recession-wracked economy.

"The easiest way to address the problem is for them to buy more domestic components" for their transplant production facilities, Poling said.

"If we take a position and are firm on it, something will happen," he said.

He cited the example of France, which limited Japanese penetration of its auto market without legislation, setting an informal limit of 3.5 percent for Japanese imports. "Any time it looked like the Japanese were about to exceed that limit, they had trouble clearing customs, or they couldn't get their boats unloaded," Poling said.

On other subjects, Poling said:

■ Clinton's proposed energy tax, which would raise the price of a gallon of gasoline about 8 cents, "will not significantly impact our business."

■ NBC's rigged crash test of GM pickup trucks "set back the credibility of the television news industry for a long time."

■ Clinton's investment incentives are encouraging, but "I'm concerned that the tax increases the president has proposed may adversely impact the economy."



JOE WILSENS/AUTOMOTIVE NEWS

The proposed hike in the gasoline tax will "not significantly hurt our business," Ford Motor Co. Chairman Red Poling said last week.

THE PRESIDENT HAS SEEN ^{3/15}

THE WHITE HOUSE
WASHINGTON

March 13, 1993

MR. PRESIDENT:

At our meeting on the correspondence section, Marsha mentioned that we have really beefed up the case work unit. It is now being run by Jenny McCarthy who worked for Senator Pryor on the Aging Committee.

I thought you would be interested in the attached which discusses the niece of Diane Acevedo. You met Diane on the rope line in Santa Monica two weeks ago and after a discussion with Wendy, she contacted my office.

John Podesta

THE WHITE HOUSE
WASHINGTON

93 MAR 12 All : 31

March 11, 1993

To: John Podesta, Assistant to the President and Staff Secretary
Todd Stern, Deputy Staff Secretary
Fr: Jenny McCarthy, Director, Office of Agency Liaison
Re: Update on Melissa Acevedo

cc: Marsha Scott, Deputy Assistant to the President and Director
of Correspondence

I wanted to let you know where things currently stand with Diane Acevedo's infant niece Melissa, who suffers from Di-George. As you may know, the immune system of individuals with this very rare disease is severely impaired because of a poorly functioning thymus gland. Diane was seeking help from the President in obtaining a thymus transplant for Melissa.

Last week, I let you know that a Di-George specialist at the National Cancer Institute was in touch with Melissa's family to determine if Melissa could participate in an NCI protocol. Due to a number of other serious health problems, it turned out she was not a good candidate.

NCI has since identified a Di-George specialist with experience in cases like Melissa's, and he is optimistic about her chances of accepting a new thymus (NCI agrees). This specialist also believes he will be able to locate enough thymus tissue to soon carry out the procedure. I understand Melissa's family insurance policy covers the costs of the procedure.

This Di-George specialist is at a great distance from California, where Melissa's lives. NCI has also contacted the University of San Diego (an NCI grantee) to ask that the specialist be allowed to perform the transplant there. It is not unusual for research hospitals to agree to such requests when the patient is in fragile condition.

I will continue to update you on the progress of this case.

THE WHITE HOUSE
WASHINGTON

DATE: 3/19

NOTE FOR: *Secretary Reich*

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

Information



Action



Bos —

I just got this back

John

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

March 4, 1993

MR. PRESIDENT:

Attached is a memo from Secretary Reich updating you on the summer jobs initiative.

In the last paragraph, Reich proposes an early release of preliminary funding allotments, even before Congress acts on the proposal.

I've talked to Bob Rubin about that and we both recommend that Howard Paster sign off on any early public release strategy.

I'll talk to Reich and Paster about coordinating.

John Podesta

SECRETARY OF LABOR
WASHINGTON

THE PRESIDENT HAS SEEN

3/15/93

March 2, 1993

93 MAR 3 P3:40

MEMORANDUM TO THE PRESIDENT

FROM: Secretary of Labor Robert B. Reich *BR*

SUBJECT: Summer Jobs

INFORMATION MEMO, to bring you up to date on a key initiative.

Background: Your economic stimulus package includes a \$1 billion increase for youth summer employment. That extra money--in addition to \$683 million already appropriated for 1993, and \$267 million left unspent from last year's late-starting summer jobs initiative--will more than double the size of the program. You asked me to develop a design for putting the money to the best possible use.

How To make this summer's program not just bigger, but better, we intend to add a serious element of academic enrichment. That way, kids get not just a job, but a bulwark against the academic erosion that too many disadvantaged teenagers suffer during the summer months. We also aim to use the expansion of the public summer jobs program as an occasion to challenge the private sector to deliver more summer job opportunities to young Americans.

Even aside from the business response this challenge should evoke, the public-sector part of the summer jobs initiative will reach 1.3 million kids. It will put the resources where the kids are. And it will reach them not just with jobs, but with academic assessment and training.

Current Status: House Appropriations Committee hearings held February 23-24 generated a number questions on the \$1 billion summer jobs supplemental request. One issue concerns coordinating youth summer jobs with the "Chapter 1" summer school program run by the Department of Education (DoED). We are taking steps to ensure that the initiatives complement each other, including jointly convening a National Practitioners Group to advise and assist states and localities on both summer jobs and Chapter 1.

Internally, our implementation plans are well underway. As soon as Congress releases the supplemental funding, it will be distributed by these criteria: Each locality gets a 25-percent increase over last summer's funding, as well as a share of the \$300 million "enrichment budget based on its population of eligible youth. An additional sum, estimate at \$162, will be

*Does this mean that places like LA, Chicago, NYC
will mention books etc? If so, I'd like to know
which cities, how many jobs and projects for each -*

concentrated on the 100 American cities with the largest numbers of kids who need and qualifying for federally-funded summer jobs.

We've also launched the outreach efforts that are crucial to the initiative's success. We have already briefed the AFL-CIO, the NGA, and the National Alliance of Business, and will soon brief community-based organizations slated to deliver services. Meanwhile, we are planning a media campaign to enlist private sector participation in the Clinton summer jobs initiative.

Benefits of an early launch: Our office of the Inspector General (OIG) has issued a broadly favorable report on DOL summer jobs initiatives. The OIG declares last summer's work experience efforts to be generally valuable. But it found "remedial training" efforts--analogous too, but less ambitious than this year's educational enrichment component--to be less successful. It stressed the urgency of adequate planning time to ensure that education efforts are well-conceived and well implemented. The OIG's conclusions and recommendations are being adopted; they also underscore the urgency of an early launch.

In order to give local officials time to put together effective summer jobs programs, I intend to release preliminary funding allotments early, even before Congress comes to closure. The less lead time localities have, the more vulnerable we will be to the problems that undercut the effectiveness of last summer's jobs program. Given the ambitiousness of this summer's program, early planning is critical.