

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	From Fairbank, Maslin, Maullin and Associates (3 pages)	04/28/1993	Personal Misfile
002. memo	Carol Rasco to Mack McLarty re: AIDS Policy Coordinator (1 page)	05/07/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 474

FOLDER TITLE:

May 1-8, 1993 [1]

2018-0662-S

rs3047

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

021890

OPID	TJ
DOCDATE	930607
RECTYP	HBA
MEDIA	X
ORG	THE WHITE HOUSE
ADDR	WASHINGTON DC 20500
SUBJECT	JOHN PODESTA 'S CHRON FILE
SUBCODE	FG006-03
INDCODE	1110
ACTION	RM RSZ 930607 C 930607
COMMENTS	TWO BOXES WERE FILED ON JUN 7 93: BOX #1 (JAN 93 - FEB 93) FILED IN OVERSIZE ATTACHMENTS #359; BOX #2 (MAR 93) FILED IN OVERSIZE ATTACHMENTS #360

BOXES Filed on AUG 2, 93
are as follows:

Box #1 (April 93) filed in
Oversize attachments # 473;

Box #2 (MAY 93) filed in
Oversize attachments # 474.

PODESTA
CITRON
FILES

THE WHITE HOUSE
WASHINGTON

DATE: 5/7/93

TO: MICHAEL WALDMAN

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

Please provide a draft Presidential
response to the attached and
forward to this office.

Thank you.

Pending

*5/7
per
NTH*

*copy
already
sent to
Waldman
for response*



THE WHITE HOUSE
WASHINGTON

May 7, 1993

MR. PRESIDENT:

Copies of the attached have
been provided to Mack, George,
Rahm, Regina. Michael Waldman
has been given a copy to
prepare a response.



John Podesta





Texas Democratic Party

5/6/93

Bob Slagle,
Chairman

Hon. Bill Clinton
President
White House
Washington D.C.

Dear Mr. President,

I have just been told that
State Party "Get Out the Vote" efforts
will be totally "Federalized" in
Presidential years; even down to
the Sheriff and County Commissioner
level - every dollar "federally" hand.

If a State is not a targeted
State, as Texas in 1992, the State Party
cannot use state hard dollars in
a coordinated campaign effort to
protect its "down-ballot" candidates
even if it is the Presidential candidates
that are pulling it down as Dukakis
did in Texas in 1988. Such is
not campaign reform. That is
the most savage form of Federal
control ever proposed.



Texas Democratic Party

Page 2

Bob Slagie,
Chairman

Worse yet, it invites the proliferation of "independant" Committees and state and local "non-party" Committees under State Law that the State Party is not permitted to talk to nor cooperate with under Federal Law.

If you are not a "targeted" State in Presidential years, most of a State Party's efforts are to protect State, District and local Candidates from a sweep. If someone is telling you to the contrary, that person is either totally lacking in knowledge or is deceitful.

Contrary to what "Common Cause" and its minions say, State Parties are not corrupt, nor corrupting influences to the political process. We try to make it work.

Anything that takes State Parties out of the process merely enhances



Texas Democratic Party

page 3

Bob Slagle,
Chairman

the impact of special interests
money through so-called
"independent" committees.

As Oliver Cromwell
said to a Royalist Commander
who was hopelessly surrounded
and out-numbered but refused
to surrender, "I pray thee in
the bowels of Christ to consider
that ye may be wrong".

Bob Slagle
Chairman, Texas
Democratic Party

May 6, 1993

The Honorable Vera Katz
Mayor of Portland
Portland, Oregon 97204

Dear Vera:

I want to thank you for the tremendous job you and your city did in hosting the Forest Conference on April 2. Portland is a wonderful city, and I thoroughly enjoyed my visit.

I certainly appreciate the extra hours and attention that such an event requires and commend you and the many men and women who devoted their time and energies to ensuring the success of the conference. The Vice President and I would like to extend our special thanks to Mr. Sam Adams, Mr. Keith Witcosky, Ms. Linda Arnold, Chief Tom Potter, and the commanders and officers of the Portland Police Department for their hard work in this regard.

It is unfortunate that my schedule did not allow me to attend your reception hosted by local businesses. On my behalf, please convey my personal recognition to each organization that supported this program.

Again, thank you for hosting the conference. I look forward to my next opportunity to visit the Pacific Northwest.

Sincerely,

BILL CLINTON A

930508

BC/TL/RPR/ws

(Corres. #615010)

✓ Xeroxed copy of personally signed original to NH through John Podesta

CLEAR THRU JOHN PODESTA

PRESIDENT TO SIGN

COPY
from ORM

AP
BC
M
5-7a3
6/5/93
May 4, 1993

Dear Mayor Katz:

I want to thank you for the tremendous job you and your city did in hosting the Forest Conference on April 2. Portland is a wonderful city, and I thoroughly enjoyed my visit.

I certainly appreciate the extra hours and attention that such an event required and commend you and the many men and women who devoted their time and energies to ensuring the success of the conference. The Vice President and I would like to extend our special thanks to Mr. Sam Adams, Mr. Keith Witcosky, Ms. Linda Arnold, Mr. Tom Potter, and the commanders and officers of the Portland Police Department for their hard work in this regard.

It is unfortunate that my schedule did not allow for attendance ^{me to} at your reception hosted by local businesses. On my behalf, please convey my personal recognition to each organization who supported this program.

Again, thank you for hosting the conference in Portland. I look forward to the next opportunity to visit the Pacific Northwest.

Sincerely,

BC

Maureen
This is a letter to
the Mayor of Portland
from the President.
I'd appreciate your
help in getting this
sent out. Thanks —
TEY NDSETH
6/5

5/6/93

NOTE FOR: PAUL RICHARD
FROM: ^m MAUREEN HUDSON

Per Central Files, Mayor Katz has not received a similar letter, so we typed it in final, with Mark Miller's edits.

1) Type for
autoper
format

2) Pls. return
to Paul Richard
w/ MAH's note on
top.

Maureen:
There were a number
of letters that went out after
this conference. Please check to
see if we already sent one to Mayor
Katz.

Paul
A/P



CITY OF
PORTLAND, OREGON
OFFICE OF CITY ATTORNEY

Jeffrey L. Rogers, City Attorney
1220 S.W. 5th Avenue
Portland, Oregon 97204
(503) 823-4047

May 2, 1993

To: Trey Lindseth

From: Jeff Rogers *JR*

Subject: Forest Conference thank you letters

Several people associated with the City of Portland did extensive amounts of work in preparing for the Forest Conference. I hope you can have the President send written thanks to them. Separate letters to each individual would be preferable both as courtesies and politically. An alternative would be to send the Mayor a letter which mentions all of the other individuals so she can forward a copy to each.

In addition to the individuals who should be thanked, a number of private businesses contributed significantly to the Conference including the lunch and reception following. Those businesses are listed on the enclosed letter drafted by the person who arranged the reception and solicited business support. Although you may want to write a very different letter, this will give you some information. As you can tell, there was some mild disappointment that the President was unable to stop in at the reception. Therefore, I think it is particularly important that you mention these businesses in your letter to the Mayor.

The City also spent substantial amounts of money in preparing and helping run the Conference. It would be appropriate to acknowledge that in the letter to the Mayor.

Incidentally, I assume you have or will also send letters to the Governor and her staff. Let me know if you need any information about them.

The City individuals who should be thanked are:

1. Mayor Vera Katz
City Hall
1220 S.W. 5th Ave.
Portland, Oregon 97204
2. Sam Adams
Executive Assistant
Same address as #1

5/7/93

*only "Katz" ltr to
be done.*

- 09.03.93 03:24 PM CITY ATTORNEY
3. Keith Witcosky (optional, but if no letter to him, mention him by name in letter to Mayor)
Mayor's Assistant
Same address as #1
 4. Linda Arnold
Portland Development Commission
1120 S.W. 5th Ave.
Portland, Oregon 97204
 5. Tom Potter (and acknowledge the many commanders and officers who worked hard on the Conference)
Chief of Police
Justice Center
Portland, Oregon 97204

Let me know if you'd like any more information. I'd also appreciate your sending me a blind copy of these letters so I will know what you decided to do. Thanks.

APR-07-1993 11:00 FROM PORTLAND DEVEL COM

TO

98233089 P.02

April 5, 1993

Draft 4/7 AM

Dear Mayor Katz,

Please accept my heartfelt appreciation for the tremendous job you and your city did in hosting last week's historic Forest Conference. I fully recognize the extra hours and attention that is required with a Presidential visit, and commend you and the hundreds of men and women who devoted their time and energies to ensuring the success of my visit.

It is unfortunate that my time did not allow for attendance at your reception hosted by local businesses. On my behalf, please convey my personal recognition to each organization who supported this activity, and acknowledge my regret for not having the opportunity to meet with them:

Bank of America
Boeing
First Interstate Bank
Fred Meyer
Key Bank
The Moore Company
Nike
PacifiCorp
Portland General Electric
US Bancorp
US West Communications
West One Bank

In closing, you have a wonderful city; rich with natural beauty and vibrant colors, unparalleled amenities and a talented and generous people. All these qualities are clearly treasured, nurtured and preserved by caring citizens. Portland is to be complimented on its achievements. I look forward to future visits.

Sincerely,

Bill Clinton

THE WHITE HOUSE
WASHINGTON



To: Tony Lake

From: Tom Podesta

Per our conversation



THE WHITE HOUSE
WASHINGTON

May 6, 1993

33 MAY 6 All: 04

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS 
SUBJECT: Resuming Nuclear Testing
PURPOSE: Recommend against resumption of testing.

You will shortly be asked to decide about U.S. resumption of nuclear weapons testing. Unfortunately, I have not been able to directly participate in the Interagency discussions but understand that you may be presented with a de facto recommendation to resume testing for reasons of safety and/or reliability, and that the issues presented are not whether but how such tests should be resumed.

I take strong exception to this position. Fundamentally, you also have the option not to resume testing, and seize this rare opportunity to lead the world more quickly to a lasting moratorium. (See attachment)

Arguments to resume testing for reasons of safety and/or reliability are technically very weak. I find it extremely difficult to claim that such tests are "vital to the national security interests of the U.S." Indeed, I would argue that the reverse is closer to the truth. Any small incremental gains for the U.S. that might result from such testing are grossly offset by potential losses caused by the resumption of testing by other nations who would likely follow our move.

Arguments are being made to allow tests at less than one kiloton by defining such tests as below threshold for a comprehensive test ban. This, too, is a bad idea. It would be taken as evidence of bad faith by the very nations we most need to agree to a full test ban (e.g., China, India and Pakistan). Ironically, the U.S. would probably benefit the least from an agreement allowing small tests.

I can understand the evident interest of the weapons laboratories in justifying the continuation of their programs and personnel. We still have the full Cold War complement of competing weapons labs, whose budgets grew enormously under the past two administrations. But there are new, higher priorities for their resources in non-nuclear defense and civilian areas.

In summary, the advantages of resuming nuclear weapons testing of any kind are marginal and problematic while the potential direct and indirect costs are enormous. We must not allow parochial interest to divert us from fundamental security interests. I am ready to help provide any further analysis of this situation you may desire.

Attachment

We are presently in a de-facto, worldwide moratorium on nuclear testing that has lasted for seven months*. The Russians, the French, and the British are not testing and have pledged not to be the first to test any sort of nuclear weapon. China has made no commitment but in fact has not tested since last fall. Other nations on the threshold of testing have been similarly restrained. The US is committed to a moratorium on testing until later this year.

Three related decisions must be made in the near future: (i) should testing be resumed, (ii) what kinds of tests should be conducted, and (iii) should we insist on unlimited numbers of tests at low yields. Plainly a decision not to resume testing makes the second and third decisions moot. Interagency discussions seem to be proceeding as though you have already made the most fundamental of these decisions -- the decision to resume testing -- and that only the issue of how to conduct tests is relevant. This assumption is apparently based on statements made during the campaign that, in my view, do not commit you to any such decision. I hope that you will consider resumption of testing only after insisting that the costs and liabilities of such a decision are carefully evaluated.

The *first*, and most urgent decision you face, has to do with whether you elect to resume US testing nuclear weapons of any kind. The fundamental decision is whether to use the spirit of mutual restraint to drive quickly toward a comprehensive ban on testing of any nuclear weapons worldwide. Such an agreement is within your grasp because the major barrier at present is US insistence on testing.

A US decision to test now would likely trigger a chain reaction. Any US test would probably force Yeltsin to follow suit in order to placate right-wing forces in Russia. The French and the UK would probably feel compelled to follow suit. And it is also likely that the Chinese and possibly the Indians, Pakistanis and other threshold nations would use tests by the world's nuclear-weapons states as an excuse to test their own weapons. New testing spawned by a resumption of US tests would make negotiation of a global test ban significantly more difficult.

Legislation passed last year permits, but does not require, up to 15 underground US nuclear tests within narrow conditions. The legislation calls for a complete cessation of testing by 1996.

* As of May 5, 1993, the most recent nuclear tests (all announced) were:

U.S.	9/23/92
Russia	10/24/90
U.K.	11/26/91
France	7/15/91
China	9/25/92

The **second** decision has to do with the kinds of testing that would be conducted if you decide to break the moratorium. Three kinds of testing are permitted under the 1992 legislation. In my view, none are justified under present circumstances.

1. The legislation allows the US to conduct three tests in Nevada for the U.K. -- tests plainly not needed if the UK sticks to its pledge not to test first and the US does not test.
2. A small number of reliability tests are permitted by the legislation if you certify to congress that such tests are "vital to the national security interests of the United States". The need for reliability testing was introduced by the US as a reason to oppose nuclear testing limits immediately after new leadership in the Soviet Union removed any possible US concern about the verification of Soviet testing. There is no compelling evidence that nuclear tests are needed to assure reliability -- particularly given the high cost of such tests. Questions about component reliability can be checked with non-nuclear tests. Nuclear reliability tests in the next few years would only make sense if they were used to test methods for checking reliability with low-yield (1 Kt or less) tests. And this, in turn, would make sense only if the US redefined "comprehensive test ban" to permit unlimited numbers of low-level tests. (This possibility depends on your third decision). It's also important to remember that nations with less sophisticated weapons programs will have more doubts about the reliability of their weapons programs than the US. Eroding confidence could decrease their incentive to actually use the weapons.
3. The legislation also permits testing for safety if you certify that the tests are a part of a needed program for deploying a new, safer weapons inventory. First, the safety of the existing weapons inventory is not in significant doubt. Secondly, it is unlikely that the administration could offer a complete program for both developing and deploying reliable new weapons, given the small number of tests permitted. If such weapons were developed and put into production, it would not be possible to test production versions at full yield under a comprehensive test ban. I do not see how we could propose a program to the Congress that would be credible under the strict cost-benefit criteria posed by the legislation. The only credible claim would be that we could partially develop new weapons that could be put into full production if the test limits were broken at some future date.

The **third** decision has to do with whether the US should redefine "comprehensive test bans" to allow small (1Kt) tests. A US proposal of this kind would be taken as a token of bad faith by the nations we most need to agree to a test ban and long-term extension of the non-proliferation treaty. The grand bargain on which nuclear containment is based is that the nuclear weapons states will forgo future testing of weapons in return for pledges by others not to develop or test nuclear weapons. Continued testing of any kind would make a global test ban treaty extremely difficult if not impossible. The irony is that the US would probably benefit the least from an agreement allowing small tests. We could

only make marginal changes in a mature inventory while non--weapon states might develop a nuclear capability and vastly change strategic relationships as a result of their testing.

The arguments in favor of new tests are so weak that in my opinion they clearly signal the real motivation driving interest in renewed testing. A complete cessation of testing would be a blow to the nuclear weapons laboratories that have had secure federal funding for nearly 50 years. We retain the full cold-war complement of competing weapons development laboratories. The budgets of these facilities grew enormously during the past two administrations. While non-nuclear defense and civilian work can be conducted at these laboratories -- some of which have superb facilities and some of the nation's finest scientists -- they will need to compete for these new activities. Unlike the weapons business, the new work provides no assurance that current budget levels can be maintained.

The worldwide hiatus in nuclear testing gives us an unprecedented opportunity to control the spread of nuclear weaponry. The theoretical benefits of renewed testing are dwarfed by the price we would pay if this opportunity is lost. Renewed US testing would also unleash a domestic political firestorm.

THE WHITE HOUSE

WASHINGTON

03 MAY 4 P3:35

May 4, 1993

MEMORANDUM FOR JOHN PODESTA

FROM: Howard Paster *HP*

SUBJECT: Attached memorandum

I would appreciate it if you could please bring the attached memorandum regarding Representative Molinari's floor statement on Bosnia to the President's attention. Thank you for your assistance in this matter.

cc: Anthony Lake
Lorraine Miller
George Stephanopoulos

THE WHITE HOUSE

WASHINGTON

03 MAY 4 P4:26

May 4, 1993

MEMORANDUM FOR HOWARD PASTER

FROM: JOCELYN JOLLEY *jj*
SUBJECT: Rep. Susan Molinari (R-NY)

Rep. Molinari's Press Secretary, Kim Greenwood, called this afternoon to give our office the heads up on her member's one minute floor speech today.

The Representative recently went to Bosnia and has been very vocal in the media, urging the President to do something about the problem.

Rep. Molinari supports the administration's actions on Bosnia that took place over this past weekend. She wants you to know that Republicans do, in fact, support the President. This will be relayed in her one minute speech today.

C.C. The Vice President

MACR

THE WHITE HOUSE

WASHINGTON

May 4, 1993

93 MAY 4 P6:10

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE *AL*
HOWARD PASTER *HP*

SUBJECT:

Response to Congressman Leach Regarding Assistance
to RussiaPurpose

To thank Congressman Leach for his letter concerning assistance to Russia and the Vancouver summit meeting.

Background

Congressman Leach wrote a letter to you as a follow up to your working dinner with House leaders. In his letter, he stressed the importance of addressing the burdensharing issue by channeling assistance through international financial institutions. He also called for Food for Progress agricultural sales to Russia and an increase in funding for exchange programs. Your response indicates that we have incorporated each of these initiatives into your program of support for Russia.

RECOMMENDATION

That you sign the response at Tab A.

Attachments

Tab A Reply
Tab B Incoming

cc: Vice President
Chief of Staff

016700

51.511

THE WHITE HOUSE

WASHINGTON

Dear Representative Leach:

Thank you very much for your thoughtful letter concerning assistance for Russia. I read it with interest in preparation for my meeting with President Yeltsin in Vancouver.

I believe we are very much in agreement regarding the issue of burdensharing and the importance of working with and through the international financial institutions and the G-7 as the best way to assist Russia. We are pleased with the \$28 billion in multilateral assistance announced at the G-7 Foreign and Finance Ministers' meeting in Tokyo and we are now working closely with our allies and the international financial institutions for its rapid implementation.

You raised two other important proposals in your letter: Food for Progress agricultural sales and exchange programs. As you know, the assistance package I announced in Vancouver includes some important initiatives in these areas, including \$700 million in agricultural credits under Food for Progress and the Democracy Corps initiative, which will fund expanded exchanges on a number of different fronts. I am also planning even further growth in exchanges in the second bilateral package of assistance outlined in Tokyo. I will be consulting with the Congress soon on the specific sectoral funding requests for the Tokyo package and would hope for your active support.

In the weeks ahead, I hope you will continue to share with me your ideas on our assistance effort for Russia.

Sincerely,

The Honorable James A. Leach
House of Representatives
Washington, D.C. 20515

1913
CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

I thought you might be interested in the
attached.

Sincerely,



Jim Leach
Member of Congress



CONGRESS OF THE UNITED STATES

March 26, 1993

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

I am writing in response to your request yesterday evening at dinner for specific suggestions as well as general observations regarding possible approaches for assisting Russia and the other states of the former Soviet Union. At the risk of presumption, I would like to summarize certain Congressional apprehensions and suggest a policy approach somewhat at variance with the tenor of the conversation last night.

It strikes me that Members acknowledged the necessity for singular U.S. leadership in developing an effective international strategy to support the reform process in the former Soviet Union, but expressed uneasiness at the implications of singular U.S. financial responsibility for such support. Once the Congress and the nation assume an American commitment to action, burden sharing becomes the issue.

In this regard, it cannot be overstated that the United States plays a leading role in international institutions which by their very nature compel burden sharing: the International Monetary Fund (IMF), the World Bank, and the European Bank for Reconstruction and Development (EBRD). While there is understandable skepticism about primary reliance on international financial institutions (IFIs) to administer creative new policies, such as housing programs or a ruble stabilization fund, the most constructive way to gain international support for any reform program we may wish to lead is through these institutions. There is no reason why, for example, a new facility cannot be created within any or all of these institutions for the specific purpose of supporting particular or more general initiatives in the former Soviet Union. Further, it is clear that many other governments are much more willing to support aid through these institutions than they are through a purely American or western initiative.

Page 2
The President
March 26, 1993

Tom Lantos constructively suggested that you simply pick up the phone and call King Fahad, the Emir of Kuwait, the Sultan of Brunei, and President Lee in Taiwan and ask for multi-billion dollar commitments to a U.S. initiative. My sense is that it is more difficult for them to provide money to the United States at our request to help Russia than to contribute through the international financial institutions, which in the case of some countries might even be the Asian Development Bank (ADB). In fact, one might suggest that the ADB be employed to help effect the transition from centrally-planned to market economies in the Russian Far East or Central Asia.

The Vice President indicated frustration with the conditionality that is a prerequisite to international financial institution lending, and David Obey objected to the IMF's "cookie cutter" approach. But the fact is that all governments have like complaints about the IFIs and these complaints should be taken with a grain of salt. Far from a weakness, one of the strengths of these institutions is that they are by design intended to press for fundamental reforms -- price liberalization, macroeconomic stabilization, and the restructuring of financial institutions and markets -- and therefore carry the burden of blame for what may be seen as outside interference. It is a plus -- not a minus -- that Russians complain about the World Bank and IMF rather than American, French, or German conditionality.

In this regard, I would like to reiterate that one of the advantages of the IFIs is that the U.S. contribution, depending on the institution, varies from 10 to 20 percent, which implies that the rest of the world accepts 80 to 90 percent of the obligations. In addition to leveraging dollars, these institutions allow the United States to leverage principles. Few governments are prone to bow to pressure for market-oriented reform coming from a single country. Many, however, will institute politically difficult reforms as a prerequisite for IMF and World Bank support and the seal of approval for commercial bank lending such support implies.

Page 3
The President
March 26, 1993

At issue is American leadership and how we can most effectively leverage the contributions we make. If we were to put new emphasis on the IFIs or establish a new facility within one or all of them for specific purposes, there is a significant possibility that Japan -- which is reluctant to provide significant bilateral aid because of the Northern Territories dispute -- as well as Lantos's big four -- Saudi Arabia, Kuwait, Brunei, and Taiwan -- would be willing to play an important role in American led efforts.

In all development efforts there is a resentment factor, in both the aid giving and the recipient country. It was mentioned that a top priority the Administration has in mind is assistance for Russian housing. But however compelling the need, especially as it may relate to providing incentives for troop withdrawals from the Baltics, the Administration must come to grips with the question of whether a program should be initiated as a U.S. bilateral effort or come under the aegis of an international financial institution. As a U.S. program there may be more resentment in America than anyone can now gauge and, if viewed in Moscow as a quasi-strategic initiative, it could conceivably be counterproductive. If, on the other hand, a housing program were part of a multi-lateral initiative, reactions might be more positive in both our countries.

Just as the United States used a U.N. mandate in the Gulf War to galvanize and channel international support, we ought not to shy away from utilizing another FDR legacy, the Bretton Woods institutions.

There is also no reason the United States should not take the lead in another aspect of burden sharing, debt restructuring. By definition, debt restructuring puts 90 percent of the burden on Europe and Japan because they hold the lion's share of the debt. Obviously, you as President run a high risk of alienating the Germans and French in particular if you forcefully push debt reduction, but that does not mean America should not be at the cutting edge of progressivity on the issue. Perhaps my suggestion that all debt assumed under the communist system (about \$68 billion) be written off is extreme, but the United States has a moral basis for taking the debt reduction lead in two respects: (a) the historical legacy of the Marshall Plan in Europe, in which we restructured a great deal of debt and in response to which Europe should be prepared to restructure their debt with Russia; and (b) the Brady Plan model for Latin America where our banks and government are taking the largest share of the loss.

Page 4
The President
March 26, 1993

The Latin debt restructuring model is of relevance because it was conditioned on macro- and microeconomic reforms which had the effect in many Latin countries of stemming capital flight. Now, many economists predict that, as a consequence of the stability engendered by this program, growth prospects are better for Latin America in the coming decade than for the United States.

With regard to a ruble stabilization fund, I share the view of many economists that such is crucial for Russia and was intrigued at the indication that Treasury has a number of innovative proposals in mind. But I would caution against any approach which might imply that the United States is prepared to be accountable for ruble stabilization. If the money supply is not constrained by Russian politicians, the American government could be set up for failure or the American taxpayer found accountable for unlimited liabilities. In fact, if there is any institution with a mandate to assist in macroeconomic stabilization, it is the IMF. We shouldn't be reluctant to press it to initiate stabilization programs we think might be helpful.

While there is a good deal of frustration with the lack of resource commitments to date by the IFIs, it should be stressed that without fundamental macro- and microeconomic reform, resource transfers only bolster status quo enterprises. The IMF and World Bank are precisely correct in demanding prerequisites such as changes in law to protect private property, and we would be making a massive mistake to undercut IFI efforts to seek reform. In an economic though not perhaps cultural or historic context, Russia and the other independent former Soviet republics can be looked on as developing countries with problems analogous to developing countries on other continents -- corruption and misgovernment -- that must be worked around with disciplined professional assistance.

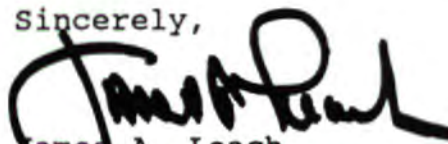
From a Congressional perspective, I would be confident that massive bilateral food assistance would be easily supportable, as would medical assistance and enterprise development initiatives, whether in the form of tax incentives or OPIC risk insurance. Here, a footnote is in order. There are increasing indications that based upon the extraordinary U.S. system of price supports for American agricultural products, a massive outright gift of corn to Russia could actually save the Treasury money. Agriculture economists suggest that a shipment of 400 million bushels of corn to Russia under the Food for Peace program, for instance, could be expected to save some \$1.2 billion in federal farm program costs. In any

Page 5
The President
March 26, 1993

regard, whether in the context of debt forgiveness, restructuring, or of outright gifts, barriers to food transfers should be eliminated.

In the long term, it should be stressed that structural transformation in the former Soviet Union is unlikely to take place without a transformation in attitudes, and this can best be accomplished by more frequent contact with the West, especially America. The American public is both extraordinarily pragmatic and idealistic about the potentialities of exchanges and as you may know, Senator Bradley and I coauthored an amendment to last year's Freedom Exchange Act that provides about \$50 million for exchange programs. Given the long-term benefits these programs would provide to the United States, there is no reason why that amount should not be doubled or tripled.

Sincerely,



James A. Leach
Member of Congress

JL:jmt

cc: The Vice President
The Speaker of the House
The Secretary of State
The Secretary of the Treasury
White House Chief of Staff Thomas F. McLarty, III
Deputy Assistant to the President Samuel R. Berger
Deputy Secretary of the Treasury-Designate Frank Newman
The Honorable Strobe Talbott
The Honorable Richard Gephardt
The Honorable Robert Michel
The Honorable Newt Gingrich

THE WHITE HOUSE

WASHINGTON

May 5, 1993

93 MAY 5 P2:06

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE
HOWARD PASTER

SUBJECT:

Response to Senator Durenberger on Agricultural
Trade with RussiaPurpose

To respond to a letter from Senator David Durenberger recommending barter deals with Russia.

Background

Senator Durenberger wrote you recommending that we initiate barter agreements to trade surplus U.S. agricultural commodities for Russian oil and other raw materials. We have drafted a response at Tab A outlining the agricultural component of the Vancouver assistance package and indicating that barter arrangements are under consideration.

RECOMMENDATION

That you sign the response at Tab A.

Attachments

Tab A	Response
Tab B	Incoming

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Senator Durenberger:

Thank you very much for your letter regarding agricultural trade with Russia.

The assistance package we announced at the Vancouver summit strives to address two vital goals in this area: to ensure a stable supply of staple foods to the Russian people and to maintain the position of the American farmer in the important Russian market. We also are working to ensure that the delivery of U.S. agricultural goods does not undercut Russia's domestic production.

As you know, our program makes available \$700 million in concessional loans under the Food for Progress Program. I announced an additional \$194 million in grant food assistance to be provided this spring, bringing our total grant food assistance to Russia in 1993 to \$425 million. We also will provide an additional grant of \$10 million in nutritional drink supplements to mothers and children in three cities in Russia's Far East which have been particularly hard hit by shortages.

The Department of Agriculture is also currently examining possible options for utilizing countertrade, barter and similar self-liquidating finance methods as you suggested in your letter. The Agricultural Trade Act of 1978 and the Commodity Credit Corporation Charter Act for 1949 permit the Secretary of Agriculture or the CCC to utilize forms of barter for trade.

As economic decision-making in Russia increasingly decentralizes, however, barter is difficult to arrange with the central government. That is one of the reasons I offered the Food for Progress concessional loans in Vancouver.

I appreciate your taking the time to express your views and offer suggestions for helping Russia transition to a free-market economy.

Sincerely,

The Honorable Dave Durenberger
United States Senate
Washington, D.C. 20510

United States Senate
DAVE DURENBERGER

March 18, 1993

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

Dear Mr. President:

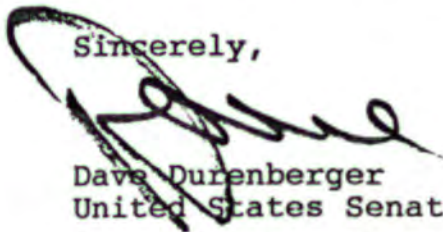
Since declaring its sovereignty in 1991, Russia has experienced a very difficult transition to a free-market economy. In the past year, the Russian people have undergone a fifty percent reduction in their standards of living -- largely due to the desperate need for agricultural products such as wheat, feed grain, and soybeans.

I am writing to impress upon you the need to negotiate agreements with the Russian government for a barter exchange of surplus American agricultural commodities for Russian oil and other raw materials that would be beneficial to the United States. This arrangement would help American taxpayers and farmers while providing humanitarian aid to the Russian people who are on the brink of famine. In addition, oil obtained from Russia could be used to replenish the U.S. Strategic Petroleum Reserve, thereby enhancing America's national security.

The Commodity Credit Corporation (CCC) currently houses the following surplus commodities: 534.9 million pounds of butter, 10.7 million pounds of cheese, 86.8 million bushels of corn, 150.4 bushels of wheat, 8,500 bales of cotton.

I thank you for your immediate consideration of this proposal.

Sincerely,



Dave Durenberger
United States Senate

DD:qlm

016093

THE WHITE HOUSE
WASHINGTON

April 30, 1993 03 APR 30 P3:16



MEMORANDUM FOR THE PRESIDENT

FROM: RAHM EMANUEL

SUBJECT: WEEKLY REPORT TO POLITICAL STAFF

Attached please find my weekly report to the political staff, for your information.

THE WHITE HOUSE

WASHINGTON

April 30, 1993

MEMORANDUM FOR POLITICAL STAFF

FROM: RAHM

SUBJECT: WEEKLY REPORT

I have spent the week working on a number of issues, from MPVs to the timber conflict to helping Barca out of his cash flow problems.

For the most part, however, I have been focusing on how to help the President hone his message, and present his first 100 Days as a period of action and success. In addition, I have been working to develop an overarching strategic plan which defines the administration and its goals in terms of the President's values.

The discussion of an overall strategy is ongoing, and therefore I will not go into detail in this memo. Below are some of the specific issues that I dealt with this week.

I. MPVs:

Today we are having what should be our final meeting with the policy team (NEC, Commerce, USTR, etc...) on the MPV issue. The result of this meeting will be a document with a series of options for the President.

The options will range from total and immediate reversal to dropping the issue altogether. Judging by the meetings I have attended and calls I have received, I do not think that the real options will include either immediate reversal or the threat of reversal in six months.

II. NEW HAMPSHIRE:

Linda and I met with Congressman Dick Swett from New Hampshire. I have asked his office to produce a New Hampshire strategy memo for the White House. The memo will be a comprehensive analysis of where we are and what we need to do to prepare for '94 and '96.

When they complete this memo, we will call a meeting of with Congressman's office, DNC, Legislative Affairs, Political etc... to bless the memo and action plan.

III. ECONOMIC PLAN:

In Pennsylvania, the State Legislature and the Philadelphia and Pittsburgh City Councils are each passing a resolution calling on the Senate to pass a jobs bill. The goal is to keep the pressure on Specter for upcoming votes.

This same endeavor is also taking place in Missouri. I am trying to get something of this nature in Oregon and Vermont as well.

Of course, this is all predicated on the introduction of a new Jobs Bill.

IV. SPECIAL ELECTIONS:

o **Wisconsin:** In Wisconsin, the Barca campaign pulled up to a dead even position with Neumann earlier in the week. I think it will be very close in the end. It all comes down to who has a better GOTV operation.

Both last week and early this week, we were on the phone assisting with fundraising (approximately \$100,000) and opening up more phones for this last week before the election.

The hidden factor is what the Christian Right is doing in the district. There are some indications they are very active on the ground. The Barca campaign held a press conference today attacking the Christian Right's scare tactics.

o **Texas:** The Washington Post's analysis today of the race is pretty much on the mark. Krueger has not excited anyone in the campaign and does not have an edge to his message.

We are doing everything we can to buck up his base with Cabinet trips etc...

V. CRIME:

Bruce Reed has produced a crime bill analysis for the President (see attached memo). In addition to moving on this bill, we have other initiatives that relate to crime: the safe school initiative from Education 2000, Community Policing from the Urban policy, more cops from the jobs bill, and a stronger Attorney General.

Communications and Legislative Affairs now must decide when and how to push this interdepartmental effort. I have asked Reed to pull all of these initiatives into a single analysis for the President.

VI. PRESIDENTIAL ORDERS:

Joan, Reed, Paul Toback and I are going to meet on a series of orders and initiatives that the President can undertake that show action and have political pay-off. We need to identify a series of things that are good politically, and that can be accomplished quickly without legislative hold up.

VII. BOB DOLE:

We circulated the infamous Dole letter to some of the reporters, including Jeff Birnbaum (WSJ) and Tom Friedman (NYT). As you know, in this letter, dated March 5, Dole requests funds from a CDBG grant for a Wichita boat house.

In addition, while Dole is blasting the President's first 100 Days, David Wilhelm is up in New Hampshire to discuss what Dole has been doing over the last 100 Days: holding up change and stalling economic recovery at the expense of the American people.

VIII. FOREST CONFERENCE FOLLOW-UP:

This week I also attended a meeting on Forest Management, as a follow up to the Forest Conference.

THE WHITE HOUSE
WASHINGTON

May 5, 1993

016994
03 MAY 5 P5:11

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Alexis Herman
SUBJECT: Monthly Activity -- Office of Public Liaison

Attached please find a calendar of the briefings that the Office of Public Liaison (OPL) organized in April and a breakdown of OPL-sponsored activities according to issue area. As you can see, our briefings ranged from quarterly constituency meetings to targeted outreach in support of Presidential initiatives.

cc: Mack McLarty
Mark Gearan

LIST OF EXTERNAL MEETINGS

ACCORDING TO ISSUE GROUP

-- MONTH OF APRIL --

I. QUARTERLY MEETINGS W/BASE GROUPS

DATE ORGANIZATION

BRIEFER

African American

4/20 Delta Sigma Theta Sorority
4/27 Spelman College Forum

Steve Hilton
Alexis Herman

Asian American

4/3 JACL Tri-District Conference

Doris Matsui

Business

4/30 American Business Council of
Gulf Countries
4/20 Chief Executives Organization

Helen Walsh (NSC)
Maggie Williams, Janet
Blanchard (Personnel)

Children

4/29 National Association for Homes
and Services for Children

Doris Matsui, Shirley
Sagawa

Disabilities

4/15 March of Dimes Photo

POTUS

Education

4/1 Fulbright Students
4/2 California Community Colleges
4/5 University of Debuque students
4/6 Young Presidents Organization
4/26 American University Students
4/27 Spelman College Forum
4/28 American Assn of State Colleges
and Universities

Dan Wexler, Rick Allen
Doris Matsui
Mike Lux, Paul Jamison
(Dept of Education)
POTUS, Mack McLarty,
Alexis Herman, Gene
Sperling
Mike Lux, Ethan Zindler
(National Service)
Alexis Herman
Bill Galston
Rosemarie Forsythe (NSC)
Rosemarie Forsythe (NSC)
Dr. Jane Holl (NSC),
David Ransom (State Dept)

Ethnic Groups

4/19 Armenian Assembly
4/23 Armenian National Committee
4/28 Justice for Cyprus Organization

Gay/Lesbian

4/15 Campaign for Military Service POTUS

Human Needs

4/14 Meeting with MADD Alexis Herman

4/22 Photo with American Cancer Society POTUS

Jewish

4/2 Jewish Groups Amy Zisook

4/21 Holocaust Museum Reception POTUS

4/21 Holocaust Museum Reception POTUS

-- Blair House

4/22 Holocaust Museum Opening POTUS

4/29 Rabbi Manachem Schneerson Photo POTUS

4/28 Inst for Pub Aff for Orth Jew Cong Martin Enylick

Religious Groups

4/22 Religious Leaders Mike Lux

4/28 Respecteen National Youth Forum Dan Wexler, Kate Frucher
(National Service)

Rural/Farm

4/2 California Agriculture Leadership Program Mike Lux

Other

4/1 Indian Tribal Leaders and Tribal Organizations Loretta Avant

4/22 Executive Leadership Council Alexis Herman, Christine
Varney, Mike Lux, Tom
Kalil

4/25 Newspaper Assn of America POTUS

II. ECONOMIC PACKAGE/JOB'S BILL OUTREACH**DATE ORGANIZATION****BRIEFER**

4/2 Financial Women's Assn of NY Alexis Herman, Bo Cutter

4/2 Intl Fed Prog and Tech Engineers Dorothy Robyn (NEC)

4/6 Minority Business Sec'y Pena, Bob Rubin,
Dayton Watkins, Gene
Sperling

4/7 Small Business Legislative Council Leon Panetta

4/8 Agricultural Groups Sylvia Matthews (NEC)

4/8 Arkansas Motor Carriers Ellen Seidman, Heather
Ross (NEC)

4/13 Summer Jobs Event at Chamber of Commerce	POTUS, Sec'y Reich, Sec'y Riley
4/14 Summer Jobs Initiative	POTUS
4/15 Base Interest Groups Briefing on Jobs Bill by Vice President	VPOTUS
4/20 Sheet Metal and AC Natl Assn	Ellen Seidman
4/20 Valley Industry Commerce Assn	Dr. Joseph Minarick

III. JOBS BILL RESPONSE

DATE ORGANIZATION

BRIEFER

4/23 Public Liaison Staff Meeting w/Carter staff	Alexis Herman
4/26 Sacramento Chamber of Commerce	Leon Panetta
4/27 National Association of Realtors	POTUS
4/27 National Association of Retail Druggists	Chris Jennings (Legislative Affairs)
4/28 Small Manufacturers Forum	Bo Cutter (NEC), Debbie Shon (USTR)
4/28 Small Business Working Groups	Alexis Herman, Amy Zisook
4/28 CEO Reps Meeting	Alexis Herman

IV. HEALTH CARE REFORM OUTREACH

DATE ORGANIZATION

BRIEFER

4/1 Briefing for DNC Political Staff	Mike Lux, Task Force Member
4/2 Women's Groups	Mike Lux, Task Force Member
4/6 Trial Lawyers Meeting	Ira Magaziner, Mike Lux
4/6 National Wholesale Druggist Assn	Mike Lux, Task Force Member
4/6 Coalition of Health Care Providers	Mike Lux, Task Force Member

4/6	Hispanic Groups	Mike Lux, Task Force Member
4/7	Farm Bureau	Mike Lux, Task Force Member
4/7	McDonnell Douglas Rehirees	Mike Lux
4/7	Genetic Disability Group	Mike Lux
4/8	AFL-CIO	Mike Lux, Ira Magaziner
4/8	NEA	Mike Lux
4/12	Biomedical Research Groups	Mike Lux, Task Force Member
4/13	National Leadership Coalition for Health Care Reform	Mike Lux
4/14	Medical Schools	Mike Lux, Task Force Member
4/14	Prevention/Dermatology	Mike Lux, Task Force Member
4/14	Bio-Analysts	Mike Lux, Task Force Member
4/15	Urban/Rural Hospitals	Mike Lux
4/16	Businesses for Social Responsibility	Mike Lux
4/20	Health Care Pfizer	Mike Lux, Task Force Member
4/20	Alzheimer's Association	Mike Lux
4/20	Young Presidents Organization	Mike Lux
4/21	Govt Employees Hospital Assn	Mike Lux, Task Force Member
4/23	National Leadership Coalition on Health Care Reform	Mike Lux
4/23	Families USA	Mike Lux
4/26	Council of Jewish Federations	Mike Lux
4/26	NEA	Mike Lux
4/27	American Assn Homes for the Aging	Mike Lux

4/27 National Assn of Retail Druggists	Mike Lux
4/30 National Committee to Preserve Social Security and Medicare (Roosevelt Group)	Mike Lux

V. HEALTH CARE BUSINESS OUTREACH

4/28 Health Care with CEO reps	Alexis Herman, Task Force Member
4/29 Colorado Forum	Task Force Member
4/29 Miami Chamber of Commerce	Task Force Member

VI. NAFTA

DATE ORGANIZATION

BRIEFER

4/19 Liberal Farm Groups	Mike Lux, Tom Nydes
4/27 Public Liaison Meeting w/USTR	Chip Roh (USTR)
4/28 Small Manufacturers Forum	Bo Cutter (NEC), Debbie Shon (USTR)

VII. INTERNATIONAL DELEGATIONS

4/30 Memorial Service for Oliver Tambo	Del. Head: Donna Shalala Staff: Steve Hilton, Flo McAfee
--	--

April 1993

PUBLIC LIAISON

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

				1 9:00am Briefing for DNC Political Staff (Mike) Off-Campus 11:30am-12:30pm Indian Tribal Leaders and Tribal Org. Room 472 3:00pm Health Care Meeting (Mike)	* 2 California Community Colleges (Doris) Irvine, CA 1:00-2:00pm Jewish Groups (AMY) Room 180 3:00pm California Agriculture Leadership Pgrm (Mike) 474 3:15-4:15pm Financial Women's Assn. of N.Y. (Amy) Room 450	3 JACL Tri District Conf. Costa Mesa, CA
4	5 10:00-11:00am University of Debuque students (Mike) Room 474	6 10:00am Trial Lawyers (Mike & Ira) 1:00-2:00pm National Wholesale Druggist Assn Room 180 OEOB 2:00-4:00pm Minority Business (Alexis/Amy) 180 2:00pm Coalition of Health Care Providers (Mike)	7 10:00-11:00am Health Care/Farm Bureau (Mike) 1:00-2:30pm Small Business Legislative Council (Amy) Room 476	8 University of Cincinnati (AMH) 9:00-10:00am Agricultural Groups Room 180 OEOB 10:00am Health Care/CEO's (Mike) tentative 2:00-3:00pm Arkansas Motor Carriers Association (Amy) Room 450	9	10
11	12 9:00-10:00am Biomedical Research Groups (Mike) 180	13 2:00pm Health Care/Nat'l Lead. Coalition (Mike) 8:30pm Summer Jobs event at Ch. of Commerce (BC) (Amy)	14 8:30-10:00am Medical Schools (Mike) 9:30-11:00am Summer Jobs Initiative (BC) (Amy) 1:30-2:30pm Briefing on Jobs Bill (AGJ) (Doris) 450 2:30-3:30pm Prevention/Dermatology (Mike) 248	* 15 9:00am-12:00pm Urban/Rural Hospitals (Mike) 474 2:00pm Campaign for Military Service (AMH) 3:00pm Official Photo with March of Dimes (Danny)	16	17
18	19 2:00pm Armenian Assembly (Marilyn) 3:00pm NAFTA Meeting with Liberal Farm Groups	20 9:00-10:00am Delta Sigma Theta Sorority (AMH) 450 10:00am-12:00pm Chief Executives Organization (AMH) 450 10:00am Health Care/Pfizer (Mike) 1:00-2:00pm Sheet Metal & AC Cont. Nat'l Assn (Amy)	* 21 2:00pm Health Care/Gov't Employees Hosp. Assn. (Mike) 3:00-4:30pm Reception for Visiting Heads of State (BC) 4:00-6:00pm Holocaust Museum Reception (BC) (Amy) South Lawn 6:30-7:30pm Holocaust Mus. Bene. Recp. (BC) (Amy) Blair House	* 22 EARTH DAY 11:00am Holocaust Museum Opening (BC) (Amy) 2:30pm Religious Leaders (Mike) 3:00pm Official Photo with Amer. Cancer Society (Danny) 3:00pm Executive Leadership Council (Steve) Room 472	23 9:00-10:30am Public Liaison Staff Meeting (AMH) 450 11:00am Armenian National Committee (Marilyn)	24
25 4:00pm Newspaper Association of America (BC) Boston	26 10:00-11:00am Council of Jewish Federations Speech (Mike) 2:30-3:30pm Sacramento Chamber of Commerce (Doris) 474	27 Forum at Spelman College (AMH) 10:00am Health Care/Amer. Assn. Homes for the Aging (Mike) 10:00am Public Liaison Meeting on NAFTA (Doris) RR 11:00am National Association of Realtors (BC) (Amy) * 2:30pm Nat'l Assn Retail Druggist (Amy) 450	* 28 11:00am CEO Meeting on Health Care (Amy) Roosevelt Room 11:30am Respected National Youth Forum (Danny) 450 2:00-3:30pm Small Manufacturers Forum-NAM (Amy) 450 4:00-5:00pm American Assn. State Colleges & Univ. (Doris) 450	29 12:00-1:00pm Nat'l Assn for Homes & Ser for Child (Mike) 12:15-1:00pm Colorado Forum (Amy) 472 1:30-2:30pm Miami Chamber of Commerce (Steve) Roosevelt Room	30 100 DAY IN OFFICE NATIONAL SERVICE 3:00pm Am. Business Council of Gulf Countries (Amy)	

April 1993

- 1 3:30pm Fulbright Students Room 450
OEOP
- 2 3:30-4:30pm Health Care/Women's groups
(Mike) Room 476
5:00pm Int'l Fed. Prof. & Tech.
Engineers
- 6 3:30-5:00pm Health Care/Hispanic Groups
(Mike) Room 472
4:00-5:30pm Young Presidents
Organization (BC) Room 450
- 8 3:00pm Official Photo Rabbi Menachem
Schneerson (BC)
- 14 3:00pm Health Care/Bio-analysts (Mike)
3:00-4:00pm Meeting with MADD
(AMH)
- 20 4:00-5:00pm Valley Industry Commerce
Assn. (Doris) 476
6:00pm Alzheimer's Association
(Mike)
7:15pm Health Care/YPO (Mike)
- 22 7:30pm Executive Leadership Council
(AMH)
- 28 4:00-5:00pm Justice for Cyprus Org.
(Marilyn) 474
4:00-5:00pm Small Business Working
Group (Amy) Roosevelt Room
5:00pm Inst. for Pub. Aff. for Orth.
Jew. Cong.(Amy) 450

015855

THE WHITE HOUSE
WASHINGTON

April 29, 1993

93 APR 29 3:49

MEMORANDUM FOR THE PRESIDENT

FROM: RAHM EMANUEL *RE*

SUBJECT: L.A. MAYORAL RACE

Attached for your information are the latest poll numbers on the Los Angeles mayoral race, as well as an *L.A. Times* article on the administration's relationship to the Woo campaign.

We need to make a decision as soon as possible on whether we will endorse Woo.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	From Fairbank, Maslin, Maullin and Associates (3 pages)	04/28/1993	Personal Misfile

COLLECTION:

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Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 474

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May 1-8, 1993 [1]

2018-0662-S

rs3047

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

lunch breaks, unemployment insurance and workers' compensation benefits to the fields.

But wages are still meager, living conditions wretched and the work, when you can find it, is hard. Maciel, 22, got work this week thinning plum trees of excess fruit for \$4.75 an hour plus medical insurance. That is an enviable wage in these dusty San Joaquin Valley farm towns, but still Maciel lives with 13 others in a tiny house with no beds.

Inadequate enforcement of labor and health laws, coupled with tumbling wages and backbreaking work amid toxic pesticides, have sentenced hundreds of thousands of farm workers and their children to a precarious existence from which they have little hope of escaping.

are flooding this Central Valley town, crowding by the dozen into two-bedroom hovels and joining a fierce scramble for jobs.

Maciel's workday begins well before dawn. He boards a labor boss's van and races through the morning darkness to the orchards. He makes enough to send \$200 a month home to his family in Mexico, which he left three years ago to work these fields.

He has something farm workers in most states do not: the right to workers' compensation if he is injured on the job and the right to unemployment pay when his work runs out. Unlike most agricultural workers in California, he also receives medical insurance through his employer.

"I have no problem," Maciel said with a shrug of resignation.

Please see FARMS, B4



'I wish I could pay them \$6 an hour, but I'm a small farmer, 40 acres, and I just can't afford it.'

Tosh Sadahiro



Clinton Wary of Endorsing Woo

By ALAN C. MILLER
and JOHN M. BRODER
TIMES STAFF WRITERS

WASHINGTON—The White House is divided over whether President Clinton should endorse fellow Democrat Michael Woo in the nonpartisan Los Angeles mayoral race, Administration and other Democratic officials say.

Woo, an early supporter of Clinton in last year's presidential contest, has pressed hard for the Administration's backing but must overcome doubts about whether he can defeat multimillionaire businessman Richard Riordan in the June 8 runoff, several sources said Wednesday.

Woo's pleas for a presidential endorsement so far have been rebuffed, but Clinton may yet decide to appear on his behalf or send surrogates, aides said.

Still, they noted that presidential involvement in a municipal race that is nominally nonpartisan would be unusual

and carry some risk at a time when Clinton needs to conserve his political capital for pending battles on his economic program and health care reform.

Riordan, a Republican who finished first in the April 20 primary, also has strong ties to the President and Cabinet officials, which he reportedly has used to urge White House neutrality in the mayoral race. William Wardlaw, Riordan's campaign chairman, headed Clinton's California campaign and Secretary of State Warren Christopher and U.S. Trade Representative Mickey Kantor are his longtime friends.

Top political aides, led by White House Political Director Rahm Emmanuel, are pushing for Clinton's involvement on Woo's behalf; Kantor is leading the forces for neutrality, party and Administration sources said.

Although Kantor feels some loyalty to Riordan and Wardlaw, he is not expected to make a vigorous pitch to Clinton to assist

Riordan by sitting out the race, an associate said.

White House aides said they expect Clinton to make the decision himself based on the personal and political costs and benefits.

The stakes are high. Woo, a liberal city councilman, would receive a welcome confidence boost from a presidential endorsement and could use White House fundraising clout in his effort to counter Riordan's deep, largely self-generated, campaign treasury.

Sources said that White House and Democratic National Committee officials have discussed sending Vice President Al Gore and Cabinet officials if Clinton decides to support Woo.

Conversely, a Clinton decision to remain on the sidelines would be a double blow to Woo because it would be seen as a refusal to put the President's prestige on the line in a risky political venture. Clinton carried

Please see CLINTON, B4

CLINTON: Caution

Continued from B1

heavily Democratic Los Angeles by 412,744 votes.

"People are still making the arguments," said a senior White House official, who—like many of those interviewed for this story—declined to be identified. "Clearly, there are people who supported Clinton on both sides of this race and, at least in name, it's a nonpartisan race."

Woo tried unsuccessfully to win Clinton's endorsement when he spoke to the President by phone Thursday, said a Democratic activist who is familiar with the conversation. Clinton reportedly queried Woo about the outcome of the primary and his prospects for gaining the endorsements of other candidates who finished behind him.

Woo's spokesman, Garry South, called Clinton's decision "an important issue and an important factor in the campaign." He said that more than personal ties hang in the balance.

"The question the White House has to ponder is this: Can they really afford, in the first major election after Bill Clinton's inauguration, to sit on their hands and let a Reagan Republican take over the

nation's second-biggest city in the nation's biggest state—a city and state that were key linchpins in Clinton's victory last November?"

One senior Clinton adviser said that an important factor will be whether the state's Democratic senators, Dianne Feinstein and Barbara Boxer, and other California elected officials line up behind Woo. Boxer said through a spokeswoman Wednesday that she is endorsing Woo.

"We'd follow their lead," the presidential adviser said. "Otherwise, it looks like the Administration is trying to politicize a nonpartisan race and that would be a problem."

A possible complication is Riordan's history of large campaign contributions to candidates outside the GOP, including such Democrats as Los Angeles mayor and former gubernatorial candidate Tom Bradley, state Treasurer Kathleen Brown and Feinstein.

Woo already has gotten the endorsement of the state Democratic Party, the first time the party has become involved in a Los Angeles mayoral race. State Democratic Chairman Bill Press said that he fully expects the Administration to follow suit.



RICK MEYER / Los An

After riots, Bill Clinton and Michael Woo toured areas hit by

"This race is critical for Bill Clinton's efforts to carry California in 1996," Press said. "I have made that point very strongly to the White House. I believe they un-

derstand it."

Wardlaw and the Riordan campaign declined comment.

Times staff writer David contributed to this story.

THE WHITE HOUSE

WASHINGTON

May 6, 1993

017 144
93 MAY 6 P2:14ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
HOWARD PASTER

SUBJECT: Response to Letters from Chairman de la Garza
Regarding Agricultural Assistance to Russia

Purpose

To respond to two letters from Chairman de la Garza.

Background

Chairman de la Garza sent two letters to you before the Vancouver summit regarding agricultural sales and assistance to Russia. The first letter proposes a number of measures to increase the sales of agricultural products to Russia, including using barter and countertrade and providing credits or loan guarantees. The second letter suggests a number of proposals to assist the long-term development of Russia's agricultural sector.

We have drafted a response which outlines the agricultural component of the Vancouver package and indicates that we will look into his proposals concerning long-term assistance.

RECOMMENDATION

That you sign the response at Tab A.

Attachments

Tab A Reply
Tab B Incoming Letters

JP
- came Back from
President -
I gave Back to
NSC.
S

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

Thank you very much for your letters regarding agricultural sales to Russia. Your suggestions were extremely helpful as we prepared the assistance package announced in Vancouver.

I agree with your assessment that providing adequate food supplies to Russia is vital for its stability and its ability to proceed with democratic and market-oriented reforms. I also recognize the importance of Russia as a market for U.S. agricultural exports.

The assistance package we announced at the Vancouver summit therefore strives to address these two vital goals: to ensure a stable supply of staple foods to the Russian people and to maintain the position of the American farmer in the important Russian market. We also are working to ensure that the delivery of U.S. agricultural goods does not undercut Russia's domestic production and thus perpetuate the problems of Russia's agricultural sector.

The Vancouver package makes available \$700 million in agricultural credits under the Food for Progress Program. An additional \$194 million in grant food assistance will be provided, bringing the total of grant food assistance to Russia in 1993 to \$425 million. We also will provide an additional grant of \$10 million in nutritional drink supplements for mothers and children in three cities in Russia's Far East which have been particularly hard hit by shortages.

USDA is currently examining possible options for utilizing countertrade, barter and similar self-liquidating finance methods, as you suggest in your letter. The Agricultural Trade Act of 1978 and the CCC Charter Act for 1949 authorizes the Secretary of Agriculture or the CCC to utilize forms of barter for trade. Part of our review of possible options focuses on the question of whether these authorities need to be expanded in order to facilitate commercial sales.

I am grateful for your thoughts regarding assistance for Russia's long-term agricultural needs. I look forward to staying in touch as we develop proposals for our expanding agricultural relationship with Russia and the new independent states.

Sincerely,

The Honorable E (Kika) de la Garza
House of Representatives
Washington, D.C. 20515

E (KIKI) DE LA GARZA, TEXAS,
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U.S. House of Representatives Committee on Agriculture

Room 1301, Longworth House Office Building

Washington, DC 20515-6001

March 5, 1993

1373

PAT ROBERTS, KANSAS,
RANKING MINORITY MEMBER

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STAFF DIRECTOR
VERNIE HUBERT,
CHIEF COUNSEL AND
LEGISLATIVE DIRECTOR
GARY R. MITCHELL,
MINORITY STAFF DIRECTOR

TELEFAX NO.
(202) 225-8910

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

Dear Mr. President:

Over the last few days following a recent visit by a grain delegation from the Russian Federation, there have been a number of proposals put forth by the U. S. Department of Agriculture and various Members of Congress offering assistance to the former Soviet Union (FSU).

I strongly believe that the former Soviet Union is desperately in need of support from the United States, and I believe this country has a moral obligation to support the democratic reforms in the FSU. However, like you, I believe that such assistance must not be provided on an ad hoc basis. The Administration and the Congress, working together, must devise a policy that is meaningful and that works in the best long-term interests of the United States and the independent states of the former Soviet Union.

As Chairman of the Committee on Agriculture, I am, of course, vitally interested in the agricultural needs of the FSU. These needs are great, and I want to offer my assistance and counsel in working with you and those you have chosen to formulate and coordinate this country's strategy for the FSU. It is my intention to request Administration officials involved in this endeavor to appear before the Committee on Agriculture as soon as possible so that they can discuss with the Committee Members the agricultural needs in that region.

In my opinion, food is the key to stability in any nation. While I am advised that people in the FSU are not starving, I am also advised that the need for grain is most acute during the next two months. I would, therefore, strongly urge that the Administration review this need promptly and carefully in considering how this matter can be addressed in an appropriate and judicious manner.

The Honorable Bill Clinton
March 5, 1993
2nd Page

The Committee on Agriculture included several provisions in the Freedom Support Act (PL 102-511) which provides the Secretary of Agriculture maximum flexibility in using the various trade and aid programs already in place within the U. S. Department of Agriculture. While I encourage the Administration to make full use of USDA trade and aid programs, I want to also convey to you my interest in preserving the integrity of the Department's commercial programs which led to significant increases in exports of agricultural commodities in the past and are vital to the continuation of trade with a number of our largest trading partners.

The Food, Agriculture, Conservation and Trade Act of 1990 (PL 101-624) and the amendments to that bill (PL 102-237) contain provisions which I sponsored that authorize technical assistance and the exchange of agricultural data supporting the establishment of a free market food production and distribution system in the emerging democracies. This type of assistance is vitally needed in the FSU, and I encourage you to include this provision of assistance in whatever package of assistance is developed for the FSU.

I look forward to working with you and your Administration in this regard. In the meantime, I would bring to your attention the following additional proposals to those already advanced by Members of Congress for consideration by your Administration:

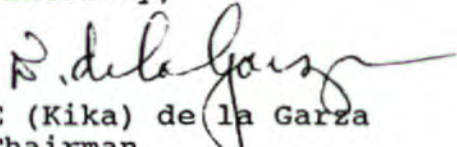
- In the absence of a Paris Club agreement or extension of further CCC guarantees, Russian participation in the Export-Import Bank's Trade Credit Insurance Program. This program could be used to provide short-term loan guarantees to facilitate the sales of U.S. bulk grains, agricultural equipment and technology, seeds, pesticides and technical assistance.
- Expedited completion of a Congressionally-mandated report by the U. S. Department of Commerce on the feasibility of using barter, countertrade and other self-liquidating finance methods. The 1992 Energy Act requires that the Commerce Department report consider the feasibility of trading U.S. grown food for FSU-produced oil, minerals and energy.

The Honorable Bill Clinton
March 5, 1993
3rd Page

- Authorize the U. S. Department of Agriculture to establish a formal mechanism, without distorting U.S. agricultural ongoing trade, to facilitate barter and countertrade transactions.

With best regards,

Sincerely,


E (Kika) de la Garza
Chairman

cc Hon. Strobe Talbot
Ambassador at Large-Designate
U. S. Department of State

Hon. Mike Espy
Secretary
U. S. Department of Agriculture

✓ Mr. Anthony Lake
National Security Council

JP

came Back
from President -
I gave Back to
NSC.

S -

THE WHITE HOUSE

WASHINGTON

May 4, 1993

93 MAY 4 P4:32

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE
HOWARD PASTER

SUBJECT:

Response to Letters from Representative Rangel on
HaitiPurpose

To emphasize to Representative Rangel your commitment to the return of democracy and President Aristide to Haiti; to express your support for Rangel's idea of a special Peace Corps program for Haiti; and to tell him that the Attorney General has abided by the U.S. District Court's interim order to allow a category of HIV positive Haitians to enter the U.S.

Background

Representative Rangel has written you two letters on Haiti. The first letter applauds your decision to meet with President Aristide and urges you to keep up diplomatic efforts to achieve a negotiated solution. The second letter commends you for meeting with Aristide, proposes that a special Peace Corps program drawing on Haitian Americans be developed for Haiti and urges you to abide by the order of the U.S. District Court in New York on HIV positive Haitians at Guantanamo. We have consulted with the Acting Director of the Peace Corps who concurs with this response.

RECOMMENDATION

That you sign the draft response to Representative Rangel.

Attachments

Tab A Draft Response to Rep. Rangel

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Charlie:

Thank you for your letters regarding United States policy toward Haiti and, in particular, your support for our intense diplomatic efforts to return democracy and President Aristide to Haiti. As I mentioned to President Aristide on March 16, I remain fully committed to the quickest possible achievement of these objectives.

The negotiations are complex, but they continue to move forward. I am very hopeful that they will succeed. I can assure you that we will not tolerate dilatory tactics from any side, and we will continue our strong diplomatic support for UN/OAS negotiator Mr. Caputo. Ambassador Pezzullo, our Special Advisor for Haiti, is very actively engaged in ensuring that Caputo receives the strongest possible backing by us and the international community.

While these diplomatic efforts continue, we are working closely with the UN, the OAS and the International Financial Institutions to rapidly put together multilateral assistance programs to support the Haitian economy, promote democratic institution-building, convert the Haitian military into an apolitical, professional force under civilian control and to create a separate police force, also civilian-controlled. We will need the support of Congress on these programs and will consult closely with you as we move forward with these initiatives.

I support in principle your idea of organizing a special Peace Corps effort for Haiti, drawing on skills in the Haitian-American community. My staff has been in touch with the Acting Director

of the Peace Corps who would be happy to discuss this proposal further with you and to be of assistance concerning training and placement of potential volunteers in Haiti.

You also raised the issue of the New York District Court's interim order regarding some fifty Haitians who have suffered serious deterioration of their immune systems. As you know, and consistent with your recommendation, the Attorney General abided by the Court's order and all of the Haitians in the identified class have now entered the United States. Several voluntary agencies are actively assisting in the resettlement of this population.

I appreciate hearing your comments on different aspects of the Haiti situation and look forward to working closely on it with you and others in Congress.

Sincerely,

The Honorable Charles B. Rangel
House of Representatives
Washington, D.C. 20515

017185

THE WHITE HOUSE
WASHINGTON

MAY 6, 1993

03 MAY 6 P5:16

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Regina T. Montoya *RTM*
SUBJECT: Operation Bust Gridlock

I. SUMMARY

Bill Althaus, President, and Tom Cochran, Executive Director of the U.S. Conference of Mayors have been meeting with Loretta Avent over the past few weeks and have been very upset that they are being unfairly blamed for the jobs stimulus bill's not passing.

II. DISCUSSION

Operation Bust Gridlock highlights the Mayors' efforts on behalf of your job stimulus plan. They wanted you to know what their efforts have been on a state-by-state basis, and that Congress did hear from them, by mail and by telephone.

They are now working with our office preparing to support whatever you come up with.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. memo	Carol Rasco to Mack McLarty re: AIDS Policy Coordinator (1 page)	05/07/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 474

FOLDER TITLE:

May 1-8, 1993 [1]

2018-0662-S
rs3047

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

014992

THE WHITE HOUSE
WASHINGTON

May 6, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA *JP*

SUBJECT: ANNUAL AWARD OF THE NATIONAL MEDALS OF SCIENCE
AND NATIONAL MEDALS OF TECHNOLOGY

Jack Gibbons is recommending that you approve awarding 8 National Medals of Science and 8 National Medals of Technology to the attached list. They have been cleared by Counsel's Office.

We should schedule a brief White House ceremony to present these Medals, if you concur.

[] Concur [] Regret [] Discuss

cc: The Vice President
Mack McLarty

THE WHITE HOUSE
WASHINGTON

May 5, 1993

MAY 5 P5:16

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS 

SUBJECT: Proposed Awardees for the National Medal of Science and the National Medal of Technology, 1993

- I. ACTION-FORCING EVENT: Annual award of the National Medals of Science and National Medals of Technology.
- II. ANALYSIS: The National Medal of Science was established by the Act of August 25, 1959, entitled, "An Act to Establish a National Medal of Science to Provide Recognition for Individuals Who Make Outstanding Contributions in the Physical, Biological, Mathematical, and Engineering Sciences," (Public Law 86-209 73 stat). Not more than 20 individuals shall be awarded the Medal of Science in one year and the individual, at the time such award is made, must be a citizen or other national of the United States. Since the first presentation in 1962 there have been 312 National Medal of Science Awards.

The National Medal of Technology was established by Congress in 1980 as part of the Stevenson-Wydler Technology Innovation Act to give Presidential recognition for outstanding contributions to the well-being of the United States through the development of technology. There is no annual limit to the numbers of Medals of Technology which may be awarded. The award may be made to any U.S. citizen, to as many as four U.S. citizens as a group, or to any U.S.-owned company.

Security name checks have been completed (Counsel's clearance attached) I therefore recommend the following 16 recipients for the 1993 National Medal of Science and Medal of Technology.

III. RECOMMENDATION: Approve the following 16 nominees for the National of Science (8) and National Medal of Technology (8).

MOS

Alfred Y. Cho
Donald J. Cram
Val L. Fitch
Salome Glucksohn-Waelsch
Norman Hackerman
Martin D. Kruskal
Daniel Nathans
Vera C. Rubin

MOT

Amos E. Joel
William H. Joyce
George Kozmetsky
George Levitt/Marinus Los
Hans Wolfgang Liepmann
William Donald Manly
Kenneth H. Olsen
Walter L. Robb

IV DECISION:

_____ Approve _____ Disapprove

Signature: _____ Date: _____

Attachments:

White House Counsel's Clearance
Citations of Proposed Awardees

Alfred Y. Cho
Director
Semiconductor Research Laboratory
AT&T Bell Laboratories
Murray Hill, New Jersey

Citation: For his pioneering development of molecular beam epitaxy, which revolutionized the development in growth of multilayers, accurate to a single atomic layer, for electronic and optoelectronic devices.

* * * * *

Donald J. Cram
S. Winstein Professor of Organic Chemistry
University of California
Los Angeles, California

Citation: For his pioneering research on the chemical foundations of molecular recognition; the understanding of the molecular basis of biological systems; his shaping of scientific thought and development, and guidance to generations of students.

* * * * *

Val L. Fitch
James D. McDonnell Distinguished
University Professor of Physics
Princeton University
Princeton, New Jersey

Citation: For his pioneering experiments at the frontiers of physics, from his measurement of the properties of mu-mesons in nuclei to his co-discovery that nature violates a fundamental spacetime symmetry property; and for his leadership on National science policy.

* * * * *

Norman Hackerman
Chairman, Scientific Advisory Board
The Robert A. Welch Foundation
Houston, Texas

Citation: For his seminal contributions in the field of electrochemistry; for his effective and far-seeing vision in higher education; and for devoted service to the nation and science.

* * * * *

Martin D. Kruskal
David Hilbert Professor of Mathematics
Rutgers University
Piscataway, New Jersey

Citation: For his influence as a leader in nonlinear science for more than two decades as the principal architect of the theory of soliton solutions of nonlinear equations of evolution.

* * * * *

Daniel Nathans
University Professor
Johns Hopkins University School of Medicine
Baltimore, Maryland

Citation: For his seminal research in molecular genetics that formed a foundation of the biotechnology revolution.

* * * * *

Vera C. Rubin
Staff Member
Department of Terrestrial Magnetism
Carnegie Institution of Washington
Washington, DC

Citation: For her pioneering research programs in observational cosmology which uncovered new complexities of the universe and for significant contributions to the realization that the universe is more complex and more mysterious than had been imagined.

Salome Gluecksohn-Waelsch
Professor of Molecular Genetics
Albert Einstein College of Medicine
Bronx, New York

Citation: For her lifetime of work on developmental genetics,
providing a large body of knowledge on the study of
mammalian genetics.

LIMITED OFFICIAL USEPROPOSED 1993 RECIPIENTS
OF THE
NATIONAL MEDAL OF TECHNOLOGY

The proposed recipients are categorized into the following areas: Advanced Manufacturing Technology (AMT); Technology Management (TM); Human Resources Development (HRD); Technology Transfer (TT); and General Product and Process Innovation (PPI).

1. Amos E. Joel.....(AT&T Bell Laboratories)
For his vision, inventiveness and perseverance in introducing technological advances in telecommunications, particularly in switching, that have had a major impact on the U.S. telecommunications industry, permitting low cost service for all and competitive products worldwide. (PPI).
2. William H. Joyce.....(Union Carbide Corporation)
For his vision and entrepreneurial talents in commercializing UNIPOL(R), a process which revolutionized the \$30 billion polyolefins industry worldwide. (PPI).
3. George Kozmetsky.....(University of Texas, IC² Institute)
For his contributions to the commercialization of over one hundred technology-based companies employing tens of thousands of people and exporting over one billion dollars worldwide. (TT).
4. George Levitt.....(The Du Pont Company)
Marinus Los.....(American Cyanamid Company)
For their individual efforts in the discovery and commercialization of environmentally friendly herbicides to insure an abundant and safe food supply for a growing world population. (PPI).
5. Hans Wolfgang Liepmann...(California Institute of Technology)
For his devotion for over forty years to the education of the world's leaders in aeronautical engineering and for his outstanding contributions to the field of fluid mechanics. (HRD).
6. William Donald Manly.....(Martin Marietta Energy Systems, Inc.)
For outstanding success in the development and processing of advanced high-temperature materials, and the transfer of this technology to a variety of American industries. (TT).
7. Kenneth H. Olsen.....(Digital Equipment Corporation)
For his contributions to the development and use of computer technology; and for his entrepreneurial contribution to American business. (PPI).
8. Walter Lee Robb.....(General Electric Company)
For his leadership in the development of medical diagnostic systems that have improved people's health and maintained U.S. global competitiveness. (AMT).

THE WHITE HOUSE

WASHINGTON

April 26, 1993

MEMORANDUM FOR: DAMAR HAWKINS
OFFICE OF SCIENCE AND TECHNOLOGY POLICY

FROM: WILLIAM H. KENNEDY III *WHK*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: - Nominees for the 1993 National Medal of Science (MOS) and the National Medal of Technology (MOT)

In response to the request of February 12, 1993, this is to inform you that Counsel's Office has completed its review of the nominees for the 1993 Presidential National Medal of Science/Medal of Technology Awards. We have no legal objections to the attached list of nominees.

If the event scheduled to present these awards is more than three months from the date of this memo, please inform us, so that an updated clearance can be arranged.

Thank you for the opportunity to review this matter.

(Attachment-
list of nominees)

LIST OF NOMINEES FOR NATIONAL MEDAL OF SCIENCE (1993)

CRAM, Donald J.
CHO, Alfred Y.
FITCH, Val L.
GLUECKSOHN-WAELSCH, Salome
HACKERMAN, Norman
KRUSKAL, Martin
LORENZ, Edward N.
MANN, Robert W.
MERTON, Robert K.
NATHANS, Daniel
RUBIN, Vera C.
WASSERBURG, Gerald J.

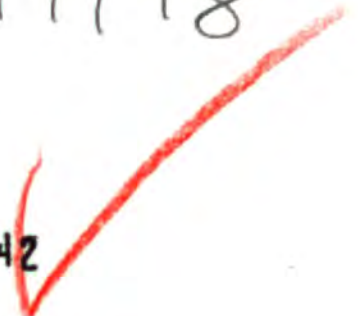
LIST OF NOMINEES FOR NATIONAL MEDAL OF TECHNOLOGY (1993)

JOEL, Amos E.
JOYCE, William H.
KOZMETSKY, George
LEVITT, George
LIEPMANN, Hans Wolfgang
LOS, Marinus
MANLY, William Donald
OLSEN, Kenneth H.
REES, Mina Spiegel
ROBB, Walter L.

017178

THE WHITE HOUSE
WASHINGTON

93 MAY 6 P 4: 42



April 30, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Mark Gearan *MG*
SUBJECT: Attached item for Joe Moakley

Your stop-by to Congressman Joe Moakley's event was a huge success.

Attached is a copy of the sheet music for "*Southie Is My Hometown*," which I would suggest you inscribe and sign for Congressman Joe Moakley. The music was provided to each guest at the dinner.

As you know, Joe is a native of Southie and your signing this would make it a special memento for his birthday.

SOUTHIE IS MY HOME TOWN

By Benny Drohan



Twentieth Anniversary Special Memorial Edition

017187

THE WHITE HOUSE
WASHINGTON

93 MAY 6 P5:24

May 2, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: MARCIA HALE

SUBJECT: SCHEDULING

You have expressed interest in taking departing photos with members of the Presidential Protective Detail. I also assume that you would like to do the same for all departing White House military aides.

In order to accommodate the large number of these individuals I would like to schedule an hour each month, as necessary, where these photos can be taken. If there is overflow I will have them done in regular Thursday photo-op time. If all of these were to be done in regular photo-op time it would be difficult to accommodate any other requests.

Are you willing to do this?

YES _____

NO _____



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 5, 1993

93 MAY 6 9:02

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta
Director

SUBJECT: Your Note Concerning Federal Funding for Audits
of Medicare Part A Providers

This responds to your note concerning a letter from Mr. Joe Newman and the point that he made about the reduction in Federal funding for the audit of Medicare Part A providers.

In summary, Mr. Newman stated that Federal funding for such audits has been reduced by 11% in FY 1994 and that similar reductions are planned for future years. The following information is provided in response to your request that we advise you on this matter.

Background

Pursuant to the Secretary of HHS' decision, the FY 1994 budget proposal includes a 1.3% increase for HCFA's program management activities, which include provider audits. Mr. Newman is correct, however, that audit funding is being reduced. Specifically, HCFA has proposed to reduce audit funding by 5%, while focusing parts of the 1.3% increase it received on other so-called "Payment Safeguard" activities (i.e., fraud and abuse detection and Medicare Secondary Payer enforcement) that have produced higher returns on investment. The audit area which Mr. Newman writes about would provide a return in 1994 of 8:1.

HCFA states that it is aware that reductions in audits may reduce recoveries. It is possible, however, that FY 1994 budget reductions may simply delay audits that can be completed at a later date, thus avoiding losses in actual recoveries. HCFA is also making efforts to reduce the cost of processing claims through electronic filing and to achieve other administrative savings to free up funding that may be used to maintain "Payment Safeguard" funding, including audit activities.

Conclusion

Under HCFA's allocation of its funds for FY 1994, audit funds would be reduced by 5%, not 11% as Mr. Newman was told. As for future years, audit funding levels have not been determined. Meanwhile, HCFA is undertaking other actions to minimize the loss of recoveries that could result from its decision to reduce funding for audits.

cc: Christine A. Varney, Carol Rasco, and Ira Magaziner

6 May 1993

To: The President
From: Carl R. Wagner
Re: Considerations for the Court

When we visited several weeks ago you asked that I consider questions regarding possible nominees to the Supreme Court. At the time speculation centered on Governor Cuomo who has since removed himself as a possible nominee. But with his possible nomination and others, concerns that surfaced for discussion polarized around two specific considerations: personality and intellectual prowess. I believe that is maybe a false distinction. I would suggest that a more useful definition would be to distinguish potential nominees as either politically orientated or academically disposed. An argument can be made for either. Intellectual strength can be characteristic of individuals from either background.

The advantage of the politician stems from the very essence of politics: the need to secure a majority. I need not elaborate on this with you. And former politicians have served on the court regularly and with distinction: Wm. Howard Taft (President), Chas. Evans Hughes (Gov. N.Y.), Earl Warren (Gov. Cal.) Hugo Black (Senator), Wm. O. Douglas (Chair SEC), Frank Murphy (Mayor of Detroit), etc. They were smart and had strong common sense. FDR and Truman drew very heavily on former politicians for nominees to the court (Truman nominated two Senators); and the Republicans, since Eisenhower, have drawn from sitting judges, (except Earl Warren who was nominated as part of political deal).

The strategic role you envision for the Court will influence your choice. The court has been critical to national questions in a central way twice: during the 1930's in the debate of the commerce clause and its impact on the New Deal agenda and again in the 1960's with Brown v. Board of Education and the subsequent civil rights and civil liberties cases. It is assumed that Reagan and Bush appointed five conservative judges to end or reverse the judgements of the 1960's court. But because legal conservatism values precedent (which is why Republicans draw on the bench for nominees) their appointments did not bring a sea-change: three of their Justices voted to support Roe v. Wade.

It is a given that a nominee must have intellectual capability even if our respective measures for judging that don't coincide. I would propose a nominee with political experience: an individual who can base a decision on logic, common sense and find a majority; a justice who shares your vision of American and its expression in the constitution.

I am sorry I was unable to reach you by telephone and hope this note is useful

THE WHITE HOUSE
WASHINGTON

May 5, 1993

23 MAY 5 10:06

copy

RECOMMENDED TELEPHONE CALL

TO: State Rep. Peter Barca, winner in yesterday's election to fill the vacancy left by Secretary Aspin in Wisconsin's First Congressional District
home: 414-552-8859, car: 414-378-0363

DATE: Wednesday, May 5, 1993

RECOMMENDED BY: Rahm Emanuel and Linda Moore, Political Affairs

PURPOSE: To congratulate him on his victory.

BACKGROUND: Barca was declared the winner by a margin of 740 votes. There is talk of a possible recount. The final tally was: 55,578 for Barca; 54,838 for Mark Neumann. Neumann challenged Aspin for the seat last November and received 42% of the vote.

CONTACT PERSON AND
TELEPHONE NUMBER: Linda Moore, ext. 6500

DATE OF SUBMISSION: May 5, 1993

ACTION: _____

CHRON



THE WHITE HOUSE
WASHINGTON

DATE: May 8, 1993

TO: Tom Donilon

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

FYI



E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

08-May-1993 10:17am

TO: Bruce R. Lindsey
FROM: John Podesta
 Office of the President

SUBJECT: Brian Atwood

Is Brian resigning (or has he resigned) the Undersecretary post at State?

Terry
sent a copy
to Tom Donilon at State

THE WHITE HOUSE
WASHINGTON

DATE: 05/07/93

NOTE FOR:

KITTY GILLMAN
DOROTHY ROBYN

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

Information ☒

Action ☒

Per the President's note:

"Follow up on this."

Thank you.

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

cc: Nancy Hernreich

CC HST
CC
Kitty Gillman
Dorothy Robyn

Follow upon
Trin

[REDACTED]

THE WHITE HOUSE
WASHINGTON

April 30, 1993

Joe J. Stewart
Babcock & Wilcox
Post Office Box 351
Barberton, Ohio 44203-0351

Dear Joe:

Thank you for your letter. I appreciate your kind words about the exciting announcement we made in Little Rock two-and-a-half years ago. I'm very proud of that day.

I also appreciate your words of concern about defense conversion. I understand that Dorothy Robyn of the National Economic Council has contacted you, and I know she will continue to be in contact with you in the days to come.

Sincerely,

Tim
Maule

THE WHITE HOUSE
WASHINGTON

4-14-93

Nancy Herensreich,

Nancy, I think the President should read this. I have tried to find "someone" in government for Babcock and Wilcox to talk to but my knowledge is so limited that I have been unsuccessful. B & W have been waiting for someone to take responsibility and make some decisions. TKS

Maur



Babcock & Wilcox
a McDermott company

JOE J. STEWART
President and
Chief Operating Officer

20 S. Van Buren Avenue
P.O. Box 351
Barberton, OH 44203-0351
(216) 860-2200
FAX: (216) 860-1057

April 6, 1993

The President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

It hardly seems like two and a half years ago since we had a joint news conference in Little Rock, proudly announcing The Babcock & Wilcox Company's purchase of the ARKLA facility, and starting our Babcock & Wilcox ST Company in Little Rock. You may recall my compliments about your Arkansas basketball team - especially after football season was over. Babcock & Wilcox ST Company (BWST), one of our most successful ventures, was expedited through the strong efforts put forth by you and your state administration. As a result, at the BWST facility, we have accomplished what a new business should, by creating benefits for the State of Arkansas, jobs for the people of Little Rock, a cornerstone for your previous state industrial development program, and, of course, new opportunities for The Babcock & Wilcox Company (B&W).

As B&W looks into the future, we are developing new businesses wherever and whenever possible. However, on the defense side of B&W, we are faced with serious obstacles that hinder our attempts to convert to commercial opportunities. At this point in time, we are essentially the last remaining manufacturer of U.S. Naval Reactor systems (both nuclear fuel and heavy components). These systems are used in all U.S. nuclear aircraft carriers and submarines.

Both of our Naval Reactor Divisions are facing dramatically declining workloads; and currently, we are exploring defense conversion initiatives in an attempt to maintain our ability to serve the Nuclear Navy at a minimum critical level and to create new commercial jobs and businesses to support the U.S. economy.

The B&W situation is unique for several reasons: due to special contracting practices by the Naval Reactors Program, the lack of a product line or a commercial market for our products, and the highly classified nature of our work. While our current proposals for a more rapid rate of conversion seem to fit the intentions of your Administration, we have been repeatedly told that our concepts do not fit the actual wording of the current language (FY93). Additionally, at the many congressional and DOD offices our people have visited, they have told us that we have a worthy issue but that no current legislative vehicle exists to help us.

A further complication arises from our multiple agency status under DOD, DOE, NASA, and potentially the Departments of Commerce and Labor, and our inability to reach an individual or office with the authority to operate across these boundary lines and issues.

We fully support the concept of defense conversion; however, starting from scratch to develop new business is a long and costly venture, and unless we find a way to utilize our skilled workers, not only will our efforts to create new jobs and technologies be limited, but the future ability to produce naval reactors at least cost could be jeopardized.

* Having worked with you in the past on the successful BWST story, I am confident that together, we can reach a conclusion that will best serve the country, your Administration, and B&W. With my deepest respect for you and the office you hold, but with a true sense of urgency, I am requesting the opportunity to meet and address this problem with the appropriate official, whether that be yourself or one of your staff.

Very respectfully yours,



Joe J. Stewart

JJS:jk

cc: Thomas F. McLarty

THE WHITE HOUSE
WASHINGTON

DATE: 05/07/93

NOTE FOR: REGINA MONTOYA

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

Information ☒

Action ☒

Please prepare a response per the President's note and return to this office.

Thank you.

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

cc:

THE WHITE HOUSE
WASHINGTON

MAY 6, 1993

93 MAY 6 PM 5:16

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Regina T. Montoya *RTM*
SUBJECT: Operation Bust Gridlock

I. SUMMARY

Bill Althaus, President, and Tom Cochran, Executive Director of the U.S. Conference of Mayors have been meeting with Loretta Avent over the past few weeks and have been very upset that they are being unfairly blamed for the jobs stimulus bill's not passing.

II. DISCUSSION

Operation Bust Gridlock highlights the Mayors' efforts on behalf of your job stimulus plan. They wanted you to know what their efforts have been on a state-by-state basis, and that Congress did hear from them, by mail and by telephone.

They are now working with our office preparing to support whatever you come up with.

Can you give the President a copy yesterday & the President wants a thank you to Althaus

(hope he won't be not blaming them - Congress)

POINT OF VIEW

WILLIAM J. ALTHAUS

We're with you, Mr. President

The nation's mayors are ready, willing and able to help Bill Clinton implement his urban agenda

For a year Bill Clinton campaigned for president, setting forth the programs and policies he would pursue if elected. Now he is president, and everybody is giving him advice about what to do.

Well, I have a novel approach: Instead of telling the president what we want to tell him what we'll do—either before or after the election, I convinced the members of the U.S. Conference of Mayors to consider our policies in relation to the president to determine how we should proceed in working with the coming administration. The conclusion of this bipartisan review was that "Putting People First," Clinton's campaign bible embodied most of the components of our urban agenda. Rather than try to modify our positions or urge the president to adjust his, the mayors of America have embraced President Clinton's domestic plan. We have committed ourselves to act as a delivery system to help carry it out.

Specifically, it calls for \$10 billion a year in "strategic investment" in infrastructure. Some say this should be scaled back or abandoned because of the apparent economic upturn. This is wrong for two reasons. First, a modest improvement in the overall economy doesn't mean that there aren't still serious economic problems in our inner cities.

Second, and perhaps more important, we view this as more than a short-term stimulus. The very name "strategic investment" indicates the president's commitment to a long overdue rebuilding of this country's infrastructure. We simply cannot remain

competitive in the world economy if we are the only major nation that continues to allow its basic infrastructure to crumble. The needs for this program are more long-term than short term, and we stand ready with our compilation of "ready-to-go" infrastructure projects.

President Clinton has also proposed a "Rebuild America" coalition, chaired by Atlanta Mayor Maynard Jackson, has done substantial work on both the infrastructure needs of the nation and the economic development of the inner city. The coalition is a product of our efforts, as well as our political support to assist in funding and implementing them.

Similarly, I have chaired a task force of the Conference of Mayors, chaired by New York Mayor David Dinkins, a coalition of mayors from different levels of government, of the defense industry and the space industry with job-training experts and academics to begin the process of converting part of our defense industry to civilian use. This must be a careful process; it is important that we begin to plan for the future.

The "Putting People First" program is a long-term effort to rebuild our infrastructure and to create

housing stock. We welcome this effort. For two decades, the mayors of America have been effectively and efficiently administering the Community Development Block Grant program to bring housing, senior centers, daycare centers and economic-development opportunities to the people of America's cities.

The U.S. Conference of Mayors is pleased that the president's 1992 Presidential Inauguration took place with his presence. In addition to the specific programs which he put forward and which we have supported, he also expressed his commitment to continued, meaningful communication with the leaders of America's cities. We're confident that our relationship will continue throughout the Clinton administration. Such regular communication will assist us in providing the support and implementation skills which its programs deserve.

For "strategic investment" in infrastructure, transportation funding, community-development block-grant efforts, defense conversion and implementation of "ready-to-go" projects and inner-city job creation are not merely "our" agenda. Rather, it is the agenda of the people of this country. In a bipartisan way, the members of the U.S. Conference of Mayors pledge our support and commitment the president to assist in the implementation of his much-needed programs.

William J. Althaus is Mayor of York and 1993 chairman of The U.S. Conference of Mayors.

Highlights of Mayors' efforts on behalf
of President Clinton's Jobs Stimulus Plan

Chen



THE WHITE HOUSE
WASHINGTON

DATE: 05/07/93

TO: THE VICE PRESIDENT
MACK MCLARTY
BOB RUBIN

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

The attached has been forwarded
to the President.



THE WHITE HOUSE
WASHINGTON

May 7, 1993

MR. PRESIDENT:

I talked to Bob about the attached. He wanted other key advisors to see this, but was concerned about leaks. After talking with Bob, I provided copies only to the Vice President, Mack, and Bob Rubin.

John Podesta



May 7

To: BC
From: BR

I wanted you to see graphically (a starkly) where we may be headed on investment — particularly if the appropriations committees don't make major spending shifts. (I haven't shared this memo with anyone — you have the only copy.)

BSB

U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON, D.C.
20210

MAY - 7 1993

93 MAY 7 PM 12:47

MEMORANDUM FOR THE PRESIDENT

FROM : ROBERT B. REICH 
SUBJECT: Investment Package

You should know how your investment package stacks up against those of previous administrations.

--Domestic federal core investment--defined as outlays for infrastructure (non-defense physical capital), R&D (non-defense), and education and training--ranged between 12 and 14 percent of total federal outlays through most of the 1960's and 1970's. It dropped from around 12 percent of total federal outlays in FY 1980 to around 8 percent for most of the Reagan and Bush years.

--As the defense share of spending fell, domestic investment reached 8.2 percent of outlays in FY 1992, and was estimated at 8.6 percent in the last Bush budget. Had we received the full 1993 jobs package, the core investment share would have edged up to 8.7 percent.

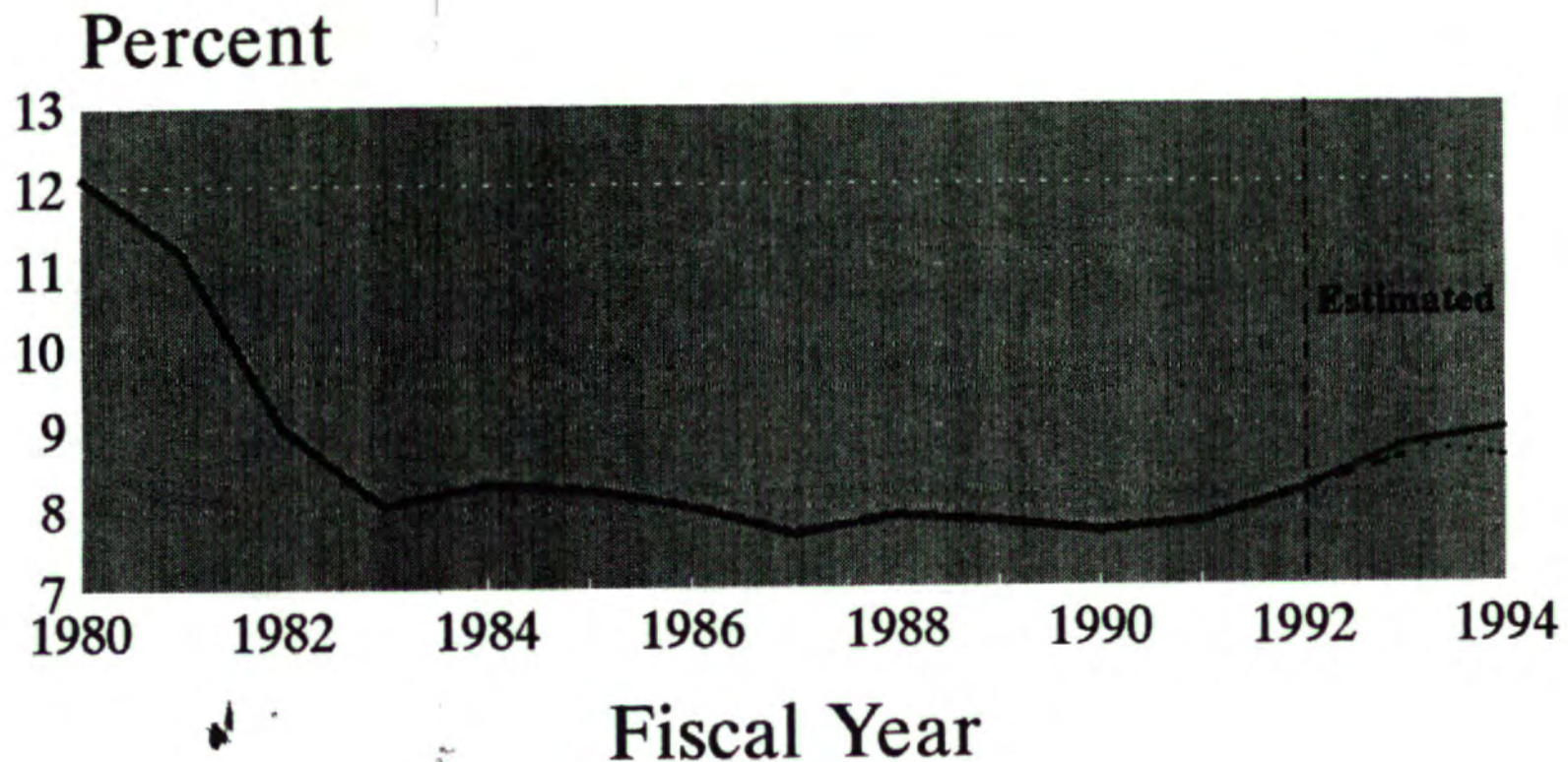
--The real recovery in core investment is slated to start in FY 1994, if we succeed. In your 1994 budget as proposed, domestic core investment claims 8.9 percent of outlays.

--But assuming that the Budget Enforcement Act (BEA) caps constraining discretionary outlays remain in place, and that the appropriations committees don't reallocate resources to investment from other programs, actual core investment will fall from FY 1993 to FY 1994, to the same 8.6 percent. In other words, the investment share of the first Clinton budget would be no higher than in the last Bush budget. (See attached chart.)

--Under the same assumptions, the FY 1995 investment picture may be even worse. While your proposed investment levels climb sharply, they collide with a projected budget shortfall nearly three times as large as that of FY 1994.

Attachments

Federal Domestic Investment As a Percentage of Total Outlays



— Actual Invest/Outlays ··· BEA Caps (CBO est.)
— Clinton Proposals - - Bush Budget

Federal Government Investment

Fiscal Year	Federal Non-Defense Public Physical Capital Investment And Grants (\$ Billions) {1}	Federal Outlays For Non-Defense R&D (\$ Billions) {2}	Federal Outlays For Education & Training (\$ Billions) {3}
1980	30.5	15.6	25.6
1981	30.9	17.2	27.9
1982	28.6	14.9	23.9
1983	28.5	13.6	23.0
1984	32.5	15.2	23.1
1985	36.6	16.9	24.5
1986	37.4	16.5	25.6
1987	36.3	16.2	24.7
1988	39.3	18.1	26.8
1989	39.1	20.4	30.0
1990	42.1	22.7	31.6
1991	44.4	24.3	34.6
1992	50.2	26.3	36.8
1993 {4}	55.7	28.0	43.1
1993 {5}	56.4	27.5	44.4
1994 {5}	61.6	28.5	45.3

- Notes:
- {1} Budget Baselines, Historical Data and Alternatives for the Future, Tables 9.1 and 9.5
Budget of the United States Government, Fiscal Year 1994, pg.73.
 - {2} Budget Baselines Table 10.1 and FY 1994 Budget page 73
 - {3} Budget Baselines Table 10.3 and FY 1994 Budget page 73
 - {4} Bush Estimates
 - {5} Clinton Proposal

Federal Investment as a Percent of Outlays

Fiscal Year	Unified Budget Federal Outlays (\$ Billions) {6}	Total Domestic Investment (\$ Billions)	Domestic Investment As a Percent of Total Outlays
1980	590.9	71.7	12.1%
1981	678.2	76.0	11.2%
1982	745.8	67.3	9.0%
1983	808.4	65.1	8.1%
1984	851.8	70.8	8.3%
1985	946.4	78.0	8.2%
1986	990.3	79.5	8.0%
1987	1003.9	77.1	7.7%
1988	1064.1	84.2	7.9%
1989	1143.2	89.5	7.8%
1990	1252.7	96.4	7.7%
1991	1323.0	103.4	7.8%
1992	1380.9	113.2	8.2%
1993 {4}	1474.9	126.8	8.6%
1993 {5}	1467.6	128.2	8.7%
1994 {5}	1515.3	135.3	8.9%
1994 {7,8}	1509.9	129.9	8.6%
1994 {9}	1508.5	129.6	8.6%

Notes Continued:

{6} Budget Baselines Table 8.1 and FY 1994 Budget Page 89

{7} Clinton Proposal under BEA Caps

{8} \$5.415 Billion reduction in both discretionary investment and outlays.

{9} Clinton Proposal under CBO Reestimate of the Budget Resolution.

Outlays reduced by \$6.8 Billion. All \$5.773 Billion discretionary investment cut.

C h r e m



THE WHITE HOUSE
WASHINGTON

DATE: 05/07/93

TO: BOB RUBIN
ROGER ALTMAN

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

The attached has been forwarded
to the President.



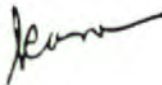
THE WHITE HOUSE

WASHINGTON

May 7, 1993

93 MAY 7 P5:31

URGENT MEMORANDUM TO THE PRESIDENT

FROM: Katie McGinty 
PREPARED BY: Marc Chupka OEP
Bob Nordhaus DOE
Rich Rosenzweig DOE
THROUGH: John Podesta
SUBJECT: Talking Points for your telephone call today to Rep. Bill Brewster

- o **We have to oppose the Brewster Amendment in its current form.**
- o **However, the Administration is willing to agree to move the point of collection of the Btu tax to the end user of natural gas and electricity.**
- o **But, we will need to change the way that your amendment would compute the tax on electricity. Your amendment has a uniform national electricity tax, which will not provide incentives for natural gas and other clean fuels. The tax needs to be based on the utility's actual fuel mix and generation efficiency. Even your revised proposal, with the tax credit for renewables, does not address our concerns. By basing it on the amount of fuel actually used in generating electricity, we can save the incentives on natural gas use that were included in the Administrations original proposal. This new approach will preserve the environmental benefits which motivated the original Administration proposal.**
- o **If we adopt this Administration approach, natural gas will compete more effectively in the power generation market.**
- o **This change is essential to keep environmental groups from opposing the tax. They have stated strong opposition to your amendment, but may support the tax if environmental incentives are preserved.**
- o **I will send my team to meet with you immediately at your convenience.**

[If Brewster resists the offer on the basis that his proposal will help electric utilities, tell him that the main issue for the utilities is the point of collection, not the actual computation of the tax.]



THE WHITE HOUSE
WASHINGTON

DATE: 05/07/93

NOTE FOR:

GEORGE STEPHANOPOULOS
DEE DEE MEYERS

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

5-4-93

Dear Mr. Schwadthe,

I was sent a copy of your article of March 17 in the Orlando Sentinel referring to a forthcoming book on Lou Holtz.

I remember being asked about Holtz in the yogurt shop, but I can't conceive of how anything I said about Lou could have been interpreted as negative, unless Mr. Yeager was determined to do so no matter what I said.

Lou Holtz was told by three players he kicked off the squad from the Orange Bowl for gross misconduct. They claimed his action was racist. They were good players. The decision was highly publicized and got mixed reviews. Lou was upset about the attack on him and I was afraid he would resign. We were playing top-ranked Oklahoma and were two touchdowns underdog before Lou dismissed his most potent offensive players. I was proud to defend him because I thought he was right. The team, black and white players alike, rallied behind him. We won 34-6. The lawsuit failed. Holtz went on to a great career.

Sincerely, Bill Clinton

Book on Irish will raise eyebrows

In a writer's life, four things are certain eyebrow-raisers: Death, taxes and editors, of course. And in the world of sports, Notre Dame.

Folks have called **Don Yaeger** and **Douglas S. Looney** plenty of things, but one thing they've never been called is dumb. Latest proof is a book scheduled for Aug. 15 release about the Notre Dame football program and its coach, **Lou Holtz**.

Simon & Schuster's working title: *Under the Tarnished Dome: How Notre Dame Sold Its Soul for Football*.

And you thought Holtz couldn't be ripped until the leaves started turning.

Yaeger, who lives in Tallahassee, and Looney, a senior writer at *Sports Illustrated* for 17 years, interviewed 154 people once associated with Holtz and Notre Dame, and they paint an inglorious portrait.

One source, though, should generate some attention. Fellow by the name of **Bill Clinton**.

It seems Yaeger was in Little Rock, Ark., interviewing a former player of Holtz's, one of three who filed (and lost) a lawsuit that claimed Holtz was a racist.

While taking a break at a yogurt shop in December, Yaeger watched as the newly elected president walked in with his family and an entourage of the Secret Service and national press corps.



Alan Schmadtke

INSIDE THE COLLEGES

"This older woman went over and shook his hand and congratulated him, so I said, 'If she can do it, I can,'" Yaeger said. "So, I said hello and said I was a writer from Florida writing a book about Lou Holtz and Notre Dame.

"He says, 'Then I ought to be a source of yours. I know Lou Holtz.'"

While attorney general of Arkansas, Clinton defended Holtz, formerly the coach (and state employee) at Arkansas against the racism lawsuit brought by his ex-players.

Clinton invited Yaeger to sit down, and the two chatted for 10 minutes about Holtz.

Clinton's opinion of Holtz, included in the book, Yaeger says, "wasn't particularly glowing."

In addition, Yaeger, Looney and many of their sources in the book have been bombarded by letters and faxes from Notre Dame supporters threatening legal action.

Something says the fun has only begun.

Thanks to the **Gene Bartow** fanatic who knows that Bartow already has done what **Lefty Driesel** wants to do — take three different programs to the NCAA Tournament. Memphis State, UCLA and Alabama-Birmingham are Bartow's three success stories, but there are seven others: **Dave Bliss** (Oklahoma, Southern Methodist and New Mexico), **Eddie Hickey** (Creighton, St. Louis and Marquette), **Frank McGuire** (St. John's, North Carolina and South Carolina), **Eldon Miller** (Western Michigan, Ohio State and Northern Iowa), **George Raveling** (Washington State, Iowa and Southern Cal) and **Joe Williams** (Jacksonville, Furman and Florida State). Then there's **Eddie Sutton**, who stands alone at four (Creighton, Arkansas, Kentucky and Oklahoma State)...

The state of Florida justifiably has received its share of bashing for its fair-weather basketball support, but Florida State and Florida posted significant increases in attendance this year. FSU set a school record for crowds at 9,191 per game — 1,144 more than the previous record of 8,047 (1988-89). The Gators averaged 9,294 in 11 home games, an average increase of 1,985, and they played host to two of the school's top three crowds.

THE WHITE HOUSE
WASHINGTON

May 6, 1993

*Copy went
to Gibbons*
THE PRESIDENT HAS SEEN

5-6-93

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA *JP*
SUBJECT: ANNUAL AWARD OF THE NATIONAL MEDALS OF SCIENCE
AND NATIONAL MEDALS OF TECHNOLOGY

Jack Gibbons is recommending that you approve awarding 8 National Medals of Science and 8 National Medals of Technology to the attached list. They have been cleared by Counsel's Office.

We should schedule a brief White House ceremony to present these Medals, if you concur.

☒ Concur [] Regret [] Discuss

cc: The Vice President
Mack McLarty

THE WHITE HOUSE
WASHINGTON

May 5, 1993

83 MAY 5 P5:16

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS SUBJECT: Proposed Awardees for the National Medal of Science and the National Medal of Technology, 1993

- I. ACTION-FORCING EVENT: Annual award of the National Medals of Science and National Medals of Technology.
- II. ANALYSIS: The National Medal of Science was established by the Act of August 25, 1959, entitled, "An Act to Establish a National Medal of Science to Provide Recognition for Individuals Who Make Outstanding Contributions in the Physical, Biological, Mathematical, and Engineering Sciences," (Public Law 86-209 73 stat). Not more than 20 individuals shall be awarded the Medal of Science in one year and the individual, at the time such award is made, must be a citizen or other national of the United States. Since the first presentation in 1962 there have been 312 National Medal of Science Awards.

The National Medal of Technology was established by Congress in 1980 as part of the Stevenson-Wydler Technology Innovation Act to give Presidential recognition for outstanding contributions to the well-being of the United States through the development of technology. There is no annual limit to the numbers of Medals of Technology which may be awarded. The award may be made to any U.S. citizen, to as many as four U.S. citizens as a group, or to any U.S.-owned company.

Security name checks have been completed (Counsel's clearance attached) I therefore recommend the following 16 recipients for the 1993 National Medal of Science and Medal of Technology.

III. RECOMMENDATION: Approve the following 16 nominees for the National of Science (8) and National Medal of Technology (8).

MOS

Alfred Y. Cho
Donald J. Cram
Val L. Fitch
Salome Gluecksohn-Waelsch
Norman Hackerman
Martin D. Kruskal
Daniel Nathans
Vera C. Rubin

MOT

Amos E. Joel
William H. Joyce
George Kozmetsky
George Levitt/Marinus Los
Hans Wolfgang Liepmann
William Donald Manly
Kenneth H. Olsen
Walter L. Robb

IV DECISION:

_____ Approve _____ Disapprove

Signature: _____ Date: _____

Attachments:

White House Counsel's Clearance
Citations of Proposed Awardees

Alfred Y. Cho
Director
Semiconductor Research Laboratory
AT&T Bell Laboratories
Murray Hill, New Jersey

Citation: For his pioneering development of molecular beam epitaxy, which revolutionized the development in growth of multilayers, accurate to a single atomic layer, for electronic and optoelectronic devices.

* * * * *

Donald J. Cram
S. Winstein Professor of Organic Chemistry
University of California
Los Angeles, California

Citation: For his pioneering research on the chemical foundations of molecular recognition; the understanding of the molecular basis of biological systems; his shaping of scientific thought and development, and guidance to generations of students.

* * * * *

Val L. Fitch
James D. McDonnell Distinguished
University Professor of Physics
Princeton University
Princeton, New Jersey

Citation: For his pioneering experiments at the frontiers of physics, from his measurement of the properties of mu-mesons in nuclei to his co-discovery that nature violates a fundamental spacetime symmetry property; and for his leadership on National science policy.

* * * * *

Norman Hackerman
Chairman, Scientific Advisory Board
The Robert A. Welch Foundation
Houston, Texas

Citation: For his seminal contributions in the field of electrochemistry; for his effective and far-seeing vision in higher education; and for devoted service to the nation and science.

* * * * *

Martin D. Kruskal
David Hilbert Professor of Mathematics
Rutgers University
Piscataway, New Jersey

Citation: For his influence as a leader in nonlinear science for more than two decades as the principal architect of the theory of soliton solutions of nonlinear equations of evolution.

* * * * *

Daniel Nathans
University Professor
Johns Hopkins University School of Medicine
Baltimore, Maryland

Citation: For his seminal research in molecular genetics that formed a foundation of the biotechnology revolution.

* * * * *

Vera C. Rubin
Staff Member
Department of Terrestrial Magnetism
Carnegie Institution of Washington
Washington, DC

Citation: For her pioneering research programs in observational cosmology which uncovered new complexities of the universe and for significant contributions to the realization that the universe is more complex and more mysterious than had been imagined.

Salome Gluecksohn-Waelsch
Professor of Molecular Genetics
Albert Einstein College of Medicine
Bronx, New York

Citation: For her lifetime of work on developmental genetics,
providing a large body of knowledge on the study of
mammalian genetics.

LIMITED OFFICIAL USEPROPOSED 1993 RECIPIENTS
OF THE
NATIONAL MEDAL OF TECHNOLOGY

The proposed recipients are categorized into the following areas: Advanced Manufacturing Technology (AMT); Technology Management (TM); Human Resources Development (HRD); Technology Transfer (TT); and General Product and Process Innovation (PPI).

1. Amos E. Joel.....(AT&T Bell Laboratories)
For his vision, inventiveness and perseverance in introducing technological advances in telecommunications, particularly in switching, that have had a major impact on the U.S. telecommunications industry, permitting low cost service for all and competitive products worldwide. (PPI).
2. William H. Joyce.....(Union Carbide Corporation)
For his vision and entrepreneurial talents in commercializing UNIPOL(R), a process which revolutionized the \$30 billion polyolefins industry worldwide. (PPI).
3. George Kozmetsky.....(University of Texas, IC² Institute)
For his contributions to the commercialization of over one hundred technology-based companies employing tens of thousands of people and exporting over one billion dollars worldwide. (TT).
4. George Levitt.....(The Du Pont Company)
Marinus Los.....(American Cyanamid Company)
For their individual efforts in the discovery and commercialization of environmentally friendly herbicides to insure an abundant and safe food supply for a growing world population. (PPI).
5. Hans Wolfgang Liepmann...(California Institute of Technology)
For his devotion for over forty years to the education of the world's leaders in aeronautical engineering and for his outstanding contributions to the field of fluid mechanics. (HRD).
6. William Donald Manly.....(Martin Marietta Energy Systems, Inc.)
For outstanding success in the development and processing of advanced high-temperature materials, and the transfer of this technology to a variety of American industries. (TT).
7. Kenneth H. Olsen.....(Digital Equipment Corporation)
For his contributions to the development and use of computer technology; and for his entrepreneurial contribution to American business. (PPI).
8. Walter Lee Robb.....(General Electric Company)
For his leadership in the development of medical diagnostic systems that have improved people's health and maintained U.S. global competitiveness. (AMT).

THE WHITE HOUSE

WASHINGTON

April 26, 1993

MEMORANDUM FOR: DAMAR HAWKINS
OFFICE OF SCIENCE AND TECHNOLOGY POLICY

FROM: WILLIAM H. KENNEDY III *WHK*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: - Nominees for the 1993 National Medal of
Science (MOS) and the National Medal of
Technology (MOT)

In response to the request of February 12, 1993, this is to inform you that Counsel's Office has completed its review of the nominees for the 1993 Presidential National Medal of Science/Medal of Technology Awards. We have no legal objections to the attached list of nominees.

If the event scheduled to present these awards is more than three months from the date of this memo, please inform us, so that an updated clearance can be arranged.

Thank you for the opportunity to review this matter.

(Attachment-
list of nominees)

LIST OF NOMINEES FOR NATIONAL MEDAL OF SCIENCE (1993)

CRAM, Donald J.
CHO, Alfred Y.
FITCH, Val L.
GLUECKSOHN-WAELSCH, Salome
HACKERMAN, Norman
KRUSKAL, Martin
LORENZ, Edward N.
MANN, Robert W.
MERTON, Robert K.
NATHANS, Daniel
RUBIN, Vera C.
WASSERBURG, Gerald J.

LIST OF NOMINEES FOR NATIONAL MEDAL OF TECHNOLOGY (1993)

JOEL, Amos E.
JOYCE, William H.
KOZMETSKY, George
LEVITT, George
LIEPMANN, Hans Wolfgang
LOS, Marinus
MANLY, William Donald
OLSEN, Kenneth H.
REES, Mina Spiegel
ROBB, Walter L.

THE WHITE HOUSE
WASHINGTON

May 4, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN H. GIBBONS *JHG*

SUBJECT: RECOMMENDED AWARDEES FOR THE 1992 PRESIDENTIAL
FACULTY FELLOWS (PFF) AWARD

I. ACTION-FORCING EVENT: Selection and award of the Presidential Faculty Fellows for 1993.

II. ANALYSIS: The Presidential Faculty Fellows (PFF) award was established at the request of the President by the National Science Board in 1991. The PFF award recognizes and supports some of the outstanding young scientists and engineers serving in America's colleges and universities. Up to 30 faculty members may be recognized annually (15 in science disciplines and 15 in engineering disciplines), and each PFF award carries a grant from the National Science Foundation (NSF) of \$100,000 a year for up to five years. The NSF grant may be used for self-designed, curiosity-driven research and teaching in any field supported by NSF.

By supporting faculty members in science and engineering, the award fosters innovative and far-reaching developments in science and technology, increases the attractiveness of careers in education, engineering, science and technology, recognizes the interdependence of teaching and research in achieving excellence, and highlights the importance of diversity among the science and technology workforce.

Security name checks have been completed (Counsel's clearance attached), and I recommend the 30 nominees and 4 alternates (list attached) for the 1993 award.

III. RECOMMENDATION: Approve the 30 nominees located in 22 states (including 10 women, 1 African American, 1 Hispanic, and 1 Native American) and the 4 alternates for the PFF award, announce by White House press release award recipients' names, institutions, and disciplines upon your approval, and invite them to meet you when you present the National Science and Technology Medals to senior scientists and engineers this summer.

017162
net'd for typo
correction
JUN 6 1993 07

+
how about
proofreading
JHG

IV. DECISION:

Signature: _____ **Date:** _____

_____ **Approve** _____ **Approve as Amended** _____ **No Action**

Attachments: List of nominees and alternates
White House Counsel clearance

FY 1993 PRESIDENTIAL FACULTY FELLOWS**LIST OF RECOMMENDATIONS****SCIENCE**

Joy Michele Bergelson
Joel David Blum
Ingrid Crane Burke
Ronald Gabriel Brisbois
Joseph Mark DeSimone
Raymond Ethan Goldstein
Anne Lisa Grauer
John Edward Hamer
Gilles J. Laurent
Susan Kaye McConnell
Margaret Mary Murnane
Bruce Michael Novak
Robin A. Pamantle
Louis George Tassinary
Quentin Williams

SCIENCE ALTERNATE

Brian Randolph Greene

ENGINEERING

Claire Marjorie Aelion
Siu-Wai Chan
John Paul Coulter
Soutra Dasgupta
Brian Cyriacus Fabien
Ephraim Garcia
Wassim Michael Haddad
Chung-Chieh Kuo
Thomas Roland Kurfess
Hilary S. Lackritz
Lenore Marie Restifo Mullin
Zorana Basta Popovic
Jerry Ladd Prince
Stuart Merrill Shieber
Chang Zhu

ENGINEERING ALTERNATES

Susan J. Eggers (2nd)
Suresh Venkata Garimella (1st alternate)
Stephen Andrew Vavasis (3rd)

34 RECOMMENDED PFF FISCAL YEAR 1993**SCIENCE**

Dr. Joy Michele Bergelson
Department of Biology
Washington University
St. Louis, MO 63130

Dr. Joel David Blum
Department of Earth Sciences
Dartmouth College
Hanover, NH 03755

Dr. Ingrid Crane Burke
Department of Forest Sciences
Colorado State University
Fort Collins, CO 80523

Dr. Ronald Gabriel Brisbois
Department of Chemistry
Hamline University
St. Paul, MN 55104-1284

Dr. Joseph Mark DeSimone
Department of Chemistry
University of North Carolina
Chapel Hill, NC 27599-3290

Dr. Raymond Ethan Goldstein
Department of Physics
Princeton University
Princeton, NJ 08544

Dr. Anne Lisa Grauer
Department of Sociology
and Anthropology
Loyola University-Chicago
Chicago, IL 60611

Dr. John E. Hamer
Department of Biological Sciences
Purdue University
West Lafayette, IN 47907

Dr. Gilles J. Laurent
Department of Biology
California Institute of Technology
Pasadena, CA 91125

Dr. Susan Kaye McConnell
Department of Biological Sciences
Stanford University
Stanford, CA 94305-4125

Dr. Margaret Mary Murnane
Department of Physics
Washington State University
Pullman, WA 99164

Dr. Bruce Michael Novak
Department of Chemistry
University of California-Berkeley
Berkeley, CA 94720

Dr. Robin A. Pemantle
Department of Mathematics
University Wisconsin-Madison
Madison, WI 53706

Dr. Louis George Tassinary
Department of Psychophysiology
Texas A&M University
College Station, TX 77843

Dr. Quentin Williams
Institute of Tectonics
University of California
Santa Cruz, CA 95064

SCIENCE ALTERNATE

Brian Randolph Greene
Department of Physics
Cornell University
Ithaca, NY 14853

ENGINEERING

Dr. Claire Marjorie Aelion
Department of Environmental
Health Sciences
University of South Carolina
Columbia, SC 29208

Dr. Siu-Wai Chan
Department of Chemical Engineering
Henry Krumb School of Mines
Columbia University
New York, NY 10027

Dr. John P. Coulter
Department of Mechanical Engineering
and Mechanics
Lehigh University
Bethlehem, PA 18015

Dr. Soura Dasgupta
Department of Electrical
and Computer Engineering
University of Iowa
Iowa City, IA 52242

Dr. Brian Cyriacus Fabian
Department of Mechanical Engineering
Ohio University
Athens, OH 45701

Dr. Ephraim Garcia
Department of Mechanical Engineering
Vanderbilt University
Nashville, TN 37235

Dr. Wassim Michael Haddad
Department of Mechanical and
Aerospace Engineering
Florida Institute of Technology
Melbourne, FL 32901-6988

Dr. Chung-Chieh Kuo
Department of Electrical Engineering
University of Southern California
Los Angeles, CA 90089

Dr. Thomas Roland Kurfess
Department of Mechanical Engineering
Carnegie Mellon University
Pittsburgh, PA 15213

Dr. Hilary S. Lackritz
Department of Chemical Engineering
Purdue University
West Lafayette, IN 47907

Dr. Lenore Marie Restifo Mullin
Department of Computer Science
University of Missouri-Rolla
Rolla, MO 65401

Dr. Zorana Basta Popovic
Department of Electrical Engineering
University of Colorado
Boulder, CO 80309-0425

Dr. Jerry Ladd Prince
Department of Electrical Engineering
Johns Hopkins University
Baltimore, MD 21218

Dr. Stuart Merrill Shieber
Division of Applied Science
Harvard University
Cambridge, MA 02138

Dr. Cheng Zhu
Department of Mechanical Engineering
Georgia Institute of Technology
Atlanta, GA 30332-0405

ENGINEERING ALTERNATES

Dr. Susan J. Eggers (2nd)
Department of Computer Science
and Engineering
University of Washington
Seattle, WA 98195

Dr. Suresh Venkata Garimella (1st alternate)
Department of Mechanical Engineering
University of Wisconsin-Milwaukee
Milwaukee, WI 53201

Dr. Stephen Andrew Vavasis (3rd)
Department of Computer Science
Cornell University
Ithaca, NY 14853

THE WHITE HOUSE
WASHINGTON

April 29, 1993

MEMORANDUM FOR: DAMAR HAWKINS
OFFICE OF SCIENCE AND TECHNOLOGY POLICY

FROM: WILLIAM H. KENNEDY III *W.H.K. #5*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Nominees for the 1993 Presidential Faculty Fellows

In response to the request of March 8, 1993, this is to inform you that Counsel's Office has completed its review of the nominees for the 1993 Presidential Faculty Fellow Awards. We have no legal objections to the attached list of nominees.

If the event scheduled to present these awards is more than three months from the date of this memo, please inform us, so that an updated clearance can be arranged.

Thank you for the opportunity to review this matter.

(Attachment-
list of nominees)

LIST OF NOMINEES FOR PRESIDENTIAL FACULTY FELLOWS (1993)

AELION, Claire Marjorie
BERGELSON, Joy Michele
BLUM, Joel David
BRISBOIS, Ronald Gabriel
BURKE, Ingrid Crane
CHAN, Siu-Wai
COULTER, John Paul
DASGUPTA, Soura
DESIMONE, Joseph Mark
EGGERS, Susan J.
FABIEN, Brian Cyriacus
GARCIA, Ephraim
GARIMELLA, Suresh Venkata
GOLDSTEIN, Raymond Ethan
GRAUER, Anne Lisa
GREENE, Brain Randolph
HADDAD, Wassim Michael
HAMER, John Edward
KUO, Chung-Chieh
KURFESS, Thomas Roland
LACKRITZ, Hilary S.
LAURENT, Gilles J.
MCCONNELL, Susan Kaye
MULLIN, Lenore Marie Restifo
MURNAME, Margaret Mary
NOVAK, Bruce Michael
PEMANTLE, Robin A.
POPOVIC, Zorana Basta
PRINCE, Jerry Ladd
SHIEBER, Stuart Merrill
TASSINARY, Louis George
VAVASIS, Stephen Andrew
WILLIAMS, Quentin
ZHU, Cheng

THE WHITE HOUSE
WASHINGTON

DATE: 05/06/93

NOTE FOR:

BOB RUBIN

LEON PANETTA

(m 5/7)

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 DIRECTOR

5 6 03
THE PRESIDENT HAS SEEN
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
May 5, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta
Director

SUBJECT: Your Note Concerning Federal Funding for Audits
of Medicare Part A Providers

This responds to your note concerning a letter from Mr. Joe Newman and the point that he made about the reduction in Federal funding for the audit of Medicare Part A providers.

In summary, Mr. Newman stated that Federal funding for such audits has been reduced by 11% in FY 1994 and that similar reductions are planned for future years. The following information is provided in response to your request that we advise you on this matter.

Background

Pursuant to the Secretary of HHS' decision, the FY 1994 budget proposal includes a 1.3% increase for HCFA's program management activities, which include provider audits. Mr. Newman is correct, however, that audit funding is being reduced. Specifically, HCFA has proposed to reduce audit funding by 5%, while focusing parts of the 1.3% increase it received on other so-called "Payment Safeguard" activities (i.e., fraud and abuse detection and Medicare Secondary Payer enforcement) that have produced higher returns on investment. The audit area which Mr. Newman writes about would provide a return in 1994 of 8:1.

HCFA states that it is aware that reductions in audits may reduce recoveries. It is possible, however, that FY 1994 budget reductions may simply delay audits that can be completed at a later date, thus avoiding losses in actual recoveries. HCFA is also making efforts to reduce the cost of processing claims through electronic filing and to achieve other administrative savings to free up funding that may be used to maintain "Payment Safeguard" funding, including audit activities.

Conclusion

Under HCFA's allocation of its funds for FY 1994, audit funds would be reduced by 5%, not 11% as Mr. Newman was told. As for future years, audit funding levels have not been determined. Meanwhile, HCFA is undertaking other actions to minimize the loss of recoveries that could result from its decision to reduce funding for audits.

cc: Christine A. Varney, Carol Rasco, and Ira Magaziner

April 13, 1993

cc of this letter
to CBO/Compensation/Executive
The guy is a very
close friend - President

Dear Mr. President

This document is my first attempt at typing using a computer program. So far, so good.

It was nice to see you the other day at the airport. Carolyn, David and I continue lunch meetings, but it's not the same.

My children were pretty excited about getting to see inside your plane. I think the experience gave the ten year old some bragging rights at school. The seven year old was mostly impressed with the cards and candy the crew gave her. This having kids stuff is getting to me. I tolerate all kinds of behavior now that I used to disapprove of. Bringing kids to work to spend the day when there's no school and no day care. Messy rooms at home. I can't believe what I can take. Hope I'm doing it right.

I know you know I work for Blue Cross. What you don't know is that at Blue Cross I'm involved in auditing Medicare Part A providers. We're working on our 1994 budget right now and we've been told the government's 1994 budget proposal includes a reduction in funding for audit of eleven percent. We've also been told that there are proposed reductions in funding in the eleven percent range for future years. Consider that in Arkansas during 1992 we recovered about \$24,000,000 for the government while incurring about \$1,300,000 of expenses for auditing providers. This is a return ratio of about \$18.50 to one. The recovery is not expenditures avoided, it is nearly all recovery of improper payment already out the door that would not be recovered if Medicare audit did not do its job. Although I do not have actual knowledge of amounts, I can estimate that a national return ratio similar to ours would probably give a return of a couple of billion dollars. In light of that amount it doesn't seem prudent to me to cut audit funding. Give the audit people at the Health Care and Financing Administration a chance to present their figures. As long as we're bringing money in we're one of the best deals the government's got.

Sorry, I had to get that out of my system.

My wife and my child sent the photographs and the drawing. photographs were taken at the gala and the ball. Cats are art subjects right now because our's is in the hospital.

Good luck. Do the best you can.

Joe

6 May 1993

To: The President
From: Carl R. Wagner
Re: Considerations for the Court

When we visited several weeks ago you asked that I consider questions regarding possible nominees to the Supreme Court. At the time speculation centered on Governor Cuomo who has since removed himself as a possible nominee. But with his possible nomination and others, concerns that surfaced for discussion polarized around two specific considerations: personality and intellectual prowess. I believe that is maybe a false distinction. I would suggest that a more useful definition would be to distinguish potential nominees as either politically orientated or academically disposed. An argument can be made for either. Intellectual strength can be characteristic of individuals from either background.

The advantage of the politician stems from the very essence of politics: the need to secure a majority. I need not elaborate on this with you. And former politicians have served on the court regularly and with distinction: Wm. Howard Taft (President), Chas. Evans Hughes (Gov. N.Y.), Earl Warren (Gov. Cal.) Hugo Black (Senator), Wm. O. Douglas (Chair SEC), Frank Murphy (Mayor of Detroit), etc. They were smart and had strong common sense. FDR and Truman drew very heavily on former politicians for nominees to the court (Truman nominated two Senators); and the Republicans, since Eisenhower, have drawn from sitting judges, (except Earl Warren who was nominated as part of political deal).

The strategic role you envision for the Court will influence your choice. The court has been critical to national questions in a central way twice: during the 1930's in the debate of the commerce clause and its impact on the New Deal agenda and again in the 1960's with Brown v. Board of Education and the subsequent civil rights and civil liberties cases. It is assumed that Reagan and Bush appointed five conservative judges to end or reverse the judgements of the 1960's court. But because legal conservatism values precedent (which is why Republicans draw on the bench for nominees) their appointments did not bring a sea-change: three of their Justices voted to support Roe v. Wade.

It is a given that a nominee must have intellectual capability even if our respective measures for judging that don't coincide. I would propose a nominee with political experience: an individual who can base a decision on logic, common sense and find a majority; a justice who shares your vision of American and its expression in the constitution.

I am sorry I was unable to reach you by telephone and hope this note is useful

THE WHITE HOUSE
WASHINGTON

DATE: 05/06/93

NOTE FOR:

HILLARY CLINTON
IRA MAGAZINER

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

Information ☒

Action ☒

IRA: Please forward the reply back to my office for the President's signature.

Thank you.

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

cc:

HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

PUBLIC DOCUMENT

OFFICIAL BUSINESS

Marge Roukema
M.C.

*H.R. 22
new energy
B*

U.S. House of Representatives

WASHINGTON, D.C. 20515

PUBLIC DOCUMENT

OFFICIAL BUSINESS

Marge Roukema
M.C.

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

THE PRESIDENT HAS SEEN
5-6-93

MARGE ROUKEMA

5TH DISTRICT, NEW JERSEY

WASHINGTON OFFICE:

2244 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3005
(202) 225-4465

NEW JERSEY OFFICES:

1200 EAST RIDGEWOOD AVENUE
RIDGEWOOD, NJ 07450
(201) 447-3900

81 SPRING STREET
NEWTON, NJ 07860
(201) 579-3039



Congress of the United States

House of Representatives

Washington, DC 20515-3005

May 6, 1993

COMMITTEES:

BANKING, FINANCE AND
URBAN AFFAIRS COMMITTEE

RANKING REPUBLICAN—
HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS SUPERVISION,
REGULATION AND INSURANCE
ECONOMIC STABILIZATION

EDUCATION AND LABOR COMMITTEE

RANKING REPUBLICAN—
LABOR—MANAGEMENT RELATIONS
ELEMENTARY, SECONDARY AND
VOCATIONAL EDUCATION
POSTSECONDARY EDUCATION

SELECT COMMITTEE ON HUNGER

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

Dear Mr. President:

Over the past few months, you have no doubt come to realize the complicated and systemic problems facing our health care delivery system. Simply, assuring access to affordable health care for all, while maintaining quality, is far more complex than any "simple solution" or "magic pill". Indeed, it becomes apparent that the more one understands about the "health care crisis," the more complex and intractable seem the solutions.

As you may recall, after your election I urged that you adopt for health care policy an approach similar to the one taken by the Administration and Congress in the early 1980's when addressing an issue of similar magnitude, our Social Security system: the creation of a commission of non-partisan, blue-ribbon policy experts, with a strict mandate and timeline for action.

Now that the recommendations of your Task Force have been postponed, due in large part to the scope and complexity of its mandate, I would respectfully urge you to appoint a similar Advisory Panel for health care. A thorough review of your Task Force's tentative findings by this group of nonpartisan health care experts, before your program is finalized, would serve to enhance its credibility and build confidence in it with the American people.

I would suggest that members of this Advisory Panel would be health care experts whose sterling credentials earn them the unquestioned respect of the American people. Two members I would immediately recommend for this panel are former Surgeon General C. Everett Koop, and former Secretary of Health and Human Services Joseph Califano. Both have demonstrated a knowledge of the issues related to health care, and a deep concern for the quality of care delivered under various reform proposals. Each would bring to your Task Force an unquestioned command of health policy, deep experience and knowledge of the issues at hand, and the foresight to ensure the long term consequences of any health program are fully explored.

Amid discussion of health care as it relates to the American people, and the role of perceived "special interests", the advice and consultation of preeminent scholars of health care rather than politics will be necessary for your Task Force to put forth a final product that engenders the credibility and confidence of the American people. I respectfully urge once more that you give every serious consideration to my suggestion, and that your Task Force avail itself of the non-partisan expertise of this Advisory Panel before any final health policy decisions are made.

Sincerely,

Marge Roukema
Member of Congress

THE WHITE HOUSE
WASHINGTON

DATE: 05/06/93

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:



THE PRESIDENT HAS SEEN
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
May 5, 1993

THE DIRECTOR

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta
Director

SUBJECT: Your Note Concerning Federal Funding for Audits
of Medicare Part A Providers

This responds to your note concerning a letter from Mr. Joe Newman and the point that he made about the reduction in Federal funding for the audit of Medicare Part A providers.

In summary, Mr. Newman stated that Federal funding for such audits has been reduced by 11% in FY 1994 and that similar reductions are planned for future years. The following information is provided in response to your request that we advise you on this matter.

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Pursuant to the Secretary of HHS' decision, the FY 1994 budget proposal includes a 1.3% increase for HCFA's program management activities, which include provider audits. Mr. Newman is correct, however, that audit funding is being reduced. Specifically, HCFA has proposed to reduce audit funding by 5%, while focusing parts of the 1.3% increase it received on other so-called "Payment Safeguard" activities (i.e., fraud and abuse detection and Medicare Secondary Payer enforcement) that have produced higher returns on investment. The audit area which Mr. Newman writes about would provide a return in 1994 of 8:1.

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cc: Christine A. Varney, Carol Rasco, and Ira Magaziner

April 13, 1993

cc of this letter
to Conoco/Kon-Panetta/Schulz
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close friend - Ms. Quinn

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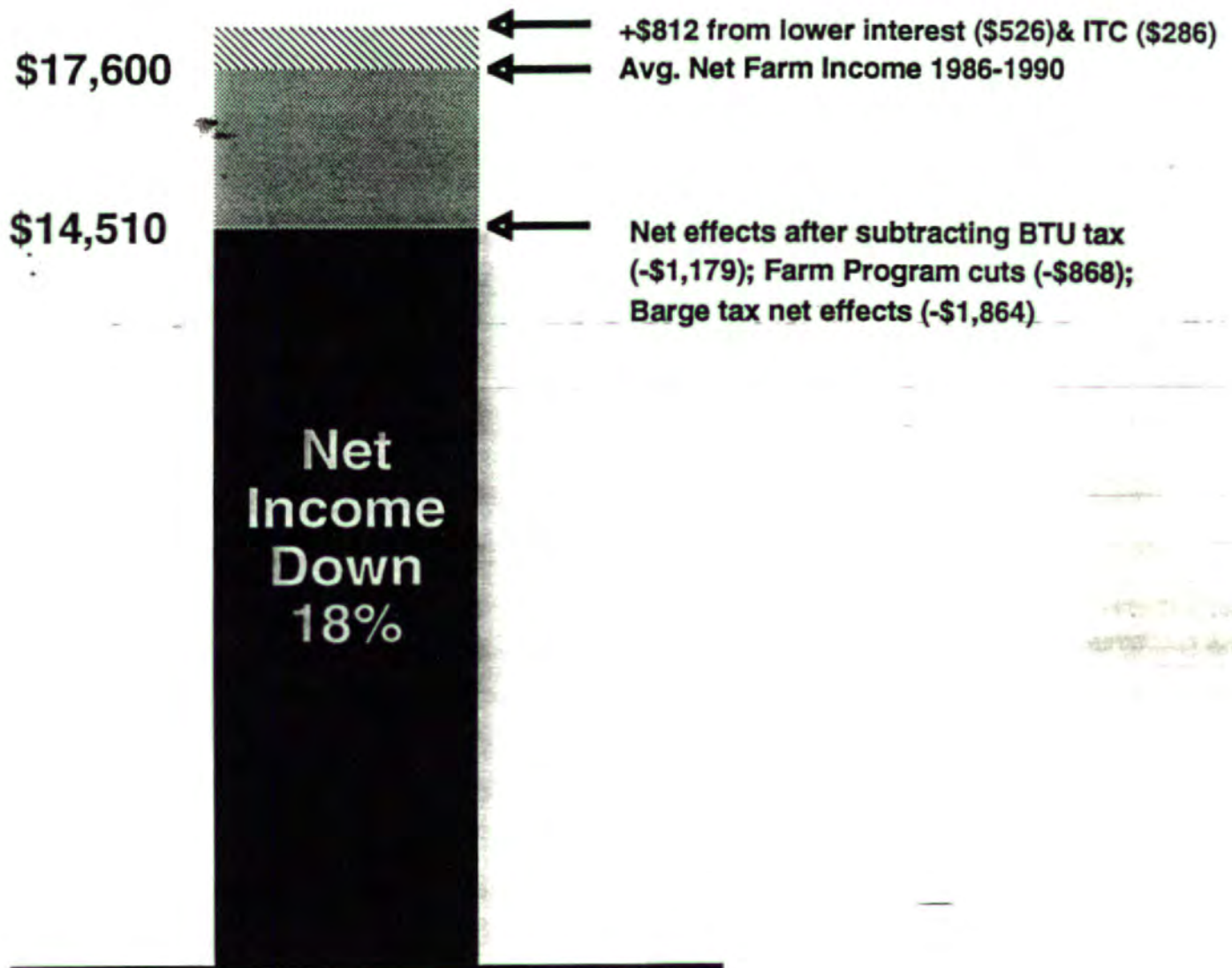
I am sorry I was unable to reach you by telephone and hope this note is useful.

THE PRESIDENT HAS SEEN

5-6-93

Boudin
This is tough
B

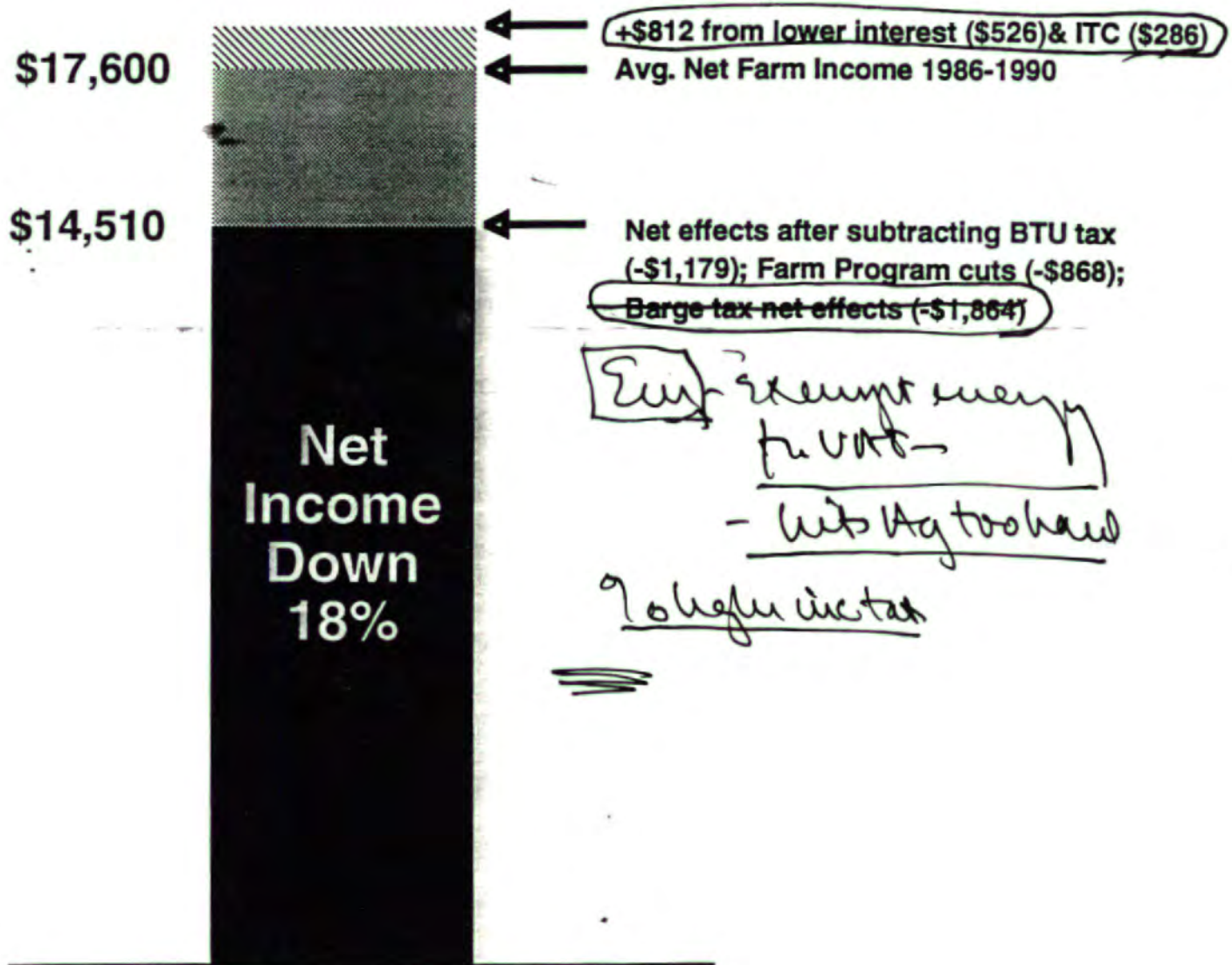
Typical ND Grain Farm



Sources: ND Agricultural Statistics; Food and Agricultural Policy Research Institute; and ND State University Staff.

Farm: 1264 acres, 610 acres wheat; 180 acres barley; 60 acres oats; 160 acres sunflowers or oilseeds; and 254 acres of fallow.

Typical ND Grain Farm



Sources: ND Agricultural Statistics; Food and Agricultural Policy Research Institute; and ND State University Staff.

Farm: 1264 acres, 610 acres wheat; 180 acres barley; 60 acres oats; 160 acres sunflowers or oilseeds; and 254 acres of fallow.

THE WHITE HOUSE
WASHINGTON

May 5, 1993

MEETING WITH SENATE FINANCE COMMITTEE DEMOCRATIC MEMBERS

DATE: May 6, 1993
LOCATION: Roosevelt Room
TIME: 6:15 p.m.
From: Barbara Chow

I. PURPOSE

This meeting, which is being held at Senator Mitchell's suggestion, is intended to provide a forum to assess the status of the Reconciliation legislation in the Senate Finance Committee and express your views. The committee will begin markup of the legislation later this month or in early June.

II. BACKGROUND

o The Senate Finance Committee is responsible for nearly 90% (\$307.3 billion) of the Reconciliation bill in the Senate.

o While initial discussions between Senator Moynihan and committee members are underway, serious negotiations will probably not begin until after the House has completed action on the bill.

o Several committee members have expressed concerns about particular provisions in the legislation. The energy tax is of particular concern. Farm state Senators are seeking an exemption for agricultural use, and oil state senators are interested in moving the collection point to the retail level while exploring additional tax incentives for offshore drilling. However, significant movement to accommodate these special interests, will likely draw opposition from Senator Bradley, a vigorous advocate of tax reform.

III. PARTICIPANTS

See attached

IV. PRESS PLAN

Closed press

V. SEQUENCE

Informal meeting

VI. REMARKS

See Attached

Attendees for Meeting with Democratic Members of the
Senate Finance Committee

Senator Patrick Moynihan
Senator Max Baucus
Senator David Boren
Senator Bill Bradley
Senator George Mitchell
Senator Don Riegle
Senator Jay Rockefeller
Senator Tom Daschle
Senator John Breaux
Senator Kent Conrad

Talking Points for Meeting with Senate Democratic
Finance Committee Members

o Thank you for coming down here to meet with me today regarding the Reconciliation legislation. Ninety percent of the bill falls on your shoulders and I want to thank you for all the work you have already committed on behalf of our economic program and the many hours ahead. I particularly want to thank Senator Moynihan for his leadership.

o As you begin your work on the Reconciliation bill, I would like to make some of my principles clear at the outset. I am not expecting that every page of my economic program will be written into law without change. However, it is critical that the Committee meet its overall deficit reduction requirements, and that the progressivity of the tax program I have outlined be maintained. I would, for example, strongly oppose any slippage on the Earned Income Tax Credit.

o I am very interested in a "clean" bill without special provisions and unrelated amendments. I hope that we can work out an understanding between Treasury, Ways and Means, and your committee on how to address this issue. Certainly, it would be unseemly if a bill built on the notion of shared sacrifice is perceived as a Christmas tree bill.

o Finally, I am very concerned that there will be an effort made to substitute additional spending cuts for some of the tax increases. I am not enamored of this approach because I believe that we have gone about as far as we can on the Medicare/Medicaid savings without seriously affecting beneficiaries. Any thoughts you might have on how we could address this issue would be very helpful.

Clinton Proposes Assistance To Troubled Neighborhoods

By JASON DePARLE
Special to The New York Times

WASHINGTON, May 4 — The Clinton Administration announced today that its plan for improving the nation's most distressed neighborhoods would combine minor new spending, moderate tax breaks for businesses and a major new emphasis on the coordination of existing programs.

The program would assist 110 neighborhoods, chosen through a competitive process. But the top 10, to be called "empowerment zones," would receive most of the advantages. Six of them would be urban, three rural and one on an Indian reservation.

In a conference call today to leaders from five communities, President Clinton said the plan, which would spend \$8.1 billion over five years, would bring "new economic growth, opportunity and hope in areas long denied their piece of the American dream."

Of that spending, \$4.1 billion would come in the form of tax credits to businesses for each worker they hire from the distressed neighborhoods. Another \$1 billion takes the form of new spending, and \$3 billion would come from existing programs, earmarking them for the distressed neighborhoods.

Variation of Idea

The anti-poverty initiative is a variation on the idea of "enterprise zones," which was enthusiastically endorsed by previous Republican Administrations but never became law. Republican enthusiasts like Jack F. Kemp, President George Bush's Secretary of Housing and Urban Development, argued that cuts in capital gains taxes could attract businesses into distressed neighborhoods.

The Clinton plan even borrows a favorite word of some conservative anti-poverty planners: empowerment.

But Clinton Administration officials are placing less stress on the tax portion of their plan, which they say is itself insufficient to attract businesses that fear assaults on their buildings or employees.

Instead, they are calling for a more coordinated approach to community development that would integrate economic planning with a social services strategy intended to stabilize neighborhoods. "Not a dime will go out without a coordinated strategy developed at the grass-roots level," Mr. Clinton said in the conference call, whose participants included Mayor David N. Dinkins of New York.

Clinton Changes Plan On Campaign Finance

WASHINGTON, May 4 (AP) — Facing opposition in Congress, the White House has changed its campaign finance package to delete a proposal to funnel public money to the national political parties, Administration and Congressional aides said today.

President Clinton is to unveil the package on Thursday, but there is opposition on another front: Senate Republicans have threatened to filibuster any proposal that includes public financing of Congressional elections, as the President's does.

Senator David L. Boren, Democrat of Oklahoma, has met with a handful of moderate Republicans in recent days to urge them not to commit to a filibuster.

While winning no pledges of support for Mr. Clinton's measure, aides said Mr. Boren was encouraged by the openness of several Republicans to partial public financing, provided the measure includes voluntary spending caps, restrictions on donations by political action committees and curbs on unregulated contributions to the political parties from corporations, labor unions and wealthy supporters.

Under the Clinton plan, communities would submit plans outlining their business and social services strategies. They would be encouraged to seek waivers from Federal agencies to use existing, highly regulated programs in new and creative ways.

Programs that provide money for nutrition, education and day care, for instance, might be combined to create a single, comprehensive center for young children. Most Federal programs are now bound by complex regulations that make experiments difficult if not impossible.

The restrictions on Federal aid are greeted by many social-policy experts, and Administration officials stressed the waivers as the most innovative part of their proposal.

"The mayors told us, 'What would really help more than another little program here and there is if you would take away some of the strings that restrict us,'" said George Sperling, a White House deputy assistant for economic policy, who helped formulate the plan.

Selection Process

The Federal selection panel would be led by the Cabinet secretaries from the relevant domestic agencies, including the departments of Housing, Urban Development, Health and Human Services, Agriculture and Labor. In selecting the neighborhoods, they would agree to provide waivers.

Richard Cowen, executive director of the American Association of Enterprise Zones, said the plan is an enthusiastic endorsement. "I think states and localities will find this is much more flexible," than previous proposals, he said. The association represents governments that run the 700 enterprise zones that have been created under local and state laws.

Mr. Clinton's proposal comes amid a campaign in which he said little about the country's most blighted neighborhoods, focusing instead on a broader appeal to the middle class. As President, he has stressed some portions of his strategy to help the working poor, calling for additional tax credits to supplement their wages, for instance, and a system of national health insurance to cover all Americans.

But he has not taken action on his campaign promises to overhaul the welfare system, and today's plan is the first to address the poorest Americans.

Earlier Plans Watered Down

In the past, proposals to create enterprise zones have been watered down in Congress, with many Representatives trying to gain one for their own district, thus diluting the value of the tax breaks in any given district.

The Clinton plan tries to deal with that problem by creating 100 "enterprise communities," that would receive priority for certain Federal programs, including community policing and community development banks.

But the more expensive incentives are to be concentrated on the 10 neighborhoods with the most promising plans. "We don't want to dilute the money so much that we don't learn anything," from the process of local experimentation, Mr. Sperling said.

The Clinton proposal also offers a different kind of tax break from the earlier plan, which would have spent about \$5 billion over five years. That plan, pushed by the Bush Administration, primarily offered cuts in the capital gains taxes paid by employers who move to distressed areas. The Clinton plan attaches its tax breaks to hiring policies, giving businesses credits of up to \$5,000 for each employee they hire from a designated zone.

The Bush Administration's plan passed Congress last summer, in the wake of the Los Angeles riots. But Mr. Bush vetoed the bill last fall, after Congress attached unrelated tax provisions.



Dan Rostenkowski and spending bill

Delay S

By DAVID E. ROS
Special to The New York Times

WASHINGTON, May 4 — The Clinton Administration asked today to postpone the effective date of a law passed under President Reagan that would retrain thousands of married men or face a loss of Federal funds.

The request to the House Means Committee came as the committee began public hearings on a tax and spending bill that President Clinton's plan.

The expectation of officials, lawmakers and that the committee will of the basic elements of the plan next week, and the Representatives will for end of this month. But strong opposition in the outlook there is uncertainty.

The welfare proposal law that was supposed to be passed this October. It requires find jobs or training for parent in 40 percent of families receiving check Families with Dependent basic Federal welfare percentage is supposed year until it reaches 70 fiscal year beginning October.

An Unrealistic

Wendell E. Primus, assistant Secretary of Health Services, asked that the be postponed for two years committee that most is unable to meet the goal welfare rolls had mushroomed the recession and the training programs had not been.

About 300,000 two-parent nationwide, representative people, are on welfare affected by the change

Clinton Concedes Need to Refocus and Reorganize

Continued From Page A1

power shifts became commonplace in the Clinton campaign, as the fortunes

official, who spoke on confidentiality. The official said that

PHOTOCOPY
PRESERVATION



Dan Rostenkowski, chairman of the House Ways and Means Committee, arriving before the committee met in Washington to discuss a spending bill that is the core of President Clinton's deficit-reduction plan. Representative Sam M. Gibbons sat at left.

Delay Sought in Law Meant to Trim Welfare R...

By DAVID E. ROSENBAUM
Special to The New York Times

WASHINGTON, May 4 — The Clinton Administration asked Congress today to postpone the effective date of a law passed under President Ronald Reagan that would require states to find jobs or job training for tens of thousands of married welfare recipients or face a loss of Federal welfare funds.

The request to the House Ways and Means Committee came as the committee began public discussion of the tax and spending bill that is the core of President Clinton's deficit-reduction plan.

The expectation of Administration officials, lawmakers and lobbyists is that the committee will approve most of the basic elements of the Clinton plan next week, and that the House of Representatives will follow suit by the end of this month. But the plan faces strong opposition in the Senate, and the outlook there is uncertain.

The welfare proposal involves a 1988 law that was supposed to go into effect this October. It requires the states to find jobs or training for at least one parent in 40 percent of the two-parent families receiving checks under Aid to Families with Dependent Children, the basic Federal welfare program. The percentage is supposed to rise each year until it reaches 70 percent in the fiscal year beginning Oct. 1, 1996.

An Unrealistic Goal?

Wendell E. Primus, a deputy assistant Secretary of Health and Human Services, asked that the requirement be postponed for two years. He told the committee that most states would be unable to meet the goal because their welfare rolls had mushroomed during the recession and the necessary training programs had not been created.

About 300,000 two-parent families nationwide, representing 1.2 million people, are on welfare and would be affected by the change in the law. That

A social goal is viewed as worthy but unrealistic, at least for now.

is a small proportion of the total welfare population of about 13 million, mostly families with a single mother.

The rules on single-parent families would not be changed. Under the law, the states must place 11 percent of these parents who are eligible in jobs or training in this fiscal year, and the percentage is to rise to 15 percent in the next fiscal year. Parents with children under age 3 are exempt in most states; some states exempt only parents with children younger than 1 year.

Last year, the Federal Government made \$1 billion available to the states under this program, and the states were supposed to match this with their own funds. But only \$600 million was used because the states did not come up with the matching funds to get the rest.

Campaign Promise Recalled

Mr. Primus said the Administration would address the question of work requirements when it submits its welfare program to Congress later in the year. In his campaign last year, Mr. Clinton promised to end the current welfare system and replace it with one that would eventually withdraw welfare benefits from parents who refused to work or enter education or training programs.

Administration supporters said the request to delay the work requirement in the law did not reflect a retreat from the campaign principles but rather was a recognition that compliance with the law was impossible.

In the discussion of the main parts of

the legislation, Representative Dan Rostenkowski, the Illinois Democrat who is chairman of the committee, said he was "firmly committed to help President Clinton achieve his basic plan."

The central elements of the plan would raise the income tax rates and Medicare taxes of the wealthy, increase the corporate tax rate, impose a new tax on fuel, require upper- and middle-income retirees to pay taxes on a larger portion of their Social Security benefits, cut Medicare and Medicaid spending and eliminate or restrict many tax deductions, including those for business meals and club dues.

How Lawmakers Feel

The lawmakers seem likely to reject Mr. Clinton's proposal for an investment-tax credit for business. The proposal, meant as an economic stimulus, is believed by many economists to be a waste of money and has generated little support in business circles.

Instead of a variety of cuts in the Medicare program recommended by the President, the committee seems likely to approve a two-year freeze in payments for services by doctors, hospitals and laboratories.

Representative Fortney (Pete) Stark, a California Democrat who heads the health subcommittee, said he did not necessarily expect the freeze to become law but meant it as a "placeholder" until the Administration's overall health plan was announced.

One section of the bill would raise to \$1,750 a year the earnings threshold above which Social Security taxes must be paid for household employees like maids and nannies. The threshold is now \$50 a quarter, a figure that has not been changed since 1950 and a level so low that it is widely ignored.

Republicans on the Ways and Means Committee made it clear today that they would fight almost every aspect of the Clinton plan. One after another called it the biggest tax increase ever

proposed, a claim that is true or false depending on how various calculations are made. Democrats retorted that it was actually the biggest deficit reduction every proposed, an assertion that also can be both proved and disproved.

The Democrats' 24-to-14 committee majority means they can ignore the Republican opposition and still approve the bill handily. The full House will consider the legislation under rules that strictly limit amendments, meaning that whatever the committee approves will probably be passed and sent to the Senate.

The measure, meant to reduce the deficit by nearly \$500 billion over the next five years, would raise taxes by a net of about \$260 billion during that period. The remaining deficit reduction would come from spending cuts.

Below-Minimum Wage Described as a Failure

WASHINGTON, May 4 (AP) — A Labor Department study has concluded that the "training wage," an experimental wage category promoted by President George Bush and intended to increase employment of young people, was a failure.

"The report finds that the degree to which the training wage has been used is very low," the department said in a report to Congress. It added that the study "produced no evidence that the training wage had an effect on employment."

The training wage permitted employers to pay unskilled youths just 85 percent of the minimum wage for a 90-day training period. Congress enacted it in 1989 for a three-year experiment as a compromise after Mr. Bush vetoed an increase in the minimum wage that year. It went into effect April 1, 1990, and expired March 31.

us and Reorganize

official, who spoke on condition of anonymity. The official said that senior officials

THIS JUNE, JULY, AUGUST & SEPTEMBER

PHOTOCOPY PRESERVATION



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THE PRESIDENT HAS SEEN

5.6.93

4/12
2527 Belmont Road, NW
Washington, DC 20008

March 16, 1993

President William J. Clinton
The White House
Washington, DC 20500-2000

Dear President Clinton:

It is a pleasure to watch a fellow Arkansawyer show the country what real governing is all about. Harriet and I continue to applaud your progress.

The House approval of your national economic recovery plan was heartening and bodes well for a Senate victory. My one concern is strictly procedural. Critical to the ultimate success of programs as complicated and important as this one is its presentation after passage, and I thought you might find the following example interesting. Harriet's father, former Vice President of Boeing Aircraft Co., described the process that his company incorporated whenever it decided to design a totally new plane. During the initial six-month period headquarters orchestrated a series of sub-plans which were drawn up and constantly refined to specify number of workers needed, amount of tooling, quality standards set, and cost. HQ then officially declared the plan launched, *everyone aware that the plan was at least 20% wrong*. A separate computer-fed control room monitored the project, but each sub-manager was rewarded for quickly pointing out any flaws found and correcting them immediately. In this manner Boeing maintained its lead in the industry, solidified the commitment of its employees and strengthened its reputation for superior products.

The need for change, not only in our debt structure but in our national health care policy, infrastructure, and education is obvious to the majority of American citizens. What is less obvious is the process best suited to ensure success. A plan which is flawed at the start but constantly refined allows action to start quickly; it also encourages all those working on the project to look for ways to improve the plan in operation.

If you already intend to follow this procedure or something similar, just consider this a suggestion from an old man well past his prime who wishes you all the best.

Sincerely,



J.W. Fulbright

HRG

THE PRESIDENT HAS BEEN
S.C.93

Cost of Reform Raises Possibility of New Taxes

Second of four articles

By Steven Mufson
Washington Post Staff Writer

Last year, candidate Bill Clinton said that savings from his health care plan would be big enough to pay for benefits for 37 million uninsured Americans.

"It does not require new taxes," he said, describing a utopian vision for health care in a campaign speech Sept. 24 at Merck & Co. headquarters in Rahway, N.J.

Now President Clinton's aides estimate that health care reform could end up costing the federal government an extra \$30 billion to \$90 billion a year, even after savings from holding down hospital costs and doctors' fees.

The anticipated savings have proven elusive, at least for several years, and some aides want an expensive reform program that would improve coverage for Americans deemed "underinsured" and would cover long-term care, mental health and prescription drugs.

Unless the price tag is added to the federal budget

deficit, Clinton's health plan would mean new taxes, the total of which could rival all other tax increases in Clinton's economic plan combined.

To pay for a medium-size health reform program, Clinton aides are leaning toward proposing sharply higher cigarette and alcohol taxes, an excise tax on hospitals and doctors, and limits on corporate deductions for health care benefits. Beyond that, Clinton would have to look at even more unpopular alternatives, such as a value-added tax or a payroll tax.

The daunting size of the taxes needed could constrain the generosity of benefits offered in the Clinton health care plan for the uninsured or lengthen the time proposed to fully phase in those benefits until the year 2000, according to administration members involved in the planning process. The desire to avoid a big tax increase also could push the administration toward mandating employers to make more payments toward workers' insurance.

After Clinton's proposal lands in Congress, the tax side of health care reform could sink the entire initiative or bog it down in a legislative quagmire.

"This could be his domestic Vietnam," said Stuart

See REFORM, A8, Col. 1

REFORM, From A1

Butler, a domestic policy analyst with the Heritage Foundation, a conservative think tank here.

"We can't digest all of this, given that we're going into writing a massive tax bill," said Rep. Robert T. Matsui (D-Calif.), a member of the tax-writing House Ways and Means Committee. "To take up another major tax bill before November or December could be very difficult to swallow for the economy, and politically as well."

Still, many Clinton aides fear that the administration's momentum will dissipate after Clinton's first year and they want to push ahead quickly.

A central problem is that most of the tax proposals being considered would tax the entire population for benefits that mostly would go to just one-seventh of the people—those who are not now insured. The dynamics would be the inverse of the Clinton income tax increase, which mostly was limited to the top 2 percent of income earners.

"Ordinary Americans are insured and satisfied with medical services even if they are worried about costs," Butler said. "And the more you talk about taxes, the more people are going to start to wonder whether it's worth it or not."

"I'm troubled because the country is not ready for the challenge of providing the kind of coverage that we want to do to ensure universality," House Speaker Thomas S. Foley (D-Wash.) recently told the annual meeting of the Associated Press.

Foley recalled the fiasco of 1989, when Congress overwhelmingly repealed a bill passed just 17 months earlier that would have imposed an income surtax on the better-off 40 percent of senior citizens to expand Medicare to cover health catastrophes. The measure provoked a storm of protest from senior citizens who did not believe they were at risk or who already were covered for health catastrophes through other insurance plans.

The Clinton health plan, if it includes a broad-based tax, would redistribute income among regions as well. In Texas, Oklahoma, New Mexico, Mississippi, Louisiana, Florida, California, Arkansas and the District, more than one-fifth of the residents were uninsured in 1990.

States that would benefit least would be Connecticut, Hawaii, Iowa, North Dakota and Wisconsin—states where fewer than one-tenth of the residents lacked health care insurance that year. Michigan, New Jersey, Massachusetts and Minnesota also had relatively few uninsured people.

In Maryland, 16 percent of resident were uninsured in 1990; in the District, 23.9 percent; in Virginia, 18.9 percent.

Clinton has said that he believes the American people are willing to pay a little more in taxes if they get some benefits. In an effort to spread the benefits further, some Clinton advisers want a new health plan to cover the costs of long-term care, prescription drugs and mental health—all expensive items. People with minimal health insurance, known as the "underinsured," as well as the uninsured could benefit.

"If it makes life better, they're willing to contribute to it," said Stanley Greenberg, a pollster for Clinton. Greenberg said people

A central problem for health care reformers is that most of the tax proposals being considered would tax the entire population for benefits that would go mostly to just one-seventh of the people, the uninsured. And some aides want an expensive reform program that also would improve coverage for those deemed "underinsured."

will oppose taxes in isolation, but support them "in the context of an overall plan." He said that the new taxes are more easily accepted if they are directly linked to new health care programs.

"The issue is whether the package is fair and whether it is burdensome," Greenberg said.

A survey by the Gallup Organization released last month supports his belief: Two-thirds of those polled said they are willing to pay slightly higher taxes to provide health insurance for all Americans.

But the Gallup poll only asked if people would be willing to pay \$10 a month more, enough to raise just a small fraction of what a comprehensive plan would cost the government.

Moreover, the benefits of health care reform will be elusive for most Americans. Their share of annual health insurance premiums and their out-of-pocket costs might go up less than they would otherwise, but they still would go up.

Clinton has stressed that health reform could help the entire economy by slowing the fastest-growing component of inflation in recent years.

As part of general labor costs, medical inflation has pushed up the costs of non-medical goods.

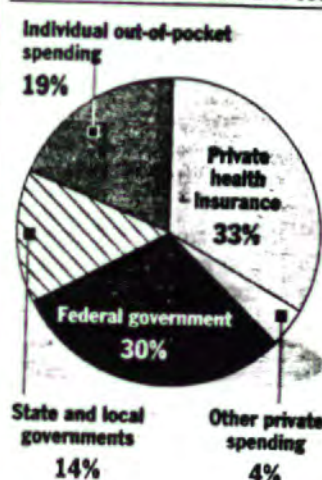
But giving health coverage to the uninsured would increase demand for medical services, and the effects on inflation are difficult to predict.

The clearest benefit would be lowered anxieties about the possibility of losing health insurance.

"Anxiety is a huge part of the problem," said Michael Podhorzer, issues campaign director of Citizen Action, a consumer advocacy group. "People are willing to pay more for health coverage to be sure that they and their families will always be covered. That will be a big part of the job of selling the plan."

The costs of a comprehensive health reform plan, however, would be more tangible to the average American. The leading candidates for raising money to pay for Clinton health plan are the following:

PICKING UP THE TAB
SPENDING ON HEALTH CARE IN 1991

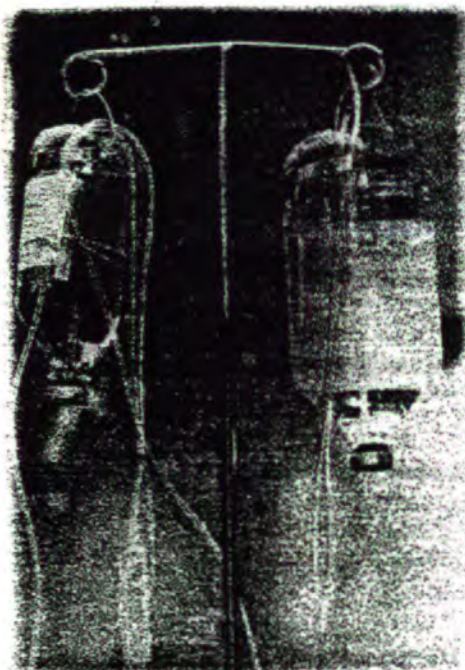


SOURCE: Congressional Research Service

THE WASHINGTON POST

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ABOUT THE SERIES

- ☐ **SUNDAY**
Focus on the economy:
How reform could slow the recovery and spur inflation and shift jobs.
- ☒ **TODAY**
Focus on taxes:
The proposals for raising money to fund reform, and their political prospects.
- ☐ **TUESDAY**
Focus on waste:
How reform would take the scalpel to waste and rising costs in the health system.
- ☐ **WEDNESDAY**
Focus on jobs:
How the ranks and pay of doctors, nurses and others in the industry would fare.

hospital revenues and doctors' incomes would raise \$10 billion to \$12 billion a year.

PAYROLL TAX

■ A payroll tax for health would work like the payroll tax for Medicare. The 1.45 percent tax finances hospital insurance for senior citizens. A new payroll tax could be dedicated to providing health coverage to uninsured Americans.

The disadvantage: It increases the cost of employing people, and could slow hiring.

The tax would fly directly in the face of Clinton's campaign promise not to raise taxes on the poor and middle class. If structured like payroll taxes which now apply only up to a certain income level, it would also be a regressive tax, the burden of which falls most heavily on those least able to afford it.

A 2 percent payroll tax, half paid by workers and half by employers, would raise about \$25 billion a year, based on current receipts from payroll taxes. But one person close to the administration said recently "that one has been pretty much discarded."

VALUE-ADDED TAX

■ Though dismissed by many as politically infeasible, the value-added tax (VAT) comes up frequently because it is the tax that would raise the most money, though still not enough to cover a generous universal health insurance plan by itself.

If a 5 percent tax were imposed on all goods, with exceptions for food, housing and medical care, the tax would raise about \$60 billion a year.

Economists like the tax because it taxes consumption and encourages savings and investment. People would buy less and save more.

But the tax is regressive, hitting most heavily on the poor and middle class, who spend a greater portion of their income because they don't make enough money to put much away. Political analysts warn that it could prove politically fatal to Clinton.

House Speaker Foley and Senate Majority Leader George J. Mitchell (D-Maine) have expressed doubts about financing health care reforms with a value-added tax.

Foley said it would be "extremely difficult" to get a value-added tax enacted by Congress, noting that liberals believe it penalizes poor people and conservatives fear that the vast revenue it produces would lead to expanded government.

"The only way I can imagine a VAT going forward is with bipartisan support," Foley said, "or as a substitute for another tax."

Health experts also worry that the tax would provide no cost control for the health care sector. There would be no connection between the tax and the use of medical services.

A combination of these tax measures is sure to dim the outlook for health care reform this year, most experts acknowledge.

"It's going to be a tough sell," GAO health analyst Janice Schickles said. "The public feels it shouldn't be asked to pay more."

But, she said, "there aren't that many options."

'SIN' TAXES

■ A tax of \$2 a pack on cigarettes would raise \$15 billion to \$20 billion a year. A tax of \$1 a pack would raise about \$10 billion a year. Because smoking sharply increases risks of medical problems, the tax would come closest to making the consumers of health care pay for it.

But the tax would severely hurt tobacco-growing states such as North Carolina. It also would make it tough for all states to turn to cigarette taxes to finance state government. Moreover, the tax would discourage people from smoking and drinking, and budget experts say it would raise less money every year.

Still, a cigarette tax of \$2 a pack, perhaps coupled with higher taxes on alcohol, would be enough initially to finance a modest program phased in gradually. A tax of \$1 for a six-pack of beer would raise about \$6 billion a year.

LIMIT ON TAX DEDUCTIONS FOR HEALTH CARE PLANS

■ Under current law, companies can deduct from their taxable income the entire cost of health care insurance provided to employees. Under some proposals, companies would be able to deduct only the cost of a basic package as defined by the government. The value of benefits above that amount would be taxed.

If the basic package were set at \$3,600 for tax purposes and a company provided employees insurance at \$5,000, the company would be taxed on \$1,400.

This effectively would tax employers with the most generous plans. Those employers would be pressed to pass through the additional tax bill to workers.

Many health reformers like the plan because it would discourage companies and workers from having excessively generous plans that help fuel inflation in medical care.

But labor unions, which have bargained hard to improve health care benefits for their workers, are sharply opposed to the plan. And many companies say they would be penalized for taking care of their em-

ployees. The measure also could prompt companies to squeeze wages to cover the increased cost of health benefits.

According to the congressional General Accounting Office, the tax would raise \$20 billion to \$30 billion a year if companies pay taxes on benefits greater than \$100 a month for individuals and \$300 a month for families.

HEALTH BENEFITS TAX

■ Health benefits are really a form of compensation, though most workers think of it as something that goes along with the job.

This tax would be similar to taking away the tax deduction from companies. It probably would be structured the same way, taxing benefits in excess of a basic package, and would raise about the same amount of money.

EXCISE TAX ON HEALTH CARE PROVIDERS

■ The theory behind taxing health care providers is that the Clinton health reform plan would eliminate deadbeat patients for hospitals, doctors, insurers and other companies providing medical care, theoretically lowering their losses, and that the government should "recapture" some of those savings.

One administration official compared it to a "windfall profits" tax.

But an excise tax on health care providers probably would be passed on to patients in the form of higher charges or at least make certain that providers would not pass through cost savings to patients by cutting their fees, thus doing little to control health care costs for consumers, economists say.

The cost savings also would not be distributed evenly across the health care industry, although the tax would be spread evenly. The average operating profit margin at hospitals is about 5 percent, according to the Congressional Budget Office. But a substantial number of hospitals lose money, and are ill-able to afford an excise tax even if a reform plan cuts their costs of paperwork and indigent patients.

The GAO said that a 3 percent tax on

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