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001. memo	From Marsha Scott re: Agency Liaison Cases [partial] (1 page)	03/19/1993	b(6)
002. list	re: List (1 page)	03/23/1993	b(6)
003. note	Mack McLarty to POTUS [partial] (1 page)	03/30/1993	b(6)

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RESTRICTION CODES

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

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P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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March 17, 1993

Regulatory Review Reform

Regulatory review reform is a vital part of both our commitment to put people first and our mission to reinvent government. This document sets forth an organizational framework to govern regulatory review in the Clinton-Gore Administration.

1. In the future, regulatory review must be carried out within the framework of a process that reflects major reform. Among other changes, the process must be more open to public view than has been the case in the recent past. And, the process must be accessible on equal terms to all interested parties; it must not provide special access -- as it has in the past -- to narrow interests whose goal is to subvert agency implementation of statutory mandates. The process must also be streamlined to minimize the delays it creates in the rulemaking process. Finally, regulatory review must be guided by the policy objectives of the new Administration and a regulatory philosophy that encourages innovation, flexibility and negotiation in the rulemaking process.
2. On a day-to-day basis, the regulatory review process should be carried out by OIRA. The work of OIRA should

be guided and supplemented by a regulatory planning and review committee that would have the following functions:

a. to review, on a periodic basis, the regulatory agendas and priorities of the departments and agencies in order to (i) ensure that they reflect the President's policies and (ii) identify emerging regulatory issues that are likely either to create conflict within the government or to have exceptionally significant effect on the economy, the environment, public health or safety, American competitiveness or competition or the efficient functioning of markets;

b. to facilitate resolution of matters that create conflicts between departments, or between OMB and a department; monitor the regulatory process with regard to exceptionally significant initiatives; encourage the use of negotiated rulemaking and other innovative regulatory techniques; and

c. to provide to the President recommendations for his resolution of regulatory conflicts that do not lend themselves to resolution at the OIRA or review committee levels.

The committee process of reviewing rulemaking proceedings would be available only to heads of government agencies, the OMB Director and the Director of OIRA. Private parties would not be entitled to seek review of regulatory matters at the White House level.

3. The planning and review committee would be chaired by the Vice President and include the Chair of the Council of Economic Advisers (or a member of the Council designated by the Chair); the Director of OMB (or his deputy); the Director of the NEC; the Domestic Policy Adviser; the National Security Advisor (or his deputy) and such other agency and Departmental representatives as are invited by the Vice President to serve on an ad hoc basis. Members of the committee would be permitted to act through an authorized designee, and the committee would have a small staff commensurate with its modest responsibilities.

4. As an initial matter, the committee should form a working group of staff designees to make recommendations to the committee with respect to implementing the proposals described above as well as --

   a. the details of a new Executive Order to replace or revise the Orders that presently govern the regulatory review process;

   b. the process by which the regulatory agendas and priorities required of each Department and agency will be prepared, submitted, evaluated and acted upon by the committee;

c. the procedures by which disputed or exceptionally significant regulatory issues are identified and brought before the committee (or review subcommittees made up of some, but not necessarily all, committee members or their designees); and

d. the manner in which the regulatory review process will be opened to public scrutiny and made more accountable by the application of "sunshine" rules that, among other things, require the disclosure of all non-governmental contacts on regulatory review matters while preserving the confidentiality of intra-governmental deliberations and communications.

5. The new regulatory review Executive Order should outline a philosophy of openness, efficiency, economy, fairness and "putting people first." As an integral part of the effort to reinvent government, the new review process should stress the Administration's commitments to --

   a. vindicating constitutional and statutory rights;

   b. making the process more responsive and accessible to the citizenry it serves;

   c. the efficient functioning of markets and the economy;

   d. improved quality of life, preservation of the natural environment, efficient and rational use of the world's resources, enhancing the health and safety of the American people as well as ensuring that those who must comply with regulatory requirements are not burdened by unnecessary on unjustified costs of compliance.

e. streamlining the regulatory process to reduce significantly the number of proposed rules reviewed by OIRA each year;

f. discouraging unnecessary litigation and administrative proceedings; and

g. easing the burden on state and local government.

Beginner's Luck or President's Prowess?

Dazzled Capitol Wonders if Clinton Can Keep Lighting Up the Board

Mack worth reading on the weekend Dee

A1

THE PRESIDENT HAS SEEN

By David Von Drehle
Washington Post Staff Writer

NEWS ANALYSIS

In ways, Washington politics is like a video game. You are rewarded for pushing the right buttons. Obsessive players tend to hog the controls. Frantic figures boop and bleep and squawk incessantly, but after a while you hardly notice the racket.

And some games get harder with each new round of play. That is where President Clinton finds himself today, after deftly joysticking the outline of his economic plan through most of the congressional maze. A few more flicks of the wrist, many experts seem to believe, and Clinton will have his stimulus proposal through the Senate and be done with the first level of the game.

Professional Washingtonians, impressed by Clinton's proficiency at the game—his command of the airwaves, his ability to connect with voters, his smooth touch on Capitol Hill—are giving him high marks, some enthusiastically, others grudgingly. "I will say this: He is as formidable a political figure as I've seen in my lifetime," Republican strategist Ed Rollins allowed recently.

But now come more challenges, and all at once. More than simply impressed, the capital is curious: How will the new guy do on Level Two?

He already is swarmed with foreign policy tests. Just ahead looms the nightmare tangle of health care reform. No player has ever licked that one.

The question of gays in the military is scheduled to return; Clinton got a glimpse of that hurdle last January

See MOOD, A19, Col. 1

and paused. Through it all, the budget test will continue, but in a nastier form: Not broad outlines, but bloody specifics. Some people wonder about his guts.

Clinton's early success appears to have altered certain capital customs, at least for the time being. On the Hill, congressional Democrats are playing can-you-top-this with cuts in the federal budget. That's new.

New also is the rather peaceable tone of Senate Minority Leader Robert J. Dole (R-Kan.), who has periodically holstered his .44-caliber tongue. Jack Kemp, former Secretary of Housing and Urban Development, the hero of many Reagan conservatives, has actually embraced certain Clintonisms.

Conservative columnists Rowland Evans and Robert Novak found "evidence that President Clinton's political grand design is working" in the U.S. Chamber of Commerce's decision to support his "soak-the-rich taxes." Even Haley Barbour, chairman of the Republican National Committee, acknowledges that Clinton's command of the "bully pulpit" reinforces his party's need to shift its gaze "away from Washington and toward the states."

"He changes the way we do business," said Barbour. "We're not going to lie in the weeds, but we're not going to pretend we could win a frontal confrontation with him today, either."

Yet if the president is flying high, there are those who can imagine him falling fast. Clinton's approval ratings are strong, especially for a man who has just proposed a raft of new taxes. But political pros frequently point out that his negative ratings are also unusually high. Clinton's style may be sweet, Barbour said hopefully, but there could come a time when people conclude "it's too much sugar for a dime."

Given that it is the Washington way to be prepared for every eventuality, Rollins has been counseling steady readiness to Clinton foes. To wit: "Just hold his coat. He won and he's got sufficient votes in Congress to do whatever he wants.

"Wish him well for the good of the country," Rollins continued. "And the moment he falters, be prepared to put the kick in his side on the way down."

Political Washington has revised its opinion of Clinton so many times that it is sometimes hard to believe he has been president only a little over two months. In the glow of his telegenic inauguration, Clinton was hailed as the new John F. Kennedy, but within hours, his attorney general nominee, Zoe E. Baird, flamed out. Soon thereafter, Clinton was bobbling the gays in the military issue with that desperate air of Wile E. Coyote just after the Roadrunner hands him a bomb.

Then he ad-libbed a bravura performance in his State of the Union speech, and his standing shifted wildly again. "He proposed to raise taxes and cut spending and he actually went up in the polls," said Clinton's communications consultant Paul Begala. "That's an extraordinary thing."

The whole wild roller coaster has been extraordinary. In a matter of weeks, Clinton was a giant in official Washington's estimation, then a clown, and just as suddenly the new-and-improved Ronald Reagan, a lovable communicator who could play with fire and not get burned.

All of which may help to explain why so many Washingtonians are choosing to "keep their powder dry," as Republican public relations consultant Sheila Tate put it recently. Even loyal Democrats feel Clinton is as unproven as he is formidable. It is as if the president has shown that he has the tools to dominate the government, but has not yet shown whether he has the will to dominate, nor what he intends to do if he does dominate.

"Most guys like me, a lifetime Democrat—people who had almost despaired of ever having another successful Democratic president—could not be more pleased with him," said Harry MacPherson, once an aide to Lyndon B. Johnson and now an *eminence grise* of his party.

But he continued: "The next thing I think he needs to do, I think he needs to say no in some serious ways to attractive constituencies, to conventional liberal causes. . . . It's important that this appealing, warm, attractive politician show that he's also capable of being a tough leader."

Other Democrats also speak of the need for Clinton to show some muscle in the next round, to hit a few obstacles head-on. He has the full attention of permanent Washington; now he needs to take command, they say. As if it's not enough to be loved in the capital. One must also be feared.

"Now's the time when he could . . . bloody some noses," said one Democrat who learned to fight as a member of a Republican-dominated think tank. "I would like to see him not doing talk shows and spend time being president. More 'Hail to the Chief' and less Phil and Oprah."

It all makes for a rather interesting moment in official Washington: Democrats spoiling to beat somebody up while Republicans nod politely and hatch insurgencies in distant provinces.

Strange. Liberal lobbies virtually barred from the old White House, like the Fund for a Feminist Majority, are now in the business of issuing near-ultimatums. A conservative lobby as muscular as the National Rifle Association actually fired a top employee for spreading gossip about Janet Reno, Clinton's choice for attorney general.

Everyone is scrambling to define their new roles, and waiting on the president to define his. It's a time of more questions than answers: Can he stay focused? Can he be tough? Was his conservative talk on issues like crime and welfare a campaign ruse?

Clinton's good at winning votes, Washington has come to believe, and that's the name of the game around here. Others in his place once were, too.

"He ought to have a sign on his desk," Ed Rollins noted wryly. "It would say, 'Five of the last six men who sat here were defeated or driven from this office.' "

17

Health Care Watchdog Unit Cuts Back

By Dana Priest
Washington Post Staff Writer

At a time when Medicare and Medicaid spending is skyrocketing, the main federal agency responsible for investigating waste and fraud in those programs is in the process of closing 10 of its 57 offices and has abandoned 1,500 pending cases in the last six months for lack of manpower.

In 14 states, the Department of Health and Human Service's Office of Investigations—part of the HHS Office of the Inspector General—has reduced its caseload "to a bare minimum" and will open few new cases, according to internal agency documents and interviews with department officials.

"It's like taking a step backwards," said Deputy Inspector General for Investigations Larry Morey, whose office recovered $50 million for federal coffers from its Medicare and Medicaid cases in 1992. "We were hoping that the cavalry would come in and save us, but it doesn't appear that's going to happen."

Although President Clinton has promised to pursue fraud aggressively as part of health care reform, his 1994 budget—which called for across-the-board cuts in agency funding—will give the office its biggest budgetary decrease in a decade.

Morey said he has reduced the workload and staff in those sections of the office that have traditionally received the fewest allegations of fraud and abuse.

HHS spokeswoman Aves Lavell said yesterday that the department will "have to work smarter" within limited resources. "It doesn't make a lot of sense to devote resources to parts of the country where the prospects for recovery are slim. Let's face it, we're strapped. Government is downsizing."

Between 1987 and 1990 the investigation's office grew by 34 percent, but budget constraints in the last three years reversed that trend. The department imposed a hiring freeze in 1991 to deal with reduced funding levels.

The investigations office has been told by administration officials to plan on a fiscal 1994 budget that is 3 percent lower than 1993 levels. That means a nearly $99 million budget and a further reduction of 40 people this year, Morey said. The number of investigators and support staff has already dropped from 460 in 1988 to its current 390.

The program cuts "seem ironic when everyone is so worried now about fraud and abuse," said Richard P. Kusserow, who was HHS's Inspector General from 1981 to 1992. "Somewhere along the line you reach the limit of what you can do."

The Inspector General's Office of Investigations is responsible for investigating allegations of fraud, waste

See INSPECT, A7, Col. 1

At Critical Time, HHS Cuts Inspectors

INSPECT, From A6

and abuse in HHS's programs, the largest of which are Medicare, Medicaid, Social Security and the Public Health Service.

It turns criminal cases over to the Justice Department for prosecution and has the authority to impose civil monetary penalties and to disqualify physicians, hospitals or other health care providers found guilty of fraud and abuse from receiving Medicare and Medicaid money.

Clinton has not yet appointed an inspector general at HHS.

During the 1980s, the amount of money the office of investigations helped the government recover through case settlements, restitutions and fines increased steadily. In 1991 the office recovered $87 million.

But in 1992, a year after the hiring freeze was instituted, recoveries dropped to $69.8 million. Medicare and Medicaid cases accounted for nearly $50 million of the total.

Federal spending on Medicare, which funds health care for the elderly, and Medicaid, the state-federal program for the poor, will total $225 billion this year. Medicare alone accounts for 15 percent of all the money spent in the United States on health care.

To accommodate the budget cuts, the investigations office is cutting its pending caseload by 15 percent, eliminating pending Medicaid cases and turning new Medicaid cases over to the states, according to its internal "strategic plan" and Morey. Only 41 states have Medicaid fraud units.

According to the plan, the office also plans to "reduce caseloads to a bare minimum and open no new cases except under highly unusual circumstances" in Alaska, Hawaii, Idaho, Maine, Montana, New Hampshire, North Dakota, Rhode Island, South Dakota, South Carolina, Utah, Vermont, West Virginia and Wyoming.

The hiring freeze had a considerable effect on certain regions of the country. For example, there are now six employees in the Santa Ana, Calif., office that is responsible for cases in the Los Angeles region—the second largest metropolitan area in the country outside New York. The New York office has about 50 staff members.

There is currently one investigator in the Albuquerque region of New Mexico, one in Maine and one in South Carolina. With the potential dangers inherent in work that involves alleged misconduct, it is sometimes not advisable to allow a single investigator to deliver a search warrant or interview a hostile suspect, Morey said.

"It becomes so impractical it's ludicrous," he said.

Carol
Is this correct?

THE PRESIDENT HAS SEEN

23

Stephen S. Rosenfeld

Playing Nuclear Cop

In the old days of the Cold War when Washington and Moscow policed the global nuclear beat, their lever was the now 25-year-old Nuclear Nonproliferation Treaty. It offered protection by the nuclear haves in return for abstinence by the nuclear have-nots—a pretty good bargain all around.

Just four countries, India, Pakistan, Israel, and—now we learn—South Africa, actually acquired weapons or the makings of them in that time, and they kept them more or less under wraps. It is only now, as rogue regimes like Iraq and North Korea and place- and power-seekers like Ukraine and countries in between like Iran tug on the leash, that we begin to ask whether there is something to put in the treaty's place.

The Soviet-American great-power arms control conspiracy is no more, and the United States is not of a mind or in a position to enforce this fateful tradeoff on its own.

True, the United States and other haves formally pledged in the Nonproliferation Treaty to assist any have-not finding itself "a victim of an act of aggression or an object of a threat of aggression in which nuclear weapons are used."

But this "guarantee" has faded. The presumed automaticity of Cold War deterrence is more a historical memory than a current reality. The protective patronage of the nuclear haves has been eroded globally by the demise of Soviet power and in this country by a quarter-century's bruising encounters between events in the world and politics at home.

Look at the cautious American response in crises, as in Yugoslavia, far below a nuclear threshold. Ask yourself what chain of circumstances could now induce Washington to deliver on its treaty guarantee to a nuclear-threatened third party. I am aware it is considered bad form to speak publicly of the watering down of deterrence. But there is no ignoring that the premise—sure response—of the old nuclear guarantees is not what it was 25 years ago.

Certainly Ukraine, which lives uneasily in the nuclear shadow of rival Russia, cannot ignore this change. Rightly impatient to lock the former Soviet lands into strategic arms controls, the United States seeks Ukraine's early endorsement of nuclear abstinence. But Ukraine sees its physical possession of leftover Soviet missiles as its ultimate bargaining chip to ensure its territorial integrity and relief from military, political and economic pressures. For yielding those missiles, Ukraine envisages—in a rolling sequence—a statement from, membership in and integration into European and Western structures like NATO.

Americans must make the difficult case—difficult because Russia is so perilously in flux—that Ukraine will be more secure as a nuclear have-not than as a potential teasing have. Ukrainians must make sure that by careless bargaining—asking too much too soon— they do not lose international understanding for their pursuit of legitimate national objectives. The dialogue, as far as one can tell from the outside, is still in its early stages.

Each would-be nuclear country's situation is different, but the case of Ukraine points up what must be the common core of efforts to restrict the nuclear club: to bring anxious and insistent applicants into the comforting yet confining web of a broad political framework. The old guarantees, imposed from above and accepted below for want of an alternative, simply cannot be counted on to do the job.

Granted, North Korea, Iraq and Iran show in their ways the limits of dialogue. They are run by despotic and highly suspicious regimes and live off the tensions of defiance. Short of a change of regime, extreme vigilance is the word.

We must also review our own policy. At the moment we have moved halfway but only halfway from steps taken to stabilize relations with a disciplined fellow superpower to steps that will make us more effective as an advocate, model and force for limiting jumpy others. It is time for a new dispensation. Part of it will engage us on the side of restraint and self-denial in order to show we do not claim a unique nuclear license. Another part, not necessarily inconsistent with the first, must involve us on the side of assertiveness to face up to the thugs.

Tony L. etal
pretty impression

THE PRESIDENT HAS SEEN

Max Baucus

Freer Trade, a Greener Continent

"Think globally, act locally," the bumper sticker admonishes. The advice is good, and millions have followed it.

When U.S. negotiators returned to the bargaining table with Mexico and Canada yesterday, they began a historic opportunity to extend environmental protections across this continent. For the first time, our trade negotiators can look beyond the technical business questions that have dominated past trade talks and focus on concerns about the environment that are widely shared by Americans.

We can best use that opportunity by putting teeth in a key side agreement to the North American Free Trade Agreement. I believe that the North American Commission on the Environment can set a ground-breaking precedent for sustainable development and the best hope for turning the Earth Summit's grand talk about linking environmental goals with economic development into action. And a strong NACE is a fair price to ask for the benefits that NAFTA will bestow on Mexico.

Never before have nations at such different levels of development attempted to negotiate a free trade agreement. The environmental records of the United States and Canada are far from spotless, but we share a long commitment to protecting public health and safety. Our regulators are backed by potent scientific expertise and overseen by a vigilant community of environmental groups. Public opinion has made environmental concerns a driving force of individual, corporate and government decisions; Americans will not settle for backsliding on the progress we have made.

Mexico's environmental protections were modeled on U.S. laws—but comparisons end there. Enforcement is almost nonexistent. Companies there have trouble finding the expertise they need to clean up their operations. And, in the five years since Mexico's key environmental laws were written, public scrutiny has been tentative at best. Despite its recent efforts to enforce its environmental laws, Mexico will be hard-pressed to catch up.

Present plans are to make NACE yet another commission to study problems and write scientific papers. Markets are all-knowing, the argument goes; wait for economic development to take Mexican public opinion down the same path that America traveled.

That approach won't solve the problems, and it won't seize the opportunities NAFTA presents. Even if economic development comes quickly, it won't enlighten companies into changing their ways of operating in Mexico any time soon. It certainly didn't in the United States. Even with a proven record of developing markets for American innovations, our firms traditionally have ignored the carrot of environmental technology until they felt the stick of environmental enforcement.

BY BARRIE MAGUIRE

We cannot ask American companies and their employees to wait patiently while NAFTA works its miracles on Mexico's economy. Instead, we should encourage them to be the innovators that Mexico needs. Creating NACE as an iron fist inside a velvet glove would spur such innovation.

NACE should be empowered to investigate complaints that, because existing environmental laws are being flouted, firms are profiting from an unfair trade advantage—as they do when Mexican authorities look the other way while "maquiladoras" operating on our border illegally dump their toxic waste. Left unchecked by serious enforcement efforts, these practices threaten to multiply with freer trade. Leniency on environmental laws south of the border is nothing less than a trade subsidy if the same laws are enforced north of the border.

If NACE experts find that a persistent pattern of violations has resulted in a trade injury, they should turn their cases over to the authorities of that country for action and stand ready to assist them with technical advice. If violations persist, governments should have the right to cut off the economic benefits of free trade to that firm or impose other sanctions.

To ensure Mexican authorities have the wherewithal to that enforce their environmental laws, a temporary border fee (of no more than one percent of goods traded in the new free-trade zone) should be authorized; our portion might be split between border environmental projects and job retraining for American workers.

The "velvet glove" is a rule for NACE as a consultant as well as an enforcer. Confidential advice would help companies meet environmental standards and match their needs to the environmental technologies available. Like the U.S. Commerce Department's new Manufacturing Outreach Centers do at home, NACE could help U.S. "enviro-tech" companies spot potential customers as they help businesses operating in Mexico.

"The past has left us orphans, as it has the rest of the planet, and we must join together in inventing our common future," Mexican Nobel laureate Octavio Paz wrote. Three decades later, we have an opportunity to do that by more closely linking our environmental and trade policies.

Freer trade is certain to benefit each country, but the United States has more to lose—both economically and environmentally. Mexico is the fastest-growing market for U.S. exports, and we posted a $5.4 billion surplus there last year. To help ensure that NAFTA is a net plus for the United States, we must press our competitive advantages in this market of 360 million consumers—the world's largest. We have just such an advantage in several industries, including the emerging "enviro-tech" industry.

Environmental problems around the globe are increasingly local. Pacts like the North American Free Trade Agreement offer us a way to "act globally" on the environmental issues that spill over our borders. Our responsibility to America's citizens calls for us to evaluate NAFTA not as a way to help a struggling, Third World neighbor—but as an opportunity to improve our own quality of life.

The writer, a Democratic senator from Montana, is chairman of the Committee on Environment and Public Works.

Bob R

Good piece

THE PRESIDENT HAS SEEN

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Rowland Evans and Robert Novak

Heresy From Jack Kemp

"I couldn't believe that was Jack Kemp saying those things," mourned a puzzled middle-road Rep. James Ramstad of Minnesota. "He's still my man, but it made me wonder."

For many other Republicans baffled by Kemp's performance on NBC's "Meet The Press" March 7, he may no longer be their man. On one issue after another, Kemp abandoned and rejected positions dear to a conservative movement that had enshrined him as the lineal successor to Barry Goldwater and Ronald Reagan. To many, Jack Kemp showed he had moved left at a pace that his supporters had not appreciated and he still has not realized.

It is much too soon to say whether this one television broadcast will have the impact of the famed Roger Mudd interview in 1980, when Ted Kennedy could not say why he wanted to be president. But the amount of concern it has caused—from the grass roots (reflected by telephone calls received by Kemp's Empower America organization) to his inner circle—should not be underestimated.

When Kemp walked into the NBC studios in Washington, he was the runaway Republican choice for president in 1996 with nobody else even close. A straw poll of right-wingers attending the annual Conservative Political Action Conference showed him 50 points ahead of second-place Pat Buchanan. He seemed the one Republican who could unite country clubbers and Christian activists and then have a chance to go on to beat Bill Clinton.

Have four years at HUD changed him?

While Kemp was winning the wide support denied him in his 1988 race for president, his closest backers in that failed campaign had misgivings. They are concerned about his refusal to sanction early grass-roots efforts and his rejection of party speaking dates while he travels the paid lecture circuit. But all that can be corrected in time.

What's more worrisome is the perception that four years as secretary of Housing and Urban Development have profoundly changed Jack Kemp. Those fears were crystallized on national TV:

- He opposed two of his base constituency's most popular initiatives: the balanced budget constitutional amendment and term limitations for Congress.
- He said he would accept an individual income tax raise in return for capital gains cuts—a deal possible in 1990 but not today.
- He endorsed three increases in spending proposed by Clinton—Head Start, the WIC (Women, Infants and Children) nutrition program and the earned income tax credit, which subsidizes lower-middle income people. These positions stunned Kemp's closest associates, who consider all three programs dubious at best.
- He came out for outlawing assault weapons ("ban it any way you can"). That was a shocker considering his 18-year "perfect" record in Congress against gun control, as measured by the National Rifle Association.
- He declined to unequivocally condemn welfare benefits for illegal aliens. His use of the standard liberal formulation ("we should control the border at the border") is anathema to Southern California conservatives. It sent a chill up the back of one of his most stalwart bands of supporters.

One such Kempite, Rep. Dana Rohrabacher, used diplomatic language to react to his leader's divergence from a key Republican issue in the Golden State. "We hope Kemp comes to understand this situation, because it's going to make him a stronger candidate in California," Rohrabacher told us. Translation: Get straight, Jack, or you're in big trouble.

Kemp always has diverged from conservative orthodoxy in his backing of organized labor and his ambivalence on the size of government. One or two additional heresies March 7 could have been ignored. But taken in full, his agenda so surprised one close associate that he now says Kemp's HUD contamination will have to be "de-programmed." To say that is to recognize the Republican landscape is transformed from what it was before a new Jack Kemp revealed himself to the nation.

Rahm
Steve

THE PRESIDENT HAS SEEN

Bob Rubin

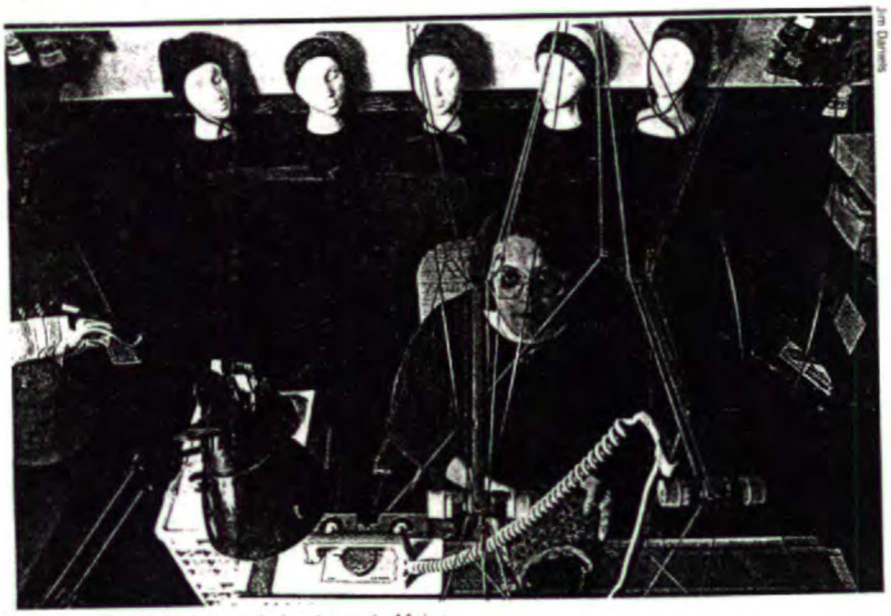
I don't think we should bother w this but we'd like some analysis from Bob Reich

The unions are geared up to ask Bill Clinton to prevent hundreds of thousands of people from working at home.

New outlaws?

THE PRESIDENT HAS SEEN

By Jody Brennan



Jim Barnes

Carol Roberts knitting hats in her home in Maine

"I just want the government to leave me alone."

CAROL ROBERTS, of Gorham, Me., works hard to help support her family. Married and with three children, Roberts, 43, works at home knitting sweaters, hats and mittens for a distributor who then sells the knitted goods to retailers. The distributor provides Roberts with yarn and designs; Roberts produces on a piece-rate basis that in effect pays her upwards of $10 an hour.

Roberts' husband works full time as a parts inspector at a local GTE Sylvania plant, but the couple can't make it on one salary alone. With one child in college and fat monthly mortgage payments, Carol Roberts' knitting income is desperately needed. But if the country's big labor unions have their way, she may lose her job.

Roberts is what the unions call an "industrial homeworker," meaning she does in her home what could be done in a factory. The AFL-CIO estimates that there are more than 600,000 industrial homeworkers around the country. Most of these workers are women, and many work one way or another in the apparel industry.

Unions don't like people like Carol Roberts. Homeworkers don't join unions, and they compete against union labor. In 1938 Congress and the Department of Labor banned industrial homework in seven industries: ladies' garments, jewelry, gloves and mittens, buttons and buckles, handkerchiefs, embroideries and knitted outerwear. But in the 1980s exceptions were created to allow homework in all but ladies' garments and some jewelry.

With the Democrats back in the White House, the AFL-CIO is now hoping to eliminate these exceptions. Says John Zalusky, AFL-CIO head of wages and industrial relations, "When the opportunity exists, we're going to the Hill as well as to the Administration to make sure the [1938] ban is reinstated [for the exempt businesses]."

There's even been talk of expanding the homework ban to service industries, where rapidly improving technologies are making a daily commute to an office unnecessary. For example, some data entry employees for insurance companies are now set up to work from home.

Working at home has obvious benefits beyond the merely monetary ones. Working mothers can spend more time with their children. Older workers can supplement their Social Security checks.

In some rural areas, the extra income from homework can mean the difference between holding on to a family farm and losing it.

The unions are unmoved by such arguments. Officials of the International Ladies' Garment Workers' Union insist that homeworking merely encourages exploitation—that economically desperate homeworkers often enlist their children to help them, violating child labor laws and creating a stressful home environment. AFL-CIO officials complain that labor and civil rights laws can't be enforced in private homes, and that sexual harassment is more likely to occur. Such assertions have little basis in fact or common sense, but they do make good headline copy.

Neither Bill Clinton—nor his new Secretary of Labor, Robert Reich—has yet said how he'll lean on the homework issue. But the betting is the union representatives will get a very sympathetic hearing. "This is a major issue for the unions," says a former labor official. "How can Clinton ignore them?"

Carol Roberts fears the unions will get their way. As an insurance policy, she is trying to develop her own knitting business, Mirjama Knits. When she isn't knitting for the distributor who buys her output, she knits and sells her own designs directly to retailers. If Roberts can get her sideline business going, then as a proprietor she can work wherever she wants.

"I just want the government to leave me alone," says Roberts. With lots of government interventionists taking up residence in Washington, she's unlikely to get her wish. ■

At Agencies, Clinton Budget Cuts Still Mysterious to Many

By Guy Gugliotta
Washington Post Staff Writer

A month after President Clinton announced his economic plan, many federal bureaucrats are still scratching their heads over proposed spending cuts that some described as ill-defined, sometimes arbitrary, occasionally misleading and, in many cases, incomprehensible.

During the past two weeks, Washington Post reporters discussed Clinton's plan to cut about $250 billion in spending over four years with officials from 11 government agencies. Most had a general idea of what was going to happen to them, and some showed detailed understanding of the package.

But with less than three weeks remaining before the formal budget is to be presented, officials from several agencies expressed mystification about large chunks of money they are supposed to cut from their budgets.

Some officials also complained that they do not understand the administration's calculations. Others said some of the cuts were not cuts at all but simply new ways of calculating spending. Still others expressed confusion about the administration's vague instructions to cut something without advancing any clues about how to do it.

Take, for example, "streamlining," a catchall that very few people understand, but which is supposed to save $7.9 billion between fiscal 1994-1997.

Magic Budget-Cutting Bullets

Streamlining is the greatest magic bullet in the spending cuts. One Department of Housing and Urban Development (HUD) official said "we will take seriously" $1.4 billion in streamlining, and suggested freezing some as yet unspecified programs and reducing rents paid to some owners of subsidized housing.

But many other departments appear to have no idea what streamlining means or what it entails.

The Department of Health and Human Services is supposed to shed $2.7 billion over five years, but the number was the only thing HHS officials knew about what was supposed to happen.

The other magic bullet—also expected to save $7.9 billion by the end of 1995—is the federal government-wide elimination of 100,000 jobs. Everybody is supposed to contribute a "fair share."

The Department of Veterans Affairs has found that its fair share is 9,000 jobs, a tough hit for VA hospitals. "That's obviously something we're negotiating," a VA budget officer said. It would be especially problematic because VA Secretary Jesse Brown is proposing a large increase in the number of patients for the system to handle.

At the Office of Management and Budget, the number of employees is supposed to decline by 1 percent, or about five of the roughly 500 positions. "If that includes people who die at their desks," said one overworked OMB official, "I'm sure we'll make it."

At HHS, where the fair share is supposed to be 4,000 to 5,000 positions, nobody there knew whether that meant cutting the roster of current employees or cutting the authorized positions. If it is the latter, outside analysts contend, the savings are theoretical, not only in HHS, but in every other agency.

This problem—trying to find the starting point or baseline—was causing bureaucrats throughout the government to throw up their hands.

Another headache arises when budget analysts try to figure out whose estimates of savings are accurate. Democrats regularly ripped into Bush administration budget director Richard G. Darman for sunny predictions that never came true. Clinton is supposed to be more conservative.

The new puritanism can be confusing. In one proposed Medicaid program change, the Clinton plan relied on Bush administration figures that forecast savings of $1.9 billion in 1995. The Congressional Budget Office, however, pegged the figure at $850 million. What's $1 billion between friends?

Not to worry, said HHS Deputy Assistant Secretary Ken Thorpe. Next month's detailed budget proposal for fiscal 1994 will rely on new estimates putting savings close to CBO, or even lower.

Once into baselines and estimates, it's only a short step to deficit-cutting's favorite ploys: spend now, but count it next year; cut a program in one place, but pick it up elsewhere.

The Energy Department, for instance, intends to spend less each year on the Superconducting Super Collider than planned by the Bush administration, but doing it Clinton's way adds $2 billion to the projected total cost, with completion in 2003 instead of 1999.

And at first blush, the Clinton plan also suggests a $4.1 billion savings over five years at the Environmental Protection Agency through the expiration of a federal revolving fund used by local governments to help finance waste water treatment projects.

But a closer look shows that the savings will be more than offset by Congress's expected approval of a new revolving fund, plus a new safe drinking water revolving fund—adding about $4.8 billion over five years. "The bottom line is you've added it right back," said a Senate Budget Committee aide. "So you can't really call it savings."

A Touch of Wishful Thinking

The Clinton plan also relies heavily on wishful thinking, always number one on the budgetary hit parade. This gambit can take several forms, and one of the most popular is simply to declare that something must be cut, period, spare me the details.

The Small Business Administration is supposed to eliminate "certain programs" to save $315 million over four years. But, with one exception, SBA has no idea what certain programs Clinton has in mind: "We are as much in the dark as to what these numbers mean as you are," said SBA acting Administrator Dayton Watson.

So is the Justice Department, which is supposed to trim the Bureau of Prisons'

Bob R
This is about the only bad press we got on budget but it raised the flags to me
1/2
Hope OMB has answers

THE PRESIDENT HAS SEEN

BY PETER ALSBERG—THE WASHINGTON POST

2/2

new construction budget by $331 million between 1994 and 1998—this for an agency that expects the federal prison population to jump from 82,000 today to more than 104,000 by 1997.

Justice Department spokesman Frank Shults said, "My understanding is that they have said, 'You have this money. How you spend it is going to be up to you.' "

Another subset of wishful thinking is to make extraordinary claims on behalf of a particular deficit cut: Thus, the Treasury Department hopes to pick up $3.8 billion in revenue from a "compliance initiative" to ensure that the prices of oil imports are reported accurately—billions through better bookkeeping.

And the new "farmer friendly" Agriculture Department plans to save $739 million over four years by consolidating the department's three biggest subsidy and assistance programs into one new Farm Service Organization. This is 3½ times as much savings as any previous structural reform estimate, but the administration insists it can be done.

Details, however, to come later.

Perhaps the administration's biggest leap of faith comes in its apparent certainty that Congress will cooperate, either because the Democrats control everything for the first time in 12 years, or because the Clinton administration is pure of heart.

Most of the suggested Medicare and Medicaid changes at HHS (designed to save $62.6 billion over five years by slowing program growth) were proposed by Republican administrations but rejected by Congress. So were nearly $1.9 billion in cuts to the Agriculture Department's farm programs.

A Pinch of Democratic Unity

Clinton is hoping to Congress will like *his* cuts because he's a Democrat, but Congress doesn't seem particularly anxious to cooperate in all cases. The House Agriculture Committee chairman and ranking minority member have already registered bipartisan objections to a number of big ticket items.

Grumbling is also rife at the U.S. Postal Service, where the Clinton plan hopes to save roughly $1.2 billion by cutting the government subsidy for nonprofit mail and cutting payments for retirees' health insurance.

Both strategies were proposed by the Bush administration and rejected by Congress. Arthur B. Sackler, managing director of The Mailers Council, a group composed of large mailers, predicted that passage of the measures—which the Mailers call a "stamp tax"—would make a postal rate increase inevitable.

Meanwhile, at HUD, the administration intends to cut $565 million by eliminating "Special Purpose Grants," used to finance special projects written into HUD's annual appropriation by Congress.

Clinton is thinking bigger at the Transportation Department, which is supposed to cut $1.3 billion in "low-priority transportation programs and projects," including all "demonstration projects" tacked onto highway bills by Congress's appropriations committees.

Anyone who has been around Washington for 10 minutes or so knows that items labeled "special purpose" or "demonstration" give off a pungent odor of pork. Presidents have been trying for two centuries to keep senators and representatives away from the public trough. Clinton may succeed where others have failed. But maybe not.

Staff writers Barton Gellman, Michael Isikoff, Tom Kenworthy, Thomas W. Lippman, Bill McAllister, Don Phillips, Michelle Singletary, Barbara Vobejda and Steven Mufson contributed to this report.

THE PRESIDENT HAS SEEN

THE NEW YORK TIMES, THURSDAY, MARCH 18, 1993

Big win for AG/Justice

BC

Islam Under Siege

WASHINGTON

Islam, one of the world's great religions, is under attack from within. The nations with the firmest tradition for the protection of religious liberty and a free press — Britain and the U.S. — have become the bases for extremists seeking to turn Islam into an aggressive political movement.

In Washington this week Prime Minister Yitzhak Rabin told President Clinton that fundamentalists incited by Iran were infiltrating Muslim institutions in the West. The Israeli informed journalists yesterday that "the intelligence community here is showing a growing awareness of the threat."

Unfortunately, when Jews talk to Christians about a problem among Muslims, a natural reaction in the Islamic world is to close ranks and protest religious prejudice. A wiser reaction would be to face up to their religion's subversion by radicals.

In Europe earlier this week, intelligence officials told me that French and German internal security agents — using "light harassment" and incessant wiretaps — had driven the fundamentalist leadership first to London and more recently to two areas in the U.S.: New York-New Jersey and Texas-Arizona.

The radical leaders cannot operate in most of the Arab world. Syria's deal with its non-Arab ally Iran to keep fundamentalists out is underscored by President Assad's readiness to massacre troublemakers; Egypt, its leaders often assassinated by the movement, has begun sending police into suspect mosques with guns blazing.

That's why the newspaper of the Egyptian jihad is now published in New Jersey and mailed to the Middle East; why Jordanian and Algerian members of the Islamic Front operate out of New York; and why videotaped sermons by a Lebanese radical are distributed out of Dallas.

European spooks marvel at the way our F.B.I. is hamstrung by the simple code of the radicals: instead of issuing a fatwa, or death warrant, which would be prosecutable, a sheik simply declares a targeted Muslim opponent *murtid* — "apostate" — which falls within the bounds of religious comment here but which is understood by hit men to be a sentence of execution.

Our network of extremist mosques escape detection by using Edgar Allan Poe's theory of the purloined letter — that is, by operating in the open. A convention in Oklahoma City attended by many law-abiding, orthodox Muslims also included lectures by a Hezbollah sheik whose message was more inciting than insightful.

Who are the warriors of the movement? "An *Afghani* is not an Afghan," says a longtime radical-watcher. The Afghanis are the legion of fighters of many races and nations recruited and trained by Pakistan and the U.S. to help defeat Soviet invaders in the 80's. From camps in the Peshawar region on the Pakistani-Afghan border, these hardened soldiers now are given Sudanese passports by Iranian agents and transported through Sudan to Egypt and Algeria and Lebanon.

Until Desert Storm, money extorted from Saudi royal family members was the main financial support of the movement. Saudis could claim that contributions to the legitimate social activities of the radical mosques were a counterweight to their irreligious behavior. Iran has since supplemented the estimated $200 million annual budget, but unlike the frightened Saudis, radical Iranians want terrorist results shown before they put up money.

Extremists find U.S. sanctuary.

Since the terrorist display at New York's World Trade Center, the F.B.I. is playing catch-up, even utilizing C.I.A. connections in meeting what is belatedly seen as a domestic threat.

How will we contain religio-terrorism? Our own way, with proactive police work, court-warranted surveillance and relentless prosecution — not by shooting up mosques, abusing the accused or limiting our freedom to worship and express ourselves.

Non-Muslims can help by recognizing the great trial that millions of their fellow Americans are going through, and by not thoughtlessly lumping together the orthodox, the secular and the extremist.

Muslims can help by refusing to be intimidated by their violent minority, which is now an act of considerable personal courage, and by recognizing that the law's worldwide counterattack against fanaticism can only strengthen Islam. □

THE NEW YORK TIMES, THURSDAY, MARCH 18, 1993

Spooked Over Intelligence Cuts

Judging by his budget presentation, R. James Woolsey, President Clinton's chief spymaster, seems well on his way to becoming a captive of the old-boy bookkeepers in the intelligence agencies. Mr. Clinton, who needs to save every dollar he can, would be a sucker to let that happen.

The immediate issue is the annual intelligence budget of $29 billion. The larger issue is whether America needs an intelligence apparatus of cold war dimensions. Mr. Woolsey told the House Intelligence Committee that he could absorb a $1 billion cut in next year's budget but not much more — a snub of Mr. Clinton's campaign pledge to find $7.5 billion in cuts over five years.

"Precipitous" cuts, Mr. Woolsey warned, "will cripple us in the long run." It's understandable that a new President might waver when faced with the mysteries, political connections and massed inertia of the national security mandarins. But it defies common sense, with no Soviet threat in prospect, to believe that the intelligence agencies can't make do with less than $28 billion.

•

Intelligence costs reached a peak of nearly $31 billion in 1990. They've dropped only $1.9 billion since then, even though fully half the $31 billion was aimed at a threat that has now largely evaporated.

Of course there are other dangers. But are they so menacing that none of the remaining $13 billion once directed at the Soviet threat can be cut from the intelligence budget? Senator Daniel Patrick Moynihan, for one, believes that deep cuts are both possible and feasible. The Congressional Budget Office suggests cuts yielding five-year savings of $18.8 billion. Cutting back on satellite reconnaissance might save $3 billion more.

In the old days, tracking the Soviet threat was a full-time occupation involving an army of spies and analysts who kept their eyes on Latin American leftists, Soviet submarines, Moscow cocktail parties, diplomatic communiqués, missile movements and military maneuvers. It may make sense to continue some but surely not at the same pace. Here are some places to cut:

Unnecessary Satellites. The National Security Agency spends $4 billion a year on "big-eared" satellites that monitor everything from telephone conversations to missile telemetry. It overhears more than can be transcribed and translated.

Similarly, the National Reconnaissance Office spends roughly $6 billion a year on eye-in-the-sky satellite monitoring, at $1 billion a satellite. Soviet coverage can now be reduced. Coverage of other targets, like would-be nuclear proliferators, can be carried out with fewer satellites.

Tactical Intelligence. The biggest chunk of the budget, about $11 billion, is spent on tactical intelligence, tracking military movements up to the minute. The Defense Intelligence Agency, each of the four armed services and each of 10 military commands has its own tactical intelligence staff. Redundancy provides some useful alternative assessments — and lots of wasteful duplication.

Spies and Analysts. Nobody knows how many spies and analysts there are, but savings are possible here, too. The C.I.A. has cut its staff of Soviet military analysts to 9 from 125. But it has simply shifted the work to the armed services, which are resisting staff cuts beyond normal attrition. It's true that the C.I.A. will have to keep an eye on places like Iran. But since the Soviet menace was global, the rest of the world was pretty well covered to begin with.

Furthermore, much of what passes for "intelligence" comes from newspapers, broadcasts and conversations. That was true even in the secretive Soviet Union, with its tightly controlled media. Such information is inexpensively gathered; the diplomatic corps does it every day.

Spies can help, but their value should not be overestimated. They cost more than diplomats and, despite the occasional intelligence bonanza, they serve up lots of disinformation too. And money doesn't guarantee success: the intelligence community had plenty when it failed to predict the Shah of Iran's overthrow and the Soviet Union's collapse.

What Mr. Clinton and Mr. Woolsey face is a deeply entrenched culture that feeds off what it can identify as a menace. They should not let themselves be spooked. Beneath the veil of secrecy is a bloated budget that can be safely cut.

THE PRESIDENT HAS SEEN

Bob R
Something to keep
in mind in next
round of cuts —

20

THE PRESIDENT HAS SEEN

Nach/Mach

She may longer

but doing.

Again -

THE WHITE HOUSE

WASHINGTON

Mack

~~CONFIDENTIAL~~

TO: President Clinton

FROM: Carol H. Rasco CHR

SUBJ: Environmental issues

DATE: March 16, 1993

Earlier you had indicated we, the Domestic Policy Council staff, should coordinate the environmental issues through Katie McGinty. We are now feeling that such coordination is fine but that we need a person on our staff to watch out for your interests quite frankly but who would still coordinate with her staff....is this going to create a problem if we ask for a detailee from EPA or Energy to work on our staff?

Please advise.

Thank you.

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: RB DATE: 5/7/18

THE PRESIDENT HAS SEEN

Mark

– This piece is all bad but worth watching the thread of it

– Scow talking there

B.

THE WALL STREET JOURNAL WEDNESDAY, MARCH 24, 1993

Clinton White House, Wary of the Past, Keeps Top Aides of Jimmy Carter Outside the Fence

By JAMES M. PERRY
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – They're the lost tribe of U.S. politics – the men and women who served Jimmy Carter.

Of the 25 top people in Mr. Carter's White House in 1979, none has been offered a job in the Clinton administration. Though Carterites have emerged in key posts in the foreign policy-national security area, there's hardly a familiar Carter figure anywhere else in the new Democratic administration.


Bill Clinton

"I would guess it's a conscious effort," says Greg Schneiders, who was Mr. Carter's deputy communications director. "They don't want this administration to look like Carter II."

It's not appearance only; it's substance as well. Members of the Clinton team don't want to perform like the Carter administration either. They recoil at the memory of surging inflation, a hostage crisis in Iran, White House statements about a "crisis of spirit" among Americans, gridlock with a Congress controlled by the president's own party, mass cabinet firings.

They avoid Carteresque behavior any way they can. They made sure they had control of the appointment of subcabinet officials; Mr. Carter allowed the cabinet secretaries to pick their own people, and the result was ducal government. Mr. Clinton goes out of his way to schmooze with members of Congress, from both sides of the aisle; Mr. Carter wasn't one for schmoozing, and he paid a steep price.

Mr. Clinton's personal lobbying on Capitol Hill for his carefully constructed program seems to be paying off. "The Jimmy Carter analogy has now died," declares Massachusetts Democratic Rep. Barney Frank.

Some Carter veterans take part of the credit for the improvement, having met with the Clinton people and warned them of some of the pitfalls. "It would be a lot easier to work for this guy," says Frank Moore, who was Mr. Carter's chief congressional lobbyist and who is now a vice president and Washington representative of giant Waste Management Inc.

It is a replay of sorts of what the Clinton people did in the campaign. Then, it was their goal to avoid doing anything that Michael Dukakis had attempted in his losing presidential campaign in 1988. He was the bad example then; now, the bad example is Mr. Carter.

And so it is that even Mr. Carter's vice president, Walter Mondale, still a savvy student of the way the government works, has been disappointed. Though he might have been of considerable assistance to the new administration, all he was offered was an ambassadorship to Moscow, hardly a temptation for a politician who grew up in wintry Minnesota.

Ambassadorships, in fact, seem to be the new team's idea of a way to reward the old. Stuart Eizenstat, Mr. Carter's domestic policy chief and the one Carterite most highly touted by his old colleagues for a job with this administration, is also in line to serve his country in a faraway capital, taking no role in designing domestic policy for the Clintonites. "That's too bad," says Bert Lance, Mr. Carter's first budget director. "Stu really understands domestic policy. He could have helped."

There are, indeed, a handful of Carter veterans scattered through the new administration in domestic-policy jobs, but most of them served in second-tier or third-tier roles during Mr. Carter's single term in office. Secretary of Energy Hazel O'Leary, for example, was a division head in the Carter Energy Department. W. Bowman Cutter, now the White House's deputy national economic adviser, worked in Mr. Carter's budget office. Roger Altman, the new deputy Treasury secretary, was an assistant Treasury secretary in the Carter administration.

At least the Carter folks are delighted to see Warren Christopher running the State Department – he was deputy secretary in the Carter administration – and William Perry serving as No. 2 at the Defense Department – he was an undersecretary during the Carter years. Anthony Lake, President Clinton's national security adviser, and deputy Samuel Berger are both old Carter State Department hands.

But none of this is a surprise. There's no easy way to get hands-on experience conducting foreign policy or running an army without government service. The Clinton people had no other place to turn for Democratic recruits.

But the big performers from the Carter White House are all missing. The names ring out from the past – Hamilton Jordan, Jody Powell, Jack Watson, Robert Beckel, Anne Wexler, Timothy Kraft, Gerald Rafshoon, Mr. Moore, Robert Lipshutz, William Cable, James Free. And from Mr. Mondale's staff – Richard Moe, James Johnson, Mike Berman. They're all on the outside, looking in.

Almost all of the old (but still young) Carter-Mondale hands, when pressed, insist they really don't want a job in the new administration. "Some of them may actually mean it," says Mr. Schneiders, the former bartender who became a key Carter adviser. He himself now runs his own polling and political consulting business, and he's making a very comfortable living advising giant drug makers and health insurers. He surely means it when he says he isn't interested in a White House job.

The amazing fact is that, for all of the abuse heaped upon them when they were trying to run the public sector, most of the Carter insiders are making tidy sums working for the private sector. Mr. Moore at Waste Management is just one example. Mr. Jordan is doing quite nicely as vice chairman of Whittle Communications LP in Knoxville, Tenn. Mr. Powell, Mr. Carter's press secretary, heads a public-relations office in Washington; his firm just bought out the company of Mr. Beckel, who was one of Mr. Carter's congressional liaison people.


Jimmy Carter

Mr. Johnson, a key aide to Mr. Mondale – he helped run his landslide presidential defeat in 1984 – holds one of the best-paying jobs in Washington: chairman of the Federal National Mortgage Association. Another Mondale aide, Mr. Moe, runs the National Trust for Historic Preservation, where he's having the time of his life.

Former Carter White House aide Anne Wexler is another on the outside. Ms. Wexler heads a highly profitable consulting and lobbying business; she did her business no harm when she joined President Clinton and several others for dinner at a downtown restaurant the other night. Although she reportedly sought a Clinton cabinet post, she says now: "We don't need jobs."

Ms. Wexler's husband, American University President Joseph Duffey, is one of the few former Carter people who is in line for a job. Mr. Duffey, who was chairman of the National Endowment for the Humanities in the Carter years, is being nominated to head the U.S. Information Agency. Of course, it also probably doesn't hurt that when he lost a Senate campaign in Connecticut a couple of decades ago, his New Haven office was run by a young law student named Bill Clinton.

sent
93 MAR 30 A10:33

OFFICE OF THE STAFF SECRETARY

Fax Cover Sheet

TO: Kevin O'Keefe (fax 2259)

FROM: John Podesta

SUBJECT:

NUMBER OF PAGES (including cover sheet):

5

Questions ?? Please call 202/456-2702

THE WHITE HOUSE

WASHINGTON

October 12, 1992

MEMORANDUM FOR CABINET AND AGENCY HEADS,
PAS APPOINTEES AND COMMISSIONED OFFICERS
IN THE WHITE HOUSE

FROM: JAMES A. BAKER, III

SUBJECT: STATUS OF PRESIDENTIAL APPOINTEES

I know you agree with me that it has been an extraordinary privilege to serve President Bush as a member of his team during this first term. And I am aware that many of you may wish to return to the private sector or to assume new positions in a second Bush term.

As we come to the end of a first term and begin to make plans for a second, the President has asked that I repeat a customary request. In accord with past practice, would you, immediately following the election, please submit a pro forma letter of resignation "effective at the pleasure of the President." I trust you will agree with me that this procedure will afford the President maximum flexibility in making the decisions necessary to staff his second Administration.

Please address the letter to the President and send it in care of Phillip D. Brady, Assistant to the President and Staff Secretary.

Thank you very much.

COPY

THE WHITE HOUSE

WASHINGTON

December 23, 1992

MEMORANDUM FOR CABINET AND AGENCY HEADS
PRESIDENTIAL APPOINTEES, INCLUDING U.S. ATTORNEYS, U.S. MARSHALS AND AMBASSADORS
COMMISSIONED OFFICERS IN THE WHITE HOUSE

FROM: CONSTANCE HORNER Constance Horner
ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF PRESIDENTIAL PERSONNEL

SUBJECT: Letters of Resignation

As we approach the conclusion of the Bush Administration, we take great pride in our service to the American public and in our effective conduct of the business of government, including, now, the transition to a new Administration.

This memorandum covers Presidential appointees who are full-time and Senate-confirmed and serve at the pleasure of the President, rather than in term appointments, including U.S. Attorneys and Non-career Ambassadors. It also covers White House Commissioned Officers.

In order to facilitate a smooth transition to the next Administration, appointees who are not U.S. Attorneys, U.S. Marshals or Ambassadors should submit letters of resignation to President Bush (if you have not already done so) effective no later than noon, January 20, 1993. Please address your letters to President Bush and send them care of Phillip D. Brady, Assistant to the President and Staff Secretary, by January 10, 1993.

U.S. Attorneys and U.S. Marshals are not asked to submit letters of resignation; however, the President-elect's transition team leadership has asked us to let U.S. Attorneys know that they may anticipate such a request after the inauguration.

Non-career Ambassadors serving abroad are asked to plan for an orderly departure from their embassies and embassy residences. According to the President-elect's transition office, they should not expect to remain until successors are confirmed. Therefore, ambassadors may submit letters of resignation (if you have not already done so) but are not expected to specify an effective date, and are not expected to depart as of January 20, unless it is their preference to do so.

I thank you for your most helpful cooperation, now as throughout the President's term, and wish you the very best in the future.

If you have any questions relating to the subject of this memorandum please do not hesitate to call me or my deputy, Jan Naylor, at 202-456-6444.

THE WHITE HOUSE

WASHINGTON

January 13, 1993

MEMORANDUM FOR CABINET SECRETARIES AND AGENCY HEADS
PRESIDENTIAL APPOINTEES

FROM: CONSTANCE HORNER CH
ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF PRESIDENTIAL PERSONNEL

SUBJECT: Letters of Resignation

On December 22, you received a memo conveying the President's request that you submit your resignation, effective noon, January 20. This request was made in order to assist in an orderly transition to the incoming administration. Practically all who received this request have complied with it. If you have submitted your resignation effective on or before noon, January 20, this memo serves to inform you that the President accepts your resignation. It also serves to notify those who have not yet submitted their resignations or who have submitted their resignations "at the pleasure of the President" rather than with an effective date that it is the pleasure of the President that their appointments be terminated effective noon, January 20.

There are a limited number of exceptions. For instance, non-career ambassadors were advised by the December 22 memo to prepare for an orderly departure but not necessarily on January 20.

In addition, in order to assure that authority exists within each department and free-standing agency to meet vital legal requirements, each cabinet secretary and head of free-standing agency is asked to identify one Presidentially-appointed, Senate-confirmed individual to remain in place until the incoming administration has one person appointed who is able to assume legal responsibility. This one individual will be the department or free-standing agency head or his or her designee. Cabinet and agency heads will please notify me in writing of this designee by close-of-business Thursday, January 14. The resignation of this one individual should be amended, by letter, to be a resignation to President Bush, effective upon the appointment of an appropriate individual by President Clinton to that department or agency.

This course of action has been shared with the President-elect's transition team by President Bush's transition team.

Urgent FAX

ENS WORLD NEWS, INC. • EDUCATIONAL NEWS SERVICE, INC.
445 W. 45th Street, New York, NY 10036 • 212-903-5722 • Fax: 212 499-7155

John Podesta -
I continue
to receive
faxes from
this Snow
which I
cannot evaluate

[signature]

NANCY —
keep sending these
to me & I'll forward
to the right person —
for the Pollard case
is the that's Bernie

I think the guy
is the kind of person
for whom fax machines
should be outlawed

John

:N

an Pollard's father gave me
e explaining the agony of
hen he did not give information
Yom Kippur War. The second
NJ last Sunday that I earlier
Jonathan Pollard's sentence
to time served. I mentioned that Passover coming in ten days with the theme of the Holiday being FREEDOM would be an excellent time to do it and let his family be reunited for this joyous holiday.

Thank you.

to Nussbaum only

Urgent FAX

ENS WORLD NEWS, INC. • EDUCATIONAL NEWS SERVICE, INC.
445 W. 45th Street, New York, NY 10036 • 212-903-5722 • Fax: 212 489-7155

John Podesta - I continue to receive faxes from this man which I cannot evaluate
NH

Pages 3 (including Cover)

Date: 3/26/93

To: Nancy Hernreich for PRESIDENT CLINTON
The White House

Fax No: 202-456-2397

From: Alan Freeman, President
ENS, Inc.
FAX No.: 609-823-1211
Phone No.: 609-823-1211

Dear Mr. President,

Enclosed are two press stories. Jonathan Pollard's father gave me the 10/31/92 Jerusalem Post news article explaining the agony of US Intelligence analyst, Bruce Brill, when he did not give information to Israel of the attack that became the Yom Kippur War. The second article describes the rally in Margate NJ last Sunday that I earlier wrote you asking for the commutation of Jonathan Pollard's sentence to time served. I mentioned that Passover coming in ten days with the theme of the Holiday being FREEDOM would be an excellent time to do it and let his family be reunited for this joyous holiday.

Thank you.

Jerusalem Post 10-31-92

FORUM

One man's agony after the fact

Bruce Brill, a former US intelligence analyst, charges that Washington waited over 30 hours before telling Israel of the impending attack in 1973

In the early 1970s I was working as a Mideast intelligence analyst for the US National Security Agency, NSA.

We called ourselves "spooks," implying that our work was intriguing as well as secret, although our intelligence-gathering efforts were by and large quite routine. Yet, over the course of my years at "The Agency," I was privy to some sensitive and disturbing bits of intelligence.

The American intelligence community is a society unto itself, with social guidelines even stricter than those of ordinary society. Even personnel peripheral to Agency intelligence work – cleaners, for example – need intensive security checks and clearances before they are allowed to set foot in the NSA complex. The hierarchy of security clearances begins at the 'Top Secret' level and goes up from there. Most intelligence remains off-limits to even the cleared analyst by the "need to know" restriction.

Only a select few, who sit at the top of the hierarchy, are privy to the vast bulk of intelligence processed by the Agency. By controlling the type of information passed on to National Security Council policymakers, these few Agency heads effectively wield an immense amount of influence, with profound national – if not global – implications. Their hidden agendas remain hidden – to the public, to the Congress and even to members of the National Security Council itself (unless, of course, there is collusion between certain members of the NSC and Agency higher-ups).

Whether George Bush, who headed the CIA in the mid-1970s, was in cahoots with or duped by the intelligence manipulators, raises some unsettling questions about the man who is fighting to remain US president for the next four years.

The traditional antagonism of the US State Department toward Israel is mirrored in the US intelligence community. For example, US intelligence can pinpoint every new housing unit set up in Judea or Samaria, yet could lose a Scud-laden vessel bound from North Korea to Iran on the open seas. The Hebrew language, too, was the only one used at the Agency for overt spying, with Hebrew linguists told to declare they were "Special Arabic" linguists.

While working at the Agency as an Arabic and "Special Arabic" traffic analyst in the early 1970s, I learned of the planned October 6, 1973, invasion of Israel by Syria and Egypt – 30 hours before the US notified Israel.

Upper-echelon Agency personnel knew of the planned attack hours, if not days, prior to that. Not passing this vital information along in time resulted in the unnecessary deaths and maiming of thousands of young Israelis.

The US intelligence community's anti-Israel policy has until now been successfully kept secret, even at the Agency itself, since the "need to know" rule governing such policies is strictly applied only to select non-Jews.

It was, therefore, quite by accident that I discovered the existence of chambers at NSA that are off-limits to Jews – US citizens with the highest security clearances – simply because they are Jews. Clearly, efforts toward Israel's demise are made here. These Agency inner sancta are so totally immune from monitoring that such unconstitutional goings on continue freely.

Are there inner sancta of this kind that are off limits to blacks, Orientals or other American minorities? There is no reason to believe that there aren't, since there is absolutely no answerability to prevent it. Such discriminatory practises fly in the face of the US Constitution's Bill of Rights. Likewise, working against Israel, the only democracy in the Middle East, hardly seems very American.

I naturally assumed that Israel, America's publicly declared friend, would have been notified immediately through the proper channels about the imminent attack on October 6, 1973. Now I live haunted by the possibility that, somehow, I could have discovered that the intelligence was not being forwarded, got it to the Israelis and thereby saved some measure of the anguish that became known as the Yom Kippur War.

Yet I didn't, and agonize over it each Yom Kippur. I was a loyal American military intelligence analyst who contributed toward Israel's planned demise. I received my honorable discharge from the US Army and am a free man; Jonathan Pollard, by contrast, is still in prison.

The writer is a former Mideast analyst who worked for the National Security Agency at Fort Meade, Maryland, while serving in the US Army Security Agency from 1971 to 1974.

The Press, Atlantic City, N.J.—Monday, March 22, 1993

Father voices plea at Margate meeting for spy-son's release

By ELAINE ROSE
Staff Writer

MARGATE – Several people in the audience wiped away tears Sunday night as a father described how the United States justice system treated his son in a manner more commonly associated with the prisons in the former Soviet Union.

Jonathan Jay Pollard, 38, who confessed in 1986 he passed military secrets to Israel, is serving a life sentence in solitary confinement in a basement cell in a federal prison in Marion, Ill., his father told about 100 people at Congregation Beth El.

"The end of the legal aspects of this case have been reached, so now we're relying on a political solution," Dr. Morris Pollard of South Bend, Ind., told the audience.

President Clinton, who said during the campaign that he would review the case if elected, is the family's last hope of gaining their son's release, Pollard said.

People in the audience seemed eager to do their share Sunday, wearing buttons that said "Free Pollard now" and signing a petition protesting a sentence "much harsher than any meted out to other Americans convicted of spying for friendly governments."

Pollard admitted to selling America's defense secrets to Israel over a period of 15 months until his arrest outside the Israeli Embassy in Washington in November 1985.

The papers included reports on Syrian and Iraqi chemical weapons development, the capabilities of the Libyan air-defense system, and crucial intelligence on the radar protecting the Palestine Liberation Organization headquarters in Tunisia.

The information Pollard passed to Israel was withheld by the United States government and helped the Jewish state prepare for Iraqi attacks during the Persian Gulf War, said D'vorah Weiss of the Citizens for Justice.

After his arrest, Jonathan Pollard was promised leniency and medical treatment for his sick wife in exchange for cooperation with the government, his father said.

"Then they turned around and pilloried him," Morris Pollard said. "When (former Defense Secretary) Caspar Weinberger called his acts 'treasonous,' he automatically labeled Israel as an enemy."

Pollard was held for 10½ months in a hospital for the criminally insane, and was kept stark naked for part of that time, his father said.

Pollard's wife, Anne Henderson-Pollard was arrested and sentenced to five years in prison, thus becoming the first spouse arrested in an espionage case since Ethel Rosenberg in 1950, Morris Pollard said.

Anne Henderson-Pollard was denied medical treatment in prison, and has since divorced her husband and moved to Israel, Morris Pollard said.

Ironically, it was former President Bush's pardon of Weinberger in the Iran-Contra scandal that generated a rash of support for his son's case, Morris Pollard said.

"He pardoned this indicted perjurer to save himself," he said.

Before the group dispersed, Weiss urged the audience to put pressure on President Clinton to commute Pollard's sentence to time already served.

"Every day that passes makes this travesty of justice worse. He must be free and he must be free now," Weiss said. "We depend on President Clinton to right the wrongs of the previous administration."

Several people interviewed after the program said they were getting their pens — and checkbooks — ready.

"It was a distressing situation to find out things like this can go on in the United States at this time," said Steve Picker of Bargaintown.

THE WHITE HOUSE

WASHINGTON

To: John Podesta 93 MAR 29 A11:25

from: Maria Teo

Is this something the President might want to do? If so, we can write it...

Please let me know

Maria Teo

x 7150

Ron Brown should do this

JDP 3.29.93

dm 165

ROUTE SLIP

White House Correspondence
Room 94 - OEOB
Phone 456-7610

TO: Media Affairs

FROM: JOHN DWYER ext. 2276
SCR

- ☐ For your information only
- ☒ For appropriate action
- ☐ Please draft a reply and return within 5 days
- ☐ For your approval or suggestions
- ☐ ASAP please! This material is time sensitive

COMMENTS:

EDITION

President Clinton
The White House
Washington D.C.
20500 U.S.A.

11th March 1993

Dear Mr President

We are the publishers of the Conference and Convention Organiser. These are a series of publications promoting meeting venues and support services around the world. We currently produce the following titles:

European Community Edition, Asia and Australasia Edition, European Edition (outside E.C.), and the Caribbean Edition.

The publications are circulated free of charge only to bona fide Professional Conference Organisers and Corporate Meeting Planners worldwide. These readers organise over 27,500 meetings and conferences each year, placing approximately 5,250,000 delegates.

Our readers are showing an increased interest in your country as a conference destination, and are finding it difficult to obtain comprehensive information.

We are, therefore, in the process of producing a new edition - The North America Edition, and we would deem it a great honour if you would provide a foreword to the new edition.

This should be approximately 500 words long and should be accompanied by a photograph. The theme of the piece should be why users of the Conference and Convention Organiser should come to America for their meetings.

If you require any further information, please feel free to contact me. The new book will be published in July, so there is plenty of time for copy, but a speedy answer to my request would be appreciated.

Please find enclosed copies of European Edition forewords.

Yours sincerely

Mike Stanford
International Publications Director

Nightingale Meetings (International) Limited
Osborne House, Stockbridge Road, Chichester, West Sussex, PO19 2LL, England.
Tel: +44 243 532086   Fax: +44 243 532092
Registered in Cardiff No. 2002706 Registered Office 2 Sudley Road, Bognor Regis, West Sussex, PO21 1EQ, England

NIGHTINGALE

From the President of The European Parliament

The democratic revolutions in Central and Eastern Europe, the Gulf conflict and the worsening problems of underdevelopment in the world have tested and will continue to test the ability of the Twelve to respond with one voice.

The disappearance of 'bloc' politics has caused a substantial shift in the geopolitical balance. It has brought into the international limelight situations of conflict with which we have had to learn to live; above all in Europe, where we must face the dangerous resurgence of nationalism, whether it be in the neighbouring countries of the Central and Eastern Europe that are trying to consolidate democracy and change to a social market economy, or in the Soviet Union, whose future is uncertain.

There is also the Gulf war, which ended recently in the liberation in Kuwait. A dictator thought he could take advantage of the transition from a bipolar world dominated by West-East confrontation to a multipolar world in order to establish his power. The international community ensured that right triumphed over might.

This conflict enabled the Europe of twelve to become aware of its potential and its weaknesses. It also revealed the urgent need to give the Community real powers with regard to common defence and security policy. The Community was in evidence on the diplomatic scene and effective in the implementation of the embargo, but it did not take part in the military operations. This absence may be regretted, but it should be remembered that the Community cannot be expected to be something it has not yet become.

This was showed that the objectives of Economic and Monetary Union and Political Union are more urgent that ever.

Last December, the two Intergovernmental Conferences on these themes opened in Rome. They are continuing their work, with a view to a fundamental review of the Treaties. The European Parliament is expecting much of this; in particular a shift in the balance of powers between the Institutions in order to remedy the Community's democratic deficits, and far-reaching political co-operation, which will form the very basis of a common foreign policy. This would in fact be to reinforce parliamentary democracy in Europe. The 'Assizes' which brought together the parliaments of the Member States in November 1990 proved, in fact, that there is a broad consensus between the EP and the national parliaments in favour of Europe along federal lines.

Our objectives are to complete the internal market and to move towards European Union. In this way, Europe will become a stable point of reference in a changing world. United, Europe will be able to make an effective contribution to the North-South dialogue, for example by helping to establish a Mediterranean presence, or by strengthening relations with the countries of Africa and Latin American. We know that the task ahead of us is immense, but it is commensurate with our ambitions; and these ambitions will perhaps give rise to some part of what we will define as the New International Order.

Enrique BARON CRESPO

From the Chairman of The EFTA Council

New European architecture is being built. It's main elements are the internal developments of the European Community, the European Economic Area (EEA) to be created between the EC and EFTA countries and the new forms of co-operation with the Eastern and Central European countries.

The negotiations between the seven EFTA countries and the EC on an EEA started in June 1990. These extensive and sometimes quite difficult negotiations were successfully concluded in the parallel ministerial meetings held in Luxembourg on 21st October 1991. The agreement will be signed early this year. It is to enter into force by 1993.

This means that the EFTA countries will be part of the EC's single market at the very beginning of its realisation. Goods, persons, services and capital will flow freely and a closer co-operation in many flanking areas, like R&D, environment, education etc., will be reality. There will be common institutions for decision making and shaping as well as an effective surveillance mechanism. A joint EEA Court will guard the proper observance of the common rules and homogeneity of the Area.

The result reached in the negotiations is significant. Through the EEA we will create the world's largest and most unified economic area. European Economic Area benefits both EC and EFTA countries and creates ample possibilities for our economic area. European Economic Area benefits both EC and EFTA countries and creates ample possibilities for our economic operators and individuals. EEA is important irrespective of the possibility that some EFTA countries might join the EC as members later on. It is the only way to create the common single market by 1993. At the same time when the European Community is renewing its relations with the Eastern and Central European countries EFTA countries are negotiating free trade agreements with Hungary, Poland and Czechoslovakia. Something similar might emerge with other countries as well. Initiative has recently been made to the Baltic states on exploring the possibilities for closer cooperation.

As a result of the successful conclusion of the EEA negotiations the Eastern and Central European countries now have better reasons to believe in our ability to agree on closer cooperation with them as well and thus to help them to become "full" members in the new Europe.

Pertti SALOLAINEN
Minister for Foreign Trade of Finland,
Chairman of the EFTA Council

Dr. Egon A. Klepsch
President of the European Parliament

It seems to me still too early to maintain, after the signing of the Maastricht Treaty, that the Economic and Monetary Union and the Political Union are already within our grasp. The timetable for the second and the final stages of EMU has been mapped out. Those countries which will be ready to participate as from 1997 - or two years later - will have to meet strict criteria. The political section of the Maastricht Treaty on the creation of the European Union is not, however, tied to a strict timetable.

Maastricht is far from having achieved all that we European parliamentarians would have wished, but this is not to say that we see ourselves only as losers. In a number of important areas considerable progress has been achieved: Firstly, the foundations have been laid for legislative co-decision in the form of a two-chamber system, if only in certain sectors. Secondly, the European Parliament has acquired the right to ratify all Community agreements with third countries and treaties with financial implications - and there are few, if any, treaties without such implications. Thirdly, the European Parliament will in future have a say in the appointment of the Commission and its President when hitherto it has only had the power to dismiss the Commission as a whole by a vote of no confidence. In addition, the four-year term of office of the European Commission will be extended to match the five-year electoral term of the European Parliament.

There will be no going back on these achievements. Our motto is now to consolidate and enhance our position to do so speedily. The priority will be to extend co-decision, to give Parliament a greater say in the Community budget and the European Parliament's right of ratification in the case of modification of the Community Treaties.

We must also find a solution for a new financial system for the EC. Furthermore we are now into the final stage of preparations for the single internal market, which is due to be completed, to the benefit of 345 million men and women in the Community, on 1 January 1993. This, like many other things, will have a direct, measurable effect on the daily lives of ordinary citizens and consumers. This internal market has aroused interest even outside the Community. With the seven countries of the small free-trade area known as EFTA, the Community will build up a large European Economic Area (EEA).

However, most EFTA countries regard the EEA agreement as an intermediate stage, a sort of launching pad for full membership of the Community. They clearly see their future in a larger European Community, which will and can play not only a leading economic role but also a major political part in tomorrow's world. We must emphasize that any country which wishes to accede to the European Community must also accept and subscribe to its political goal, i.e. European Political Union, which ultimately involves a common security policy.

Developments on the territory of the former Soviet Union, in the Balkans and in several crisis-hit regions of the world as well as the problems of the developing countries present us with challenges which the European Community cannot successfully tackle alone but only in concert with other economically and politically powerful nations.

Although there are many problems and major challenges facing the European Community, and therefore the European Parliament too, I should like to conclude on an optimistic note. The majority of men and women of the European Community wants 'MORE EUROPE'. The latest opinion polls give ample proof of that. The 'Euro-Barometer' shows a favourable climate.

93 MAR 29 P4:23

March 29, 1993

MEMORANDUM FOR JOHN D. PODESTA
Assistant to the President and
Staff Secretary

THROUGH: RONALD GEISLER RG
Executive Clerk

FROM: DAVID KALBAUGH DK
Assistant to the Executive Clerk

SUBJECT: Request for President's Signature on American Red Cross Certificates of Merit

We have recently received the attached request for Presidential signatures on 14 American Red Cross Certificates of Merit.

This is the third request received by President Clinton for his signature on such certificates.

This is a long-established program, and we recommend that you approve this request.

AP

JDP

3.29.93

MEMORANDUM

93 MAR 29 P6:56

OK JDP
3.29.93

To: John Podesta
Office of the Staff Secretary
From: Antonella Pianalto AP
Office of Presidential Personnel
Subject: Nomination
Date: March 29, 1993

The following individual has been approved by the President, cleared by White House Counsel and is ready to be nominated.

Roberta Achtenberg
California
Assistant Secretary (Fair Housing and Equal Opportunity), Department of Housing and Urban Development

Please submit this nomination to the Senate for confirmation.

cc: Bruce Lindsey

MEMORANDUM

To: John Podesta
Office of the Staff Secretary
From: Antonella Pianalto AP
Office of Presidential Personnel
Subject: Nomination
Date: March 29, 1993

3.29.93

The following individual has been approved by the President, cleared by White House Counsel and is ready to be nominated.

Thomas R. Pickering
New Jersey
Ambassador to the Russian Federation, Department of State
Vice: Robert Strauss

Please submit this nomination to the Senate for confirmation.

cc: Bruce Lindsey

93 MAR 29 P4:53

OFFICE OF THE STAFF SECRETARY

Fax Cover Sheet

TO: NANCY McFadden

FROM: John Podesta's ofc - The White House

SUBJECT: resignation ltr

NUMBER OF PAGES (including cover sheet): 1

Questions ?? Please call 202/456-2702

U.S. Department of Justice

United States Attorney
Middle District of Georgia

93 MAR 29 P3:46

Post Office Box U
Macon, Georgia 31202

912-752-3511
FTS 238-0454

March 25, 1993

Honorable Bill Clinton
President of the United States
The White House
Washington, D.C.

Dear Mr. President:

I hereby resign the office of United States Attorney for the Middle District of Georgia, effective as of the date of the confirmation and appointment of my successor or such earlier date as you may direct. Consistent with guidance from Attorney General Reno, I am stepping aside in order to facilitate the selection of team members of your choosing throughout the Justice Department.

Having invested thirty years of my life as a servant of the American public, I submit this resignation with mixed emotions. I am grateful for having been given the opportunity to render this service and somewhat saddened that the time has come for it to end. On the other hand, I find myself looking forward to exploring the challenges and opportunities that lie ahead.

I have found public service to be rewarding beyond measure and I hope you find it equally so. Please accept my best wishes for great success as the leader of the greatest nation in the world. May God bless you and the United States of America.

Sincerely,

Ed W. Ennis Jr

EDGAR W. ENNIS, JR.
UNITED STATES ATTORNEY

THE WHITE HOUSE
WASHINGTON

DATE: 03/29/93

TO: ALEXIS HERMAN

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

FYI.

College Democrats
OF AMERICA

93 MAR 29 P2:06

MEMORANDUM

TO: John Podesta
FROM: Howard Glicken
DATE: March 24, 1993
RE: White House signing of Motor Voter

As you know, The College Democrats worked very hard on the campaign and are currently bolstering grass roots support for the President's legislative agenda. Near the top of the College Democrat's legislative agenda was the Motor Voter bill. Now that it is likely to go to the White House, I would appreciate it if some of the College Dems who have worked so hard over the past year could be invited to the signing ceremony.

To: Alexis Herman

College Democrats of America • Democratic National Committee • 430 South Capitol Street, S.E. • Washington, D.C. 20003 • 202/479-5189 Fax 202/479-5193

THE WHITE HOUSE
WASHINGTON

DATE: 3/29/93

TO: BERNIE NUSSBAUM

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

FYI

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/29/93

TO: STEVE NEUWIRTH

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

FYI

THE WHITE HOUSE

WASHINGTON

March 27, 1993

Dear Senator Metzenbaum:

Thank you for your recent thoughtful correspondence on the intelligence budget and the need for creating a new basis of public trust regarding intelligence activities. I have considered your letters carefully.

The lessons of the past are well known. The failure of previous administrations to abide by the letter and spirit of the law or make the congressional oversight committees a partner in deliberations regarding sensitive intelligence activities led to disastrous consequences for the intelligence community. More importantly, it led to a crisis of confidence on the part of the American people.

I am determined to avoid that path. We intend to work closely with you and your colleagues in the Congress to ensure that we build an intelligence community that is ready for the challenging intelligence missions of the next century and not the last one. The Cold War is over, and both the American public and the imperatives of security demand that we must move beyond our historical focus on the old Soviet military target. But we must also act on the assumption that the new threats and opportunities require dexterous and well-grounded intelligence.

It is clear that the intelligence community must do more with limited resources. As I promised during the campaign, we will save a total of $7 billion over the years 1993-1997 from the previous administration's request for national and tactical intelligence programs.

The Director of Central Intelligence is reviewing ways to consolidate the operation of costly collection systems and to streamline the management of the intelligence community. In addition, under the auspices of the National Security Council, we are engaged in an effort to redefine both our national security priorities and the appropriate role for the intelligence community in meeting new threats and challenges.

I know that the congressional oversight committees also will conduct a thorough evaluation of these difficult issues. It is my hope that you and your colleagues will be our partners in implementing a new long-term strategy that results in better and more cost-effective intelligence.

If more savings are appropriate, based on our respective reviews, I will work with the DCI and our oversight committees to ensure that additional reductions are carried out in a manner that does not impair our nation's security. I believe that a strong intelligence community is essential to the preservation of our vital interests.

I also believe in change. It is time to reevaluate the onerous and costly system of security which has led to the overclassification of documents. The result of our effort should not only be to save money but also lead to better security for our most sensitive programs.

Finally, I take seriously your suggestion that our Administration disclose the aggregate amount spent on intelligence when we submit our Fiscal Year 94 budget to the Congress. But as Jim Woolsey and the rest of our national security team attempt to structure new intelligence priorities, my hope is that you will allow us the opportunity to evaluate carefully both the benefits and legitimate concerns which are associated with such public disclosure. I will seek the views of other members and leaders of the Congress as well. At this point, before making a decision on public disclosure, we would like to take the time to establish new intelligence priorities and structure a budget plan that allows intelligence to pay its fair share in reducing the budget deficit.

I remain committed to greater openness and accountability. I hope that we can work together to achieve these objectives and that you will continue to share your thoughts with me in the weeks and months ahead.

Sincerely,

Bill Clinton

The Honorable Howard M. Metzenbaum
United States Senate
Washington, D.C. 20510

CHRON

JP — This is the EARTH day letter — FROM Podesta ACTION?

TO DAVID marchick

Acknowledge — KATIE McGinty coordinating E-DAY activities

C.Rasco forwarded to us!

Kelly

JP-
Please handle!
Kelly

EARTH DAY

Make Every Day
Earth Day.

Gaylord Nelson
Founder
Earth Day

Chairman
Earth Day USA

Bruce Anderson
President
Earth Day USA

Earth Day USA
P.O. Box 470
Peterborough
New Hampshire
03458

603-924-7720
Telephone
603-924-7855
Fax

Observe Earth Day
on April 22.

March 2, 1993

President Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Clinton,

The essential spirit of Earth Day, April 22, is identical to the theme that you have been using so frequently, "We're all in this together." The purpose of this letter is to summarize a specific concept by which Earth Day 1993 can support your use of the theme to achieve passage of your economic plan and of other legislative initiatives. It can also contribute to the change in thinking that you know is necessary to fulfill your vision of cooperation for the country - and the world.

We respectfully request further discussion with your Administration of the concept in this letter as well as of other high-profile and high-impact venues by which you, Vice-President Gore, and the rest of your Administration can participate in Earth Day.

BACKGROUND

As you know, Earth Day was founded in 1970 by then Senator Gaylord Nelson. By 1990, it was being observed in 141 countries by over 200 million people. It is the largest peaceful, citizen-based observance of any kind in this country, as well as around the world.

Since 1990, Earth Day USA has been the national headquarters, and Earth Day has continued to proliferate in size and in participation. Currently, we are planning the 25th Anniversary in 1995 and have invited Vice-President Gore to serve as Honorary International Chairman.

A major reason for Earth Day's success is that it embodies the spirit of "we're all in this together." It is cooperative, non-judgmental, and broadly participatory.

EARTH DAY 1993

This year's theme is "Working With the Earth - Honoring Indigenous Peoples." The first part of the theme offers opportunities to educate the public about the jobs and economic benefits of a healthy environment. The second part is in keeping with the United Nation's declaration of 1993 as the "Year of Indigenous Peoples" and offers opportunities to involve Native Americans.

With respect to the first part, we can assist your Administration to identify and or create appropriate Earth Day activities and venues for making your case for the positive relationship between a healthy environment and a robust economy.

With respect to the second part of the theme, we are encouraging people throughout the country to form Earth Day Council Circles. A Council Circle is a Native American tool for listening effectively to each other and arriving at decisions through consensus and mutual respect. Also, the Native American community has created a pledge for Earth Day participants to sign that recognizes our common concern for the impact of our actions "unto the seventh generation."

"WE'RE-ALL-IN-THIS-TOGETHER CELEBRATION WEEK"

Because of the cooperative spirit of Earth Day, Dr. Terry Mollner and the Trusteeship Institute chose the week of Earth Day to establish the **"We're-All-In-This-Together Celebration Week."** Planning began last fall when Dr. Mollner noticed that many national and international activities are occurring during the same week as Earth Day. These activities represent many of the changes that society is going through on its path to achieving a genuine spirit of cooperation for the common good.

The activities and groups include the following:

- **Earth Day**
- **World Children's Day** celebration in the General Assembly of the United Nations - a gathering of children from 140 countries
- an international meeting of spiritual leaders, parliamentarians, scientists, artists, and journalists in Kyoto, Japan, organized by the **Global Forum**
- The inaugural board meeting of the **International Green Cross** with Mikhail Gorbachev as President
- the dedication of the new **Holocaust Museum** in Washington, DC
- near the 1st anniversary of the LA uprising in response to the **Rodney King** verdict
- near the 7th anniversary of the **Chernobyl** nuclear disaster
- a **march** on Washington, DC, of between 500,000 and one million people in support of **gay and lesbian rights**
- approaching 100 day into the **Clinton Administration**
- a number of **Earth Day Concerts** in major US cities
- a televised **Farm Aid Concert** in Ames, Iowa

This year, the primary objective of the week is for leaders in communities who have great differences to appear on the same dais, make the case for their position, and conclude with an affirmation that "we're all in this together." Many other activities that give expression to this theme are being encouraged, including block parties and college teach-ins (where people learn about and celebrate their differences) to symbolic demonstrations, concerts, etc.

THE CONCEPT

The concept that could effectively serve your message of cooperation would be for you to host an Earth Day Council Circle the week following Easter and immediately prior to the week of Earth Day. For example, your Circle could include Native Americans, representatives of the various groups listed above, and others, with a focus on the shared thread of concern for the environment and for each other that runs through all of their activities the following week.

An alternative concept is an international town meeting with television satellite up-link where you, U.N. Secretary General Boutros Boutros-Ghali, and other world leaders field questions from around the world about the issues facing our common environment.

The **Week** could be an ideal time each year to bring attention to your "National Service Program," particularly if you were to declare the week as **"We're-All-In-This-Together Celebration Week".**

Regardless of whether and how we move ahead together with the Council Circle or the **Week**, we would like to begin discussions immediately regarding Earth Day 1993 itself and how it can most effectively serve you, Vice-President Gore, and your entire Administration.

Time is of the essence, and we respectfully request that you provide us with your guidance on the above at your earliest possible convenience.

Sincerely yours

Bruce N. Anderson — Terry Mollner

Bruce N. Anderson
President
Earth Day USA, Inc

Terry Mollner, Ed.D.
Chair
Trusteeship Institute, Inc

cc:
- Al Gore, Vice-President
- Hillary Rodham Clinton, First Lady

bcc:
- Carol Rasco, Director, Domestic Policy Council

Attachments:
- Article from EARTH DAY NEWS: "We're-All-In-This-Together Celebration Week Grows Out Of The Spirit of Earth Day"
- Article from ARKANSAS GAZETTE: "Earth Day Founder Visits"
- Earth Day USA Prospectus

Earth Day News
VOLUME 3, NUMBER 1 OBSERVE EARTH DAY APRIL 22! JANUARY 1993

"WE'RE -ALL-IN-THIS-TOGETHER CELEBRATION WEEK" GROWS OUT OF THE SPIRIT OF EARTH DAY

What do the following all have in common?

- Earth Day;
- World Children's Day celebration at the United Nations;
- A global meeting of spiritual leaders, parliamentarians, scientists, artists and journalists in Kyoto, Japan organized by the Global Forum;
- Inaugural Board Meeting of the In ternational Green Cross with Mikhael Gorbachev as President;
- The dedication of the new Holocaust Museum in Washington, D.C.;
- The first anniversary of the LA uprising in response to the Rodney King verdict;
- The 7th anniversary of the Chernobyl nuclear disaster;
- A march on Washington, D.C. of between 500,000 and a million in support of gay and lesbian rights;
- Councils organized with American Indians in cities around the USA as part of Earth Day activities;
- Approximately 100 days into the Clinton Administration
- The Earth Day concerts;
- A televised Farm Aid concert in Ames, Iowa?

They all will be occurring during the third week in April 1993!

The old way of looking at this situation would be to see them competing with each other for public attention. However, it is a new day, and a new approach is being pursued.

The leaders of all of these activities are being approached and invited to join in a joint proclamation to identify this third week in April as "We're-All-In-This-Together Celebration Week." The existence of all of these activities in the same week is being seen as an opportunity to affirm the basic values which underlie the feelings about all of them, namely, that, yes, we are each free "and" we are all in this together as parts of one whole - it is natural for us to give priority to the common good and to take care of one another.

Local activities will be encouraged to bring together people who normally never talk to one another because of their large differences. They can meet each other as real people and jointly affirm to each other and to us all that, first, we are all in this together and, only secondly, do we agree or disagree about this or that.

Terry Mollner, one of the organizers of this effort, explains the reasons for it: "I remember this spirit being very much out in front and leading the charge of the Earth Day festivities on the Boston Common in 1970. In those flower power days you would have thought that the motto of Earth Day was "We're all in this together.'

"It is this fundamental value and wisdom which makes action to accept responsibility for sustaining a healthy environment instinctual and effortless. The existence of all of these very different activities occurring during the week of Earth Day provides an opportunity for us to bring the world's attention to these fundamental values.

"I am extremely pleased that Earth Day USA is the first group to commit itself to this joint effort. It is so absolutely appropriate that Earth Day should be taking the lead in this.

"No demands will be made on any of the groups to do anything more than to join in the proclamation. Each group will be free to give this spirit expression in their activities in any way they so choose or not at all. Of course, we will invite the exploration of joint activities. The main thrust of our efforts, however, will be to encourage groups to voluntarily initiate activities in their local communities that make sense to them.

If anyone reading this would like to take action in your community to create activities in expression of "We're-All-In-This-Together Celebration Week," send $10 to We're-All-In-This-Together Celebration Week, 15 Edwards Square, Northampton, MA 01060. You will be sent a package of materials to assist you.

Steve Keesee/Gazette Staff

CONFERENCE: Former U.S. Sen. Gaylord Nelson and Gov. Bill Clinton at Earth Day announcement.

Earth Day founder visits

By Cary Bradburn
Gazette Staff

The 20th anniversary of Earth Day April ~~22~~ will be a grass-roots happening, organizers said Wednesday.

"Either they will be organized at the grass roots or it won't happen," former U.S. Sen. Gaylord Nelson of Wisconsin, the founder of Earth Day, said.

Nelson accompanied the regional and state Earth Day coordinators and Gov. Bill Clinton at a press conference in the state Capitol Wednesday.

No major statewide event is planned for Earth Day 1990, but groups around the state are planning activities, Dr. Thomas J. McClure, Arkansas's Earth Day coordinator, said.

Clinton said his office would work with McClure to schedule events over the weeks leading up to April 22.

About 100 representatives of communities, environmental groups and industries attended the meeting.

Nelson said the first Earth Day in 1970 "worked because of a lot of concern at the grass roots" for environmental issues.

"How do we get politicians to take notice of something the public is interested in," he asked.

Clinton, noting that his press release was printed on recycled paper donated by Roach Paper Co., said Arkansans would have to develop an "environmental ethic" in the 1990s.

For his part, Clinton said, he has asked for a review to determine the feasibility of state government using recycled paper.

McClure asked each of the groups represented at the meeting to send a schedule of events. The Arkansas Wildlife Federation, for example, has planned a political forum.

Gary Keith of Austin, Texas, the regional Earth Day coordinator, noted that the goal of the day's activities was to cultivate an environmental ethic among young people.

But a major goal is to get world leaders to recognize the seriousness of environmental issues, he said.

An immediate concern, he added, is to persuade President Bush that global warming is a problem.

EARTH DAY USA

Making Every Day Earth Day

Throughout the world, *Earth Day* is recognized as the symbol of environmental responsibility and stewardship.

Earth Day USA's purpose is to build on the momentum inspired by the original celebration of *Earth Day* in 1970 and the 20th anniversary celebration in 1990 when millions of people participated in 141 countries. The message to *make every day Earth Day* is a call for every individual and organization to take positive action to measurably protect and preserve the environment on which all life depends.

Earth Day USA, a tax-exempt corporation, is the secretariat for the network of local *Earth Day* organizers that serve millions of people in thousands of communities throughout the United States. In this capacity, Earth Day USA's objectives are to:

- Reach every household in the United States with the message to *make every day Earth Day*;
- Provide individuals, groups, and communities with materials, tools, and support to help them achieve their environmental goals;
- Implement a dynamic press operation to serve as a conduit for a consistent Earth Day message, bringing national media attention to local programs and successes as well as to nation-wide initiatives;
- Maintain an active education program, including training for Earth Day organizers, environmental consumer education, public education, and quality school education programs;
- Coordinate an effective Earth Day network;
- Maintain a vital Information Referral Center;
- Organize national Earth Day activities in conjunction with local and regional endeavors; and

- Promote partnerships among environmental groups, business and industry, government, and community organizations to encourage realistic and measurable environmental projects.

Earth Day USA's goal is to transform the observation of *Earth Day* -- April 22 -- from a periodic reminder about environmental responsibility to a "Celebration of Achievement." The annual observance of Earth Day provides a powerful opportunity for individuals and groups -- including companies-- who produce environmental progress to:

- Report the results of on-going environmental programs;
- Celebrate and honor those who have achieved those results; and
- Rededicate themselves to further environmental stewardship through setting specific goals to be accomplished by the next *Earth Day*.

Earth Day USA works closely with funding partners, environmental organizations, companies, individuals, and institutions that promote environmental stewardship throughout the United States. These partnerships create linkages to target resources to effective local, regional, national, and international programs that produce tangible and measurable results to enhance, restore, and preserve the environment on which all life depends.

For more information, please contact:

Bruce Anderson, President
Earth Day USA
P.O. Box 470
Peterborough, New Hampshire 03458
(603) 924-7720
(603) 924-7855 (fax)

CHRON

THE WHITE HOUSE
WASHINGTON

3/28

Bruce Lindsey —

As I was plowing through old documents, I came across the attached + thought you would like to see

John Podesta

THE PRESIDENT HAS SEEN
3/22/93

FY 1994 BUDGET BRIEFING

MARCH 17, 1993

POLICY MODIFICATION SINCE FEBRUARY 17TH

SUBJECT: Judiciary Funding

ISSUE:

The estimates supporting the February 17th document, A Vision of Change for America, included a negative allowance for the Judiciary. The purpose of this negative allowance was to reduce the Judiciary's excessive budget request to the baseline level, thereby making the request conceptually comparable to the request of the Executive Branch. The Judiciary strenuously opposed this presentation.

DISCUSSION:

As a separate branch of Government, the Judiciary is legally exempt from normal Executive Branch budgetary review. Each year, the Judiciary submits a budget that is unconstrained by the fiscal limitations applied to the Executive Branch. These budgets normally request large increases for Judicial activities, anticipating that Congress will appropriate something much less.

The Judiciary's FY 1994 budget request would add over $574 million above inflation to its FY 1993 enacted level of funding. By FY 1998, Judiciary's budget would double, with growth exceeding inflation by $2.4 billion. If accommodated within Federal totals, the Judiciary's growth would erode the Administration's ability to fund its priorities.

To bring the Judiciary's total budget request more in line with funding levels sought by the rest of the Federal Government, an offset was created and included in the February 17th estimates. The offset reduced the Judiciary's bottom line total to a level more consistent with the rest of the Government. Judge Arnold, Chairman of the Budget Committee of the Judicial Conference, objected strenuously and requested that the offset be withdrawn.

To address Judge Arnold's concerns, OMB modified its approach by establishing a more general adjustment that combines reductions for both the Judicial and Legislative Branches and applies the resulting adjustment to the entirety of the Federal budget. This approach accomplishes the same goals of budget reduction without specifically singling out the Judiciary. The reduction will appear in the budget as an "adjustment for accounts not subject to Executive Branch review."

This change of treatment has been accepted by Judge Arnold.

CHRON

DATE: 3/28

NOTE FOR: Carol Rasco; Tony Lake

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:

Mack
I think this needs policy
discussion w/ domestic & foreign
policy before we cut it [illegible]
especially w/ [illegible]
all [illegible] on
Bosnia — [illegible]
BC

THE PRESIDENT HAS SEEN
3/26/93

U.S. IS CUTTING AID TO LATIN DRUG WAR

Washington Puts New Stress on Domestic Campaign to Reduce Narcotic Use

By DOUGLAS JEHL
Special to The New York Times

WASHINGTON, March 22 — Congress and the Clinton Administration are quietly reversing a Bush Administration anti-drug initiative that sent hundreds of millions of dollars to South American governments.

In January, Democrats in Congress slashed military and economic assistance for Peru, Colombia and Bolivia after concluding that the program was failing to produce the desired effect: encouraging the South American nations to reduce production of drugs, principally coca leaf and its refined product, cocaine.

Now the White House is preparing to go further as part of an extensive classified review of Government programs aimed at stopping drug shipments before they enter the United States. The expected additional cutbacks would represent a substantial step away from the Bush strategy, introduced in 1989, which focused on halting cocaine trafficking at its source.

Shift to Domestic Programs

Officials involved in the review of the $3 billion international drug-fighting budget said it was the first step in of a Clinton Administration plan to shift anti-drug resources from foreign intervention to domestic programs — education, treatment, and local and state law enforcement — intended to reduce the demand for drugs in the United States.

One sign of a new approach to drug fighting came shortly after Mr. Clinton's inauguration, when he ordered a severe cut in the size of the drug policy office. Although he promised to elevate its new director to Cabinet rank, he has not yet nominated anyone to fill the job, and officials said the White House and its National Security Council staff had begun to take charge of the spending debate.

No final decisions have been reached in the review of international drug policy, and some officials insisted that budget figures being prepared by the Administration for next year appeared to leave intact some international drug-fighting programs, including overseas operations of the Drug Enforcement Administration.

But representatives of the Departments of State and Defense, the Drug Enforcement Administration and other agencies were said to be struggling in anticipation of the expected realignment to protect their own programs at others' expense.

Worry Over Deeper Cuts

Officials described an atmosphere of unease they said had been created by the aid cutbacks and the expectation that the White House review will lead to wider drug-budget reductions.

"Everyone thought that narcotics was sort of a sacred cow and that there might just be some tinkering here and there," said one top official involved in drug-control efforts. "Frankly, all this has caught everyone just a little bit flat-footed."

The study is one of more than two dozen being conducted by the new Administration on different aspects of national security policy. But officials said the drug policy review was one of the more highly charged of the studies because it follows a a near-doubling in anti-drug spending under the Bush Administration, with the sharpest increases in international drug-fighting programs.

Officials said the efforts by Congress and the White House to cut the anti-drug assistance to Peru, Bolivia and Colombia reflected a recognition that coca crops and cocaine production remained virtually undiminished despite the extensive transfer of weapons, military training and economic aid to those countries since 1989.

Some Gains in Colombia

Colombia in particular has made some progress in tracking down drug traffickers. But the officials said all the programs were vulnerable to an increasing public aversion to foreign aid programs, even when used to help fund a drug war that once seemed sacrosanct.

Under final allotments made by Congressional appropriations committees without objection from Clinton aides, the United States this year will dispatch no more than $174 million in counter-narcotics aid to the three Andean countries, a 35 percent cut from last year's total. The package represents 45 percent of what the Bush Administration had requested.

The cuts have set off quiet protests from each of three nations, which regard United States aid as essential to their efforts to reduce coca farming and the production and export of cocaine.

The Government's overall anti-drug budget — more than $12 billion this year — doubled in size under Mr. Bush, with the international programs the fastest growing part. The Pentagon alone received a quadrupling in spending on military efforts to detect drug trafficking abroad, and the direct aid given to the three Andean countries soared from almost nothing in 1989 to the Bush Administration's record request for $387 million for this fiscal year. It was this request that the Congressional Democrats cut back in January.

But the assistance programs have also run into controversy, with South American governments accused of diverting some of the military aid to fight guerrillas instead of drug traffickers. Peru and Bolivia, which together account for more than 90 percent of the world's coca supply, have also repeatedly failed to meet the eradication targets set by the United States as a condition for economic aid.

THE NEW YORK TIMES, THURSDAY, MARCH 25, 1993

CHRON

slr/draft/mayorsecon
Marie Kirk 3/23/93

93 MAR 26 A11 : 32

Thanks so much for your support of my economic plan. Your efforts are essential as we work to rebuild our communities and restore hope to America. Commitment at the local level makes meaningful reform possible. With your continued help, we can set America on a new course.

John Podesta —
This is the response
for the thank you to
Mayors —
We are waiting for
clarification on a few
addresses from Loretta
— DM

Marsha/Dwyer
Let's get
this out
John

CHRON

John Dwyer for response

Podesta

MAR 27 P3:01

National Urban League, Inc.

The Equal Opportunity Building
500 East 62nd Street, New York, N.Y. 10021-8379
Telephone (212) 310-9000

March 10, 1993

Dear Mr. President:

The National Urban League fully supports your bold program of investing in America's economic future and in its people. We are encouraging our 113 affiliates to marshal public support for your proposals, and we wish to offer suggestions that can ensure the success of your initiatives.

We are heartened to find so much of the National Urban League's Marshall Plan for America embodied in your Administration's proposals. We believe that as those proposals move through the legislative process, they can be made even more effective to win public support and achieve the goal of economic progress.

Several areas that can strengthen your Administration's proposals come to mind. One is targeting the proposed infrastructure and human development initiatives to assure those programs are delivered to the most severely impacted areas and bring jobs to the people who have suffered most from unemployment.

A second is to strategically incorporate training components into infrastructure development programs, so that less skilled unemployed people could be hired and trained in the skills required to accomplish the project. That way we can create not only jobs, but a reservoir of skilled people who can remain productive in the future.

A third area lies in the need to build accountability into the Plan by investing a single individual with the mandate to coordinate, monitor, and assess the programs. That person's portfolio would include recommending termination of programs that don't work and allocating resources to those that do work, or to new, more promising initiatives.

Finally, we support a clearly defined, long-term commitment aimed at solving the problems and not simply ameliorating them. We all recall the way past programs -- even those proven effective -- were slandered as failures because they did not get the required resources or the long-term institutional commitment needed for success.

Mr. President, the above suggestions are offered in a spirit of support for your economic Plan, and with gratitude that you are creating an environment in which our nation is finally addressing the issues critical to its social and economic future.

The National Urban League wishes to support your efforts more effectively. To that end, I hope that you will be able to meet with me and with the volunteer Chairman of the Board of Trustees of the National Urban League, Mr. Reginald Brack, Chairman and CEO of Time, Inc.

I believe such a meeting can fruitfully explore ways in which we can build support for your program and partner your Administration in creative approaches to many of the challenges our nation faces.

Sincerely yours,

/ceh

John E. Jacob
President and
Chief Executive Officer

Mr. Bill Clinton
President
United States of America
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

JOHN Dwyer
SLR for
"Scoop"
PODESTA

CHRON

Largo, Fla
March 24.

President Clinton
93 MAR 27 AM 11:23

First I know you will not see this letter, but if you do I dont want a job, as I'm a retired Rail Road Conductor off of the Cotton Belt R. Road.

On Feb 26-93 I was 87 years Old and I so disappointed that I didnt received a card from you as I have always received on from Mr Carter - Regan & Bush.

I'm going to excuse for I know the Mess you went into. My wish is that I live to Vote for you again. If you are ever in Fla and have time, I wish you come come me.
My advise to you, dont listen to Nixon & Dell Miss Reno - be tough & fair.

Yours
R. L. "Scoop" McMullen
7360 Ulmerton, Rd - 6-B. Largo Fla 34641
P.S. I'm a Strong Democrat

THE WHITE HOUSE

WASHINGTON

93 MAR 25 A8:34

March 25, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Tracey Thornton (Legislative Affairs)

SUBJECT: Environmental Protection Agency Elevation Legislation S. 171 (introduced by Senator Glenn (OH); includes the elimination of the Council on Environmental Quality--CEQ)

I. SUMMARY

Yesterday, by a voice vote, the Senate Governmental Affairs Committee adopted Chairman Glenn's substitute to S. 171.

II. DISCUSSION

The Glenn bill approved by the Committee is a reorganization effort which elevates EPA and changes its name to the Department of the Environment. It eliminates CEQ and reassigns its functions to the new Department. S. 171 gives the dispute resolution authority to the Office of the President.

The CEQ language in the bill is under the jurisdiction of the Senate Environment and Public Works Committee chaired by Senator Baucus (MT) with Senator Chafee (RI) the ranking Republican. S. 171 was therefore sequentially referred to that Committee. The Committee may move this bill to the Senate floor before the April recess.

By a vote along part lines (5-8), the Committee rejected an amendment offered by Senator Roth, the ranking Republican member, which would have simply elevated the Environmental Protection Agency (EPA) to Cabinet level and changed its name.

G08550

THE WHITE HOUSE

WASHINGTON

93 MAR 22 P1:08

MARCH 22, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: KAREN HANCOX, LEGISLATIVE AFFAIRS

SUBJECT: AUTOMATIC WEAPONS

I. SUMMARY:

During your trip to New Jersey the week of March 1 you apparently made a reference to the need to stop the sale of automatic weapons. Congressman Volkmer called to correct the record.

II. DISCUSSION:

Mr. Volkmer authored a 1986 bill which prohibits persons from transferring or possessing automatic weapons -- referred to in the act as "machineguns." An exception does allow for the sale or transfer of any automatic weapon that was legally possessed prior to the effective date of the Act. As a result of this Act there are a limited number of private individuals or dealers who now lawfully possess or can sell machineguns.

On the other hand, Volkmer's bill does not cover the sale or transfer of semi-automatic weapons. The Congressman suggests, to be correct, that you refer to semi-automatic weapons, rather than automatic weapons, when making your point about weapons of crime.

Mr. Volkmer asked that we pass this information along to you for future reference.

THE WHITE HOUSE 009465

WASHINGTON

March 25, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN TDS

SUBJECT: Preface for Robert Kennedy Book

Attached is a letter from Hays Gorey asking if you would be interested in writing a brief preface to a book on Robert Kennedy to be published in late May, the 25th anniversary of RFK's assassination. The book contains photographs by Life photographer Bill Eppridge and text by Gorey.

We first raised this with Vince Foster, who didn't think it was a good idea. Vince pointed out that the book is for private commercial gain, that you do not have a relationship with the author and questioned whether we want to set the precedent of providing a preface simply because the subject matter is appealing.

George had no strong feelings pro or con. We also recently ran this by David Dreyer, however, and David likes the idea. He'll prepare a draft if you want to go ahead. I talked to Gorey yesterday and he still very much hopes that you will do it.

Agree to do preface [ ]   Do not do preface [ ]   Discuss [ ]

Feb. 2, 1993

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

Dear Mr. President:

Your frequently-expressed admiration for the late Senator Robert F. Kennedy emboldens me to ask if you would be willing to write a brief preface to a book to be published on the twenty-fifth anniversary of Kennedy's assassination.

The book, entitled "The Last Campaign", will be released in late May by Harcourt, Brace, the distinguished publishers. It contains dozens of heretofore unpublished photographs taken by Bill Eppridge, who covered Robert Kennedy's 1968 presidential campaign for LIFE Magazine. I covered that campaign for TIME and am the author of the text.

It is really remarkable how many issues of great concern to you were also the substance of Robert Kennedy's campaign. Although his opposition to the war in Viet Nam brought him into the 1968 primaries, he also campaigned, as you did, for racial harmony, for health care, welfare reform and a more equitable tax system.

Your preface need not be long--500 words maximum. Publication schedules require our receiving it by March 15. We can provide you with the book's text and reproductions of the key picture layouts if you wish.

The publishers and authors would deem it a great honor if the book's preface were written by a President whose term will be guided by the principles that meant so much to Robert Kennedy. Your prompt consideration of this request will be appreciated.

Sincerely,
Hays Gorey
Hays Gorey,
c/o Time Inc.,
1050 Ct. Av. NW,
Washington, D.C.
20036

009424

THE WHITE HOUSE

WASHINGTON

March 25, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM:

Regina T. Montoya RTM

SUBJECT:

Metropolitan Washington Council of Governments (WASH-COG)

I. SUMMARY

Mark Gearan and I have agreed that Loretta T. Avent will serve as the White House Liaison to the Metropolitan Washington Council of Governments (WASH-COG).

II. DISCUSSION

Please see the attached memorandum explaining our decision.

RM:
Makes sense to me.
MG

MEMORANDUM TO MARK GEARAN

FROM: Regina T. Montoya RTM

RE: Office of Intergovernmental Affairs Liaison to Metropolitan Washington Council of Governments

DATE: February 28, 1993

As we discussed earlier this week regarding the ways to maximize the talents of our staff and to be as productive, efficient and effective as possible, I thought we should take care of the Metropolitan Washington Council of Governments' request for a presidential advisor for the national capital region. While our staff is too small to assign one person to do this full time I thought we should as least take advantage of the small window Congressman Wynn afforded us in the attached article entitled, "Clinton to sppoint 'czar' to help area."

Congressman Wynn suggested that "there may not be special need for a regional coordinator in the White House ...We can get the job done with the existing players." I agree that the White House does not need a regional coordinator, but it does need a liaison.

I have asked Loretta Avent to be the liaison for a number of reasons: 1) John Hart is incredibly busy as the liaison to the Health Care Task Force and is doing a great job for OIA; 2) Jeff Watson is liaison to the South Florida Disaster Relief Effort with Secretary Cisneros, and is the lead on National Service Program and welfare reform, and he is doing a great job as well; and 3) I'm taking the lead on the President's economic plan. Finally since Loretta has had over 20 years working for the major national public interest groups (PIGS) and is our first-stop liaison to the PIGS already, her serving as the liaison would be a natural for our department.

Loretta has worked for the Metropolitan Washington Council of Governments twice, and she ran a national education program for the National Association of Regional Councils (see attached), and she knows their membership. They know her and are anxiously waiting to welcome her back.

The Metropolitan Council of Governments has called me a couple of times already, and I would like to bring this to closure. I would like to determine, with your input, how best to advise them of our plans.

AMERICA'S NEWSPAPER

The SUNDAY Times

The Washington Times

Warren Christopher moves quickly to increase the influence of career Foreign Service officers.
PAGE A3

Being left-handed is not a hazard to your health after all, according to a study.
PAGE A3

Cardinal Roger Mahony says homosexuals should be allowed to serve in some military jobs.
PAGE A5

A second Bosnian city promises to join Sarajevo and reject aid shipments.
PAGE A6

Most of the leaders of the failed Soviet coup appear in public for the first time since they were released pending trial.
PAGE A6

An international observer mission is scheduled to enter Haiti today to monitor reports

Clinton to appoint 'czar' to help area


Reuters
President Clinton, Delegate Eleanor Holmes Norton at the White House.

The move is seen as way to boost statehood for the District and help solve regional problems

By Paul Bedard
THE WASHINGTON TIMES

President Clinton, a District advocate and a strong supporter of its statehood, is eyeing appointment of a "czar" to build cooperation with Washington-area governments and help solve regional problems.

The move, backed by local governments, is considered a step toward meeting Mr. Clinton's promise to boost statehood and a recognition that the federal government has a "special responsibility" to the city and surrounding counties, said administration and local officials.

"Clearly we have a friend," said Washington Mayor Sharon Pratt Kelly.

Proponents of creating a regional czar said greater White House cooperation could lead to increased local funding on programs targeting crime, housing, education, Metrorail expansion and child care.

"They are looking for ways to expand program dollars for summer youth activities, our community development block grants so that we can encourage more enterprise in the community ... commitments for training dollars as well as to Head Start and that is such a breath of fresh air, that is a big difference," said Mrs. Kelly.

The call for a regional czar first came from the Metropolitan Washington Council of Governments, which in late January wrote Mr. Clinton asking that he "designate one of your senior advisers with responsibility for Washington metropolitan area affairs."

Hilda R. Pemberton, chairman of both COG and the Prince George's County Council, wrote that "the designation of such a role within the Executive Office of the President will open a line of communication that will be of mutual benefit to your administration and the Washington metropolitan region."

The last administration to have a strong regional czar was President Ford's, although others since then have assigned a White House staffer as a liaison with local governments.

An administration official said the czar would likely be seated in the White House Office of Intergovernmental Affairs, although no candidate has been selected.

Prince George's County Executive Parris N. Glendening said Mr. Clinton's 12 years as governor of Arkansas put a local spin on the new administration's domestic policy.

see CZAR, *page A14*

CZAR

From page A1

Mr. Clinton's "totally local perspective means some of our priorities will get attention," said Mr. Glendening.

The White House already has asked local officials for advice on the economic stimulus plan to be unveiled Wednesday and has set up further meetings to discuss plans to curb regional crime and drug use.

Both Mrs. Kelly and Mr. Glendening have attended meetings in the Clinton White House, and two local members of Congress — D.C. Delegate Eleanor Holmes Norton and Prince George's Rep. Albert Wynn — met with Mr. Clinton yesterday as he sought help on his economic stimulus program.

Mr. Wynn, a freshman Democratic congressman, called the president "incredibly accessible." As a result, he added, there may not be special need for a regional coordinator in the White House.

"I tend to think we don't need a proliferation of players in order to get things done. ... We can get the job done with the existing players," he said after meeting with Mr. Clinton.

Explaining the new local relationship with the White House, Mr. Glendening said former President Bush "was overwhelmingly a federal person. Clinton is asking for us to participate in policy areas, such as economy and health. We didn't see that in the past, and that's a good sign."

Mr. Glendening recently met with senior Clinton officials in the White House to go over county government issues, and he noted that the administration sought details on successful Prince George's programs such as on health care.

Unlike the Bush and Reagan administrations, which regional governments viewed as aloof, Maryland, Washington and Virginia officials said the Clinton administration indicates a desire to play a large community role.

"I sense a real, genuine interest in being a good neighbor," said Ruth R. Crone, executive director of the Council of Governments. "We're just hoping 1600 Pennsylvania Avenue will become a part of our community."

D.C. officials are seeking Mr. Clinton's early endorsement of statehood efforts. In his campaign, he backed initiatives to make the District the 51st state but has made little effort since taking office to push the campaign forward.

Mrs. Norton, however, said the president "is absolutely committed to statehood."

Mr. Glendening said the White House feels that since Washington is the seat of the federal government and about one in five of the 3.9 million local residents work for it, there is a need to play a larger role here.

"They see a responsibility," he said. "We're going to see some additional attention from Washington's financial problems to a focus on some regional problems like Metro and crime."

Alexandria Mayor Patricia S. Ticer said the Clinton administration has shown it is ready to use the Washington area as the staging grounds for new programs. She pointed to Mr. Clinton's Friday visit to an Arlington health care facility to announce a new vaccine program as an example.

Celebrating
35
Years of Service to the Region

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

Local governments working together
for a better metropolitan region

February 17, 1993

Loretta Avent
Special Assistant to the President
Office of Intergovernmental Relations
The White House
Washington, D.C. 20500

Dear Loretta:

It was wonderful to talk to you last Friday evening. Your situation sounds so exciting and I'm sure you are doing a fabulous job.

Enclosed is the article written by the *Washington Times* reporter that called me just prior to my conversation with you. The term "czar" is their term and not one that I would recommend for the presidential advisor requested for the national capital region.

We are still very optimistic that the new Administration will look favorably upon our request. At such time as a designation is made, we would be delighted to have that person introduced to our Board of Directors at their regularly scheduled meeting. For your information, the dates for the next two meetings are March 10 and April 14.

I have enclosed a business card to fatten up your rolodex. I hope you find time to use it frequently.

Sincerely,

Ruth

Ruth R. Crone
Executive Director

ENCLOSURES

777 North Capitol Street, N.E. Suite 300 Washington, D.C. 20002-4226 (202) 962-3200 FAX (202) 962-3201

THE WHITE HOUSE

WASHINGTON

March 27, 1993

Mr. Dean Kamen, President
DEKA Research & Development Corp.
340 Commercial Street
Manchester, New Hampshire 03101

Dear Dean:

As you know, I had hoped to be present for your U.S. FIRST competition last month in New Hampshire, and I regretted very much that schedule pressure made it impossible.

But I heard from John Broderick and others what a rousing success it was. I know that major corporations and universities from all around the country teamed up with high schools in their respective areas to field competing teams. The competition truly is a fine, creative example of what can be done to excite the next generation about science and technology and motivate young Americans to the pursuit of scientific and technological excellence.

Though I could not be present this year in person, I do look forward to welcoming to the White House the students and professional engineers whose six weeks of intensive effort made them the winning teams.

Congratulations to you, to U.S. FIRST, and to all the participants.

Sincerely,

Bill Clinton

March 27, 1993

Mr. Dean Kamen, President
DEKA Research & Development Corp.
340 Commercial Street
Manchester, New Hampshire 03101

Dear Dean:

As you know, I had hoped to be present for your U.S. FIRST competition last month in New Hampshire, and I regretted very much that schedule pressure made it impossible.

But I heard from John Broderick and others what a rousing success it was. I know that major corporations and universities from all around the country teamed up with high schools in their respective areas to field competing teams. The competition truly is a fine, creative example of what can be done to excite the next generation about science and technology and motivate young Americans to the pursuit of scientific and technological excellence.

Though I could not be present this year in person, I do look forward to welcoming to the White House the students and professional engineers whose six weeks of intensive effort made them the winning teams.

Congratulations to you, to U.S. FIRST, and to all the participants.

Sincerely,

Dear Dean

DEAN KAMEN
President

(603) 669-5139
FAX (603) 666-3905

DEKA

DEKA RESEARCH & DEVELOPMENT CORP.
Technology Center, 340 Commercial Street
Manchester, New Hampshire 03101-1108

Draft Letter from President Clinton

As you know, I had hoped to be present for your U.S. FIRST competition last month in New Hampshire, and I regretted very much that schedule pressure made it impossible.

But I have heard from John Broderick and others what a rousing success it was. I know that major corporations and universities from all around the country teamed up with high schools in their respective areas to field competing teams, ~~and have heard how extraordinary was the degree of enthusiasm shown both by the participating high school students and by the professional engineers who worked so closely with them.~~ The competition truly is a fine, creative example of what can be done to excite the next generation about science and technology and motivate ~~its members~~ young America to the pursuit of scientific and technological excellence.

I ~~also understand that the response to this year's competition has already ensured that next year's will be even bigger and better.~~

Though I could not be present this year in person, I do look forward to welcoming to the White House the students and professional engineers whose six weeks of intensive effort made them the winning teams. ~~I hope to attend next year to share the experience first hand.~~

Congratulations to you, to U.S. FIRST, and to all the participants.

Sincerely,

OK BC

CHRON

THE WHITE HOUSE
WASHINGTON

DATE: 3/28

NOTE FOR: CAROL RASCO, JANET Blanchard ~~Eli Segal~~

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

Information ☐

Action ☑

contents of package sent to Carol RASCO

Thank you.

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

cc: Eli Segal

NASPE / AAHPERD
1900 Association Drive
Reston, Virginia 22091

Mr. President,

This packet contains materials which briefly explain the Physical Educator's dedication to educate the whole Child.

Our association is at your service and invites your participation in making these commitments reality in an ever-growing number of our most important resource - our children.

I personally would like to volunteer my services and answer your call for a national volunteer to build America program. Please put me at the top of your list.

Sincerely,

Bob Mattson

3201 Green Meadows
Casper, Wyo. 82604
(H) 307-266-6322 (W) 307-577-0367

Carol Rasco
Draw up guy
~~[illegible]~~ & ~~consider~~
appty to Pres Council
on Phys Fitness & Sports
& Kaufman OK —
[illegible] [illegible] [illegible] —
leave as health care —
Clinton WIPE [illegible] ~~[illegible]~~
~~[illegible]~~

CHRON

THE WHITE HOUSE
WASHINGTON

DATE: 3/28

NOTE FOR: Howard LeeAnn

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

Information ☐

Action ☑

for response

please call me
JOHN

Thank you.

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

cc:

THE WHITE HOUSE

WASHINGTON

PRESIDENT HAS SEEN

March 26, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN D. PODESTA JDP

SUBJECT: WHITE HOUSE CONFERENCE ON AGING

The attached letter from Representative Hughes and Senator Pryor requests that you issue a call to convene a White House Conference on Aging in 1994. Such a conference has been held roughly every ten years since 1950.

In 1991, President Bush announced his intention to convene a conference in 1993, and $2 million was appropriated for that purpose in FY 1992. The Bush Administration began to plan for the conference, and at one point prepared an implementation plan that called for 29 full-time staff, 2000 delegates, and an $11 million budget. Of the $2 million appropriated, they spent $600,000 on planning the conference; $1.4 million remains to actually hold the conference. No additional money was included in your budget request. OMB has sounded a note of caution on the availability of funds for holding a conference.

Carol Rasco recommends that you agree to convene a White House Conference on Aging in 1994. Senior staff concurs. If you agree, a more realistic program and budget will be prepared, as well as a plan for raising the necessary funds.

[✓] Agree to hold conference [ ] Disagree [ ] Discuss

Tell D. Pryor to run

Congress of the United States
Washington, DC 20515

March 5, 1993

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

Dear Mr. President:

Knowing your strong commitment to addressing problems of concern to this nation's 31 million elderly, we are writing to request that you issue a call to convene a White House Conference on Aging in 1994. Legislation authorizing such a conference is already in place. Title VIII of the Older Americans Act Amendments of 1992, Public Law 102-375, enacted on September 30, 1992, specifically states that

> **"Not later than December 31, 1994 the President shall convene the White House Conference on Aging".**

Over the last forty years, the White House Conference on Aging, generally held every ten years at the beginning of each decade, has played a major role in the formulation of national policies of fundamental concern to older Americans. It was the White House Conference on Aging held in 1961, for example, that developed recommendations that resulted in the creation of such critical national health programs as Medicare and Medicaid, and the establishment of a national social service network for the elderly under the Older Americans Act.

The last White House Conference on Aging was held in 1981. While amendments to the Older Americans Act in 1987 authorized the President to call a White House Conference on Aging in 1991, the past Administration never convened the Conference.

As you know, many critical problems continue to face the elderly in their daily lives, from inadequacies in the current health care system and the lack of long-term care, to the unavailability of elderly housing, the increasing instability of this nation's pension systems, breakdowns and inequities in the Social Security system and its future financial integrity, and the continuing plight of the almost 6 million older Americans living in poverty or near poverty. A White House Conference on Aging can facilitate the development of solutions to these, and the myriad of other complex problems of concern to the elderly.

Equally important, a White House Conference could emphasize the intergenerational nature of many of these problems, by actively supporting pro-children, pro-youth, and pro-family programs, and by demonstrating that the development of solutions to problems confronting today's elderly will insure a better life in the future for our children.

We, of course, will work closely with you in the planning and the carrying-out of the Conference, including initiating action in Congress to obtain an appropriation to help fund the Conference. In the past, Conferences have been funded through both federal and private contributions, and the authorizing legislation for the 1994 Conference provides for a similar funding arrangement.

We urge you, again, to issue an early call for a 1994 White House Conference on Aging -- a step of critical importance to older Americans, and the future strength of this nation as a whole.

Sincerely,

William J. Hughes
William J. Hughes
Acting Chairman
Select Committee on Aging
U.S. House of Representatives

David Pryor
David Pryor
Chairman
Special Committee on Aging
U.S. Senate

CHRON

THE WHITE HOUSE
WASHINGTON

DATE: 3/28

NOTE FOR: NSC / Will Itoh

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>BRIEF STATEMENT BY THE PRESIDENT
AT THE OPENING OF THE MEETING
WITH RUSSIAN FOREIGN MINISTER KOZYREV</u>

PRESIDENT HAS SEEN

-- I am pleased to have this opportunity to meet with the Foreign Minister.

-- I have made it clear to him that the United States stands firmly by those in Russia who are trying to remake their country, to bring democracy and free markets to that great land.

-- When democracy is challenged, it is critically important that the world's greatest democratic powers -- especially our own country -- stand up for democratic principles and democratic leaders such as President Boris Yeltsin.

-- I look forward to the summit in Vancouver. This is my first official meeting with President Yeltsin and my first trip abroad in my presidency.

-- Russia is, and will remain, one of the highest priorities of American foreign policy.

-- I have spoken many times about what is at stake here. The dangers if democracy fails are clear. If the reforms in Russia succeed, we have a historic opportunity to create a partnership to enhance our mutual security, global prosperity and international peace.

---

(1) Thanx Comm
(2) Whats going on
(3) Vancouver
poss meeting in Moscow
(4) USAid
→ with G-7s Aid
Con Aid → Fund for Tokyo
→ control of curr/deficit/stability
→ Ag
→ Small bus
→ Energy
→ Priv/Tech Assist
→ Bilateral → Export → Ukr – Eb Environ Bus
→ Team/Summit

(5) Security
Strat Policy
Bosnia
Georgia
Ukraine
CFE
Iraq

CHRON

THE WHITE HOUSE
WASHINGTON

DATE: 3/25

NOTE FOR: MARSHA SCOTT

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: George S
Rahm

THE WHITE HOUSE

WASHINGTON

Send these memos to Rahm/GS - keep 'em coming every week or two

PRESIDENT HAS SEEN

93 MAR 23 A7:24

March 19, 1993

** Make sure you keep a good record of these which can be brought up as needed-

MEMORANDUM FOR 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:

1. The Roques: Mrs. Jeannie Roque of Tampa, Florida, telephoned our office in distress: Her daughter, who was living in Germany, had traveled to Denmark with her Croatian fiancee to be married. When the couple attempted to return to Germany following their wedding, German border guards refused the new bridegroom reentry, stamping "outsider" on his papers. (He had lived and worked legally in Germany prior to this incident.) Fearful that he would be immediately deported to war-torn Croatia, he boarded a flight for the United States. His wife planned to follow. In London, he was turned back to Denmark.

   Susan Beveridge of our office contacted the State Department and learned that the new bridegroom was entitled to a hearing in Denmark before any further action would be taken, absent extenuating circumstances. Susan related this information to Mrs. Roque, along with a contact at the U.S. Embassy in Copenhagen for the new couple.

   When Susan checked back in a later call, she learned that the situation had been resolved. Mrs. Roque expressed her profound gratitude for our help. Mr. Roque added, "I'm completely impressed by the ability of the government to respond. You know, I'm a Republican, but I'm now a life-long friend of Bill Clinton's."

   The new couple is currently residing in Tampa with the Roques.

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)	03/19/1993	b(6)

COLLECTION:

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

FOLDER TITLE:

March 28-31, 1993 [2]

2018-0662-S
rs3040

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
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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]
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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]

2. [redacted] (b)(6)

3. Mr. Sogliuzzo: Anthony Richard Sogliuzzo of Santa Monica, California, wrote asking for your help in getting clarification from the Internal Revenue Service regarding his tax problem. "I have for months now been trying . . . . All I get from the IRS are further interest assessments, penalties for negligence and warning letters; plus an array of indecipherable brochures, explaining my rights, which I have vainly attempted to follow -- to no avail."

Helen Stefanopoulos of our office forwarded Mr. Sogliuzzo's letter to the IRS, which in turn contacted him from its Fresno, California, office. On February 26, Mr. Sogliuzzo wrote again: "I was surprised, honored, and greatly assured to know that we have a leader, who acts upon his convictions that those in office work for the people."

When Helen followed up with the IRS, she learned that it may take a few more months to fully sort out Mr. Sogliuzzo's tax problem, but the discussions with him are going well.

We attach copies of his letters.

4. <u>The Brannans</u>: Jack Brannan called our office in desperate need of habitable housing. He, his wife, and severely disabled four-year-old daughter (she is fed through a tube in her stomach) were living in a house with a serious gas leak. That leak had lowered the daughter's oxygen level to a dangerous level and had so weakened her that surgery to correct one of her chronic problems had to be postponed. Workers brought in to fix the problem, related to the heating system, could not because the house's wiring was faulty.

The Brannans sought help from their local HUD office and got a Section 8 housing certificate. Yet, when they tried to use it they were told it was an illegal certificate. The Brannans appealed up the HUD chain of command but got no results.

When Mr. Brannan contacted us, he was in tears. The previous night, temperatures had been in the 30's and forecasts showed that temperatures would be dropping into the 20's.

Susan Beveridge of our office contacted HUD, which promised an immediate investigation. Within several hours, HUD reported that the Brannans did have a legal certificate. HUD officials at several levels informed Mr. Brannan that Mrs. Brannan could select ~~a~~ new apartment the next day.

We should write them too. This is <u>awful</u>

DATE: 3/28 CHRON

NOTE FOR: MACK

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:

1-25-93 Mike Beebe, Searcy, AR

Letter sent to MMcLarty on behalf of Mrs. Dorothy Moore, former receptionist/phone operator in office of Gov. Bill Clinton.

Request you consider having "Miss Dorothy" answer the phone at the White House for a day as a symbolic gesture for her many years with Gov. Bill Clinton and her patience with members of Arkansas State Senate.

Letter signed by all members of the Arkansas State Senate with one space vacant for you to sign.

Mack
Not a bad idea
great person in Arkansas

Mack,
Not a bad idea.
great person in Arkansas.

Mr. President —

I Believe we should do this — Dorothy is special and totally dedicated to you and Arkansas.

Mack

BC

DATE: 3/25

CHRON

NOTE FOR: Bernie Nussbaum, Ron Klain

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

Information ☑

Action ☐

Thank you.

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

cc:

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

93 MAR 24 P3:39

March 24, 1993

MEMORANDUM TO THE PRESIDENT

FROM: Bernard W. Nussbaum
Counsel to the President

[illegible] Discuss

Should you tentatively decide to choose Governor Cuomo for the Supreme Court, I am passing on a memorandum prepared by Ron Klain setting forth a suggested process for implementing your decision.

March 23, 1993

MEMORANDUM FOR BRUCE LINDSEY, BERNIE NUSSBAUM, VINCE FOSTER

FROM: RON KLAIN

SUBJECT: SUPREME COURT VACANCY: PROCESS

The purpose of this memorandum is to set forth a process to be used in implementing a tentative Presidential decision to select Governor Cuomo for the White vacancy.

Overall Strategy Issue

The basic question is to what extent do we conduct a "search" if the President has made up his mind; i.e., Do we publicly cast a broad net for prospective candidates if the outcome is basically preordained?

My view is that, if the President tentatively selects Cuomo, we should do less, and not more, outreach-type activities. There is no reason to needlessly prolong the process, where one of the principal advantages to selecting Governor Cuomo is that his nomination brings rapid closure to the process.

Consequently, the plan I outline below reflects what I believe is the minimum we can undertake, prudently, prior to our announcement of an intention to nominate Governor Cuomo.

Specific Measures that Should be Undertaken

There are four specific measures that should be undertaken before a decision is announced.

1. **Senate Consultation**

Senate leaders, particularly Chairman Biden, have previously made strong statements about their desire to be consulted on Supreme Court nominations; if we fail to do so, we will engender considerable ill-will towards our nominee.

While I am awaiting Howard's views on this question, I personally believe that we should share a list of 15-20 names with key Democratic Senators (Mitchell, Biden, and Ford), for their reaction and response. They would prefer for this consultation to be public; I am less certain about that.

The list to be used for consultation should contain some names that will be even less desirable to conservatives than Cuomo; it should also reflect geographic, gender, racial, and professional diversity. We should assume that the list, in its entirety, will be leaked to the press.

A proposed list to be used in consultations is attached.

With respect to the Republican Senators themselves (Dole and Hatch), I would have the President call them and seek out their comments and reaction, without offering them a specific list for review. While even these consultations may draw criticism from the left -- and be called unnecessary, since Democrats control the Senate -- it will make confirmation an easier task.

I would also urge the President to call the Democratic women on the Judiciary Committee (Feinstein and Moseley-Braun) to get their reaction to Cuomo. We will need them to back us up if we do not choose a woman for this vacancy.

2. Legal Profession Consultations

Attorney General Reno has urged us to launch a highly visible effort to consult with leaders of the legal profession -- bar leaders, law school deans, state Attorneys General -- about potential candidates. She has urged this, both as a substantive matter -- it may yield a winning candidate -- and as a political matter -- it brings benefits in any event.

I am skeptical of such public outreach efforts if the choice is going to be Governor Cuomo. However, the President (or the Attorney General, on his behalf) may want to make a few calls, to selected bar leaders, selected deans, and selected AGs, to indicate a level of concern and interest in the choice.

I have attached a proposed list of calls, which yields us some of the benefits of the Attorney General's proposal (namely, the ability to say that a diverse array of prominent individuals were consulted), without the downside of a public "talen hunt" being launched.

3. Vetting and the FBI Investigation

Earlier, I raised the possibility of submitting multiple candidates to vetting. If we are centering the process on Cuomo, that does not make sense. However, we need to decide whether we would vet Cuomo pre-announcement: (a) internally and/or (b) via an FBI background investigation (adding about 10 days to the process, and leaks). Our options are discussed below.

a. The Internal Vet

The internal vet would have two phases: investigations prior to Cuomo's meeting with the President, and inquiries following the meeting.

1. Prior to the Presidential Meeting

Prior to Cuomo's meeting with the President, he should be interviewed, at the Department of Justice, by Attorney General Reno, Bernie Nussbaum, and Vince Foster. The three should engage in a long and specific inquiry concerning any potential confirmation problems.

In advance of this meeting, we should ask Cuomo to complete:

(a) The Personal Data Questionnaire, used by us and the ABA to evaluate judicial nominees;

(b) The Medical Questionnaire, for internal purposes only; and

(c) The Financial Questionnaire, also for internal purposes.

These materials could be reviewed and serve as a basis for the questioning of Governor Cuomo in the meeting with Reno, Nussbaum, and Foster. The goal is to insure that the staff is confident that Cuomo does not have disqualifying problems <u>before</u> he is sent in to meet with the President.

2. Subsequent to the Presidential Meeting

Subsequent to the Presidential meeting, Cuomo's forms and the supporting materials should be turned over to an experienced vetting team, to complete the review and analysis. This group should report to Attorney General Reno and Bernie Nussbaum, who will make a final recommendation to the President about a decision on the nomination.

b. Use of the FBI

The final question is whether we want to do any FBI work on Cuomo <u>prior</u> to the announcement of his selection.

While we might not want to await a complete FBI Background Investigation to announce his selection, we could ask Cuomo to complete papers necessary to perform an FBI file check. This would make us aware of any appearances of Cuomo's name in FBI investigative files.

In addition, in this way we could say that some FBI investigation of Cuomo was done before the announcement.

Obviously, once a public announcement is made, a full-scale background check will be conducted.

4. **American Bar Association**

Before we proceed with Cuomo, we should ask the ABA for a 24-hour "read" on him: an informal process whereby they poll their Committee members and give us a "sense" of their likely evaluation of him.

This would be confidential on both sides (we could not disclose that we had done this), and would not prevent the ABA from issuing a lower rating later.

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. list	re: List (1 page)	03/23/1993	b(6)

COLLECTION:

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

FOLDER TITLE:

March 28-31, 1993 [2]

2018-0662-S
rs3040

RESTRICTION CODES

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

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RR. Document will be reviewed upon request.

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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Consultation List

Bar Leaders

Michael McWilliams, President, American Bar Association

Sandy D'Alemberte, former President, ABA; ABA Governor on the Committee on Federal Judiciary

Elaine Jones, Member, ABA Board of Governors

John Crump, President, National Bar Association

(Possibly also the National Hispanic Bar Association and the ABA Section on Women and the Law)

Law School Deans

Guido Calabresi, Yale Law School

Robert Clark, Harvard Law School

Geoff Stone, University of Chicago

Judith Areen, Georgetown University Law Center

Attorneys General

Skip Humphrey, President, NAAG, Minnesota

Lee Fisher, Attorney General, Ohio

Dick Blumenthal, Attorney General, Connecticut

Pam Carter, Attorney General, Indiana

Dave Frohmayer, former Attorney General, Oregon; now Dean of Univeristy of Oregon Law School (Republican)

THE PRESIDENT HAS SEEN
3.30.93

Mack
I called Boren
but we need
to do something
on the others too

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. note	Mack McLarty to POTUS [partial] (1 page)	03/30/1993	b(6)

COLLECTION:

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

FOLDER TITLE:

March 28-31, 1993 [2]

2018-0662-S
rs3040

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Then there is the large group whose resumes I am holding at Bruce's request until a little later....Jim Guy will possibly be letting some of them go after the session, many of them call Rosalyn and me regularly (and I am sure they frequently call others up here from Arkansas) to know what the status is.....

I strongly urge a letter from you, me or someone high enough in personnel to say something official to all these people, both first and second groups. I don't believe I am the most appropriate person to send the letter; however, I do request that I be given recognition in the letter for relentlessly pursuing this matter on their behalf.

Finally, I had a visit with Bill Bowen while in Arkansas; he called me to his office for a private visit. It was fun seeing him but toward the end of the hour he became very serious and asked that I help my friend Bowen get to the core of what is going on with any potential appointment for him. He says he is getting a little weary of the continuing speculation in various journals, newspapers, etc. about a possible appointment for him. He last week was called by Brummett who told Bowen that Bill Brandon, a periodical writer from American Banking Assoc. and a writer from the Independent Banker's periodical all three had confirmed to Brummett that Bowen's appointment (b)(6) [redacted] Bowen realizes to take an appointment in the banking field will require both him and Connie to sell their stock in the bank, he is ready and willing to do that....he hastens to add each time he talks to me (he calls me weekly) that he expects nothing from you, you don't owe him but clearly he would like for the roller coaster ride to end. I simply remind you of all that Bowen did during the campaign period.

Let me know if there is anything I need to do further on any of these matters.

Thank you.

CHRON

THE WHITE HOUSE
WASHINGTON

DATE: 3/28

NOTE FOR: Sylvia Mathews

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

Information ☐

Action ☑

call me

JOHN

Boa — This guy played a major role in my campaign, esp. in New Hampshire —

The Decision a responsive response even if it's your idea is bad —

B.

March 15, 1993

Mr. David R. Matthews
Matthews, Campbell & Rhoads
119 South Second Street
Rogers, Arkansas 72756-4525

Dear David:

Thanks so much for writing.

I agree that Americans want to contribute, but any strategy to reduce the deficit must also regain the confidence of the American people by changing the way government operates. I have appointed Vice President Gore to lead a task force that will examine the basic assumptions behind every government program.

The economic package I proposed to Congress changes the priorities of the federal government from consumption to investment in our people, our jobs, and our future. My plan will cut the deficit in an aggressive and fair way. It will result in $140 billion in deficit reduction in fiscal 1997 alone.

I have worked hard to find the best mechanism to challenge Americans to contribute. I appreciate your input.

Your continued support and encouragement are comforting. Hillary and I send our love.

Sincerely,

Bill

383255

LAW OFFICES

MATTHEWS, CAMPBELL & RHOADS

PROFESSIONAL ASSOCIATION

DAVID R. MATTHEWS
CRAIG A. CAMPBELL
GEORGE R. RHOADS*
EDWIN N. McCLURE
LARRY J. THOMPSON
RICHARD J. STOCKER

MARY B. MATTHEWS
OF COUNSEL

* ALSO ADMITTED IN OKLA.

119 SOUTH SECOND STREET
ROGERS, ARKANSAS 72756-4525
(501) 636-0875

TELECOPIER
(501) 636-8150

February 4, 1993

President Bill Clinton
White House
Washington, D.C.

Dear Mr. President:

The United States of America is in bankruptcy. You have inherited, through no fault of your own, the worst fiscal condition any President has ever had to face. Your predecessors, in particular the last two administrations, have mortgaged our country's future. Every one knows that, but complaining about it is not paying off the mortgage. We must start paying the mortgage off now.

I believe a plan could be devised that would win national support and allow us to pay off this mortgage on a thirty year amortization schedule. What I am recommending is that the national debt be segregated and dealt with separately. The American public would support a general tax dedicated solely to the purpose of retiring the debt if they knew three things; (a) that the debt payments would be handled by non-politicians (trusted businessmen) with no ax to grind; (b) that the special dedicated tax would end when the debt was paid off; and (c) that we would not allow ourselves to get back in this position in the future.

Central to this proposition is some legislation akin to our Revenue Stabilization Act that would preclude Congress from spending more money than the government takes in except in instances of a declared war. If the American people knew that we would not put ourselves in this position again, I believe they would find the strength and resolve to pay off our present debt.

With your excellent skills of salesmanship I believe the American people would support a general federal sales tax. I believe the money should be paid into a trust fund administered by individuals such as Ross Perot, Lee Iacocca, and Rob Walton, (to name a few) who would manage the investments of the trust fund and the payments from the trust fund toward the national debt. that would protect that separate money from any chance that Congress would appropriate it for a different purpose. While, of course, some immediate monies would be necessary from the general treasury to meet the short run cash flow costs, I believe within a very short period of time a national sales tax would provide a revenue source that would fund payment of the national debt.

If the debt service (which I estimate to be approximately Two Hundred Thirty Billion Dollars per year) were removed from our present budgetary needs, you could still provide the middle-class income tax cut and with very minimal other cuts and savings in government balance the remainder of the federal budget immediately and keep it balanced. You could institute some other tax equity measures into the tax code to ease the regressivity of the sales tax.

I realize that this plan seems overly simplistic. However, as Ross Perot's success pointed out, the people believe there is a simple solution. The more simple the discussions of our problems, the more support the American people will show. I urge you to consider this plan or some other form of dedicated tax to immediately show some progress toward retiring the national debt.

I hope this letter finds you well and I want you to know that I pray for your success daily and safety daily.

With kindest personal regards to you and Hillary, I am

Sincerely yours,

MATTHEWS, CAMPBELL & RHOADS, P.A.

David R. Matthews

DRM:sah

CHRON

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 3/28

NOTE FOR: Will Itoh

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

Information ☐

Action ☑

[redacted]

Please consult with Todd or me before sending

John

What does our Gov't do in [illegible] - How is it different from Bush position? from our position in election?

Tony/NSC

[redacted]

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

THE WHITE HOUSE

WASHINGTON

Dear Representative Machtley:

Thank you for your recent letter concerning the SEAWOLF program and the submarine industrial base. The Department of Defense has provided additional information on this issue since Mr. Paster wrote to you last month.

I clearly understand your concerns with the greatly reduced workload confronting the submarine industrial base. The Department of Defense is carefully examining the impact of early termination of the SEAWOLF program on the submarine industrial base, including the highly capable Quonset Point facility in Rhode Island.

When the SEAWOLF program was terminated in January 1992, the Deputy Secretary of Defense commissioned studies that included a review of the roles and missions of submarines, and an examination of key capabilities needed for submarine production and repair. We are examining the work done to date, and working on additional assessments of the vendors of key components and the shipbuilders themselves.

These studies may indeed lead to a decision to include SEAWOLF construction in the budget at some time before the start of CENTURION construction late in this decade. Such a step would clearly have a positive impact on the industrial base, but it will have to be examined carefully in the light of competing program and budget priorities, as well as the results of the ongoing submarine studies.

I agree with your observation that many challenges to the submarine force remain, with potential developments in the third world that would be of concern. As we develop the complete FY 94 to FY 99 budget through the summer, your concern with the submarine industrial base will be considered.

Thank you again for your letter. I look forward to hearing from you on other issues of importance to the State of Rhode Island.

With best wishes,

Sincerely,

Bill Clinton

The Honorable Ronald K. Machtley
House of Representatives
Washington, D.C. 20515

ID# 001361

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 01, 1993

NAME OF CORRESPONDENT: THE HONORABLE RONALD MACHTLEY

SUBJECT: URGES THAT THE PRESIDENT INCLUDE SUFFICIENT FUNDING FOR PROCUREMENT OF A 3RD SEAWOLF IN THE 94 DEPARTMENT OF DEFENSE BUDGET REQUEST

ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACTION: ACT CODE	ACTION: DATE YY/MM/DD	DISPOSITION: TYPE RESP	DISPOSITION: C D	DISPOSITION: COMPLETED YY/MM/DD
HOWARD PASTER	ORG	93/02/01			/ /
REFERRAL NOTE:					
		/ /			/ /
REFERRAL NOTE:					
		/ /			/ /
REFERRAL NOTE:					
		/ /			/ /
REFERRAL NOTE:					
		/ /			/ /
REFERRAL NOTE:					

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1240

__ MAIL USER CODES: (A)__________ (B)__________ (C)__________

*ACTION CODES:	*DISPOSITION	*OUTGOING CORRESPONDENCE:
*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS OF SIGNER CODE = A
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	*COMPLETED = DATE OF OUTGOING
*D-DRAFT RESPONSE	*C-COMPLETED	
*F-FURNISH FACT SHEET	*S-SUSPENDED	
*I-INFO COPY/NO ACT NEC		
*R-DIRECT REPLY W/COPY		
*S-FOR-SIGNATURE		
*X-INTERIM REPLY		

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

001361

RONALD K. MACHTLEY
1st District, Rhode Island

COMMITTEE ON ARMED SERVICES
COMMITTEE ON SMALL BUSINESS
COMMITTEE ON GOVERNMENT OPERATIONS
SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

CO-CHAIR, NEW ENGLAND ENERGY CAUCUS
ENVIRONMENTAL AND ENERGY STUDY CONFERENCE
CONGRESSIONAL HUMAN RIGHTS CAUCUS
CONGRESSIONAL TEXTILE CAUCUS
CONGRESSIONAL CAUCUS ON WOMEN'S ISSUES
CONGRESSIONAL NOTCH COALITION

Congress of the United States
House of Representatives
Washington, DC 20515-3901

WASHINGTON OFFICE:
132 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3901
(202) 225-4911

1ST DISTRICT OFFICES
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200 MAIN STREET
SUITE 230
PAWTUCKET, RI 02860
(401) 725-9400

127 SOCIAL STREET
ROOM 172
WOONSOCKET, RI 02895
(401) 762-4052

320 THAMES STREET
ROOM 267
NEWPORT, RI 02840
(401) 848-7920

January 21, 1993

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

Dear Mr. President:

I was pleased by your support for the SSN-21 Seawolf program during last year's presidential campaign. I am writing to urge you to include sufficient funding for procurement of a third Seawolf in your fiscal year 1994 Department of Defense budget request.

It has become clear that one of the most difficult problems our nation faces in down-sizing the defense budget is maintaining a sufficient defense industrial base. Although the threat of global war is far less today that it was during the heights of the Cold War, the uncertainty of the future requires that we maintain our preparedness to resume robust procurement of defense systems should global hostilities unexpectedly return.

The submarine industrial base is perhaps the most fragile and difficult to reconstitute among all defense-related industries. Indeed, the unique, highly skilled workers that have provided our nation with the most capable undersea force in history are already leaving their jobs as declining military budgets are realized. Much of these skills and jobs are unfortunately gone forever. Construction of a third Seawolf would not only provide the Navy with a highly capable vessel, but it will also hold off this loss of expertise until the beginning of the Centurion program later in the 1990's.

A third Seawolf is further needed to meet a still potent and unpredictable submarine threat the Navy faces throughout the world. Last year's sale of Russian submarines to Iran is just one example of the third world's growing interest in adding submarines to their arsenal of weapons. Adversaries and potential adversaries such as North Korea, Libya and China have all sought to improve their undersea force in recent years. A third Seawolf would surely deter potential aggressors from threatening U.S. interests for many years to come.

I fully recognize and respect the daunting task your Administration faces in implementing what will undoubtably be painful cuts in defense spending. However, I am fully convinced that in light of the need to maintain our fragile, shrinking submarine industrial base, as well as the continued military value and cost-effectiveness of submarines, procurement of a third Seawolf is fully warranted. I respectfully urge you to include sufficient funding for this asset in your FY94 budget request.

Sincerely,

Ron Machtley
Member of Congress

RKM:jsc

THE WHITE HOUSE

WASHINGTON

February 24, 1993

Dear Representative Machtley:

Thank you for your letter regarding funding for the SSN-21 Seawolf program. I appreciate your bringing this matter to the attention of President Clinton.

President Clinton has been advised of your support for this program, and a copy of your letter has been sent to the Department of Defense for further review. As soon as we receive any details, we will contact your office.

Once again, thank you for your letter. I look forward to hearing from you on other issues of importance to the state of Rhode Island.

Best wishes.

Sincerely,

Howard G. Paster
Assistant to the President
for Legislative Affairs

The Honorable Ronald K. Machtley
House of Representatives
Washington, D.C. 20515

DATE: 3/28 CHRON

NOTE FOR: Bob Rubin

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

Information ☐

Action ☑

Mack – Fyi
Bob Rubin

we don't respond to his specifics w/ a yes or no –
he's a friend and backer
I'm convinced a lot of what we want to do will be submitted in the bill –

Assistant to the President
and Staff Secretary
(x2702)

cc: MACK

THE WHITE HOUSE

WASHINGTON

Dear Jim:

Thank you for your letter concerning our efforts to reduce the regulatory burden on community banks. As I have indicated in recent weeks, reducing the regulatory burden on depository institutions is an important part of our economic recovery program.

Since receiving your letter, I have announced a program of regulatory actions designed to spur additional bank lending without weakening the Nation's banking system. I am enclosing a copy of the Interagency Policy Statement on Credit Availability for your review. These actions, in conjunction with our economic stimulus program, will ease the flow of credit to worthy borrowers and help alleviate the "credit crunch."

I look forward to working with you as we go forward in addressing this problem.

Sincerely,

The Honorable Jim Slattery
House of Representatives
Washington, D.C. 20515

ID# 003536

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 18, 1993

NAME OF CORRESPONDENT: THE HONORABLE JIM SLATTERY

SUBJECT: URGES THE PRESIDENT TO APPOINT A SPECIAL COMMISSION TO REVIEW BANK REGULATIONS

ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACTION: ACT CODE	ACTION: DATE YY/MM/DD	DISPOSITION: TYPE RESP	DISPOSITION: C D	DISPOSITION: COMPLETED YY/MM/DD
HOWARD PASTER	ORG	93/02/18			/ /
REFERRAL NOTE:					
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REFERRAL NOTE:					
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REFERRAL NOTE:					
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REFERRAL NOTE:					
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REFERRAL NOTE:					

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1230

__ MAIL USER CODES: (A)D KS______ (B)__________ (C)__________

ACTION CODES:	DISPOSITION	OUTGOING CORRESPONDENCE:
A-APPROPRIATE ACTION	A-ANSWERED	TYPE RESP=INITIALS OF SIGNER
C-COMMENT/RECOM	B-NON-SPEC-REFERRAL	CODE = A
D-DRAFT RESPONSE	C-COMPLETED	COMPLETED = DATE OF OUTGOING
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KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

SCANNED

003536

MEMBER:
COMMITTEE ON
ENERGY & COMMERCE
COMMITTEE ON
VETERANS' AFFAIRS
COMMITTEE ON
BANKING, FINANCE
AND URBAN AFFAIRS

Congress of the United States
House of Representatives

JIM SLATTERY
SECOND DISTRICT, KANSAS

WASHINGTON OFFICE
1512 LONGWORTH HOUSE
OFFICE BUILDING
WASHINGTON, DC 20515-1602
(202) 225-6601

KANSAS OFFICE
111 CAPITOL TOWER
400 S.W. 8TH STREET
TOPEKA, KS 66603
(913) 295-2811

February 12, 1993

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

Dear Mr. President:

As we discussed yesterday, I hope your administration will move swiftly to alleviate the regulatory burdens which have been placed upon this nation's community banks. I am confident that a reduction in these regulatory burdens would lead to an increase in loans to small businesses, agricultural producers, homebuyers and consumers. Doing so would add billions of dollars in new capital to our economy which could be used for business expansion and job creation.

I urge you to appoint a special presidential commission to review bank regulations to determine what can be done to relieve current regulatory burdens on community banks without adversely affecting their safety and soundness. Ideally, this commission would report back to you within one hundred and twenty days. This commission should address several pending problems:

* The commission should investigate and report upon the liability of lenders under the Comprehensive Environmental Response, Compensation and Liability Act, otherwise known as Superfund. Recent court decisions have left banks, thrifts and other private lenders liable for cleanup of environmental contamination they did not cause.

* The commission should suggest ways to modify certain provisions of the Federal Deposit Insurance Corporation Improvement Act (FDICIA) which require regulators to enact standards for bank real estate lending practices. Modified provisions should include a requirement that regulators consider the impact that such standards have on the availability of credit for small business, residential and agricultural purposes, and on low and moderate income communities. In addition, the commission should review the paperwork compliance burdens of the Community Reinvestment Act (CRA) and examine proposals to create safe harbor for depository institutions holding an "outstanding" rating, and to eliminate Community Reinvestment Act requirements for small community banks.

* Over the past five years, more than 40 major provisions affecting bank operations have been enacted into law, resulting in hundreds of pages of regulations. Given this sweeping number of regulations, the commission should conduct a written review of policy requirements, discussing the impact that current written policy requirements have on small banks. Following this review, regulators

should be directed to eliminate such requirements as appropriate. In addition, the commission should consider possible changes in current laws which require regulators to prescribe standards on bank operating procedures, such as internal controls, audit systems, loan documentation, executive compensation, earnings and stock valuation. The commission should also review the feasibility of establishing a negligence standard before liability can be imposed on directors and officers of lending institutions, as well as the establishment of a regulatory appeals process to permit review of regulatory determinations.

* Excessive paperwork requirements involve wasted time and expense for many banks, especially small community banks. I recommend an extensive review by the commission of bank costs incurred in preparing call reports, with emphasis on reducing any unnecessary burdens and costs and minimizing the number of regulatory changes made to call reports. I also encourage a general regulatory review of the Bank Secrecy Act (BSA), with emphasis on eliminating duplicative filing requirements, simplifying the exemption process, and requiring the Treasury to better clarify and explain current BSA regulations. The commission should also examine whether reducing the time and expense burdens of appraisals and duplicative auditor attestation provisions would result in relief.

* Capital standards should be reviewed by the commission, as well as the possibility of implementing a phase-in system of interest rate risk in addition to capital standards, so as to minimize the negative impact that such standards can have on economic growth. Also, the commission should look at establishing uniform application of accounting principles, by requiring Generally Accepted Accounting Principles (GAAP) rather than a blend of GAAP and regulatory standards which create expense and confusion.

* Regarding consumer related banking provisions, review and streamlining of the lending process, reducing the confusion in consumer disclosures, and eliminating duplicative disclosure requirements are areas that should be the focus of the commission. In addition, there is a need to reissue for comment regulations regarding Computerized Loan Origination Systems (CLOs) under the Real Estate Settlement and Procedures Act. As it now stands, consumers may not benefit from CLOs due to exclusion of certain lenders from the network. Another issue of concern to this commission should be the problems associated with the promulgation of regulations to implement the Truth in Savings Act. I urge you to ask Congress to postpone the current June 19, 1993, effective date of the Truth in Savings Act for at least an additional six months, as banks are having much trouble in preparing for compliance.

* Finally, regarding excessive paperwork for bankers and agricultural producers, I suggest that the commission review the 1992 banking and agricultural census forms. Bankers have informed me that much of the information required on the Census Bureau form is already

recorded on monthly call reports. I am also advised that the information required on the agriculture census form could be obtained from the forms producers already have on file with USDA field offices. Regarding other paperwork for farmers, I trust Agriculture Secretary Espy will do all he can to streamline the sign-up process for farmers.

I look forward to working with you in the future on these and other matters. If I can provide more information regarding regulatory burdens on community banks, please do not hesitate to contact me.

Sincerely,

Jim

JIM SLATTERY
Member of Congress

MEMBER:
COMMITTEE ON
ENERGY & COMMERCE
COMMITTEE ON
VETERANS' AFFAIRS
COMMITTEE ON
BANKING, FINANCE
AND URBAN AFFAIRS

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(913) 295-2811

Congress of the United States
House of Representatives

JIM SLATTERY
SECOND DISTRICT, KANSAS

February 12, 1993

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

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recorded on monthly call reports. I am also advised that the information required on the agriculture census form could be obtained from the forms producers already have on file with USDA field offices. Regarding other paperwork for farmers, I trust Agriculture Secretary Espy will do all he can to streamline the sign-up process for farmers.

I look forward to working with you in the future on these and other matters. If I can provide more information regarding regulatory burdens on community banks, please do not hesitate to contact me.

Sincerely,

Jim

JIM SLATTERY
Member of Congress

THE WHITE HOUSE

WASHINGTON

FEB 12 P7:30

FEBRUARY 12, 1993

TO: JOHN PODESTA
FROM: KAREN HANCOX, LEGISLATIVE AFFAIRS

SUBJECT: CONGRESSMAN SLATTERY AND BANKS

In the February 11 Members' meeting, the President asked Congressman Slattery to put his views regarding the regulatory burdens on banks in writing.

Enclosed is the letter for the President's review.

THE WHITE HOUSE

WASHINGTON

February 27, 1993

JM

Dear Representative Slattery:

Thank you for your follow-up letter concerning your idea of a Presidential commission to examine and review current bank regulations. I appreciate your detailing your plan to President Clinton.

The President is aware of your proposal, and a copy of your letter has been forwarded to the Department of Treasury for review and analysis. We will contact you as soon as we learn any new information.

Best wishes.

Sincerely,

Howard G. Paster
Assistant to the President
for Legislative Affairs

The Honorable Jim Slattery
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

February 27, 1993

MEMORANDUM FOR EDWARD KNIGHT

FROM: HOWARD G. PASTER
LEGISLATIVE AFFAIRS

SUBJECT: BANK REGULATIONS

Enclosed please find a copy of the letter that was sent to President Clinton from Representative Jim Slattery (D-KS). I have also enclosed copies of the acknowledgement letters I sent to them.

President Clinton has requested that he see and sign every letter going to Capitol Hill. We did not want to fully answer the issues addressed in Representative Slattery's letter without input from your department; therefore, I am requesting that your office draft a response and return it to LeeAnn Inadomi (WH-East Wing) within 48 hours. She will then print the letter in final form and have President Clinton sign the letter.

Thank you very much for your input. If you have any questions, please feel free to call LeeAnn at 456-7500.

Enclosure

DEPARTMENT OF THE TREASURY
WASHINGTON

March 16, 1993

MEMORANDUM FOR HOWARD PASTER
LEGISLATIVE AFFAIRS
THE WHITE HOUSE

FROM: EDWARD S. KNIGHT Ed
EXECUTIVE SECRETARY

SUBJECT: Response to Congressional Correspondence

Attached is the Treasury Draft response to the letter from Representative Slattery that you referred to us on February 27. Should you need further assistance, I can be reached on 622-0027.

*** DRAFT REPLY FOR THE WHITE HOUSE ***

Dear Mr. Slattery:

Thank you for your letter of February 12, 1993, concerning our efforts to reduce the regulatory burden on community banks. As you are no doubt aware from my economic address to the nation, reducing the regulatory burden on depository institutions is an important part of our economic recovery program.

Since receiving your letter, I have announced a program of regulatory actions designed to spur additional bank lending without weakening the nation's banking system. Enclosed, please find a copy of the Interagency Policy Statement on Credit Availability for your review. These actions, in conjunction with our economic stimulus program, will ease the flow of credit to worthy borrowers and help alleviate the "credit crunch."

We will be happy to work with you as we go forward in addressing this problem. Thank you once again for your letter.

Sincerely,

The Honorable Jim Slattery
House of Representatives
Washington, D.C. 20515

Enclosure

Joint Release

Office of the Comptroller of the Currency
Federal Deposit Insurance Corporation
Federal Reserve Board
Office of Thrift Supervision

Interagency Policy Statement on Credit Availability

March 10, 1993

The four federal regulators of banks and thrifts — the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Office of Thrift Supervision — today announced a program directed at dealing with problems of credit availability, especially for small and medium-sized businesses.

The program will focus on the five areas in which the agencies will take action designed to alleviate the apparent reluctance by banks and thrifts to lend. Those areas are:

- Lending to Small- and Medium-sized Businesses
- Real Estate Lending and Appraisals
- Appeals of Examination Decisions and Complaint Handling
- Examination Processes and Procedures
- Paperwork and Regulatory Burden.

The agencies intend to complete virtually all of the changes proposed in the program within the next few months. As the specifics of any change are finalized, that change will be made and published while details of other changes are in the process of being finalized.

A complete statement about the actions the agencies have planned is attached. The statement reaffirms the agencies' belief that it is in the interest of lenders, borrowers and the general public that creditworthy borrowers have access to credit.

This policy statement will be distributed to all federally examined banks and thrifts and to all regulatory agency offices and examiners.

Office of the Comptroller of the Currency
Federal Deposit Insurance Corporation
Federal Reserve Board
Office of Thrift Supervision

Interagency Policy Statement on Credit Availability

March 10, 1993

Problems with the availability of credit over the last few years have been especially significant for small- and medium-sized businesses and farms. This reluctance to lend may be attributed to many factors, including general trends in the economy; a desire by both borrowing and lending institutions to improve their balance sheets; the adoption of more rigorous underwriting standards after the losses associated with some laxities in the 1980s; the relative attractiveness of other types of investments; the impact of higher capital requirements, supervisory policies, and examination practices; and the increase in regulation mandated by recent legislation — specifically, the Financial Institutions Reform Recovery and Enforcement Act (FIRREA) and the Federal Deposit Insurance Corporation Improvement Act (FDICIA).

The four federal regulators of banks and thrifts — the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Office of Thrift Supervision — recognize that in the last several years the buildup of certain regulations and practices has become overly burdensome. Indeed, those regulations and practices may have, in some cases, stifled lending, particularly to small- and medium-sized businesses that met prudent underwriting standards.

It is in the interest of lenders, borrowers, and the general public that creditworthy loans be made. Since economic growth, especially job growth, is fueled primarily by small- and medium-sized businesses, credit availability to those borrowers is especially important. Accordingly, the agencies are working on the details of a new program to help ensure that regulatory policies and practices do not needlessly stand in the way of lending. Loans to creditworthy borrowers should be made whenever possible, as long as they are fully consistent with safe and sound banking practices.

Background

The new program is one aspect of an overall effort by the agencies to evaluate carefully and react appropriately to risk in the United States financial services industry. That overall effort envisions substantial oversight, in some cases more than we have now, in areas that pose greater risk to the system. By the same token, regulatory burden will be reduced where risk is low, especially for strong, well-managed banks and thrifts. This program is also part of a broader effort to ensure equal credit opportunity for all Americans and to make credit and other financial services available to low- and moderate-income neighborhoods and disadvantaged rural areas.

The Program

The new program involves a variety of regulatory and other administrative changes which have been agreed to in principle by the agencies. These changes fall into five categories, each of which is discussed below.

Timing. The agencies will work to complete virtually all of the changes outlined below within the next three months. Once the specifics of any of the changes are agreed upon, that change will be made and published, while distribution of other changes remains to be made.

1. Eliminating Impediments to Loans to Small- and Medium-Sized Businesses

Reducing Documentation. Strong and well-managed banks and thrifts will be permitted to make and carry a basket of loans with minimal documentation requirements, consistent with applicable law. To ensure that these loans are made to small- and medium-sized businesses, there will be a ceiling on the size of such loans and limits on the aggregate of such loans a bank may make.

Encouraging Use of Judgment\Borrower's Reputation. The agencies will issue guidance to make it clear that banks and thrifts are encouraged to make loans to small- and medium-sized businesses, particularly loans in the basket discussed above, and to use their judgment in broadly assessing the creditworthy nature of the borrower — general reputation and good character as well as financial condition may be elements in making these judgments. Reliance on a broad range of factors when making a credit determination is especially important.

Other Assets Especially Mentioned. Improper use of the category of Other Assets Especially Mentioned (OAEM) may inhibit lending to small- and medium-sized businesses. Accordingly, the agencies will clarify that examination and rating procedures do not group OAEM loans with classified loans.

2. Reducing Appraisal Burden and Improving the Climate for Real Estate

The experience of the last decade has underscored the importance of sound underwriting standards and effective supervision for commercial real estate loans. Nonetheless, in certain instances regulatory burdens may be adversely affecting loans to sound borrowers. This may be particularly so in the case of loans secured by real estate that are primarily used for non-real estate business purposes. Real estate collateral is often pledged for loans to small- and medium-sized companies that have few other tangible assets.

Using Real Estate Appraisals Prudently. In some cases currently required real estate appraisals may not add to the safety and soundness of the credit decision. Indeed, in some cases, appraisals may prove so expensive that they make a sound small- or medium-sized business loan uneconomical. Accordingly, the agencies will make changes to their rules relating to real estate appraisals along the following lines:

- **Accept Additional Collateral**
  When real estate is offered as additional collateral for a business loan, both the time and expense involved in obtaining an appraisal from a certified or licensed real estate appraiser may discourage a bank or thrift from taking the collateral, may increase the cost of credit significantly, or even may cause the loan not to be made. In some such cases, the real estate appraisal requirement is counterproductive from a safety and soundness perspective. Moreover, the constraint on credit flows to sound businesses may be substantial. Accordingly, the agencies will alter their real estate appraisal rules so as not to require an appraisal by a licensed or certified appraiser for such loans.

- **Reexamine Appraisal Thresholds**
  Appraisals conducted by licensed and certified real estate appraisers, even on real estate of modest value can be quite costly. In the case of a smaller loan, the requirement of an appraisal by a licensed or certified real estate appraiser may make a sound loan uneconomical. Accordingly, the agencies will reexamine their existing rules to make certain that thresholds below which formal appraisals are not needed are reasonable.

- **Limit Periodic Appraisals**
  In some cases real estate appraisals have been required after a loan has been made, and in circumstances where the appraisal did not add to the safety and soundness of the loan. Accordingly, the agencies will work to make certain that real estate appraisals are required after a loan is made only when clearly needed for safety and soundness purposes, provided of course, that all requirements under law have been met.

Changing Rules on Financing of Other Real Estate Owned. Currently, accounting and other rules may discourage banks and thrifts from providing financing to borrowers who wish to purchase real estate classified as Other Real Estate Owned. The agencies will review rules relating to the reporting treatment and classification of such loans and make appropriate changes to facilitate financing to creditworthy borrowers, consistent with safe and sound banking and accounting practices.

Reviewing In Substance Foreclosure Rules. The inappropriate use of in substance foreclosure rules have required foreclosure valuation treatment of loans when borrowers were current on principal and interest payments and could reasonably be expected to repay the loan in a timely fashion. The agencies will work with the appropriate authorities to alter that treatment and to coordinate a change in accounting principles and reporting standards.

Avoiding Liquidation Values on Real Estate Loans. Loans secured by real estate should be evaluated based on the borrower's ability to pay over time, rather than a presumption of immediate liquidation. The agencies will work with their examination staffs to ensure that real estate loans are evaluated in accordance with agency policy.

3. Enhancing and Streamlining Appeals and Complaint Processes

Appeals. It is important for bankers to have an avenue by which they can obtain a review of an examiner's decision when they wish. For that reason, each of the agencies has established an appeals process. To ensure the effectiveness of those processes, each agency will take appropriate steps to ensure that its appeals process is fair and effective.

In particular, each agency will ensure that its process provides a fair and speedy review of examination complaints and that there is no retribution against either the bank or the examiner as the result of an appeal.

Complaints. Each of the agencies has a process to handle more general complaints from the institutions they regulate and from the general public. Although the volume of such complaints can be high, each agency recognizes that reviewing and responding to these complaints is an important element of proper supervision. The agencies are particularly concerned that complaints of discriminatory lending practices be handled with the utmost seriousness and on an expedited basis.

Accordingly, the agencies will review their complaint processes to improve both the care with which complaints are scrutinized and the timeliness of responses.

4. Improving Examination Process and Procedures

Reducing the Burden of the Examination Process. A proper examination of a bank or thrift by its very nature involves some disruption to the examined institution. Such disruptions, however, are costly to the institution and can interfere with its credit functions. It is highly desirable that examination disruptions be minimized.

Accordingly, the agencies have agreed to intensify efforts to minimize such disruptions and, in particular, to take the following steps: (i) eliminate duplication in examinations by multiple agencies, unless clearly required by law, (ii) increase coordination of examinations among the agencies when duplication is required, and (iii) establish procedures to centralize and streamline examination in multibank organizations.

Refocusing the Examination Process. If examinations are to fulfill their functions in the areas of safety and soundness, fair lending, and consumer protection compliance, it is important constantly to reexamine the elements of the examination to determine whether the process is effective. Similarly, regulations and interpretations must continually be assessed to determine whether they are fulfilling these functions.

To improve the regulatory process, the agencies have agreed to heighten their emphasis in examinations on risk to the institution and to issues involving fair lending in place of areas that have become less productive over time. Agency policies and procedures will be reviewed with this focus in mind.

Reducing Regulatory Uncertainty. Uncertainty is part of the regulatory burden that banks and thrifts face and that contributes to their reluctance to make some credits available. This uncertainty can stem from ambiguous language in regulations and interpretations, from delays in publishing regulations and interpretations, and from failures to follow uniform examination standards that clearly reflect agency policies.

Accordingly, the agencies will review their regulations and interpretations to minimize ambiguity wherever possible and will step up efforts to publish regulations and interpretations required by law or sound regulatory practice. In addition, the agencies will reemphasize to their examiners to follow agency policies and guidelines carefully and accurately in carrying out examinations and reviewing applications. The agencies will make every effort to ensure that examination and application processing is performed uniformly across the country.

5. Continuing Further Efforts and Reducing Burden

Further Efforts. Additional items will be reviewed for possible change. One item that will be reviewed relates to the treatment of partially charged-off loans. Under current practice delinquent loans that have been partially charged off cannot be returned to performing status even when the borrower is able to, and fully intends to, pay the remaining interest and principal to the bank in a timely fashion. The agencies will work to develop common standards for determining when a loan may be returned to accrual status.

Paperwork Burden. No good is served by forcing banks to bear an excessive regulatory paperwork burden. Accordingly, the agencies have begun and will continue to review *all* paperwork requirements to eliminate duplication and other excesses that do not contribute substantially to safety and soundness.

Regulatory Burden. It is not paperwork alone that unnecessarily burdens banks and thrifts. Regulations and interpretations also may be unnecessarily burdensome. In some cases the passage of time has made regulations outmoded. In other cases the regulations may not have fulfilled their goals.

Accordingly, the agencies also have begun and will continue to review *all* regulations and interpretations to minimize burden while maintaining safety and soundness standards.

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 93-118168 CREATE DATE: 03/02/93

ADDRESSEE: Bentsen, Lloyd M.
Secretary

AUTHOR: Paster, Howard
White House

SUBJECT: Presidential Correspondence

ABSTRACT: Request for a response to a letter to the President from Representative Slattery which expresses concern over bank regulations.

************************** TASK ASSIGNMENT MEMORANDUM ***************************

ASSIGNED TO:
DOMESTIC FINANCE

DUE DATE: 03/04/93

ACTION REQUIRED: Draft Reply

TASK: Please draft a response for the signature of the President, clear with Legislative Affairs and submit to Exec Sec NO LATER THAN NOON THURSDAY, March 4, 1993.

DISTRIBUTION: UNDER SECRETARY/FINANCE
EXEC SEC

LEGISLATIVE AFFAIRS
REVIEWERS

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Financial Institutions
3-2-93

THE WHITE HOUSE

WASHINGTON

February 27, 1993

MEMORANDUM FOR EDWARD KNIGHT

FROM: HOWARD G. PASTER
LEGISLATIVE AFFAIRS

SUBJECT: BANK REGULATIONS

Enclosed please find a copy of the letter that was sent to President Clinton from Representative Jim Slattery (D-KS). I have also enclosed copies of the acknowledgement letters I sent to them.

President Clinton has requested that he see and sign every letter going to Capitol Hill. We did not want to fully answer the issues addressed in Representative Slattery's letter without input from your department; therefore, I am requesting that your office draft a response and return it to LeeAnn Inadomi (WH-East Wing) within 48 hours. She will then print the letter in final form and have President Clinton sign the letter.

Thank you very much for your input. If you have any questions, please feel free to call LeeAnn at 456-7500.

Enclosure

MEMBER:
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VETERANS' AFFAIRS
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Congress of the United States
House of Representatives

JIM SLATTERY
SECOND DISTRICT, KANSAS

February 12, 1993

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

Dear Mr. President:

As we discussed yesterday, I hope your administration will move swiftly to alleviate the regulatory burdens which have been placed upon this nation's community banks. I am confident that a reduction in these regulatory burdens would lead to an increase in loans to small businesses, agricultural producers, homebuyers and consumers. Doing so would add billions of dollars in new capital to our economy which could be used for business expansion and job creation.

I urge you to appoint a special presidential commission to review bank regulations to determine what can be done to relieve current regulatory burdens on community banks without adversely affecting their safety and soundness. Ideally, this commission would report back to you within one hundred and twenty days. This commission should address several pending problems:

* The commission should investigate and report upon the liability of lenders under the Comprehensive Environmental Response, Compensation and Liability Act, otherwise known as Superfund. Recent court decisions have left banks, thrifts and other private lenders liable for cleanup of environmental contamination they did not cause.

* The commission should suggest ways to modify certain provisions of the Federal Deposit Insurance Corporation Improvement Act (FDICIA) which require regulators to enact standards for bank real estate lending practices. Modified provisions should include a requirement that regulators consider the impact that such standards have on the availability of credit for small business, residential and agricultural purposes, and on low and moderate income communities. In addition, the commission should review the paperwork compliance burdens of the Community Reinvestment Act (CRA) and examine proposals to create safe harbor for depository institutions holding an "outstanding" rating, and to eliminate Community Reinvestment Act requirements for small community banks.

* Over the past five years, more than 40 major provisions affecting bank operations have been enacted into law, resulting in hundreds of pages of regulations. Given this sweeping number of regulations, the commission should conduct a written review of policy requirements, discussing the impact that current written policy requirements have on small banks. Following this review, regulators

should be directed to eliminate such requirements as appropriate. In addition, the commission should consider possible changes in current laws which require regulators to prescribe standards on bank operating procedures, such as internal controls, audit systems, loan documentation, executive compensation, earnings and stock valuation. The commission should also review the feasibility of establishing a negligence standard before liability can be imposed on directors and officers of lending institutions, as well as the establishment of a regulatory appeals process to permit review of regulatory determinations.

* Excessive paperwork requirements involve wasted time and expense for many banks, especially small community banks. I recommend an extensive review by the commission of bank costs incurred in preparing call reports, with emphasis on reducing any unnecessary burdens and costs and minimizing the number of regulatory changes made to call reports. I also encourage a general regulatory review of the Bank Secrecy Act (BSA), with emphasis on eliminating duplicative filing requirements, simplifying the exemption process, and requiring the Treasury to better clarify and explain current BSA regulations. The commission should also examine whether reducing the time and expense burdens of appraisals and duplicative auditor attestation provisions would result in relief.

* Capital standards should be reviewed by the commission, as well as the possibility of implementing a phase-in system of interest rate risk in addition to capital standards, so as to minimize the negative impact that such standards can have on economic growth. Also, the commission should look at establishing uniform application of accounting principles, by requiring Generally Accepted Accounting Principles (GAAP) rather than a blend of GAAP and regulatory standards which create expense and confusion.

* Regarding consumer related banking provisions, review and streamlining of the lending process, reducing the confusion in consumer disclosures, and eliminating duplicative disclosure requirements are areas that should be the focus of the commission. In addition, there is a need to reissue for comment regulations regarding Computerized Loan Origination Systems (CLOs) under the Real Estate Settlement and Procedures Act. As it now stands, consumers may not benefit from CLOs due to exclusion of certain lenders from the network. Another issue of concern to this commission should be the problems associated with the promulgation of regulations to implement the Truth in Savings Act. I urge you to ask Congress to postpone the current June 19, 1993, effective date of the Truth in Savings Act for at least an additional six months, as banks are having much trouble in preparing for compliance.

* Finally, regarding excessive paperwork for bankers and agricultural producers, I suggest that the commission review the 1992 banking and agricultural census forms. Bankers have informed me that much of the information required on the Census Bureau form is already

recorded on monthly call reports. I am also advised that the information required on the agriculture census form could be obtained from the forms producers already have on file with USDA field offices. Regarding other paperwork for farmers, I trust Agriculture Secretary Espy will do all he can to streamline the sign-up process for farmers.

I look forward to working with you in the future on these and other matters. If I can provide more information regarding regulatory burdens on community banks, please do not hesitate to contact me.

Sincerely,

Jim

JIM SLATTERY
Member of Congress

THE WHITE HOUSE

WASHINGTON

February 27, 1993

JM

Dear Representative Slattery:

Thank you for your follow-up letter concerning your idea of a Presidential commission to examine and review current bank regulations. I appreciate your detailing your plan to President Clinton.

The President is aware of your proposal, and a copy of your letter has been forwarded to the Department of Treasury for review and analysis. We will contact you as soon as we learn any new information.

Best wishes.

Sincerely,

HP

Howard G. Paster
Assistant to the President
for Legislative Affairs

The Honorable Jim Slattery
House of Representatives
Washington, D.C. 20515