

THE WHITE HOUSE
WASHINGTON

DATE: 4/20

NOTE FOR: *Jack Quinn, Dwight*

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

4.20.93

THE WHITE HOUSE

WASHINGTON

April 20, 1993

Handwritten:
2/24/93
UP
1/24/93

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA

Attached is a Decision Memo recommending that you establish the Office of Environmental Policy by Executive Order and that as part of the executive order you direct that office to develop a national environmental strategy.

There is consensus amongst the staff that the OEP be established by Executive Order.

No one is objecting to your directing the development of a National Environmental Policy. The provision is being put forward as an alternative to a Lieberman-Chafee amendment directing the same result. I would raise one note of caution: if you direct the development of a strategy by executive order, you will own the process and the results much more than if this essentially becomes one of the hundreds of reports required by Congress. As laid out in the memo, the advantage of the E.O. approach is that we have greater control of the process.

With regard to timing of the E.O., it is important to try to get your decisions on these issues by the time the bill creating the Department of Environment goes to the Senate floor, perhaps as early as Thursday. The actual text of the E.O. is being reviewed by OMB, DOJ and concerned agencies and should be ready by the end of the week or early next week.



OFFICE OF THE VICE PRESIDENT

WASHINGTON

April 16, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: The Vice President

Jack Quinn
Counsel to the Vice President

RE: **Proposed Executive Order to Create the Office On
Environmental Policy and to Establish A National
Environmental Strategy**

I. Background

On February 8, 1993, you announced plans to reorganize the environmental protection functions of the Executive Branch. In addition to the elevation of EPA to Cabinet Department status, your reorganization proposes the elimination of the Council on Environmental Quality ("CEQ") and the creation of a White House Office on Environmental Policy ("OEP"). Under this plan, the new Department on the Environment would assume most of CEQ's current statutory functions.

Because CEQ was created by statute, its elimination requires congressional approval. Language eliminating CEQ and transferring its principal functions to EPA has been included at our request in Senator Glenn's bill to elevate EPA. That bill has now been approved by both the Senate Governmental Affairs and the Senate Environment and Public Works Committees and was reported to the full Senate on April 2, 1993.

Despite support for the legislation to this point, Senators have raised two questions that require our response:

- 1) Whether the Office on Environmental Policy should be created by statute, just as the CEQ was created, and
- 2) Whether we would agree to require the development of a "national environmental strategy."

As discussed below, we recommend that, in lieu of addressing these points in the legislation, you agree to issue an Executive Order (i) establishing the OEP and thereby institutionalizing it within the White House and (ii) directing the OEP to provide

recommendations to you for a national environmental strategy. A draft of the Order we have in mind is attached.

II. Institutionalizing the Office on Environmental Policy

Senators Chafee and Boxer (as well as certain members of the environmental community) have expressed concern over the elimination of CEQ. Their primary fear is that they will lose an environmental champion here in the White House, particularly in later, less environmentally-conscious administrations.

To compensate for the loss of the CEQ, Senator Chafee has specifically proposed codifying the Office on Environmental Policy. We have resisted codification for these reasons:

- With few exceptions, such as the NSC, Congress does not legislate the specific creation, composition, or functions of the President's senior staff. Codification of the OEP would compromise separation of powers principles and impinge upon organizational authorities generally reserved to the Executive Branch.
- If the OEP is written into the statute, then some Senators will no doubt want to require that the director of the OEP be Senate-confirmed. This would substantially change the nature of the OEP (and underscores our concern about the separation of powers implications of codification).
- Codifying the OEP while at the same time eliminating the CEQ creates the appearance of simply renaming the CEQ. We should insist that the OEP will serve a different function (namely, a staff function) than did the CEQ (a Senate-confirmed body).

We therefore recommend that you establish the Office on Environmental Policy through an Executive Order. The Executive Order approach institutionalizes the OEP -- a worthwhile goal -- while eliminating intrusive congressional involvement in defining the functions of your staff. While not as permanent as a statutorily-based office, a future President would have to take the affirmative step of rescinding the Executive Order to abolish the OEP.

As with the Executive Order establishing the National Economic Council, the OEP Executive Order will outline the basic responsibilities of the Office. Provisions of the Order would, for example, include:

- The establishment of the Office; and

- A general description of the functions of the Office, including
 - coordination of policy at the White House,
 - advising the President on environmental matters,
 - monitoring the implementation of the President's directives, and
 - assisting the President in resolution of inter-agency disputes on environmental impact statements.

Please indicate whether you approve or disapprove of our recommendation to create the OEP by an Executive Order.

☐ Approve
☐ Disapprove
☐ Requires discussion

III. National Environmental Policy

Senators Lieberman and Chafee threaten to offer an amendment to the EPA elevation bill requiring the development of a "national environmental strategy" within a year or so. Senator Lieberman has in fact drafted a detailed amendment outlining specific elements of the strategy.

We recommend that the Executive Order that establishes the OEP also outline the requirements of a national environmental strategy. Without such action, the Senate is likely to add language to this effect to the EPA elevation bill which is both more specific and more intrusive than language we would include in an Order. By including a provision to this effect in the Executive Order, we would control the terms and scope of the effort.

Please indicate whether you approve or disapprove of the recommendation to outline the national environmental strategy through the Executive Order that establishes the OEP.

☐ Approve
☐ Disapprove
☐ Requires discussion

Thank you.

THE WHITE HOUSE
WASHINGTON

DATE: 4/20

NOTE FOR: *Rahm*

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:

*File from
Howard Foster*THE PRESIDENT HAS SEEN
4.20.93**Bob Dole**

U.S. SENATOR FOR KANSAS

SENATE REPUBLICAN LEADER



NEWS

FROM:

FOR IMMEDIATE RELEASE
APRIL 16, 1993CONTACT: WALT RIKER
(202) 224-5358

STIMULUS "COMPROMISE"

GRIDLOCK BEGINS IN OVAL OFFICE: NEW CLINTON BUDGET-BUSTER NO COMPROMISE. ONCE AGAIN FLUNKS DEFICIT TEST

MINNEAPOLIS, MINNESOTA -- Senate Republican Leader Bob Dole today issued the following statement regarding Bill Clinton's so-called "compromise" stimulus package:

"The American people now know that gridlock begins in the Oval Office. It isn't a compromise when the President absolutely refuses to pay for his new spending programs.

"The value-added tax proposal is bad enough, but the President has once again seriously underestimated the American people's anger with deficits and spending. Trimming a huge pork bill is no gift to the beleaguered taxpayers, and neither is raising the deficit. No wonder even Democrats are running away from the package.

"I can't repeat this often enough -- we support funding the extension of unemployment benefits, but if the President wants to have new spending programs, Republicans will continue to demand offsetting cuts in other programs. It's a fundamental difference between Republicans and most Democrats, and it's a principle we won't compromise."

###

THE WHITE HOUSE

WASHINGTON

93 APR 20 P1:20

93 APR 16 P4:03

MEMORANDUM TO JOHN PODESTA
RAHM EMMANUEL

FROM: MARSHA SCOTT
DATE: APRIL 16, 1993
SUBJECT: OFFERS OF HELP

When the public writes to the President from outside the beltway with offers of help or asking how they can help, how do I answer them? Is there any legitimate way they can be referred to a partisan entity such as the DNC?

Please advise.

Thanks

MARSHA —
I don't think that's appropriate, but I've referred to Vince for an opinion. We also can't ask them to write Congress. Responses have to be more generic.

yes, though we might make an indirect reference to local political organizations along with a list of other organizations such as churches, etc. Cheryl Miller is considering a draft form letter

John

cc. Kathryn

cc.

Vince is my understanding correct

TO MARSHA
RAHM
4.20.93

THE WHITE HOUSE
WASHINGTON

DATE: 4/20

NOTE FOR: *Tony, Sandy*

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

Information ☐

Action ☒

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

Tony/Sue
As new friends
The Sibley strongly
supported me -
Read it all -

B.

THE WHITE HOUSE

WASHINGTON

Dear Jeff:

Thank you for your letter concerning service by members of the Sikh religion in the United States armed forces.

The Army's decision to discontinue waivers for members of the Sikh religion was based on safety considerations relating to interference of unshorn hair and beards with personal protective equipment, and impairment of discipline and esprit resulting from the selective granting of appearance and grooming waivers. Protective masks and equipment are essential for all military members in the modern-day battlefield.

Moreover, if grooming and appearance waivers were granted to Sikhs, similar waivers would have to be granted to members of other religious groups whose appearance and grooming practices may be considerably less conservative.

I appreciate your concerns and those of the Ministry of the Sikh Dharma and thank you for bringing them to my attention. I believe, however, that the Department of Defense has adopted a responsible and uniform policy of accommodation of religious practices. It would be inappropriate for me to direct the Secretary of Defense to consider an exception for one religious group.

With best wishes,

Sincerely,



The Honorable Jeff Bingaman
United States Senate
Washington, D.C. 20510

United States Senate

February 24, 1993

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

Dear Mr. President:

Earlier this year, you received a letter from the Ministry of the Sikh Dharma for the Western Hemisphere regarding service by members of the Sikh religion in the United States military. I would like to express my strong support for a change in current Department of Defense regulations that would permit Sikhs to once again serve in the Armed Forces.

As you know, one of the fundamental tenets of the Sikh religion is the requirement that its adherents keep all hair on their body intact. From 1974 to 1981, the Army provided an exemption to its dress code to allow bona fide members of the Sikh religion to serve in the military with beard, unshorn hair, and turban. Before that, Sikhs who were drafted into the military were allowed to serve under the provisions of an executive order issued by President Truman. However, in 1981 the Army rescinded its exemption, effectively barring members of the Sikh religion from serving in the military.

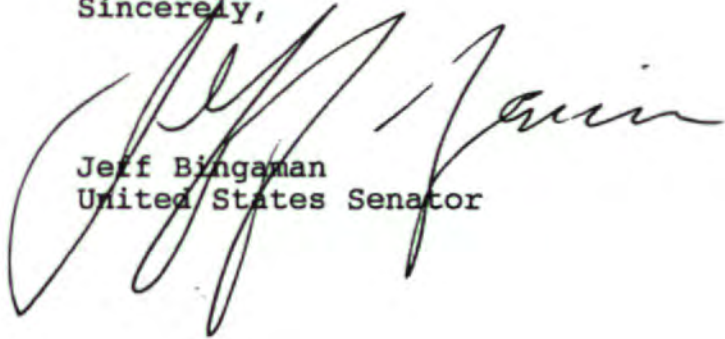
In response to two Supreme Court rulings in 1986 upholding the military's ban on religious apparel while in uniform (one involving the right of a Sikh to serve with unshorn hair, beard, and turban; the second involving the right of a Jewish servicemember to wear a yarmulke), Congress in 1987 enacted a law lifting the ban when the articles of religious apparel did not interfere the performance of military duties. The record clearly shows that Congress intended to include Sikhs in this act. The Department of defense, however, drafted its exemption so narrowly as to exclude Sikhs from the exemption.

I believe that the ban on unshorn hair, beards, and turbans for bona fide members of the Sikh religion should be changed to allow members of the Sikh religion to serve in the military, and I urge you to look into this matter. For your reference I have included a copy of the earlier letter from the Ministry of the Sikh Dharma.

Page 2

Thank you for your consideration of my request. Please do not hesitate to contact me if I can provide further information on this matter.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jeff Bingaman".

Jeff Bingaman
United States Senator

JB/jpg
Enclosure

THE WHITE HOUSE
WASHINGTON

March 19, 1993

Jeff
Dear Senator Bingaman:

Thank you very much for your letter to President Clinton concerning service by members of the Sikh religion in the United States military.

The President will be advised of your letter and you should be hearing directly from him in the near future.

If I can be of further assistance, please do not hesitate to contact me.

With best wishes,

Sincerely,

Howard G. Paster
Howard G. Paster
Assistant to the President
for Legislative Affairs

The Honorable Jeff Bingaman
United States Senate
Washington, D.C. 20510



January 12, 1993

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

My Dear Mr. President,

Sat Nam! Greetings in the name of God, the light of every soul.

An injustice was perpetrated against the Sikh citizens of the United States of America by the Reagan Administration. That same injustice was perpetuated against the Sikhs in our country by the Bush Administration.

It is now time for the Clinton Administration to end that injustice. As the enclosed essay, "Service By Members of the Sikh Religion in the United States Military: A Brief History", so accurately explains, since the time when the last two Republican Administrations first took power, members of the Sikh religion in America have been denied the right to serve in the United States Armed Forces.

There are no words which can adequately explain to you how devastating it is for members of the Sikh religion to be denied military service. Even the most cursory examination of the history of the Sikh religion is highlighted by both the martial tradition and spirit of the Sikhs, and by the distinguished military service records of Sikhs who have served and who continue to serve their countries as well.

The time is now and now is the time to end this injustice. It is our fervent request that you take that immediate action, as is detailed in the essay, to again permit members of the Sikh religion to serve in the United States Armed Forces.

In the name of the Cosmos which prevails through everyBODY and the Holy Nam which holds the world.

Humbly Yours,

Siri Singh Sahib Bhai Sahib
Harbajan Singh Khalsa Yogiji

Chief Religious and Administrative Authority of the Ordained Ministry of the Sikh Dharma for the Western Hemisphere

1649 S. Robertson Blvd. P.O. Box 351149 Los Angeles, California 90035 (310) 552-3416

Fax (310) 557-8414



Chancellor to the Siri Singh Sahib of Sikh Dharma

1038 So. Robertson Blvd., Suite One, P.O. Box 35330, Los Angeles, California 90035-0330
Telephone (310) 659-8844, Fax (310) 659-8234

SERVICE BY MEMBERS

OF THE

SIKH RELIGION

IN THE

UNITED STATES MILITARY

A Brief History

INTRODUCTION

It is a fundamental tenet of the Sikh religion that its members be ready and willing to serve their community with selfless devotion. It is also an historical constant that members of the Sikh religion have served with honor and distinction in the military of their country. However, members of the Sikh religion are effectively banned from service in the military of the United States at this time.

SIKH RELIGIOUS PRACTICES

The Sikh religion was founded over 500 years ago in India. There are over 16,000,000 Sikhs worldwide. There are nearly 250,000 Sikhs in the United States. Among the fundamental tenets of the Sikh religion is the requirement that its adherents keep all hair on their body intact. That means that a bonafide member of the Sikh religion has unshorn hair and, for the men, untrimmed beards as well.

PRESENT STATUS

In 1981, the United States Army revised its Dress Code to eliminate an exemption it had adopted in 1974 (A.R.600-20) which had permitted bonafide members of the Sikh religion to serve in the United States Army with beard, unshorn hair and turban. Members of the Sikh religion who were already in the United States Army at that time were permitted to continue their service with beard, unshorn hair and turban.

Although in December, 1987, Public Law 100-180 directed the Armed Forces to allow the wearing of 'religious apparel' while in uniform when said religious apparel did not otherwise interfere with the performance of military duties, the United States Army chose to strictly interpret the phrase 'religious apparel' to exclude beards or unshorn hair.

As a result, bonafide members of the Sikh religion cannot serve in the United States Army or any other branch of the Armed Forces at this time without giving up their right to practice their religion.

STANDARD OF SERVICE

From 1974 to 1981, there were many members of the Sikh religion who served in the United States Army. The military records of almost all of these servicemen are filled with commendations for their fine service. Their military records also reflect that their unique appearance in no way interfered with their military service and, in fact, enhanced the esprit de corp of their fellow soldiers.

HISTORY

During his term of office, President Truman issued a Presidential Order permitting members of the Sikh religion who were drafted into the United States Army to retain their beards, unshorn hair and wear their turbans.

In 1974, a member of the United States Army became a member of the Sikh religion while in the service. His status did not fit the Truman exemption. He was Court Martialed for being in violation of the Army Dress Code. However, the Court Martial Officer found that there was no good reason to distinguish between draftees and volunteers regarding religious practices, and found the soldier not guilty.

That same year, the United States Army adopted an exemption to its Dress Code permitting bonafide members of the Sikh religion to serve in the United States Army with beard, unshorn hair and turbans.

However, in 1981, the United States Army rescinded that exemption. The Army stated that it was concerned that members of other religious groups might demand exemptions for their religious practices and that the Army could not exempt one religion and not another.

In 1986, the United States Supreme Court turned down an appeal by a member of the Sikh religion who had sued the Department of Defense to allow him to enlist with beard,

unshorn hair and turban. That same year, the United States Supreme Court upheld the Court Martial conviction of a Jewish member of the United States Air Force who wore a prayer cap while in uniform.

In response to these cases, in December, 1987, Public Law 100-180 was enacted directing the Armed Forces to allow the wearing of 'religious apparel' while in uniform when said religious apparel did not otherwise interfere with the performance of military duties. The Congressional Record reflects that allowing members of the Jewish religion and the Sikh religion to serve in the Armed Forces was the primary reason this law was passed. However, the United States Army chose to strictly interpret the phrase 'religious apparel' to exclude beards or unshorn hair, thereby excluding bonafide members of the Sikh religion from joining the Armed Forces.

IRONIES

The first irony is that although members of the Sikh religion are ready and willing to serve their community with selfless devotion and have a great history of military service with honor and distinction, members of the Sikh religion are now banned from service in the military of the United States.

The second irony is that should the Armed Forces reinstitute Conscription, large numbers of persons who wish to avoid military service might claim to have adopted the Sikh religion in order to be exempted from being drafted.

CONCLUSION

Without some action being taken by either the President, in the form of a Presidential Order, or by the Congress, in the form of legislation, specifically permitting beards, unshorn hair and turbans in the Armed Forces, members of the Sikh religion in America will continue to be excluded from military service to their country. It is the request and prayer of the members of the Sikh religion that this injustice be immediately corrected so that Sikhs, with beard, unshorn hair and turban, can again serve in the Armed Forces of this great nation.

Dated: 5 January 1993

Respectfully submitted,



Mukhia Singh Sahib
RAM DAS SINGH KHALSA
Assistant Chancellor
Attorney at Law

THE WHITE HOUSE
WASHINGTON

DATE: 4/20

NOTE FOR: *Howard*

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

Information ☒
Action ☐

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
4.20.93

93 APR 20 A 9:31

April 20, 1993

RECOMMENDED TELEPHONE CALL

To: Representative David Obey (0) 225-4907

Date: April 20, 1993

Recommended By: Lorraine Miller/Howard Paster

Purpose: Representative Obey wanted to speak with you about some political matters as well as some concerns he has as a member of the House Appropriations Committee.

Background: Obey is Chairman of the Appropriations Subcommittee on Foreign Operations, Export Financing and the Chairman, Joint Economic Committee. Obey was a part of the Gephardt/Michel Congressional delegation to Ukraine and Russia.

Topics of Discussion: 1. Where do feel the Appropriators are on enhanced rescission. *Obey's idea is it's long in ground as much as they want - will work on it -*

2. Aid to Russia, will there be difficulty in the House? *→ House will vote once - put it in WI for the end of May -*

Contact Person and Telephone Numbers: Obey's Administrative Asst. is Joseph Crapa. Crapa can be reached on 225-4907.

Problem: If Reagan subject is then contract is cancelled -

① Would have been sent
← Uly Hump, Summer 1993
→ June 17-30 in the
* Uly Hump rule - Then an U GTP Sen.

②

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
4.20.93

April 20, 1993

~~RECOMMENDED~~ TELEPHONE CALL

To: Representative Chet Edwards, TX (0) 225-6105

Date: April 20, 1993

Recommended By: Lorraine Miller/Howard Paster

Purpose: Edwards represents the area in Waco, Tx where the Branch Davidian Compound was located. Edwards is making a one minute statement when the House opens today in support of Administration efforts to end the standoff.

Background: Edwards is supportive of Attorney General Reno and the FBI. Wants the public to understand the amount of time and honest effort law enforcement officials have given to end the turmoil.

Topics of Discussion:

1. Obtain what needs to be done to help heal the wounds in the City of Waco.
2. Sound out Edwards' reaction to what he has seen and what people are telling him about how law enforcement officers handled themselves during the crisis.
3. Are there Federal resources that may be of help.

Contact Person and Telephone Number: Renata Lynch is Edwards' Executive Asst. and she can be reached on 225-6105.

Q: Should there be
a Commission to Study
the crisis?
Chet it was a
very interesting

THE WHITE HOUSE
WASHINGTON

DATE: 04/20/93

NOTE FOR: MARCIA HALE

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

Information ☐
Action ☒ XX

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
4 20 93

April 18, 1993

93 APR 19 PM 10:38

MEMORANDUM FOR THE PRESIDENT

FROM: MARCIA HALE
SUBJECT: VIDEOTAPING

I know how much you enjoy recording Presidential messages by video, but in your agreement to do several of the videos on the memorandum from last week, we are faced with deadlines. Are you willing to do a video session this Friday, April 23.

YES ☒

NO ☐

The ones that need to be done are as follows:

Birthday greeting for Bob Hope

NOTE: They suggest "Happy Birthday" on the sax. Do you want to play sax or just tape a message?

Sixth Annual ESSENCE Awards

honorees: Rosa Parks, Lena Horne, Aretha Franklin, Tina Turner, Gail Devers, Senator Braun

30 second PSA promoting childhood immunization
requested by: HRC

30 second Tribute to Public Service Employees

NOTE: You questioned this in the memorandum and I assume that you want more information. Jeff Eller requests that you do this because it will be shown nationwide on radio and tv as part of public employees appreciation week.

National Council of Churches 1 minute message on sacrifice

NOTE: Joan Campbell says you committed to do this.

2 minute message for Dr. Samuel Massie Educational Endowment
Awards Banquet

requested by: National Naval Officers Association

Also, the attached request just arrived. Governor Ann Richards requests that you do a video message for Willie Nelson's 60th birthday. I am not advocating that you do this, but just wanted to be sure you were informed of the Governor's request. Do you want to do this?

YES ☒

NO ☐

George H.



STATE OF TEXAS
OFFICE OF THE GOVERNOR
AUSTIN, TEXAS 78711

ANN W. RICHARDS
GOVERNOR

April 13, 1993

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

Dear Mr. President:

On Wednesday, April 28, our old friend Willie Nelson will celebrate his 60th birthday by getting together with friends to tape a birthday celebration in Austin. Willie's guests include Bob Dylan, Neil Young, Paul Simon, Edie Brickell, Waylon Jennings, Mary Chapin Carpenter, Julio Iglesias and others. I'll do my part by telling a "Willie story," as will other friends old and new. CBS will broadcast the show sometime in May.

I'm really looking forward to this celebration, and thought you and your family might enjoy it too. If your schedule allows it, and you'd like to join us here in Austin, we'd love to have you. If you can't come, but would still like to be part of the festivities, the producers invite you to videotape a short message to be edited into the show.

Let me know if you'd like to participate. It'll be quite an evening, and I'd be happy to welcome you back to Texas.

Sincerely,

A large, stylized cursive signature of Ann W. Richards.

ANN W. RICHARDS
Governor

AWR/MSS/cp

*This show will
have a big TV audience
& would be mid-
America.
A.*

THE WHITE HOUSE

WASHINGTON

93 APR 14 09:08

MEMORANDUM TO JOHN PODESTA

FROM: MARSHA JS

DATE: APRIL 12, 1993

We have received 7 requests for messages from groups associated with the upcoming March. Each request has been forwarded to Political or Scheduling for consideration. I have been told by Political not to respond. That is not an answer.

Whatever the decision, I need direction so we can draft these letters. The time is almost upon us and I don't want us to appear irresponsible.

Thanks

MARSHA —
per our discussion —
One letter to the
mmech which
will be provided
to you

TJH

4-20-93

THE WHITE HOUSE

WASHINGTON

April 20, 1993

93 APR 20 P2:51

MEMORANDUM FOR JOHN PODESTA

FROM: HOWARD G. PASTER
LEGISLATIVE AFFAIRS *HP*

SUBJECT: Presidential Citations

Enclosed please find a letter which was sent to the President from Representative Jim Bilbray (D-NV). Please inform me of the policy concerning Presidential Citations so I may adequately respond to the Representative.

Thank you for your attention to this matter. If you have any questions, please contact Melissa Banks of my staff at ext. 7500.

Enclosure

*MARSHA
JOHN DWYER
please advise
to him
4 20 93*

JAMES H. BILBRAY
1ST DISTRICT, NEVADA

COMMITTEE ON
ARMED SERVICES

COMMITTEE ON
SMALL BUSINESS

SELECT COMMITTEE
ON AGING



Congress of the United States
House of Representatives
Washington, DC 20515-2801

319 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2801
(202) 225-6965

DISTRICT OFFICE:
1785 E. SAHARA #445
LAS VEGAS, NV 89104
(702) 792-2424

March 23, 1993

Dear Mr. President:

I am writing to request a Presidential Citation for the Economic Opportunity Board of Clark County for outstanding community service.

The origin of the Economic Opportunity Board of Clark County coincided with the adoption of the Economic Opportunity Act by the Congress of the United States on August 20, 1964. A few weeks after congressional approval of the Act, a group of ten Clark County citizens met to formalize a charter for the Economic Opportunity Board of Clark County, (EOB). In rapid succession, things started to fall into place for the new non-profit agency, and in early 1965 EOB was awarded its first grant for program development. EOB quickly gained recognition as the largest social service agency in Southern Nevada.

The mission of the Equal Opportunity Board of Clark County has remained steadfast; to provide those services, programs and resources which reduce or eliminate poverty and to serve as a voice and presence in this community on behalf of disadvantaged and under-privileged citizens in order to create for them a better life and the opportunity to live in decency and dignity.

A division of the Economic Opportunity Board is the Transportation Services which provides door-to-door transportation service for senior citizens and persons with temporary or permanent disabilities. As part of the public transportation system in Clark County, EOB Transportation has been a service provider to the Regional Transportation Commission of Clark County since 1980. Funding for this service is provided by the federal government, the State of Nevada, the County of Clark, and the Economic Opportunity Board of Clark County.

A concern for the environment has inspired the Economic Opportunity Board to operate its buses on compressed natural gas which has proven to be not only extremely efficient but very cost effective.

Since its inception in 1974, EOB Transportation has provided more than 2 million rides with less than 24 vehicles. Ridership increased every year after that to more than 180,000 in 1992. EOB Transportation operates 24-hours-a-day, seven days a week to offer rides to medical appointments, employment, social service, and for recreational purposes, on a non-prioritized basis.

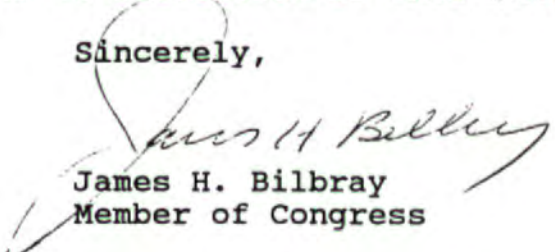
Perhaps the most remarkable statistic is that the Transportation Division had a nearly 30,000 increase in ridership in the last two years with the same amount of vehicles in operation.

In addition to the Transportation Service, the Economic Opportunity Board has a variety of services to better health care, nutrition, and day care programs that ultimately raise the quality of life for disadvantaged and under-privileged citizens.

Therefore, it is with great pride that I submit the Economic Opportunity Board of Clark County, Transportation Services Division for consideration of a Presidential Citation.

Thank you for your consideration of this honor.

Sincerely,



James H. Bilbray
Member of Congress

JHB:kj

THE WHITE HOUSE
WASHINGTON

DATE: 4/20

NOTE FOR: Carol Rasco

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

Information ☒

Action ☐

Sorry, I missed the
note

JDP

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

4-15-93

April 19, 1993

MEETING WITH GOVERNOR JOHN WAIHEE

DATE: April 19, 1993
LOCATION: The Oval Office
TIME: 6:45 P.M.
FROM: Regina Montoya

I. PURPOSE:

You and the First Lady will meet with Governor John Waihee of Hawaii to discuss a Medicaid waiver that he is formally presenting to Secretary Shalala on April 20. He also wishes to discuss health care reform matters in general.

II. BACKGROUND:

The Governor is interested in discussing the following three items:

1. A medicaid demonstration project waiver that he will be presenting to Secretary Donna Shalala and HCFA Administrator-Designee Bruce Vladick on Tuesday afternoon. Hawaii's demonstration project is based on implementing national strategies they believe are likely to result from the President's Health Care Task Force chaired by the First Lady. Hawaii's health quest which stands for quality care, universal access, efficient utilization, stabilizing costs, transforming the way health benefits are provided to public clients is expected to be implemented by January 1994 and provide medical and mental health benefits to approximately 88,200 individuals--currently being served by three different health financing programs--through a single innovative managed care delivery system.
2. The Governor has sent a six-month assessment on the federal response to Hurricane Iniki to Secretary Henry Cisneros. His assessment concluded that three things were necessary: (a) a designated federal point of contact to coordinate Hawaii's recovery effort (sounds familiar); (b) for a designated recovery period waive

Congressional committees for assessment. (Secretary Cisneros is trying to determine the status of our efforts in Hawaii in order to provide the Governor with a status report.)

3. The Governor wants to discuss his potential run for the U.S. Senate.

NOTE: HHS has informed us that the waiver for Hawaii was submitted to them on Friday, April 16, and they have not had an opportunity to review the request. HHS Office of IGA informed us that Hawaii at this point is where Oregon was two years ago. HHS urged you not to commit to anything other than for us to review their application expeditiously.

III. PARTICIPANTS:

The President
The First Lady
Governor Waihee
Regina Montoya
Winona Rubin
Norma Wong
Jack Lewin

*Maybe but I hope
were quicker than
the previous Admin.*

IV. MEDIA:

None

- V. You and the First Lady greet Governor Waihee.
You begin the discussion with the Governor.
You Conclude the meeting.
Governor Waihee departs from the Oval Office.

VI. REMARKS:

None

Chen

THE WHITE HOUSE
WASHINGTON

DATE: 4/20

NOTE FOR: *David Dreyer David Kusnet*

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

Information ☐

Action ☒

for distribution

Thank you.

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

cc: *MICHAEL ROMASH*

*Note:
speech
is
2-sided*



THE WHITE HOUSE

WASHINGTON

4-19

M -

This is wonderful.
You should be very
proud of it — Thank
you for sharing it
with me —

Kim

THE WHITE HOUSE
WASHINGTON

April 18, 1993

MR. PRESIDENT:

The Vice President wanted you to
see the attached speech.



John Podesta

Back to VP
but give copy to speechwriting
staff



93 APR 18 A 9:30

OFFICE OF THE VICE PRESIDENT
WASHINGTON

***Statement of
Vice President Al Gore
At the 50th Anniversary of the Warsaw Ghetto Uprising
New York, NY
April 1993***

Today we must try to speak of the unspeakable.

A half century has passed since the April morning in 1943 when the Nazi occupiers of Warsaw sent troops to liquidate the Jewish Ghetto.

For three years, a half million Jews had been shut into the Ghetto, locked away from the rest of the city and the world by a high, thick wall of a sort that tyrants seem compelled to build. Periodically, Nazi troops raided the Ghetto and herded away hundreds of Jews at a time. They loaded them onto windowless boxcars to be hauled off to the extermination camps and the gas chambers.

On these visitations, the Nazis concentrated their lethal attention first of all on the old, the infirm, on women and children. These innocents were targets for immediate elimination because they could not be pressed into slave labor to service the German war machine.

The Nazis took advantage of the orderly habits and expectations of civilized society. They carried out mass deportations and exterminations of multitudes; but the rest of the world and at first even the Jews themselves could not believe that such a systematic and methodical horror could be sponsored by a government and carried out by a vast bureaucracy. Not even the victims were prepared for what Hannah Arendt was later to call the "banality of evil."

But in 1942 the Jews in the Warsaw Ghetto began fighting back. And by 1943 in a fury of outrage, hatred, and fear, the Nazis resolved to destroy the Ghetto once and for all. By that time about 350,000 Polish Jews had survived three years of wanton murder, three years of pestilence that breeds in crowded places without adequate sanitation, three years of starvation that made even young men and women collapse in the streets and die.

Then on April 19 when the Polish countryside was greening with spring and the fields were moist with renewing life, the Nazis chose the first night of Passover to storm into the Ghetto on a mission of death. They were so confident of a quick and easy victory that they were singing the marching songs of the Third Reich.

But they were met by a fusillade of gunfire that sent them fleeing in panic to the other side of the wall. The uprising in the Jewish Ghetto--one of the shining moments in the history

of human dignity--had begun. While the Nazi flag flew over conquered Europe from Russia to the Pyrenees, from Norway to Greece, while the Gestapo and the SS terrorized trembling nations, the Warsaw uprising was the first great civilian revolt against Nazi barbarism.

From the beginning the odds looked desperate to the freedom fighters. The Polish Jews stood alone. The German army regrouped and attacked with tanks, with armored cars, with flamethrowers, with heavy artillery, and with unlimited ammunition. The Jews fought back with a few light machineguns smuggled into the Ghetto through the sewer system. They had revolvers, antiquated rifles, a few hand grenades and thousands of home-made Molotov cocktails. During the fighting, Jewish bastions frequently ran out of ammunition. Many rushed into battle hoping to pick up the guns and ammunition of slain or fleeing Germans.

But the Jews of the Ghetto had another weapon--the fierce, dauntless courage of a righteous cause, the matchless power of the human yearning for dignity. That power can rouse the most peaceful and inoffensive communities to say at last, "Enough! We will not take any more."

Again and again the Germans attacked. Again and again they were forced to retreat. Then, pulling back their legions, they sent the bombers of the Luftwaffe thundering over the Ghetto to pound it into submission. On April 25 General Juergen Stroop, the German Kommandant, sent this communiqué to his anxious superiors in Berlin: "If last night one could observe over the former Ghetto only the reflections of fires, this evening one can see a gigantic sea of flames."

Still the Jews did not surrender. In the weeks that followed, Stroop's army attacked the Ghetto house by house with howitzers and flame-throwers. When women and children tried to escape the flames, German machine gunners shot them down. And still, the Jews fought on, amazing Stroop and his minions. They charged the German guns and died, Stroop said, some singing the Polish national anthem, others chanting Hebrew Psalms.

Despite Nazi censorship, news of the unfolding drama spread across the world. From London, General Wladyslaw Sikorski, commander in chief of the Polish armed forces in exile, called on his people by radio. "The greatest crime in the history of mankind is being committed," he said in a speech broadcast to his homeland on May 5. "I beg you to ... combat the terrible atrocities which the Germans are committing against the Jews."

Finally, late in May, the overwhelming might of the Wehrmacht prevailed. Resistance died away. The Jews surrendered; the Nazis condemned the survivors in the Ghetto to extermination. The German ministry of propaganda sent photographers to record the long files of men, women, and children marched out to waiting boxcars at gunpoint under the merciless gaze of heavily armed German soldiers. The "triumph" over the Jews, decreed the Propaganda Ministry, was to be preserved "for all history."

And so it was. So it has been.

But in the long testing and trial of time, the leering Nazis are branded in memory with an indelible infamy and shame. The defeated Jews march in our hearts in an everlasting procession of honor. Their valor marks our remembrance of the darkness like a shooting star across a black sky, startling us with the evidence of something in the human spirit which will not yield to even the darkest and most overpowering certainties.

Tomorrow, I will be in Warsaw to remember their courage. Yesterday, I was in Washington and with my wife Tipper, privately visited the United States Holocaust Memorial

Museum. I will be there again on Thursday when President Clinton will speak at its dedication. Tipper and I were overwhelmed by the power of the story it tells in words and pictures.

The pictures. No one with human feeling can contemplate these photographs without a welling up of pity and rage. I am always arrested by the image of one frightened little boy. He wears a coat that reaches to his bare knees over his short pants. On his head is a wool cap as if some mother had dressed him to ward off the morning chill on his walk to school.

Yet here he is, trudging at the head of a weary column of doomed humanity, his hands lifted in the air in a gesture of harmlessness. Nearby a German soldier looks on, holding an automatic rifle in his hand, a scornful smile on his face.

This child is not on his way to school. He is going to his death.

I do not know his name, or who his parents were, or the games he played or the songs he sang. We do not know what confused thoughts stirred through his uncomprehending mind as he stared at a uniformed man taking his picture. And we can never know what he would have been had he lived. His ashes are scattered somewhere in an anonymous pit. His face and those uplifted little hands haunt us forever.

Before that image, words fail. We are reduced to silence--a silence filled with the infinite pool of feeling that has created all the words for humility, heartbreak, helplessness, and hope in all the languages of the world.

How could the human race have allowed such a calamity as the Holocaust to fall upon us? There were 400 Jewish Ghettos created in Europe by the Nazis. But numbers, of course, seem so pitifully incapable of conveying the meaning of an episode that stands outside the borders of all customary moral judgment.

Six million Jews were murdered: mothers and fathers, sisters and brothers, cousins, friends, one and a half million children, three out of every four Jews in a swath of Europe from the Atlantic Ocean to the furthest line of German advance on the Eastern Front. Three million Jews in Poland perished, one million Jews in the western Soviet Union, 106,000 in Holland, 135,000 in Lithuania, 217,000 in Czechoslovakia. Only in Denmark were both the numbers and the proportions small. Seventeen thousand Jewish women died on a death march from Ravensbruck. Ninety-five thousand Jews were executed in the Baranowicze region in six months, 35,000 at Babi Yar in two days. At Maidanek eighteen thousand Jewish prisoners were slaughtered in one day. The SS called this day a "harvest festival." Of the fifty thousand Jews in Salonica at the beginning of the war barely one thousand were alive in 1945. Of the nearly four hundred thousand Jews deported to Belzec just six survived.

What terrible darkness lies coiled in the human soul that might account for this venomous onslaught in the middle of a century that was hailed at its birth as a "century of progress"? What did the promise of modern times mean to that young child with the wool hat and to those masses tramping out of the Ghetto under skies blackened by smoke, a wasted landscape transformed, as the Nazi conqueror boasted, into a cemetery? The sorrow rising from such questions is deeper than all tragedy and leaves us mute before a mystery the human mind cannot penetrate.

And yet the uprising of the Warsaw Ghetto shines in our consciousness like a pole star of the human spirit.

When the Jews first took up arms, some of them raised the red and white flag of Poland over the Ghetto that had been their prison and that now became their fortress. General Stroop

reported that Jewish fighters plunged with reckless valor to their deaths, taking as many Nazis with them as they could.

They were Jews claiming an ancient heritage. They were also Poles, many of them claiming a nation they loved and served to the end. They were members of the human race claiming honor and dignity in the face of desolation, despair, depravity, and death.

Their sacrifice is now fifty years in the past. The springtimes of five decades have blown away the stench of fire and death, and the generation that suffered the war and endured the Holocaust is passing away. We cannot inscribe on a monument the names of all the Jewish dead, for we do not know them. Many are known only to God.

Yet as Elie Wiesel has said:

To forget the Victims and the Killers would mean to betray one and to grant a victory to the other. Let us Remember. Let us Remember again and again. For at the end that is all they wanted--to be remembered. Their names, their faces, their silent songs, their secret triumphs, their struggle and their death, one as awesome as the other.

The story of the Warsaw Ghetto is sacred text for our time. It warns us of the unfathomable power of evil, the pestilence of the human soul that for a time can dissolve nations and devastate civilization.

But the uprising in the Ghetto also warns tyrants wherever they rule for a season that a fierce, bright light blazes eternal in the human breast, and that the darkness can never put it out.

Now we stand in another springtime. The icy winter of the cold war is over. In countries once conquered by the Nazis and afterwards plunged into the glacial age of Communism, the land is greening, and new life is reaching towards the sun.

In my home state of Tennessee, farmers know something about spring; it is the time to plow and to plant when the snow has melted and the ice is gone. And there is something about this spring we all must know: what we harvest in the future depends on what we sow now when the world has thawed, and a sweet, mild air of opportunity portends the growing season.

Like the year, history has its seasons. And like the poet who said April is the cruelest month, we feel anguish when memory is mixed with desire. If we are wise, we will choose the right lessons to learn in this season when the world is full of promise and pain.

One lesson of our century is that dictatorships--wherever they may be--are illegitimate. They thrive on terror. The tyrant fears the inevitable--that the people he oppresses will come to themselves, shout him down, destroy him, and trample his symbols underfoot.

It is the dictator's trick, as old as tyranny itself, to preach hatred to his people, to cast a spell over them, to incite them to fear of a mythical enemy. Out of the darker impulses of the human heart, the dictator shapes a kingdom of shadows. By relentless propaganda he makes those shadows seem to move and gives them the substance of nightmares. The people, reduced to childish dependence, are hypnotized into believing that the tyrant is their protector. Their fear of an imaginary enemy "out there" is twisted into a hatred of those loyal citizens within their

midst who seem different--different because of their looks, their clothes, their habits, their speech, their way of worshipping God.

That is what Hitler did with the Jews. HE was the enemy--the crude, calculating adversary of every human decency, every gentle feeling, every kindness, every generosity, every art that lifts the human race out of the muck and towards the stars.

He turned loose the inner demons that haunt the fringes of all societies and sent them against the Jews. Why? So that in their senseless fury, his people might forget the terrible truth--that he was THEIR curse and their doom.

Dictators refuse to learn the bitter lessons of history. Fifty years after the uprising in the Warsaw Ghetto, petty tyrants around the world smother their people and seek to blind and confuse them with the clumsy lies of dictatorship. The greatest lie of all is to find someone different--a different religion, a different ethnic identity, a different skin color, a different language, a different heritage of any kind--and to decree that that person is the real enemy.

I recently saw the photograph of another child of Europe. He was ten years old. He lived in Sarejevo. He was killed by shellfire in the Serbian siege of the city. His body had been covered with a blanket. Only a thin leg with a sneaker on the foot protruded. The sneaker had a tag attached. A small boy's innocent life with all its promise had been reduced to a statistic recorded on a piece of paper. And this happened in our time, only weeks ago.

Must such horrors go on and on? They must not. Those who commit such crimes should know that judgment stands in the wings of history, awaiting its moment. And the moment always comes.

Let tyrants know that they inevitably fall. Their statues are toppled in the streets by a jubilant people, their names faded to oblivion by the incandescent sunlight of the human spirit. And let the people of every nation know NOW that to allow tyranny to take root in their land exacts a price. For a nation to fall into the narcotic spell of hatred that dictators cast on their societies is to bring down on both the guilty and the innocent the contempt of civilized society and its implacable vengeance.

Surely in this new springtime of human history we can plant hope and peace in Europe and the world. Today we celebrate the Jewish people and their great resurgence and flourishing after the horrors of Naziism. We celebrate the State of Israel, born from the fires of war and the Holocaust and tempered by its determination to survive and to achieve justice and peace with security. We celebrate the triumph of the human spirit that brings us here to honor the suffering and sacrifice offered by brave people on the altar of humanity.

It is one of those symbolic coincidences of history that the date of the uprising in the Ghetto, April 19, is the anniversary of the shots exchanged in Lexington, Massachusetts, in 1775 between the British army and American patriots. That skirmish began the American Revolution. A little more than a year later Thomas Jefferson put forth the radical proposition that all of us are created equal, that the mere fact of birth confers on us all, in every race, every religion, every language, every heritage, a right to enjoy life, liberty, and the pursuit of happiness and that governments derive their just powers from the consent of the governed.

We have been struggling for two hundred years to make Jefferson's dream come true. Our own troubled history in the United States shows us that our yearning for justice is not yet fulfilled, our dream not yet come true. But we keep walking towards a shining horizon--a society

where people of every creed and color, every heritage and hope, can dwell together in peace by the river of life.

I would like to wish that ambition on all societies throughout the world. And I would like to say that the most stable and enduring societies are those that grant to all their people, in all their variety, the most freedom and the most dignity.

No words we speak can embrace the grandeur of the sacrifice of the martyrs we remember today. The nameless heroes of the Warsaw Ghetto found freedom and dignity worth more than life in bondage. They chose death rather than slavery. They thus sanctified life for those who live after them. Their heroism plucked up human nature itself from the dirt, where Naziism threatened to bury it, and lifted it high to catch the radiant sunlight.

Centuries ago, after another experience of sorrow and captivity, the Psalmist wrote:

They that sow in tears shall reap in joy. He that goeth forth and weepeth, bearing precious seed, shall doubtless come again with rejoicing, bringing his sheaves with him.

The fighters in the Warsaw Ghetto sowed the seeds of courage, dignity, and justice, and we reap their harvest today. Their martyrdom is a demand that justice form the basis for relations between nations and peoples--justice in the neighborhood and justice in all the world.

The spirit of the men and women who fought in the uprising in the Jewish Ghetto has made a thousand springtimes flourish. We renew ourselves in their radiance at this sacred moment. We find in their noble example the inspiration to persevere and to prevail in the duties to which destiny has called us today.

We honor them now with reverent silence and promise to remember them and to love them as long as the world stands.

Our duty to them was written in the book of Deuteronomy:

"Only take heed to thy self, and keep thy soul diligently, lest thou forget the things which thine eyes have seen, and lest they depart from thy heart all the days of thy life: but teach them to thy children, and thy children's children."

BKunsham

THE PRESIDENT HAS SEEN

4/20/92

we do need to
to put this up
two need a partner

Bz

Bombing-Inspired Immigration Bills Spur Debate on Effectiveness, Fairness

By JOE DAVIDSON

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The rubble from the World Trade Center bombing had scarcely settled before members of Congress were bursting with legislation designed to keep unwanted foreigners out of the U.S.

"We live in an unstable world where terrorism is a clear and present danger," says Sen. Alfonse D'Amato, Republican of New York, who adds that the bombing "has brought home the immense and immediate problems in the immigration control system." Sen. D'Amato and GOP Sen. Alan Simpson of Wyoming have proposed legislation that would exclude without a hearing people who allegedly have improper documentation; Florida Republican Rep. Bill McCollum has offered similar legislation in the House.

In addition, Sen. D'Amato and Democratic Rep. Peter Deutsch of Florida cited the explosion in introducing an unrelated bill to prohibit entry to aliens who belong to the Palestinian group Hamas. "Whether Hamas is responsible for the World Trade Center bomb or not, we must shut them down," Mr. Deutsch said.

Critics say those and similar bills represent simple-minded efforts that would hamper U.S. attempts to protect the politically persecuted without deterring real terrorists.

Rick Swartz, a lobbyist and consultant for immigrant and refugee groups, argues that in the name of protecting Americans, Congress risks trampling the rights of legitimate refugees and political asylum seekers. Particularly harmed, he says, "would be people of the same ethnicity as those who people think are dangerous, but who have real reason to be here." He cites as evidence a list of five "Arab terror" incidents distributed by Mr. Deutsch's office that made no attempt to further identify those responsible for the crimes.

At least five of the six suspects charged in connection with the World Trade Center bombing entered the U.S. legally. One is a naturalized citizen, two have permanent resident status and Mohammed Salameh, who allegedly rented the van that carried the explosive, applied for, was denied and refiled for legal alien status in a class-action lawsuit that is pending.

Similarly, Mir Kansi, the suspect in another recent high-profile terrorist attack, the murder of two people outside Central Intelligence Agency headquarters, had a valid business visa when he came to

the U.S. two years ago, the Immigration and Naturalization Service said. He later applied for political asylum, though his hearing on that request hadn't been scheduled at the time of the shootings.

Under the "summary exclusion" legislation sponsored by Sens. D'Amato and Simpson and Rep. McCollum, political-asylum seekers with no documents, or apparently fraudulent ones, could be rejected by a relatively low-level government worker, with no administrative appeal and strict limits on appeals to the courts, appeals that would be moot in any case if the alien was immediately sent packing.

Many of these people arrive at the nation's international airports, rather than slipping across the Rio Grande during the night. Their chances of entering the U.S. would rest on their ability to convince an immigration officer they have a "credible fear of persecution."

Currently, those seeking asylum have a right to a judicial hearing even if they arrive at America's gates without proper papers. Because the hearings may be scheduled many months after their arrival, they may be allowed to work while waiting determination of their status. Once the hearing is scheduled, many of the immigrants don't show, and presumably remain in the U.S. illegally.

Sens. Simpson and D'Amato attempted to have their version of the measure attached, without a hearing, to the recent voter registration bill. That maneuver failed, and now hearings will be held on the bill as a free-standing measure. Opponents say the legislation would result in legitimate asylum seekers being turned away because many wouldn't have proper papers owing to the circumstances that led them to flee their country.

"Summary exclusion invites tragic error by preventing immigration judges and the courts from scrutinizing life-and-death asylum determinations made by low-level INS officers," says the American Immigration Lawyers Association. Warren Leiden, the association's executive director, says the answer to questionable cases is to speed up hearings rather than rejecting some people outright.

Immigrant advocates say greater resources are needed to speed the adjudication process and to create a rational detention system. When Los Angeles enlarged its facility for detaining aliens, INS officials note, the problem of persons attempting to enter with fraudulent documents decreased significantly.

Ohio Welfare Bonuses Keep Teen-Age Mothers in School

By JASON DePARLE
Special to The New York Times

WASHINGTON, April 11 — The first major study of new efforts to use welfare payments to promote positive behavior has found that a program in Ohio is increasing the school attendance of young mothers.

The study's results come as supporters of such programs are arguing that incentives could be used more broadly — to encourage welfare recipients to avoid having children, for example, to seek health care for their families or even to pay the rent.

But the authors of the study, conducted by the Manpower Demonstration Research Corporation, a not-for-profit New York group, cautioned that the effect on school attendance might not translate into other, more personal areas, especially marriage or childbirth. And skeptics of financial incentives are already arguing that other factors, like the involvement of social workers, may have accounted for the results in Ohio.

'Very Powerful Finding'

But Senator Daniel Patrick Moynihan, the New York Democrat who is the leading welfare authority in Congress, is so taken with the education results that he is urging the Clinton Administration to offer the same education incentives nationwide.

"It's a very powerful finding," Mr. Moynihan said. "We're usually working at the margin, but this was much more than a marginal change."

A Moynihan aide, Paul Offner, designed the Ohio program when he worked in the state's human services department in the late 1980's.

The program pays teen-age mothers on welfare a bonus of \$62 a month above their basic payment of \$274 if they attend school. And it deducts \$62 from their monthly checks if they drop out. A single mother with one child would receive \$336 if she attended classes and \$212 if she did not.

Reduced Drop-Out Rates

Researchers found that 61 percent of the teen-age mothers already enrolled in school remained enrolled when they were offered the financial incentives, compared with 51 percent of teen-age mothers who were not offered the incentives. The 18-month study involved about 7,000 teen-age mothers.

Among those who had already dropped out of school, 47 percent returned to classes under the incentive program, compared with 33 percent among teen-age mothers who did not offer the option.

Judith M. Gueron, the president of the research group, called the program's effects "quite large" and "quite encouraging," especially since they were replicated across the state.



Paul Conklin

"It's a very powerful finding," Senator Daniel Patrick Moynihan said of a study that showed good results in an Ohio program that pays teen-age mothers on welfare a bonus if they attend school.

A growing push to attack poverty with incentives.

And since the Ohio program is new, some researchers say it may produce even better results once kinks are removed. It is also inexpensive, costing about \$330 a year per person.

On the other hand, the numbers show that about half the mothers would have stayed in school even without the incentives, so the program succeeded in retaining only one in five of the mothers who would have dropped out.

That means that the other four simply took the reduced benefits, said Mark Greenberg, a lawyer at the Center for Law and Social Policy, a Washington advocacy group that has been critical of many similar programs.

"For that group, all the program is doing is leaving many young parents even less money to meet basic needs," he said.

Supportive Case Workers

Mr. Greenberg also speculated that financial incentives may have been less important to the program's success than the fact that it used case managers, who may have become personally involved with the recipients in supportive ways.

Ms. Gueron said she believed the program was also leading to higher graduation rates, although it was still too early to calculate those results. It is also too early to tell whether improved school attendance will help mothers find jobs and get off welfare, which is the program's ultimate goal.

Teen-age welfare mothers like those served by the Ohio program account for only about 8 percent of the welfare rolls. But efforts to help them are considered especially important because they are likely to experience long periods of poverty and public assistance. About half the women receiving welfare at any given time had their first child in their teens.

Differs From Wisconsin Effort

The Ohio program is different from the Wisconsin "learnfare" effort that has received much national attention.

The Wisconsin program reduces the payments to those who miss school, but does not give bonuses to those who attend. And it penalizes adults when their children miss school.

Critics of the Wisconsin approach say it inadvertently gives rebellious teen-agers power over their families, by enabling them to reduce their parents' income by skipping school.

The Ohio program involves only the teen-age mothers.

The Wisconsin program has been fiercely contested in the courts by liberal advocates of welfare recipients. It came under more fire last year when researchers hired by the state concluded that the effort was doing nothing to keep students in school. State officials accused the researchers of liberal bias.

Incentive Plans Are Spreading

Mr. Greenberg said 20 state legislatures debated bills last year that attached financial incentives to school attendance for young mothers on welfare. Connecticut, Maryland, Oklahoma and Virginia passed them.

Lawrence Mead, a theorist of sorts for the movement known as "new paternalism" by both its critics and supporters, said the Ohio results should encourage a variety of experiments.

"It indicates one can move further down the road toward tying behavioral requirements to welfare," said Mr. Mead, who teaches political science at New York University.

But Ms. Gueron advised lawmakers to be "very cautious" about concluding that the Ohio results could be replicated in efforts to modify intensely personal decisions, like having children or marrying.

Senator Moynihan said that under a 1988 welfare law he helped design the Clinton Administration had the authority to force every state to set up incentive programs. The Administration's top welfare officials are not making public comments because they have not yet been confirmed by Congress.

THE PRESIDENT HAS SEEN

Crane

To Dale / M...
 new insight to be on the cutting edge too

Perot's High-Tech Organizing Techniques Make Other Grass-Roots Groups Envious and Imitative

By JAMES M. PERRY

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Patricia Ireland, president of the National Organization for Women, thinks about Ross Perot all the time. "I'm very jealous," she says. "If he can get away with it, I want to get away with it."

What she's thinking about is Mr. Perot's phenomenal success in building a grass-roots organization through a bewildering array of cutting-edge technologies. Ms. Ireland, like a growing number of others who lead special-interest, large-membership organizations, wants to duplicate his techniques.

"I dream about getting into TV and broadcasting the way he has," she says. "We can't spend money the same way, but we're talking about doing our own pay-per-view shows. We'd have one called, 'Everything You Need to Know About Your Rights in Marriage and Divorce.' Maybe we'd do another about sexual harassment. We'd use them to get our message across and to recruit new members." Her organization has about 250,000 members now; "I'd like a million by the end of the century," she says.

"The New Standard"

Already, Mr. Perot "has leapfrogged every other organization in the country," says Roger Craver, president of Craver, Mathews, Smith & Co., fund-raising specialists for public-interest organizations. "It's a geometric leap."

Mr. Craver's firm specializes in traditional direct-mail techniques. It buys lists

of names to add to its collection and then works those lists to come up with new members and cash for groups it represents — NOW, Common Cause, the Sierra Club and Greenpeace, among others.

But that may no longer be the future for these groups. "Less than half the adults in this country read," says Mr. Craver. "Most of them watch TV. So what Perot has done with TV — and what Clinton has done with his town meetings — is the new standard. The rest of us will follow."

Ralph Nader, now a kind of father figure for public-interest lobbying, agrees. "It's changing how we do things," he says. "The 30-minute infomercial appears to be very effective on hot issues."

As pioneered by Mr. Perot, the infomercial is a hybrid — a documentary containing serious information, conveyed by Mr. Perot with charts and graphs, along with a blatant pitch for money and support. "He does it by sheer boldness," says Mr. Nader. "He waves a banner with his 800 or 900 number. I don't think I could ever do that."

Move Away From Direct Mail

But it's already happening elsewhere. "We have an infomercial on the drawing board right now," says Bill Howard, executive vice president of the National Wildlife Fund, one of the most successful fund-raising groups within the environmental community. "It's expensive, but chances are that we'll go ahead with it." The 30-minute show would focus on endangered species, the battle for clean air and water, and health threats from environmental pollution. It would include, of course, a pitch for people to send in cash to join the cause.

Mr. Howard says his organization, which boasts 800,000 adult members, relied on direct mail for years, but "it's too expensive now, and too many people just throw it away."

Handgun Control Inc., the anti-gun organization, already has its own infomercial

called "America Needs a National Gun Policy," and it has run it on cable TV several times in the past few months. Handgun Control, with 360,000 members, uses a 900 number with the video to recruit new members.

The National Rifle Association, the pro-gun lobby, uses short TV commercials and 800-number and 900-number technology to build its membership, which is more than two million strong, it says. But the NRA's search for new members is made easier by the fact that it has a target audience literally and figuratively — people who own and shoot guns, and who worry the government wants to take their guns away. By the same token, the growing Christian Coalition, founded by evangelist Pat Robertson, aims its direct mail and telemarketing at a very specific audience — members of conservative evangelical churches. It has picked up 350,000 members so far.

But Mr. Perot is much more ambitious. He envisions millions of members for his organization, United We Stand America. It's an undertaking that looks suspiciously like the launch of a new political party. "I used to say we had two-and-a-half parties," says political analyst Kevin Phillips. He means the Democrats, the Republicans and Perot. "Now I think we have two and three-quarters."

How many people Mr. Perot has recruited in his ads — which he runs in newspapers, too — is anybody's guess. He asks supporters to send \$15 to become a part of his movement. But he won't say how many have joined. Vague references to a million members have been floated, and Mr. Perot's son-in-law, Clayton Mul-

ford, the organization's general counsel, talks about picking up 100,000 adherents a week.

Mr. Craver, the direct-mail specialist, is convinced Mr. Perot already has signed up a lot more than a million. "With the volume of the advertising he's been using, it's got to be big. He's playing a numbers game," Mr. Craver says.

Mr. Perot paid \$15,000 late in March for a national poll by the Gordon Black organization that included a question about how many people might be interested in joining United We Stand America — and paying \$15 for the privilege. Mr. Black says 20% of the respondents said they would be interested. If 20% of the adults in the U.S. actually signed up, Mr. Perot would be leading a political juggernaut of 40 million people. "Even if only half of them signed up," says Mr. Black, United We Stand America "would be larger than all of organized labor in this country."

The Perot people say they chose Mr. Black to do their survey because he works so fast to get results. But in fact, it may be significant that Mr. Black is a leading advocate for the creation of a new political party in the U.S.

Whatever the numbers, Mr. Perot and his organization will continue to use their breakthrough technology to play a significant role in American political life. And if Mr. Clinton falters, Mr. Perot's role could become central.

At the very least, predicts Robert Balkin, editor in chief of the Hotline, a computerized daily political newsletter, "he's going to take this huge list of supporters, put it on his computer and use it to bully people in the Congress and in the White House."

Adds Mr. Phillips: "Republicans and Democrats alike are scared of him. They're all between a rock and a hard place. They attack him and they enrage his supporters, and they all need those Perot people to win their own elections."



Ross Perot

Claro/BRebin

THE PRESIDENT HAS SEEN

4/20/92

Michael great
potential to do
work, could be repeated
by other sources of funds

BC

U.S., AFL-CIO Pension Group Develop Housing Investment Plan of \$1 Billion

By MICHAEL K. FRISBY
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The Clinton administration and the AFL-CIO's pension investment program will soon announce a plan to invest \$1 billion to construct and rehabilitate housing in 25 cities.

Under the plan, the AFL-CIO's Housing Investment Trust will invest \$500 million and administer the program, which will use federal dollars and state, local and private funds to produce between 10,000 and 12,000 housing units for low-income and moderate-income renters. It is touted as an example of President Clinton's desire to encourage public-private partnerships to address domestic problems.

Housing experts hope the plan, a larger scale of what the union pension organization has done in the past, will open the door to more pension investments in inner cities. Pension funds account for \$4 trillion in assets, but a recent survey showed that

two-thirds of the largest 200 funds invested \$93.5 billion in foreign securities last year, dwarfing the amount of pension money all funds invested in affordable housing or community development.

Housing and Urban Development Secretary Henry Cisneros is hammering out the details of the plan, which is expected to be unveiled later this month. "We are only beginning to understand the enormous potential that exists and the tremendous capacity of what we can accomplish," Mr. Cisneros said.

Stephen Coyle, the chief executive officer of the investment trust, said deploying pension funds may be the best way of channeling investment dollars into distressed urban areas. Last year, Mr. Coyle's trust invested in 3,000 housing units by providing loans — secured by federal or state housing agencies — largely to

Please Turn to Page A16, Column 6

U.S., AFL-CIO Plan Investment Program To Develop Housing

Continued From Page A2

nonprofit organizations that built the units.

It works this way: Individual pension funds — 80% of them from unions — invest in Mr. Coyle's organization, which in turn provides loans to build and rehabilitate housing. Because it is a national program that invests in many different housing projects, the risk is much smaller than if a pension program invested in a single project. The loans are then pooled, and are repaid by the developers. The current yields for investors for the previous one-year, three-year and five-year periods have been 7.79%, 8.71% and 9.31%.

In the new plan, the investment trust will use its contacts with local organizations, equity partners and lenders to expand housing production. "What I like about this initiative is putting Americans to work in America with our pension dollars invested wisely at home," said AFL-CIO President Lane Kirkland. He said an added benefit is the creation of union jobs, including between 10,000 and 15,000 construction jobs.

Mr. Cisneros also believes that such investments could lead to the use of similar funds for economic development in urban areas. In addition, the project will try to rehabilitate some of the thousands of dilapidated public housing projects owned by HUD.

In turn, Mr. Cisneros is being asked to make several investments in the program, including \$50 million in loans or grants for start-up costs for the cities and nonprofit developers; set aside 3,000 units of so-called Section 8 certificates that will allow poor people to afford rents; provide \$5 million in loans for predevelopment costs, such as land purchase options; \$2 million in grants for technical assistance to the nonprofit groups; and \$500,000 for an independent group to evaluate the program.

Much of the funds will likely come from HUD programs that haven't been fully utilized in the past. For instance, out of \$4 million authorized since 1990 for its HOME program designed to construct affordable housing, only 4% has been spent.

A typical example of an investment trust project was the renovation of Gardens Apartments in Opa Locka, Fla. The housing trust invested \$10 million in construction loans, backed by a letter of credit by a Swiss bank, and \$10 million in permanent financing secured by Federal Home Loan Mortgage Corp. to help restore 320 units. The five-building development had been closed in the late 1980s because it was a drug haven in Dade County and plagued with poverty and crime.

In 1991, the city conveyed the project to a developer, who guaranteed it would be rented to low-income and moderate-income families for at least 15 years, and was provided \$30 million in Section 8 assistance by HUD. A consortium of local banks provided additional construction money and the loan was later sold to Freddie Mac. State agencies and a limited partner also provided funds. The project is to open in August, and 1,700 families have applied to live there.

THE WALL STREET JOURNAL THURSDAY, APRIL 1, 1993

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 4/20

TO:

John Dwyer

FROM:

JOHN D. PODESTA
Assistant to the President and
Staff Secretary

was this handled?



John Podesta
(duplicate?)

OFFICE OF THE POSTMASTER GENERAL
Washington, DC 20260-0011

April 15, 1993

Ms. Nancy Hemreich
Assistant to the President
The White House
Washington, DC 20500-0001

Dear Ms. Hemreich:

The largest of the Postal Service's Unions, the 250,000 member American Postal Workers Union has asked the Postmaster General to request the following:

On Saturday, April 17, the Postal Service will issue the Cherokee Strip Commemorative Stamp. The Oklahoma Local has asked to have a special engraving autographed by the President. These engravings will be distributed to the state universities, the state of Oklahoma and various national and local museums.

If it is possible to have the thirty-five engravings auto penned, I would be glad to bring them to you at the White House and pick them up when they are completed.

Thank you for your assistance in this matter, I can be reached at (202) 268-2169.

Sincerely,



James H. Adams
Manager, Administration

Chen

THE WHITE HOUSE
WASHINGTON

DATE: 4/20

NOTE FOR: *Bob Rubin*

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

Information ☐

Action ☒

Thank you.

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

cc: *L. Rasco*
B. Reed



CATHERINE BAKER KNOLL
STATE TREASURER
COMMONWEALTH OF PENNSYLVANIA
ECONOMIC TARGETED INVESTMENTS



(continued)

PHEAA INVESTMENT

In 1990, 1991 and again in 1992, the Pennsylvania Treasury invested in the aggregate \$500 million with the Pennsylvania Higher Education Assistance Agency ("PHEAA"). The Pennsylvania Treasury's investment is collateralized with nonsubsidized student loans guaranteed by the federal government. The default rate on this type of loan in Pennsylvania is less than three percent and PHEAA has contractually agreed to replace any nonperforming loan with a performing loan. The Pennsylvania Treasury receives a return of 50 basis points over the three-month Treasury bill with a weighted average floor of 4.05%. This investment epitomizes Treasury's ETIs. Due to this investment, 87,000 students have been able to continue their college education. If these students were unable to continue to fund their college education through this investment, thousands of jobs at Pennsylvania's private and public colleges and universities would have been jeopardized. At the same time, Treasury has received superior security, liquidity and yield.

Bob Ouelin
cc CR/Breun

interesting
idea — def
challenge
level with the
St. Treasurer
(think —

For more information,
please contact:

The Office of State Treasurer
 Room 129
 Finance Building
 Harrisburg, PA 17120
 717-787-2991



CATHERINE BAKER KNOLL
STATE TREASURER
COMMONWEALTH OF PENNSYLVANIA
ECONOMIC TARGETED INVESTMENTS



KNOLL HOMESTART I

This program, the first of its kind in the country, provided \$100 million in low rate mortgages for about 1,400 middle-income first-time home buyers. It was financed through the purchase of \$100 million in mortgage-backed securities issued by FANNIE MAE that provided a total return of 8.6 percent to the taxpayers of Pennsylvania. At the time when the securities were sold into the secondary market, the 30-year Treasury note was yielding 7.54 percent.

KNOLL HOMESTART II

This program provided \$100 million in low-rate mortgages to qualified first and second-time home buyers. At the time HomeStart II offered the lowest 30-year fixed rate mortgages in the country -- 7.56 percent. The demand for this program exceeded \$260 million which necessitated a lottery held in February 1992. It provided a solid investment opportunity through FANNIE MAE by yielding 7.49 percent and stimulated the Commonwealth's economy through job creation. When the securities were sold into the secondary market, the 30-year Treasury note was yielding 7.02 percent.

THE PENNSYLVANIA LEASE/PURCHASE HOME PROGRAM

Initiated in October 1991, this program, which also is the first of its kind in the country, helps potential home buyers overcome one of the greatest obstacles encountered when purchasing a home -- assembling the required down payment. Under the program, families lease a home for a period of three years. A percentage of the lease payment is placed into an interest-bearing escrow account. At the end of the three-year period, the lessee's money in the escrow account is used as the down payment and the lease converts to a permanent mortgage. The current yield on this investment is 4.53 percent.

SAVE OUR CITIES INVESTMENT

This innovative \$50 million, five-year program provides funds for the construction of affordable rental housing for low-income families. The first of its kind in America, the program is designed to help protect Pennsylvania from the events that occurred in Los Angeles in the spring of 1992. This program suggests that developers utilize the Pennsylvania Job Training Centers in the areas of construction to hire many of the skilled and unskilled unemployed. This will take them off the unemployment rolls and put them on the tax-paying rolls. Save Our Cities is recognized across the country and represents an excellent investment for the taxpayers of the Commonwealth. The program yields 15 basis points over the two-year Treasury note.

**ACQUISITION, DEVELOPMENT AND CONSTRUCTION
(ADC) LOAN INVESTMENT**

This \$15 million housing/infrastructure ETI is designed to help Pennsylvania homebuilders who are unable to receive financing through conventional sources for infrastructure developments such as roads, water lines and sewage lines, which are required to construct single-family housing. Many homebuilders have been forced to cut back construction activities due to the lack of financing for infrastructure development, putting countless employees out of work. In many cases, this program offers the only opportunity for obtaining infrastructure financing. ADC is critical to the revitalization of Pennsylvania's hard-hit housing industry. The yield is 25 basis points over the five-year Treasury note.

**TREASURY INITIATIVE FOR EDUCATION PROGRAM
("TIE" PROGRAM)**

State Treasurer Catherine Baker Knoll is in the process of finalizing a \$75 million economic targeted investment ("ETI") which will enable school districts across Pennsylvania to construct badly needed infrastructure projects and to purchase equipment. Under the TIE Program, 75 percent of the Treasurer's investment is earmarked for infrastructure development which utilizes domestic steel, while 25 percent of the investment may be used by school districts to purchase equipment made in the United States. This program suggests that developers utilize the Pennsylvania Job Training Centers in the areas of construction to hire many of the skilled and unskilled unemployed. The Treasury Department will receive a return on its investment of at least 45 basis points over the two-year Treasury note.

(over)

THE WHITE HOUSE
WASHINGTON

Copy

DATE: 4-15

NOTE FOR:

Bob R., Donny Lake,
Walter Dellinger

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

Information



Action



Thank you.

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

cc:

THE WHITE HOUSE

WASHINGTON

April 18, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Robert Rubin
SUBJECT: Attached Memorandum

< see my comments
we should obtain a list -

Attached please find a decision memorandum concerning *Barclays Bank International v. Franchise Tax Board*. This matter has a high profile internationally and in California, and there is no good solution. The decision is a question of choosing among negatives, and then handling the domestic and international politics so as to minimize the damage.

Because a decision to file an unsolicited amicus brief or to seek an extension must be implemented by April 26, a decision needs to be made very quickly. Also, we will need a day or two prior to April 26 for managing the politics of whatever your decision is.

We would have had this to you earlier, but as our discussions with State, Treasury, and others progressed, the issue became far more substantively and politically complex than anyone had anticipated.

You may be able to decide this matter based on the memorandum. If not, I think a brief meeting would suffice.

pu'86
in illeg then
in required approp.

THE WHITE HOUSE

WASHINGTON

April 18, 1993

MEMORANDUM FOR THE PRESIDENT

THROUGH: Robert Rubin

FROM: Walter Dellinger
Gene Sperling
Peter Yu

SUBJECT: *Barclays Bank International v. Franchise Tax Board*

I. ACTION-FORCING EVENT

Barclays Bank International has filed a petition seeking review by the United States Supreme Court of a California Supreme Court decision. Should the Government decide to file an unsolicited *amicus* brief in this case, such a brief must be filed by April 26, 1993.

II. BACKGROUND

The California Supreme Court recently upheld that State's worldwide combined reporting (WWCR) tax methodology against a Commerce Clause challenge by Barclays, a United Kingdom corporation, and Barcal, a California corporation wholly owned by Barclays. WWCR is one of several "unitary business" taxation methodologies; under WWCR, revenues from domestic and foreign operations are aggregated and then attributed to the taxing State under a specified formula.

Barclays' cert petition represents the culmination of an effort by several foreign governments, led by the UK. Beginning in the early 1980s, these governments have argued that WWCR (then mandated by about ten states) was contrary to international tax accounting methods. Several of the foreign governments threatened retaliation if the federal government did not correct the situation; indeed, the UK has enacted but has not implemented legislation providing for retaliation. These actions were largely successful: the Reagan and Bush Administrations publicly stated that, in light of the United States' long-held position favoring "arms length" or "separate accounting" methods in the assessment of *federal* tax, *state* use of WWCR was contrary to federal policy. Prompted in part by proposed legislation that would preempt WWCR, every State but one (Alaska) abandoned its mandatory WWCR regime.

California revised its WWCR system in 1986; under the revised regime, a corporation may opt out of the WWCR methodology, albeit for a fee that can be quite substantial.¹ Notably, this case arises before the 1986 changes--from Barclays' tax liability for 1977. In dollar terms, the case before the Court is small, involving refunds of less than \$200,000 plus interest. However, a ruling in favor of Barclays would set a significant precedent and California would likely face refund claims totalling \$800 million, and, according to senior California officials, possibly additional claims totalling \$2 billion.

The United States has taken an unusually active role throughout this litigation. The United States filed an *amicus* brief in support of Barclays at every level of the California system and in support of an earlier Barclays cert petition, which was denied, presumably because the California ruling was not yet final.

This matter presents an apparent dilemma. This issue is of great importance to the UK--as you may recall, Prime Minister Major recently wrote to you seeking your support for Barclays. Representatives of Treasury and State report that the risk of retaliation by the UK is real and quite high. The most likely retaliation involves increased tax burdens (estimated at \$100-200 million annually) for California-based multinational corporations.² On the other hand, this issue is also of great importance to California and other States. The California delegation, Governor Wilson, Speaker Brown, and the NGA have urged you to support California. During the campaign you wrote to the California Board of Equalization, indicating that you, if elected, would support California in this matter. Equally significant, an Administration position in favor of Barclays would likely create significant liability for California.

III. SUMMARY LEGAL ANALYSIS

Earlier decisions by the Supreme Court have established that taxes on foreign corporations (such as Barclays) or domestic subsidiaries of foreign corporations (such as Barcal) are more problematic under the Commerce Clause than are taxes on domestic corporations. The central question presented by this case involves whether California's

¹In the aggregate, the fee imposes an effective increase in the tax rate of approximately two percentage points--about a 20 percent increase in a corporation's California income tax burden.

²Companies that would be most affected are those headquartered in California, including Apple Computer, Hewlett-Packard, Intel, and Sun Microsystems. Major companies headquartered outside California but with significant business activity in the State (such as Ford, IBM, and GE) could also be affected. If the UK targeted all US multinationals, the added tax burdens could total \$700 million annually.

WWCR regime impairs the United States' ability to "speak with one voice" in the area of foreign commercial policy. In analyzing this issue, the Court has looked to whether the state tax "violates a clear federal directive." Although the federal government has long employed a "separate accounting" methodology and rejected unitary business approaches in the collection of federal taxes, no federal law prohibits *States* from using unitary business methodologies. Thus, in arguing for the existence of a "clear federal directive" in this area previous Administrations relied solely on Executive branch statements and positions, bolstered by diplomatic notes and threats of retaliation from other Nations. The upshot of these various doctrinal tenets is straightforward: it is the Administration's position on the acceptability of WWCR taxation by States that will largely determine the validity of such taxation.

IV. OPTIONS & RECOMMENDATIONS

We have discussed this matter thoroughly with representatives of the Departments of Treasury, State, and Justice, the United States Trade Representative, the National Security Adviser, and the White House Counsel.

There are reasonable legal arguments on both sides of this case. Those who contend that there is no "clear federal directive" emphasize that although the United States has expressly rejected unitary methodologies in *federal* taxation, the government has not spoken as clearly on matters of *state* taxation. While the Reagan and Bush Administrations did take a position on this issue, it is worth noting that the only congressional activity on this issue has favored wide latitude for States in the choice of tax methodologies.³ On the other hand, those who contend that there is a "clear federal directive" against state unitary taxation emphasize the international ramifications for American foreign commercial policy of such state taxation and the federal government's exclusive use of separate accounting methods. Moreover, for at least a decade, the Executive branch has taken the position that state unitary taxation conflicts with federal policy.

There are also reasonable policy arguments on both sides of the debate over the acceptability of state unitary taxation. Those who favor permitting such taxation often rely on the values of federalism (experimentation, state sovereignty, and arguably, efficiency), and also the possibility that the federal government may itself wish to adopt a unitary system in order to ease accounting burdens and enhance tax collection. Those who oppose permitting such taxation stress that the adoption of unitary taxation by other Nations would undermine the international separate accounting system carefully created through dozens of international tax treaties over the past decades. Although resolving this debate is beyond the scope of this

³In the most relevant congressional action, the Senate failed to ratify a treaty that included a provision that would have prohibited the use of WWCR methodologies by subgovernments; the Senate subsequently ratified the treaty subject to an express reservation of the prohibition.

Since Congress
unitary tax (state)
prohibited by
treaty, this
is a reservation
to the treaty

memorandum, the Barclays matter highlights the importance of the underlying policy issue and suggests that the Administration should move promptly toward developing a policy in this area.

Recognizing these arguments, we believe it is best not to articulate the Administration's position on state unitary taxation at this time and thus leave open whether there is a "clear federal directive" on this issue. We believe it would be undesirable to file immediately either (i) an Administration brief that asserts that state unitary taxation conflicts with federal policy or (ii) a brief that asserts that such taxation does not conflict with federal policy. Although the former brief would reflect continuity with established policy, reassure other Nations, and minimize the likelihood of retaliation by the UK and others, it would likely lead to the invalidation of WWCR, triggering substantial liability for California and other States.

Similarly, although a brief arguing that California's WWCR regime comports with federal policy would minimize California's probable liability, it would represent a direct reversal of federal policy and almost certainly provoke retaliation by the UK. Such retaliation might be joined by other major trading partners (e.g., France, Germany, the Netherlands, and the European Community) who have, by diplomatic note, expressed concerns about this matter, or such retaliation may be spread beyond the tax arena into trade policy. In addition, such a filing might encourage other States and Nations to adopt WWCR systems, which would in turn generate additional international activity.

Thus, the preferred solution to this dilemma is to *not* state an Administration position on state unitary taxation (and thus not resolve the question of whether there is a "clear federal directive"), protect California as much as possible, and minimize the international repercussions of not supporting Barclays. There are three options for achieving these goals, each with different risks and benefits.

Option 1: Request that California seek an extension of time. Secretary Bentsen, Deputy Secretary Wharton,⁴ and Bob Rubin favor a negotiation-based strategy. They recommend that the Administration request that California obtain an extension of time for filing its response to Barclays' petition. The Administration would then encourage California to modify its tax system in order to make it easier for foreign-based corporations to opt out of WWCR. Having obtained such a compromise, the Administration could then ask the UK to attempt to convince Barclays to withdraw its petition.

If successful, this option would defuse the current controversy, minimize the immediate loss to California, and minimize the probability of retaliation. However, because this option involves several diplomatic and other contingencies (including whether California

⁴Secretary Christopher has recused himself from this matter.

will agree to file for an extension and whether the Supreme Court will grant such a request), its success is uncertain. This option presents two moderate risks: first, that California will perceive negotiation as inconsistent with your pledge to support the State; and second, that the UK will view negotiation as unprincipled and a direct reversal of federal policy, and thus retaliate.

Option 2: Do not file until the Court requests the Administration's views. Walter Dellinger, Gene Sperling, and Peter Yu have reviewed the legal aspects of this matter and believe that certiorari would be inappropriate. This case, they argue, does not present a matter of continuing legal significance. Since this suit was filed, California has adopted a non-mandatory WWCR system. This revised system greatly reduces the risk of double taxation and the conflict with federal policy. Thus, a ruling in this case would not affect current California tax policy; all that is at stake is Barclays' relatively small refund from 1977. A carefully worded brief would increase the likelihood that cert will be denied, but would stop short of taking a position on WWCR.

However, Ambassador Kantor, Dellinger, Sperling, and Yu feel that the most advantageous position would be to *not* to file a brief on April 26. (The United States is not a party to this case and is not required to file a brief.) The Court's most likely response to this option would be to request the views of the Solicitor General. There is also a modest probability that not filing will result in the denial of certiorari, if, for example, the Court finds cert inappropriate or interprets the Administration's failure to file as evidence of a lack of a "clear federal directive." Under either Court response, not filing a brief is desirable. Denial of the petition would preserve California's victory below without a formal Administration statement on the validity of state WWCR systems.⁵ As a requested brief would not be filed until the summer, a call for the views of the Solicitor General would provide the Administration with additional time for consideration of its position on state WWCR regimes and for further negotiation.

Under either Court response, this option may achieve the same objectives as filing a brief stating that the certiorari is not appropriate, while perhaps being perceived as a more neutral position by the UK. Not filing a brief could be perceived as being more supportive of California's position than Option 1 and nearly as supportive of California's position as filing against certiorari. Several California officials have indicated that, in this matter, a failure to file in support of Barclays would be interpreted as support of California, and would likely make such statement to the media. However, this option presents a higher risk of retaliation than Option 1. Viewed against previous Administrations' constant support for the UK, a

⁵In addition, not filing a brief against certiorari would be more acceptable to the Solicitor General's office which emphasizes that it would be highly unusual for the United States to file an unsolicited brief urging the Court not to hear the case of a private party.

failure to file a brief in support of Barclays could be seen as a direct reversal of federal policy, and thus trigger retaliation.

→ *could couple not filing w/ N.G. The Calif would opt out easier.*

Damage Control. Irrespective of the option you choose, it will be important to develop and implement a damage control strategy, because the risk of retaliation by the UK is significant. While the details of such a strategy will depend upon the option you choose, an international damage control would likely include high-level contact with the UK to explain our position and an offer to work with the UK in seeking tax treatment that is equitable for both corporations and governments. Deputy Secretary Wharton recommends that, once you have made your decision, his Department be dispatched immediately to communicate your decision to representatives of the UK.

Domestically, if you decide not to file, Sperling believes that the Administration should quietly encourage the perception of a "pro-California" decision, while privately negotiating with both parties. He believes that the Administration could work privately with parties in California to bring forth results that would be reassuring to the UK, and that we should take no risks of our position being perceived negatively in California.

___ Option 1

✓ ___ Option 2

___ Other action

✓ ___ Need discussion

problem
The real ~~prob~~ for Calif is the possibility
of the case laying the basis for refunds
soon is too much on them.

This Sup Ct has already ruled in
cases in which Sts. discriminate
between public & private pensions
on means taken that Sts are wrong
and has left open door to Big refunds.
a departure from ~~their~~ previous decisions
(there was no refund due if Sts changed
law once Sup Ct ruled) -

Simply can't risk that - if U talk to legis
if you like say that if other Sts do it, if U
try to say U'll work in California

THE WHITE HOUSE
WASHINGTON

DATE: 4/19

NOTE FOR: *Bernie, Vince*

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: *Howard Ruster*

The Way to Kill Senate Rule XXII

THE PRESIDENT HAS SEEN

Senate Rule XXII provides that the only way to cut off debate on a pending bill is by a motion for which 60 of the 100 senators vote aye. It also provides that Rule XXII and the other Senate Rules can be changed only by the vote of two-thirds of the senators present. When the minority party is united, 60 to 67 votes are very difficult to obtain, as the 43 Senate Republicans proved again earlier this month.

The pros and cons of allowing unlimited Senate debate are themselves debatable. A century ago, as described in Robert Byrd's masterful history of the Senate, *Sen. Henry Cabot Lodge* opposed it, saying that to "vote without debating is perilous, but to debate and never vote is imbecile." Yet viewed from any point along the political spectrum, the right to filibuster has helped to block bad laws as well as good ones. And with the Senate split 57 to 43, the chances of getting two-thirds of the senators present to modify Rule XXII so as to permit a mere majority to cut off debate are virtually nil.

But there may be another way to attack Rule XXII. A strong argument can be made that its requirements of 60 votes to cut off debate and a two-thirds vote to amend the rules are both unconstitutional. While Article I of the Constitution allows each house to "determine the Rules of its Proceedings," this power cannot be used to subvert other express or implied provisions of the Constitution itself.

The text of the Constitution plainly implies that each house must take all its decisions by majority vote, except in the five expressly enumerated cases where the text itself requires a two-thirds vote: the Senate's advice and consent to a treaty, the Senate's guilty verdict on impeachments, either house expelling a member, both houses overriding a presidential veto and both houses proposing a constitutional amendment.

A powerful precedent for such a reading is the Supreme Court's holding in *Powell v. McCormack*—that the House of Representatives, despite its express power to "be the Judge of the... Qualifications of its own Members," could not add to the three standing qualifications for election to that chamber specified in the Constitution. Under this principle, the Senate could not constitutionally adopt a rule that its advice and consent to presidential appointments requires a two-thirds vote or any other super-majority, when the Constitution itself does not so specify.

Except in the five specified cases, the Framers implicitly decided that a minority of either house should not be able to block the majority from acting. That is why they adopted an express requirement that a majority of either house is sufficient for a quorum and rejected proposals for a higher quorum. Madison explained their reasons: "In all cases where justice or the general good might require new laws to be passed, or active measures to be pursued, the fundamental principle of free government would be reversed. It would be no longer the majority that would rule: the power would be transferred to the minority." The *Federalist Papers*, No. 58.

Article I, Section 3 provides another indication that only a majority vote is

How Democrats can change the rule that mandates a super-majority for cloture.

intended for all but the constitutionally specified cases. It states that the vice president shall preside over the Senate, "but shall have no Vote, unless they be equally divided." According to Hamilton, the vice president was given a tie-breaking Senate vote "to secure at all times the possibility of a definitive resolution of that body." (The *Federalist Papers*, No. 68.) Surely the Senate's power to determine the rules of its proceedings would not allow it to require that all bills must pass by a two-thirds vote or by a margin of at least two, thus disabling the vice president from exercising his constitutional power to break a tie.

Equally objectionable under Article I Section 3 is Rule XXII's built-in requirement that it and other Senate rules cannot be amended by majority vote, but only when two-thirds of the senators present vote "aye." The Constitution specifies no exception to the vice president's constitutional right to cast a tie-breaking vote, which necessarily includes votes on motions to amend the Senate's own rules. Since

Rule XXII denies this power to the vice president by requiring that any amendment requires an affirmative vote of two-thirds, it is plainly unconstitutional.

If the vice president, the majority leader, and at least 49 other Senate Democrats want to challenge the constitutionality of Rule XXII on the grounds advanced above, there is a potential scenario for doing it. The Senate Rules Committee, controlled by Democrats, would approve an amendment of Rule XXII permitting a majority to cut off debate after some reasonable period. When the amendment comes before the Senate, the Democrats would need to muster only 51 favorable votes (or 50 plus the vice president's vote). A Democratic senator would raise a point of order that this number is sufficient either to pass the amendment or to cut off debate against it, because the super-majority requirements of Rule XXII are unconstitutional. The vice president would support this view, backed up by an opinion of the attorney general. Following Senate custom on constitutional points, the

vice president would refer the question to a vote of the entire Senate, where the same 51 or more votes, or 50 plus the vice president's vote, would sustain it. The motion to amend Rule XXII would therefore pass.

The Republicans (and George Will?) would charge that the pillars of the Republic were being torn asunder, but they would be on weak constitutional ground. They could take the issue to the Supreme Court, but at least in this lawyer's view, the odds would be against them. The court would rule either that the super-majority requirements of Rule XXII are indeed unconstitutional or that the Senate's majority vote to sustain the constitutional point of order presents a "political question" with which the courts would not interfere.

If the administration and the Senate Democrats prepare to play this constitutional card, their bargaining position in the upcoming negotiations on the size and shape of the economic stimulus package would be stronger. If the negotiations fail and the card is played, the objectionable features of Rule XXII could be swept into the dustbin of history.

The writer, a Washington lawyer, served as counsel to President Jimmy Carter.

Bevin / Vinose
anything to free?
B.

THE WHITE HOUSE
WASHINGTON

DATE: 4/15

NOTE FOR:

Gere Sperling

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

Information

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Action

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Thank you.

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

cc:

Corporate Vows to Aid Poor Produce Little in Los Angeles

By CALVIN SIMS
Special to The New York Times

A1

LOS ANGELES, April 18 — Almost daily a group of well-dressed business executives here announces with great fanfare a financial commitment to revitalize this city's poor neighborhoods in the aftermath of last year's riots. At last tally, 200 corporations had pledged more than \$500 million in aid.

But these pledges have so far done little to change the bleak economic conditions of the inner city. Most of the corporate money will come in the form of donated equipment, buildings and services and support for educational and job training programs — not for the factories, distribution centers, outlets and other operations that would create jobs in low-income areas.

"We've heard a lot of companies announcing what they plan to do for South-Central in the past year, but it's mainly been a bandwagon for large businesses to jump on for their own promotional purposes," said Eric Mann, director of the Labor Community Strategy Center in Los Angeles, an advocacy group that deals with labor and environmental issues.

City Is Quiet

Los Angeles was quiet today after the convictions on Saturday of two police officers on Federal charges of violating the civil rights of Rodney G. King. But public figures ruffled the peaceful atmosphere by pointing out that the court case did not solve the city's underlying problems. One called the verdict "both epochal and irrelevant." Another said, "All the root causes of what happened a year ago are still there." [Page B11.]

Efforts to persuade companies to

invest in the inner city have been hampered by a stubborn recession that has brought enormous numbers of layoffs, as well as by California's stringent environmental and labor regulations, which add to the cost of doing business in the state. And promises of Federal and state aid have not materialized so far.

While some corporations have promised to increase the number of contracts that go to minority-owned businesses and to invest in healthy inner-city businesses and banks as a means of creating jobs, few local residents

Continued on Page B11, Column 3

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Corporate Vows to Aid Poor Are Doing Little in Los Angeles

Continued From Page A1

have found work because of these efforts.

The results in the 11 months since the riots that followed the acquittal of four police officers on state charges in the beating of Mr. King have come as a major disappointment to many government officials, community leaders and economists here who have been looking to the business community to help solve the economic and social problems of troubled areas.

"If you are looking for shiny new factories and thousands of new jobs, you won't find them," said Jack Kyser, chief economist for the Economic Development Corporation of Los Angeles County. "The economic situation in these areas is about the same as it was a year ago, and it would be naive to think that within a year you could plow down a huge new plant in that area and put thousands of people to work."

As a result of the recession, companies say they are extremely limited in the type of assistance they can provide. For example, the Hughes Aircraft Company, a subsidiary of General Motors, has promised to give \$18 million to the South-Central area and to move one of its business divisions there.

But \$15 million of the Hughes money represents contracts that the company plans to set aside for minority-owned businesses. And the military contractor does not plan to hire local residents to work in the division it relocates; the workers will be transferred from other locations.

Richard Dore, a Hughes spokesman,

said it would be unrealistic to expect the company to build a factory in South-Central Los Angeles at a time when the company was likely to eliminate 15,000 jobs in the metropolitan area and move many operations to other states.

The International Business Machines Corporation, which posted losses of \$5 billion last year and announced its first layoffs in a half century, has pledged \$31 million over the next five years to improve economic conditions in poor areas of Los Angeles.

Where Money Goes

But none of that money will go directly toward new jobs or operations. About \$19 million will be contracts given to businesses owned by members of minority groups; \$5 million will go to support job-training centers that the company has sponsored with the Los Angeles Urban League and the Bank of America since 1968, and the remainder will be used to provide computer equipment and services to the centers and to Rebuild L.A., the public-private consortium charged with reviving the economy of the city's poor areas.

"When we first sat down with Peter Ueberroth he asked us if we could build a computer plant in South-Central and create jobs," said William E. Brown Jr., project director for I.B.M.'s rebuild program. "But with I.B.M. eliminating 100,000 jobs and phasing out plants around the country, his idea was clearly not feasible." Mr. Ueberroth, the former Baseball Commissioner best known for organizing the highly successful 1984 Summer Olympics here, heads Rebuild L.A.

The group faces a gargantuan task: A management consultant has estimated that an investment of about \$6 billion and the creation of 75,000 to 94,000 jobs are needed to heal the inner city.

In recent months, Rebuild L.A. has come under fire for what critics say has been its failure to attract enough corporate support to create meaningful jobs.

Rebuild L.A. Sees Progress

Mr. Ueberroth, who declined to be interviewed for this article, has said that the pace of revitalization in the inner city has been slower than he expected, mainly because of the downturn in the economy and the lack of government incentives for corporate investment.

But other officials of Rebuild L.A. say that the consortium has made significant progress in the 11 months since its formation, and that about 5,000 jobs have been created directly and indirectly.

"You don't have \$500 million invested and not have jobs," said Barry A. Sanders, a co-chairman of Rebuild L.A. "Unfortunately people are looking for a quick fix, but we cannot correct decades-old problems overnight."

He cites a vocational automotive training center built by Toyota Motor Sales Inc. and the Los Angeles Urban League. The center trains about 100 people a year as entry-level automotive technicians and assists them in finding employment.

Mr. Sanders said real job growth in the inner city would come mainly from expansion of small and medium-sized businesses and that Rebuild L.A. would soon announce a program to provide

capital for such growth.

Officials of Rebuild L.A. say they are being asked to fulfill a role that the Federal and state governments have not been willing to assume. While Federal and state officials have promised increased financing for troubled areas like the South-Central neighborhood, little has been forthcoming so far. Nor have there been regulatory revisions and financial incentives that government officials acknowledge are necessary to encourage corporate investment.

Community advocates here say the main barriers to economic development in low-income areas like South-Central Los Angeles are negative stereotypes that corporate America harbors.

"There's a general assumption by large corporations that investments in these areas will not be recouped and that there are only marginal profits to be made," said Denise Fairchild, director of the Los Angeles office of the Local Initiative Support Corporation, a community economic development group.

Supermarket Chains Expand

Ms. Fairchild said the expansion of major supermarket chains into the inner city was starting to debunk these assumptions. She points to plans by Vons supermarkets to spend \$50 million to build five stores in low-income areas of Los Angeles. The stores, scheduled to be completed by next year, will generate 500 to 1,000 jobs.

While Vons had planned to expand into the inner city before the riots, the company says it has accelerated those plans.

THE WHITE HOUSE
WASHINGTON

DATE: 4/19

NOTE FOR: *Mack, Bob Rubin, Tony Lake*

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

Information

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Action

☒

Thank you.

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

cc:

THE PRESIDENT HAS SEEN

Ever More Money for Intelligence

James Woolsey, the new Director of Central Intelligence, insists he'll keep President Clinton's promise to cut the intelligence budget by \$7 billion over the next five years. But he's starting off in the wrong direction by asking Congress for more money for the coming year.

It's a dangerous world out there, but the menaces don't match those of the past. The intelligence community should be able to keep track of them with a lot less than \$28 billion.

Mr. Woolsey's excess is wrong on three counts. He's adding money to pay for new spy satellites that Congress rightly cut from last year's budget. He's left the bloated intelligence bureaucracy untouched. And he's using a lot of accounting tricks that suggest the \$7 billion cut will never be realized.

Those who fear military surprises assume that more satellites will provide better coverage. But if analysts can't keep up with the flow of data, as happens now, adding more data won't help. And the added coverage may not be worth the exorbitant cost. For instance, it would take 20 or more satellites to provide nonstop coverage of a suspicious site in Iraq or North Korea. If the U.S. already has three satellites monitoring the site, adding a fourth one only provides marginally more

coverage. That may not be worth an extra billion dollars a year.

If the site in question were a nuclear reactor under construction, the extra coverage provided by one more satellite wouldn't add much information. True, an extra satellite could make it more difficult for enemy troops to cloak maneuvers. But if the target of surveillance were smaller and more fleeting, like a truck offloading nuclear waste or a hidden Scud launcher, an extra satellite wouldn't make detection all that more likely.

Mr. Woolsey's eagerness to spend more has not been matched by his readiness to reduce redundancy in the intelligence bureaucracy. The redundancy is especially pronounced in the Pentagon, where each armed service and each unified command has its own intelligence branch.

Meanwhile, the Administration puts a political spin on its numbers. An intelligence budget that was commonly estimated to be \$29 billion is now said to total \$28 billion. And next year's proposed budget increase is portrayed as a reduction by comparing it to the budget proposed by President Bush for 1994, not the lower amount Congress appropriated last year. Congress is right to treat such legerdemain with skepticism and to continue cutting the intelligence community down to appropriate size.

Tax Balloons and Common Sense

President Clinton's agents have once again floated the notion of a national value-added tax to pay for universal health care. Until he broaches the health plan, though, it is idle to speculate about how he would finance it and senseless to let the financing divert everyone's attention.

As a seasoned politician, Mr. Clinton surely knows the risk of coupling two major controversies — over health care and a new system of taxation. Indeed, the talk of a value-added tax may be nothing more than the White House signaling that the health plan's cost will be formidable.

The President mentioned the possibility of a value-added tax in February, but acknowledged then that it would mark a "radical change" in the nation's taxation, suggesting that it might be considered at some future time, but not now. A value-added tax is a tax on the value that is added to goods and services at each step through the entire process of production and marketing — finally, a tax on consumption.

Value-added systems are widely used in other industrial countries. They are favored by a growing

band of American politicians — at least partly because they can yield huge revenues — and by economists concerned about America's low rate of savings and investment.

But liberal opponents argue that value-added taxes, like sales taxes, are fundamentally regressive; they hit the poor disproportionately, because the poor spend more of their income than the rich do. And conservatives, worried about the growth of government, quail at the gusher of revenues the taxes can produce, undetected by consumers who can't see how much tax is built into a product's price.

Whatever the merit of a value-added system, one thing is sure: If President Clinton proposes yet another new tax, the Republicans won't let him forget it. On this move, all the political signs flash caution. Moreover, the rules of common sense say that before floating trial balloons about taxes, the White House should consult the bipartisan Senate group that is studying consumption-based taxes. If a consumption tax is coming, it should fit in with a considered plan for tax reform.

Casual Justice in the Iraq Case

Who omitted the word "military" from documents the Commerce Department gave Congress listing high-technology equipment sold to Iraq before the Persian Gulf war? And who ordered 68 alterations in the report that concealed the fact that much of the equipment had a military use?

The Justice Department under President Bush didn't want to find out, which was understandable: the prewar appeasement of Saddam Hussein could tarnish the glory of Desert Storm. But surely the Justice Department under President Clinton would get to the bottom of this?

Not so, it turns out. The department has notified the House Commerce Committee that nobody will be prosecuted in the matter.

Does Attorney General Janet Reno think nobody falsified the reports about shipments of military trucks and high-technology equipment to Iraq? She didn't even review the case, says a department spokesman, but instead was merely informed about the action by her criminal division.

That leaves the public very badly informed indeed. Ms. Reno needs to find out why a case of this importance was disposed of so casually, and then she needs to tell the public. She may need her own special investigation to clear up the

entire question of aid to Iraq, which some call Iraqgate.

When Congress began probing Iraq aid, the inspector general and others at the Commerce Department pointed to Dennis Kloske, then Under Secretary of Commerce, as the responsible official. But when former Attorney General William Barr wrapped up his investigation, his special investigator said he hadn't been able to locate Mr. Kloske, even to ask him whether anyone higher up at Commerce was involved.

Now Mr. Kloske's Washington lawyer, Paul Friedman, discloses that his client was located, interviewed and questioned before a grand jury. Did he deny involvement or identify others involved? Mr. Friedman says only that Mr. Kloske has been notified he won't be prosecuted.

Reticence is standard for defense lawyers but highly inappropriate for the Government. The Bush Administration's false and misleading answers to legitimate Congressional requests for information about America's dealings with Saddam Hussein ought to have triggered a vigorous investigation. Congress and the voters deserve to know whether two Justice Departments have now mishandled the Iraq case.

Maali/BAD
We need
to close meeting
about this - all
Be careful

THE WHITE HOUSE
WASHINGTON

April 16, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS 
ASSISTANT TO THE PRESIDENT FOR
SCIENCE AND TECHNOLOGY

SUBJECT: THE JAPAN PRIZE

The Japan Prize, launched in 1985, is an international prize awarded to scientists and researchers who have made original and outstanding achievements in science and technology. The recipients are recognized for contributing not only to the progress of science and technology but also to the peace and prosperity of mankind. It is Japan's equivalent to the Nobel Prize and consists of a certificate of merit, a gold medal, and 50 million yen (\$400,000).

The Japan Prize for 1993 will be awarded to two outstanding Americans, Frank Press, President of the U.S. National Academy of Sciences, and Kary B. Mullis, Founder and Vice President for Research of Atomic Tags, Inc., at a ceremony in Japan on April 28, 1993.

The Emperor will bestow the award in the presence of leaders of the Japanese Government and the diplomatic corps. On this occasion, a letter from you to be read by our Ambassador would be most appreciated.

I have enclosed draft letters for your review and consideration.

Lori Abrams

4/19

Please ~~do~~ find out when this is
needed, and do.

Thx.

Paul

D R A F T

Dear Dr. Press:

I extend my congratulations on this auspicious occasion. I am pleased that your outstanding leadership in American and international science is being recognized through the prestigious Japan Prize. Receiving the award from the Emperor of Japan is indeed an honor.

You richly deserve this recognition for your contributions to a better understanding of the causes of earthquakes and for the 35 years you have devoted to leading global efforts to apply scientific knowledge to the mitigation of earthquakes and other natural disasters.

The coming years will present all nations with serious challenges. Science and technology will clearly have increasingly important roles in addressing transnational issues that are of concern to the world community. As economies become ever more technologically based, the rates of return on investments in science and technology will accelerate and reliance on advances in these areas will become even greater. With contributions such as yours, I am confident we are prepared to meet the challenges ahead.

I applaud your outstanding achievements and your seminal contributions to science, technology, peace and prosperity.

Hillary joins me in wishing you and Billie continued success.

Sincerely,

D R A F T

Dear Dr. Mullis:

I extend my congratulations on this auspicious occasion. I am pleased that your outstanding leadership in American and international science is being recognized through the prestigious Japan Prize. Receiving the award from the Emperor of Japan is indeed an honor.

You richly deserve this recognition for your contributions so fundamental to the advancement of a field of science. The polymerase chain reaction has provided biomedical laboratories throughout the world with a powerful tool for both basic research and diagnosis of a wide range of diseases.

The coming years will present all nations with serious challenges. Science and technology will clearly have increasingly important roles in addressing transnational issues that are of concern to the world community. As economies become ever more technologically based, the rates of return on investments in science and technology will accelerate and reliance on advances in these areas will become even greater. With contributions such as yours, I am confident we are prepared to meet the challenges ahead.

I applaud your outstanding achievements and your seminal contributions to science, technology, peace and prosperity.

Sincerely,