Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. message	[Personally Identifiable Information] [partial] (1 page)	06/00/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 1039

FOLDER TITLE:

July 4-10, 1993 [2]

2018-0662-S
rs3059

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]

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 8/5

NOTE FOR: MACK, Panetta, Galston, Sec Riley

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

Information ☐

Action ☑

[redacted]

Thank you.

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

cc: Christine Varney

THE WHITE HOUSE

WASHINGTON

93 JUN 30 P7:33

June 30, 1993

Mr. President:

Attached is the information you requested on the GOALS 2000 legislation.

Christine

[redacted]

Must try to see that Senate provisions prevail in conference

~~us~~ must try to see that _____ provisions prevail in conference

THE PRESIDENT HAS SEEN 7/4

THE WHITE HOUSE

WASHINGTON

'93 JUN 30 P7:33

June 30, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD W. RILEY
Secretary of Education

WILLIAM A. GALSTON
Deputy Assistant to the President

SUBJ: House Amendments to GOALS 2000 legislation

Introduction

As you know, from the start there have been significant differences between your Administration's approach to education reform and the approach of many House Democrats on the Education and Labor Committee. In particular, many members do not trust governors and the states, lack a deep commitment to the national education goals, and are fixated on their own definition of educational equity.

We have been fighting every day for several months to preserve the essentials of your position against repeated assaults. It was for this reason that you took the step of writing to the full committee at the beginning of this month to express your opposition to key amendments being proposed by individual members.

Your letter, a copy of which is attached, was favorably received by many governors and received the unanimous endorsement of the National Education Goals Panel at its mid-June meeting. We sought to reinforce the letter through repeated direct personal contacts with virtually every member of the committee. These efforts did not, however, dissuade Education and Labor committee members from adopting a number of amendments to which you had taken explicit exception in advance. The purpose of this memorandum is to acquaint you with the content of those amendments and to outline our strategy for dealing with them.

Amendments to the Goals 2000 bill

At the full committee mark-up last week, there were more than 50 amendments to the GOALS 2000 legislation. While many of these were technical in nature and had no significant impact, a number of amendments significantly altered important features of the bill.

National Education Goals Panel: The role of the Goals Panel in the standard-setting process has been diminished. Rather than provide final review and approval of the decisions of the National Education Standards and Improvement Council regarding the certification of standards, the Panel's role will be limited to reviewing and commenting on the Council's proposed decisions. Further, instead of nominating the pool of candidates from which the President will name the members of the Council, under the House provisions the Panel will name only four of twenty Council members. The President will name eight members, and the Senate Majority Leader and the Speaker of the House will each name four.

In addition the Secretary of Education will now serve as an ex officio, voting member of the Goals Panel, if the Secretary has not been named as one of the two Presidential appointees to the Panel. If appointed in this fashion, the Secretary would upset the current partisan balance of the Panel by giving the Administration's party an additional member.

Opportunity to Learn Standards: At the full committee mark-up a substitute was offered and passed to the "Reed amendment" adopted earlier by the subcommittee, which had required that states describe "specific corrective actions" they will take to address the needs of schools or districts that failed to meet the opportunity-to-learn standards. The substitute, also by Mr. Reed, now requires that states describe the "procedures they will" use to ensure that all schools or districts meet the content and opportunity to learn standards. This change meets a number of the specific objections raised in your letter. The amendment is still troublesome, however, and failed to gain Republican support, in part because it was seen as unduly restricting state flexibility.

This amendment is but one of a number of amendments regarding opportunity to learn standards previously passed at subcommittee mark-up. The cumulative effect of these amendments is to broaden the initial scope of opportunity to learn standards, reduce the flexibility accorded to states in defining opportunity to learn standards and incorporating them into an overall reform strategy, and generally elevate the significance of these standards to an unwarranted level.

National Education Goals: At the mark-up there were a number of changes to the objectives for the National Education Goals. One revises the school readiness objective addressing nutrition and health care, adding language about children "maintaining mental alertness necessary to be prepared to learn". A second adds an objective to the safe, disciplined and drug free schools goal, indicating that school districts should have policies to keep schools free of weapons and violence. In addition, civics and government have been added to the list of subjects in the student achievement goal.

A wholly new goal on teacher development was added during the subcommittee mark-up. There is also a strong chance that during floor debate, the Senate will add a goal on parental involvement, introduced by Senator Hatfield with the support of National PTA. (Rep. McCurdy is spearheading this effort in the House.)

Legislative Strategy

At present, the Senate version of the bill is very close to the initial Administration bill and is far preferable to the House committee version. We are now working to determine the best strategy for producing a final version of the bill that is as close to your original bill.

Secretary Riley and Howard Paster are scheduled to meet Thursday with Bill Ford to discuss how best to approach the floor vote and the conference committee. As a result of this discussion, we will decide how to handle the matter on the House floor. One option is an aggressive floor effort led by moderate Democrats to strip out the most objectionable committee amendments. The other possibility is to hold our fire until the House/Senate conference and in the meantime put out a very strong statement in favor of the Senate version.

We believe that, in the final analysis, a bill that weakens bipartisan support for education reform and puts your Administration in the position of supporting unwarranted federal intrusion into state education reform efforts would be worse than no bill at all. We continue to hope that the conference process will produce a satisfactory outcome. But if it does not, we will not hesitate to tell you the bad news and to recommend killing the bill.

agree
must try to get
Senate bill

agree
must try to
get bill

THE WHITE HOUSE

WASHINGTON

June 3, 1993

Dear Mr. Chairman:

On April 22 I transmitted to you my education reform bill, "Goals 2000: Educate America Act." As you approach full committee mark-up, I want to reiterate my strong support for the bill and the principles on which it is based.

Secretary Riley and I have both spent a tremendous amount of time and energy during our years in public service focusing on education reform. As Governors, we understood that in order to improve the economy of our states we had to improve the quality of education. We recognize your own longstanding commitment to improving education for every child. The question is how best to promote the goals we all share. Right now, many schools are not meeting the needs of our students or the demands of our economy for a more skilled, more adaptable work force. Without successful school reform across America, our nation's character and its economic strength are in peril.

The Goals 2000 bill builds on the lessons we have all learned during the past decade of school reform:

- It provides national leadership and sets national benchmarks, but it recognizes that education remains primarily a state and local responsibility. We believe that for reform to be successful, it has to be bottom-up and that the states must play the coordinating role. We have an obligation at the national level to support states and communities in their efforts to help all children, including those with special needs, but we cannot mandate a state's fiscal priorities. We believe our approach to opportunity-to-learn standards achieves this balance. Amendments which require states, as a condition of federal support, to commit to specific corrective actions for schools that fail to meet these standards go too far. These requirements will impede states' efforts to focus accountability on results. In addition, they will require states to commit to specific actions even before the nature of the problem is known. For these reasons, this type of requirement will be a disincentive for states to participate in reform efforts. I urge you not to support amendments that expand the definition or role of opportunity-to-learn standards.

- Education is not a partisan issue. This bill sets out to forge new partnerships not only between the different levels of government, but between our two parties. Without bipartisan support across all levels of government, our reform efforts will fail. The National Education Goals Panel, charged with measuring our progress toward reaching the National Education Goals, must remain a bipartisan body. Any amendments to change its partisan balance will undermine the Panel's credibility and I urge you to oppose them.

- The National Education Goals Panel was established to hold states and the federal government accountable for their efforts to achieve the National Education Goals. As outlined in the bill, it is comprised of representatives from the Administration, Congress, the Governors and State Legislatures. It is the vehicle through which these representatives can agree on the credible measures that will be used to judge progress. I might add that I led the fight to establish this Panel, so that we could ensure that those responsible for establishing the goals could not walk away from them when it was time to judge progress toward achieving them. Any amendments which alter the composition or limit the responsibilities of the Panel, including its role in nominating members for the National Education Standards and Improvement Council, will undermine the Panel and I oppose them.

- The six National Education Goals established in 1990 have served as a rallying point in communities all across this country. The goals have been widely accepted by states and communities as well as by education and business groups. Many of the major education and business organizations have adopted and are currently using the six goals as benchmarks for linking their own education reform efforts to a national framework. Over 2,000 communities have created task forces and their own action plans to reach the six goals. Changes in the goals at this time will unnecessarily disrupt these ongoing efforts. I urge you to endorse the six goals as they stand and allow the nation to continue its progress toward reaching them.

We have a tremendous opportunity to provide national leadership on education reform. Together, we can build the kind of education system that will help our students succeed. The "Goals 2000: Educate America Act" is a critical step in the right direction. I urge you to take prompt and favorable action on this legislation.

With best wishes,

Sincerely,

Bill Clinton

The Honorable William D. Ford
Chairman
Committee on Education and Labor
House of Representatives
Washington, D.C. 20515

Chron

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 7/5

NOTE FOR: MAC

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

Information ☐ [redacted]

Action ☑

Thank you.

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

[redacted]

cc: Tony Lake

THE PRESIDENT HAS SEEN 7/4

THE WHITE HOUSE

WASHINGTON

July 3, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN PODESTA JDP

SUBJECT: General Colin Powell

Mack
See me Mike
B.

The Secretary of Defense has recommended that you nominate General Powell for appointment to the Grade of General on the retired list.

Nomination and confirmation will permit General Powell to hold his rank on the retired list following completion of his term as Chairman of the Joint Chiefs.

If you approve, I will hold the nomination until the Senate returns. The timing of this nomination is consistent with past practices which gives the Senate appropriate time to act on the nomination. It does not effect General Powell's term.

THE WHITE HOUSE

WASHINGTON

June 22, 1993

3 ?24 P3:39

MEMORANDUM FOR THE PRESIDENT

FROM: ~~JOHN A. GAUGHAN~~
DIRECTOR, WHITE HOUSE MILITARY OFFICE

SUBJECT: Army General Officer Nomination

Forwarded for your approval and signature is the nomination of General Colin L. Powell, United States Army, for appointment to the grade of general on the retired list. His appointment as Chairman of the Joint Chiefs of Staff expires on September 30, 1993.

This nomination has been staffed by the Acting Secretary of the Army and approved by the Secretary of Defense.

Recommendation

That you approve and sign the attached.

Attachment

THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

21 JUN 1993

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Army General Officer Nomination

I recommend you nominate General Colin L. Powell, United States Army, for appointment to the grade of general on the retired list. His appointment as Chairman of the Joint Chiefs of Staff expires on September 30, 1993. General Powell, who is 56 years of age, requested he be allowed to retire at the end of his current term.

Les Aspin

Attachments

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. message	[Personally Identifiable Information] [partial] (1 page)	06/00/1993	b(6)

COLLECTION:
Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 1039

FOLDER TITLE:
July 4-10, 1993 [2]

2018-0662-S
rs3059

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

The White House

Washington

To the Senate of the United States:

I nominate:

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, Section 1370:

To be General

General Colin L. Powell, (b)(6) United States Army

RESUME OF SERVICE CAREER

of

COLIN LUTHER POWELL, General

DATE AND PLACE OF BIRTH 5 April 1937, New York, New York

YEARS OF ACTIVE COMMISSIONED SERVICE Over 34

PRESENT ASSIGNMENT Chairman of the Joint Chiefs of Staff, The Joint Staff, Washington, DC 20318-0001, since October 1989

MILITARY SCHOOLS ATTENDED
The Infantry School, Basic and Advanced Courses
United States Army Command and General Staff College
The National War College

EDUCATIONAL DEGREES
City University of New York - BS Degree - Geology
George Washington University - MBA Degree - Business Administration

FOREIGN LANGUAGE(S) None recorded

MAJOR DUTY ASSIGNMENTS

FROM	TO	ASSIGNMENT
Jun 58	Oct 58	Student, Infantry Officer Basic Course, later Ranger Course, and later Airborne Course, United States Army Infantry School, Fort Benning, Georgia
Oct 58	May 59	Platoon Leader, Company B, 2d Armored Rifle Battalion, 48th Infantry, United States Army Europe
May 59	Jul 59	Assistant Adjutant, Combat Command B, 3d Armored Division, United States Army Europe
Aug 59	Oct 60	Platoon Leader, later Executive Officer, Company D, 2d Armored Rifle Battalion, 48th Infantry, United States Army Europe
Dec 60	Oct 61	Liaison Officer, later Executive Officer, Company A, 1st Battle Group, 4th Infantry, 2d Infantry Brigade, 5th Infantry Division (Mechanized), Fort Devens, Massachusetts
Oct 61	Feb 62	Commander, Company A, 1st Battle Group, 4th Infantry, 2d Brigade, 5th Infantry Division (Mechanized), Fort Devens, Massachusetts
Feb 62	Sep 62	S-1 (Personnel), 1st Battalion, 2d Infantry, 5th Infantry Division (Mechanzied), Fort Devens, Massachusetts
Oct 62	Nov 62	Student, United States Army Special Warfare Center, Fort Bragg, North Carolina
Dec 62	Jan 63	Self Defense Corps Training Center Advisor, 2d Infantry Division, I Corps, Military Assistance Advisory Group Vietnam
Jan 63	Nov 63	Senior Battalion Advisor, Unit Advisory Branch, later Assistant G-3 (Operations) Advisor, 1st Infantry Division, Army of the Republic of Viet Nam, Military Assistance Advisory Group, Vietnam

COLIN LUTHER POWELL, General

MAJOR DUTY ASSIGNMENTS

FROM	TO	ASSIGNMENT
Nov 63	Jun 64	Test Officer, United States Army Infantry Board, Fort Benning, Georgia
Aug 64	May 65	Student, Infantry Officer Advanced Course, United States Army Infantry School, Fort Benning, Georgia
May 65	Feb 66	Test Officer, Supporting Weapons Test Division, United States Army Infantry Board, Fort Benning, Georgia
Feb 66	Jun 67	Instructor/Author, Operations Committee, United States Army Infantry School, Fort Benning, Georgia
Aug 67	Jun 68	Student, United States Army Command and General Staff College, Fort Leavenworth, Kansas
Jun 68	Sep 68	Executive Officer, 3d Battalion, 1st Infantry, 11th Infantry Brigade, Americal Division, United States Army Vietnam
Sep 68	Jul 69	Assistant Chief of Staff, G-3 (Operations), later Deputy G-3 (Operations), Americal Division, United States Army Vietnam
Sep 69	Jul 71	Student, The George Washington University, Washington, DC
Jul 71	Jun 72	Operations Research Analyst, Office of the Assistant Vice Chief of Staff, United States Army, Washington, DC
Sep 72	Aug 73	White House Fellow, Office of Management and Budget, The White House, Washington, DC
Sep 73	Sep 74	Commander, 1st Battalion, 32d Infantry, 2d Infantry Division, Eighth United States Army, Korea
Sep 74	Jul 75	Operations Research Systems Analyst, Office of the Deputy Assistant Secretary of Defense (Manpower Requirements and Analysis), Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs), Washington, DC
Aug 75	Apr 76	Student, National War College, Fort McNair, Washington, DC
Apr 76	Jul 77	Commander, 2d Brigade, 101st Airborne Division (Air Assault), Fort Campbell, Kentucky
Jul 77	Dec 78	Executive to the Special Assistant to the Secretary and Deputy Secretary of Defense, Washington, DC
Jan 79	Jun 81	Senior Military Assistant to the Deputy Secretary of Defense, Washington, DC
Jun 81	Aug 82	Assistant Division Commander, 4th Infantry Division (Mechanized), Fort Carson, Colorado
Aug 82	Jun 83	Deputy Commanding General, United States Army Combined Arms Combat Development Activity, Fort Leavenworth, Kansas
Jul 83	Jun 86	Military Assistant to the Secretary of Defense, Office of the Secretary of Defense, Washington, DC
Jun 86	Dec 86	Commanding General, V Corps, United States Army Europe,
Jan 87	Dec 87	Deputy Assistant to the President for National Security Affairs, The White House, Washington, DC
Dec 87	Jan 89	Assistant to the President for National Security Affairs, The White House, Washington, DC
Apr 89	Sep 89	Commander-in-Chief, Forces Command, Fort McPherson, Georgia

COLIN LUTHER POWELL, General

PROMOTIONS	DATES OF APPOINTMENT Temporary	Permanent
2LT	9 Jun 58	30 Jun 58
1LT	30 Dec 59	30 Jun 61
CPT	2 Jun 62	30 Jun 65
MAJ	24 May 66	30 Jun 72
LTC	9 Jul 70	30 Jun 79
COL	1 Feb 76	
BG	1 Jun 79	22 Jan 82
MG		1 Aug 83
LTG	1 Jul 86	
GEN	4 Apr 89	

US DECORATIONS AND BADGES
Defense Distinguished Service Medal (with 2 Oak Leaf Clusters)
Distinguished Service Medal
Defense Superior Service Medal
Legion of Merit (with Oak Leaf Cluster)
Soldier's Medal
Bronze Star Medal
Purple Heart
Air Medal
Joint Service Commendation Medal
Army Commendation Medal
Expert Infantryman Badge
Combat Infantryman Badge
Parachutist Badge
Pathfinder Badge
Ranger Tab
Presidential Service Badge
Secretary of Defense Identification Badge
Army Staff Identification Badge
Joint Chiefs of Staff Identification Badge

SOURCE OF COMMISSION ROTC

SUMMARY OF JOINT ASSIGNMENTS

Assignment	Dates	Grade
White House Fellow, Office of Management and Budget, The White House, Washington, DC	Sep 72-Aug 73	Lieutenant Colonel
Operations Research Systems Analyst, Office of the Deputy Assistant Secretary of Defense (Manpower Requirements and Analysis), Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs), Washington, DC	Sep 74-Jul 75 (No joint credit)	Lieutenant Colonel

COLIN LUTHER POWELL, General

SUMMARY OF JOINT ASSIGNMENTS (continued)

Assignment	Dates	Grade
Executive to the Special Assistant to the Secretary and Deputy Secretary of Defense, Washington, DC	Jul 77-Dec 78	Colonel
Senior Military Assistant to the Deputy Secretary of Defense, Washington, DC	Jan 79-Jun 81	Brigadier General
Military Assistant to the Secretary of Defense, Office of the Secretary of Defense, Washington, DC	Jul 83-Jun 86	Major General
Deputy Assistant, later Assistant to the President for National Security Affairs, The White House, Washington, DC	Jan 87-Jan 89	Lieutenant General
Chairman of the Joint Chiefs of Staff, The Joint Staff, Washington, DC	Oct 89-Present	General

As of 19 January 1993

No.
(703) 697-5131 (info)
(703) 697-3189 (copies)
(703) 697-5737 (public/industry)

IMMEDIATE RELEASE

GENERAL OFFICER ANNOUNCEMENT

Secretary of Defense Les Aspin announced today that the President has nominated General Colin L. Powell, United States Army, to be placed on the retired list in his current grade. General Powell will retire after completion of more than 35 years of service. Since October, 1989 he has been serving as the Chairman of the Joint Chiefs of Staff, The Joint Staff, Washington, DC.

General Powell was born on April 5, 1937, in New York City, New York.

-END-

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 7/5

NOTE FOR: Howard Paster

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

Information ☐

Action ☑

Thank you.

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

cc: Tony Lake

THE PRESIDENT HAS SEEN 7/4

THE WHITE HOUSE

WASHINGTON

4963

July 2, 1993 '93 JUL 2 P10:46

Sue Do thanks
to everyone who worked good

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: Congressional Reaction to Your Statement on Vietnam Policy

The reaction from the Hill to your statement today on Vietnam was very positive. In addition to the letter signed by 19 Members of Congress, the following Members released individual statements or letters in support of your decision on Vietnam:

Representative Lee Hamilton, D-Indiana
Senator John Kerry, D-Massachusetts
Senator John McCain, R-Arizona
Representative Pete Peterson, D-Florida
Representative Wayne Gilchrest, R-Maryland

Representative Peterson also will be going on radio this evening to endorse your announcement. Senator Kerry also is willing to appear on radio and/or television programs tonight and tomorrow. So far, there has been no visible reaction from the families.

We have invited Ann Mills Griffiths to accompany the delegation but she has not yet responded.

Attachment
Tab A Letters and statements from Members of Congress

cc: Vice President
Chief of Staff
David Gergen

George
Dee Dee

Congress of the United States

FOR IMMEDIATE RELEASE: Friday, July 2, 1993

VIETNAM-ERA MEMBERS IN CONGRESS SUPPORT PRESIDENT'S DECISION TO APPROVE MULTINATIONAL LENDING TO VIETNAM

Members of Congress who are Vietnam-era veterans support President's Clinton decision to withdraw opposition to internationál loans to Vietnam.

A letter sent to the President this week by a bi-partisan group of House and Senate members recommended he take this step. The letter said further progress and cooperation on the POW-MIA issue was in jeopardy if the U.S. did not make a gesture to acknowledge the contributions of the Vietnamese.

The lawmakers said allowing Vietnam to reschedule its debt at the upcoming meeting of the IMF would be a strong signal that the United States recognizes Vietnam's efforts.

They said delaying action on the IMF issue would send out the wrong signal to the Vietnamese that the U.S. is not serious about advancing the process now in place between the two countries.

"We believe that (allowing Vietnam to reschedule its debt) is the next logical step in our efforts to get a full accounting of our missing servicemen in Southeast Asia," the letter stated.

Attached is a copy of the letter and a list of signees:

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

July 1, 1993

President Bill Clinton
The White House
1600 Pennsylvania Ave N.W.
Washington, DC 20500

Dear Mr. President:

We are Vietnam-era veterans in Congress who are deeply concerned over your upcoming decision regarding the Vietnamese government's debt to the International Monetary Fund (IMF). We believe that this could be the most critical decision our government makes in our efforts to resolve the POW/MIA issue and we encourage you to make a timely decision to allow the Vietnamese to reschedule their debt.

On June 2, a bipartisan delegation of Senators, Representatives and members of national veterans organizations, led by Senator John Kerry, returned from a trip to Vietnam in which they sought answers to questions surrounding the POW/MIA issue. During their stay, the delegation met with our personnel with the Joint Task Force - Full Accounting (JTF-FA) and high-level officials from the Vietnamese government. After two days of intense discussion and meetings, the delegation came to the conclusion that there is now a country-to-country process in place that is making significant progress on many of our unresolved POW/MIA cases. We concur with this conclusion.

Yet, we believe that this process, and the cooperation and progress it represents, is in jeopardy if our nation does not make a gesture to acknowledge the contributions of the Vietnamese. If Vietnam is not given a signal by our government that it recognizes the significant contributions it is making, it may very well discontinue its efforts. The Vietnamese believe that they are cooperating with our requests to review documents, interview Vietnamese citizens and search the countryside. This is also the belief of our people on the ground in Vietnam. Major General Needham, Commander of the JTF-FA in Vietnam, and a decorated Vietnam veteran, emphasized his belief to the Kerry delegation that our nation needs to send a signal to the Vietnamese.

We believe that allowing Vietnam to reschedule its debt at the upcoming meeting of the IMF would be a strong signal that the United States recognizes Vietnam's efforts. Japan and France have indicated their willingness to assist the Vietnamese in paying their debt, yet both countries have withheld their support at the request of the United States. Our aquiescence to the French and Japanese proposal would allow this repayment to go through. And we should make this decision as swiftly as possible. We believe that any effort to delay action on this matter would be a strong signal to the Vietnamese that we are not serious about advancing the process now in place between our two countries.

There is much at stake with this decision. At risk is the only process we now have to give the families of our POW/MIAs any answers on the fate of their loved ones. While we do not advocate normalization at this time, we believe that we must acknowledge Vietnam's efforts in order to keep the country-to-country process alive and maintain positive incentives to encourage continued cooperation.

We believe that this is the next logical step in our efforts to get a full accounting of our missing servicemen in Southeast Asia. We hope that you will consider this as you review the debt restructuring issue.

Sincerely,

JOHN F. KERRY
U.S. Senate

JOHN MCCAIN
U.S. Senate

Jim McDermott

Jack Reed

Mike Kreidler

DOUGLAS "PETE" PETERSON
Member of Congress

DAVID E. BONIOR
Member of Congress

LANE EVANS
Member of Congress

JIM KOLBE
Member of Congress

DAVID SKAGGS
Member of Congress

LARRY LAROCCO
Member of Congress

Wayne T. Gilchrest

Bobby L. Rush

H Martin Lancaster

Chris Dodd

Sonny Montgomery
G.V. (SONNY) MONTGOMERY
Member of Congress

Paul McHale

Chuck Robb

For Immediate Release
Contact: Christopher Madison 225-4598

Hamilton Lauds Clinton Policy on Vietnam

Washington 7/2 – Rep. Lee H. Hamilton, D-Ind., chairman of the Committee on Foreign Affairs, today released the following statement on President Clinton's policy announcement on Vietnam:

"I strongly support the President's decision to allow new international lending for Vietnam and to send high-level officials to Hanoi to discuss the issues which still divide our two countries. I hope that progress in accounting for U.S. Prisoners of War and Missing in Action will enable the President to let the U.S. embargo of Vietnam expire in September.

"The United States has several interests in Vietnam. The first is to secure the fullest possible accounting of our POWs and MIAs. The second is to bring about a constructive Vietnamese role in Southeast Asia, particularly in Cambodia. The third is to ensure that U.S. business can compete fairly in a market that has great, long-term potential for U.S. exports. The fourth is to promote human rights and political pluralism.

"The time has come to pursue our multiple interests in Vietnam through engagement and an enhanced presence in the country.

"Vietnam has complied with its obligations under the Paris Agreement on Cambodia, which has helped lay a foundation for peace in that troubled country. Vietnam has also cooperated with the United States in resolving a number of POW/MIA cases since 1991, providing access to documents, crash sites, and other sources of information.

"The action that the President has taken today is a significant step toward the normalization of U.S.-Vietnamese relations. The President's decision enhances U.S. political and economic interests, and provides Hanoi with incentive to cooperate further on POW/MIAs. The President has displayed both political courage and a clear understanding of the national interest. I urge support for his initiative."

##

Release 93-22

JOHN KERRY
MASSACHUSETTS

United States Senate

WASHINGTON, DC 20510

FOR IMMEDIATE RELEASE July 2, 1993

Kerry Issues Statement On President's Vietnam Announcement

CONTACT: Larry Carpman
202-224-2742

Sen. John Kerry today issued the following statement in reaction to the President's announcement on Vietnam:

"I think the President needs to act in the national interest of the United States of America, and the first interest we have is to guarantee the fullest possible accounting.

"I personally believe that by moving on the loans, the President greatly enhances our ability to get answers for our families. It is a good decision for the families and for the country, because it will facilitate the process of accountability of the MIA/POW issue.

"We have seen some very specific results on the POW/MIA accounting issue. We have gone from 196 cases where we knew nothing of what happened to our soldiers down to less than 92, where we now know the fate of what happened to those people. I personally have visited Vietnamese prisons, I've been in camps, I've been in their military headquarters, we've had interviews with their top military people, we've had access to their top prison people, we have countless documents we've received.

"No one can say those aren't results. Now for some people they may not get the result they personally want, and we all feel that agony. But the fact is, Vietnam is working side-by-side with our troops, in the field--in great danger, in many cases, where there is unexploded ordnance. And they are producing results.

"I believe Vietnam is doing an enormous amount to cooperate with us under the circumstances. Is there more to be done? Yes, there is more to be done. But, this action today will help facilitate our ability to do the 'more.' The President's action will help us move the accountability process. He is acting in the national interest, and I commend him for it. I think it is the right thing to do for the POWs and MIAs. It's the right thing to do, keeping faith with the people who fought with us and helped us in Vietnam. It's the right thing to do for our interest in the region strategically. It's the right thing for us to do in terms of our world leadership."

News from
John McCain
U.S. Senator • Arizona

Contact: Scott Celley
(202) 224-2235
TDD: (202) 224-7132

FOR IMMEDIATE RELEASE:
Friday, July 2, 1993

McCAIN ANNOUNCES SUPPORT FOR CLINTON MOVE ON VIETNAM

(Washington, D.C.) -- Senator John McCain announced today his support for President Clinton's decision to allow Vietnam to resolve its outstanding debts to the International Monetary Fund. "This limited move," McCain observed, "is necessary to ensure that the accounting process for our POW/MIAs, which has been working very well lately, continues. I believe that progress in relations with Vietnam are in our national security interest."

Senator McCain recently returned from a Memorial Day trip to Vietnam. "During that trip I discussed in detail with Joint Task Force -- Full Accounting (JTF-FA) personnel the level of Vietnam's cooperation," McCain said. "Every American serviceman involved in the last two joint investigations in Vietnam reported complete Vietnamese cooperation in all facets of the investigations. Both General John Vessey, the President's Emissary to Vietnam for POW/MIA Affairs, and General Tom Needham, the Commander of JTF-FA, assured me that taking this step to encourage continued Vietnamese cooperation was necessary at this time."

Along with the Executive Director of the National League of Families of POW/MIAs, Anne Mills Griffith, Senator McCain was an early supporter of President Bush's "roadmap" policy to reward Vietnamese cooperation on POW/MIAs and a peaceful settlement of the Cambodian conflict with gradual progress toward better relations. "Clearly, Vietnam has met its obligations under the provisions of the roadmap that warrant this particular move forward," McCain said.

Senator McCain concluded by saying that "further progress toward better relations will, of course, depend on continued Vietnamese cooperation. But I believe President Clinton has taken an important step today that will help to hasten the day when we have at last the fullest possible accounting for our POW/MIAs. It is a step fully consistent with the President's commitments to veterans and to the families of our POW/MIAs. I strongly commend him for it."

###

PETE PETERSON
2D DISTRICT, FLORIDA

COMMITTEE
ON
APPROPRIATIONS
SUBCOMMITTEES:
ENERGY AND WATER RESOURCES
AGRICULTURE AND RURAL DEVELOPMENT

Congress of the United States
House of Representatives
Washington, DC 20515-0902

WASHINGTON OFFICE:
426 CANNON BUILDING
WASHINGTON, DC 20515-0902
(202) 225-5235

DISTRICT OFFICES:
930 THOMASVILLE ROAD, SUITE 101
TALLAHASSEE, FL 32303
(904) 561-3979

MARIANNA
(904) 526-7618

LAKE CITY
(904) 752-1088

30 WEST GOVERNMENT STREET
ROOM 203
PANAMA CITY, FL 32401
(904) 785-0812

For Immediate Release
July 2, 1993

Contact: Suzanne Farmer
Phone: 202/225-5235

PETERSON SUPPORTS U.S. POLICY CHANGE TOWARD VIETNAM

WASHINGTON--U.S. Congressman Pete Peterson, D-Marianna, expressed his strong support for President Clinton's announcement that the United States will drop opposition to a Japanese- and French-led proposition to refinance Vietnam's debt to the International Monetary Fund (IMF), allowing Vietnam access to international financing.

Peterson, who has traveled to Vietnam on fact-finding missions with two separate Congressional delegations over the past three years, said, "I applaud the efforts of the President to move to a closer relationship with Vietnam. I am particularly pleased that he has listened to the advice of those of us who have been deeply involved in the POW/MIA issue for many years. I am convinced that the removal of U.S. opposition to IMF loans for Vietnam will enhance efforts for getting the fullest possible accounting of our POW/MIAs."

Peterson also said, "While I support this shift in policy of incremental improvement in our relations with Vietnam, I stop short of recommending normalization of relations between the U.S. and Vietnam at this time."

Congressman
Wayne Gilchrest

MARYLAND'S FIRST DISTRICT (202) 225-5311

July 2, 1993
For Immediate Release

Contact: Maria Kelly
(202) 225-5311

GILCHREST AGREES: Allow Vietnam to restructure its debts to help speed full accounting of American POW/MIAs cases.

WASHINGTON -- Congressman Wayne T. Gilchrest, R-MD, agreed with President Clinton's announcement Friday to lift U.S. opposition to a French-led proposal to refinance Vietnam's $140 million debt to the International Monetary Fund (IMF).

The President announced that the U.S. would no longer object to other nations clearing Vietnam's arrears in the International Monetary Fund. The IMF will meet on July 14, 1993, at which time it is expected the subject of Vietnam's arrears will be taken up.

The President's decision means that Vietnam may proceed to clear its arrears, restructure its $140 million debt, and then apply for additional international financing.

Congressman Gilchrest joined with 18 other Members of the U.S. House of Representatives and U.S. Senators, all Vietnam-era veterans, including Senators John F. Kerry, and John McCain, and Congressmen Pete Peterson (McCain and Peterson were both held as POWs for six years), David Skaggs, and Jim Kolbe, in writing to the President to encourage him to lift U.S. opposition to Vietnam clearing its debts with the IMF.

A bipartisan delegation of Senators, Representatives and members of national veterans organizations, led by Senator John Kerry, travelled to Vietnam in late May to further investigate questions about American POW/MIAs. The delegation met with U.S. personnel with the Joint Task Force- Full Accounting and high level officials from the Vietnamese government.

"The delegation came to the conclusion that a country- to-country process is in place that is making significant progress on many of the unresolved POW/MIA cases. This process is in jeopardy if the U.S. does not make a gesture to acknowledge the contributions of the Vietnamese."

"While we do not advocate normalization at this time" the letter read, "we believe that we must acknowledge Vietnam's efforts in order to keep the country-to-country process alive and maintain positive incentives to encourage continued cooperation. We believe that this is the next logical step in our efforts to get a full accounting of our missing servicemen in Southeast Asia."

The President also announced that he will send a delegation to Vietnam in July to press for further POW/MIA accounting and further progress that will be needed for any further steps in U.S. - Vietnam relations.

Congressman Gilchrest served in the U.S. Marine Corps in Vietnam in a infantry platoon from 1966-67, and received a Purple Heart.

Seattle Times

July 1, 1993

To VP - Fyi

Forests

CONTINUED FROM PAGE 1

owned timberland. If not today, at some time in the future, Clinton was expected to propose removing the so-called "owl circles," replacing them with buffers along rivers and streams that are habitat for various species of salmon.

The forest-management part of the plan bypasses the House and Senate and goes directly to federal Judge William Dwyer in Seattle, who in 1991 halted logging on federal land when he ruled the U.S. Forest Service wasn't managing forests in compliance with environmental laws.

Clinton's decision to seek an administrative solution is a blow to the timber industry and labor groups, which had hoped the forest plan would propose changes in the Endangered Species Act and other environmental laws.

The proposed administrative solution appears to take the decision out of the political arena of Congress and makes it a simple legal [illegible] between the Justice Department and federal courts.

The president announced today, despite pleas from members of Northwest delegations and House Speaker Tom Foley to delay a week or so until more support could be lined up with organized labor.

Congress is not in session this week, and members of the Washington delegation worried about [illegible] go home and defend a plan [illegible] leaked to the press two weeks ago, immediately attacked by environmental groups, the timber industry and labor organizations.

Until details of the plan became public, delegation members were quietly working to resurrect a bill that would override environmental laws, limiting lawsuits by environmental groups and temporarily allowing logging levels of up to 2 billion board feet a year. "A little wiggle room" is how one House member described the proposed c[illegible]

That effort apparently died when a member of the administration leaked the details of Clinton's plan to The Washington Post two weeks ago.

"The instantaneous, negative reaction by the environmental movement drove the timber industry and unions crazy," said Rep. Al Swift, D-Bellingham. "Before the administration ever had a chance to explain what it had done, the plan got laid in concrete. It was terribly, terribly destructive to the process."

A reflection of just how hard a sell it will be could be seen last night in the difficulty the administration was having lining up people to attend today's ceremony.

Normally such occasions are festive events captured forever in photographs of the president posing with the members of the House and Senate who worked on the issue.

On this occasion, though, there weren't a lot of members anxious to be seen with the president. Members of Northwest delegations conferred last night and reportedly had decided, en masse, not to attend..

"What I feel let down about has nothing to do with effort," said one Northwest congressman who asked not to be named. "They put in thousands of hours to come up with a plan that would appease the courts. Keep in mind, under the past administration, the cut was zero.

"But they're not organized ... They should have asked if the ceremony would put us on the spot. Instead they decide something and then consult us."

A reflection of how hard a sell the timber plan will be was the difficulty in lining up people to attend today's ceremony. There weren't a lot of members anxious to be seen with the president.

Perhaps the greatest threat to the president's plan lies in the reaction of such powerful foes as Foley, D-Spokane, who has reportedly been enraged by the administration's intentions.

In an hour-long meeting Monday with Interior Secretary Bruce Babbitt, Foley furiously denounced the plan, and threatened to seek a full-scale revision of the Endangered Species Act. Babbitt emerged looking pale and shaken, according to one source.

Rep. Norm Dicks, D-Bremerton,

Forest plan has few surprises, friends

Members of Congress boycott Clinton ceremony

By Robert T. Nelson and Eric Pryne
Seattle Times staff reporters

President Clinton unveiled his Northwest forest package today in a ceremony most Northwest members of Congress boycotted.

Several said they don't like the plan's contents, its timing or the way they say the administration bungled its release.

Clinton's proposal contained few surprises, however. The shape of the package began to emerge weeks ago, when officials started briefing members of Congress, environmentalists and labor and timber-industry leaders.

None liked it much then. The announcement isn't expected to change that.

The plan calls for:

- An average annual harvest of 1.2 billion board feet of timber from federal forests in Western Washington, Western Oregon and Northern California.

That's less than one-third the volume cut in the late 1980s. Industry officials say it's too little. Environmentalists say it's too much.

- No permanent reserves of old growth off-limits to logging, something environmentalists had sought.
- Ten "adaptive management areas" where government, industry and environmental groups can experiment with "innovative management approaches."
- $270 million for fiscal 1994 and $1.2 billion over five years to aid timber towns and displaced workers.

The plan also will change some of the restrictions designed to protect the northern spotted owl on privately

Please see *Forests* on A 18

The Seattle Times

Thursday, July 1, 1993

Seattle Times July 1, 1993

[illegible] goes beyond Clinton's proposal. He said his goal will be to pass a law that would be largely consistent with the Clinton plan but allow for some expedited logging, most likely salvage and thinning of forests.

He said such a proposal likely would require exemptions from existing environmental laws, something environmentalists have vowed to

---

fight.

Northwest timber workers staged a funeral procession with black coffins in Portland yesterday. On Tuesday, they delivered 70 funeral wreaths to the White House.

Portions of this report were provided by The Associated Press, Los Angeles Times and Gannett News Service.

Both sides fume over Clinton's forest proposal

Michael Doyle and Les Blumenthal
Washington Bureau

WASHINGTON – President Clinton formally un-[illegible]ed a Pacific Northwest forest plan Thursday that [illegible]ld cost 900 Californians their jobs, but that also [illegible]mises new aid and some new business for the [illegible]'s timber-starved mills.

[illegible]y combining a 75 percent cut in timber sales from [illegible]onal forests in Northern California, Oregon and [illegible]hington with a $1.2 billion economic aid pack-[illegible] Clinton's plan adds up to a high-stakes bid for [illegible] in the Northwest.

[illegible]e know that our solutions may not make every-[illegible] happy," Clinton said at a news conference. "In-[illegible]d, they may not make anybody happy."

[illegible]re enough, howls immediately arose from both [illegible]ronmentalists and logging groups. The Sierra [illegible] expressed "profound disappointment," while [illegible] industry announced it was preparing 10 [illegible] to challenge the plan.

[illegible] California Forestry Association said it would [illegible] to have the northern spotted owl removed [illegible] the [illegible] species list.

[illegible] administration now appears determined to

Please see TIMBER, page A18

THE WHITE HOUSE
WASHINGTON

DATE: 7/3/93

TO: BILL GALSTON

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

For your information.

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 93 JUL 1 P5:50

SECRETARY OF THE TREASURY

June 30, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Lloyd Bentsen LmB

SUBJECT: Report on the Student Loan Marketing Association

The Higher Education Act of 1965, as amended, requires the Secretary of the Treasury to report the completion of the annual audit of the Student Loan Marketing Association (Sallie Mae) accounts to the President and to Congress. Sallie Mae is a stockholder-owned corporation created by Congress in 1972 as a secondary market for federally guaranteed student loans.

The attached Sallie Mae Annual Report includes financial statements for the year ended December 31, 1992, and an unqualified opinion by the certified public accounting firm of Ernst & Young. Net income after taxes for the year ended December 31, 1992, amounted to $394 million, compared with $345 million for the year ended December 31, 1991, or an increase of 14 percent. Total assets and total liabilities each showed an increase of 3 percent, to $47 billion and $45 billion, respectively. Sallie Mae's retained earnings at December 31, 1992, amounted to $1.753 billion, up from $1.465 billion at the end of the previous year. Sallie Mae's financial obligations are not obligations of the Federal Government. Sallie Mae, however, receives U.S. Government monies representing insurance proceeds on defaulted student loans. Sallie Mae's average student loan portfolio amounted to $22.941 billion and $20.694 billion for 1992 and 1991, respectively. During 1992, Sallie Mae received claims proceeds totaling $1.02 billion, compared with $1.2 billion the previous year. Thus, insurance proceeds represented 4.5 percent and 5.8 percent of Sallie Mae's average student loan portfolios for 1992 and 1991, respectively. Borrower defaults numbered 319,000 in 1992 and 382,000 in 1991.

The Higher Education Amendments of 1992 established capital requirements for Sallie Mae and gave the U.S. Department of the Treasury authority to monitor Sallie Mae's financial condition. At December 31, 1992, Sallie Mae's capital ratio was 2.53 percent, compared with an established minimum of 2 percent. As required by the Higher Education Act, this report is also being submitted to Congress. Also, a copy is being sent to the Secretary of Education, and to the Student Loan Marketing Association.

Attachment: Sallie Mae Annual Report

Barry Wong, High School Teacher

AS A SECONDARY MARKET,

SALLIE MAE COUNTS ITS BANK CLIENTS

IN THE HUNDREDS, AND ITS SCHOOL

CONSTITUENTS IN THE THOUSANDS —

BUT...

ITS ULTIMATE CUSTOMERS,

EDUCATION LOAN BORROWERS,

NUMBER IN THE MILLIONS.

RM

THE WHITE HOUSE
WASHINGTON

DATE: 7/3/93

TO: CHIEF OF STAFF
DAVID GERGEN
HOWARD PASTER
GEORGE S.

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

The attached has been forwarded to the President.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

July 2, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: OMB Activities

This memorandum summarizes the jobs supplemental approved by the Congress and House action on the abortion issue.

SUPPLEMENTAL ACTION IN THE CONGRESS

This week Congress approved the FY 1993 Supplemental conference report. The measure will be presented to you today for your signature. The following are highlights of the bill.

- o The bill provides $4 billion in new spending authority with $3 billion of rescissions/transfers, resulting in net new spending authority of $1 billion. Of this amount, $.5 billion is for mandatory programs.
- o Defense spending of $1.3 billion was approved, with $974 million of offsets. The rescissions come primarily from intelligence ($272 million), procurement of executive jets and cargo planes ($249 million), and research and development.
- o No funding was approved for Peacekeeping activities.
- o $220 million for summer youth was approved, $50 million of which is earmarked for the Youth Fair Chance Program. The Youth Fair Chance Program funds can be used for individuals up to age 30.
- o $150 million for the Justice Department for hiring additional law enforcement personnel was approved, $50 million below the Administration request. Funds are to be distributed at the discretion of the Attorney General and language limits the use of the funds to hiring law enforcement personnel.
- o $175 million was approved for SBA business loans.

- The conferees restored $225 million for the community investment program ($275 million remaining in FY 1993 was rescinded).

- No funds were approved for EPA Wastewater Treatment grants.

- The White House received $7.9 million. Bill language was approved which requires GAO to review the White House travel office and report to Congress by September 30, 1993.

- $341 million to reduce the Pell grant shortfall was approved.

- Agriculture disaster authority was expanded to include all crops for which claims are made by August 1, 1993. This is expected to result in pressure to release the remaining $100 million in emergency contingency funds and may lead to the need for additional appropriations.

- The House language to provide $36 million in user fees for the FDA was approved, as requested.

- Florida disaster assistance from HUD and USDA of $271 million was approved.

- VA Compensation and Pensions, a mandatory program, was funded at $475 million.

LABOR/HHS/EDUCATION APPROPRIATIONS BILL

The Labor/HHS/Education Appropriations Bill was approved by the House on June 30 by a 305-124 vote, with an amendment restricting funding for abortions for Medicaid recipients to cases involving rape or incest, or where the life of the mother would be endangered if the fetus were carried to term. As you know, our FY 1994 budget proposal deleted the Hyde Amendment, but stated that we would work with the Congress to develop an acceptable resolution to the issue, recognizing that 31 States have laws in place that ban the use of State funds for abortions.

The measure passed Wednesday mirrors the version approved last week by the House Appropriations Committee, which added a rape or incest exception to the life of the mother exception provided by the original Hyde Amendment. Congresswoman Schroeder successfully deleted the Committee's provision on a point of order, and it briefly appeared that the House might approve a bill without Hyde restrictions. Pro-Hyde members were able to defeat a motion to rise, however, enabling Congressman Hyde to offer his amendment. In the end, 98 Democrats and 157 Republicans voted with Congressman Hyde, while 161 Democrats, 16 Republicans, and 1 Independent voted against him.

RECONCILIATION - THE BYRD RULE AND THE CONFERENCE REPORT

As you know, one of our concerns related to the reconciliation conference report is the use of the so-called Byrd rule in the U.S. Senate to knock out our investment proposals, such as immunizations, Empowerment Zones, Family Preservation and Food Stamp expansions. Generally, the Byrd rule becomes a threat if a provision is deemed to be extraneous to deficit reduction.

OMB has formed a task force including Treasury, Health and Human Services and White House staff to review options for protecting our investments. Members of the task force are working to design our legislation to avoid Byrd rule problems.

At this point we are confident that immunization and EITC expansions will not be challenged in the Senate, as they were part of the Senate reconciliation bill that passed last week. We also believe that we have a good chance of designing empowerment zones, Food Stamps, Family Preservation and extended unemployment benefits to avoid the Byrd rule. We will continue working with House and Senate members and Administration staff to ensure the greatest amount possible of our human investments are preserved in the reconciliation conference report.

original ~~back~~
went back to
NSC
7/3/93

—

THE PRESIDENT HAS SEEN 7/2
3635

THE WHITE HOUSE

WASHINGTON

93 JUL 1 P12:46

June 30, 1993

ACTION

Clean to DOO via

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
HOWARD PASTER

SUBJECT: Letter from Senator Feinstein

Purpose

To reply to Senator Dianne Feinstein who urges you to raise with Prime Minister Miyazawa the concept of a Presidio Pacific Center to promote our links to Asia.

Background

The Presidio is being turned over by the Army to the National Park Service, which in turn has solicited applications for use of the Presidio. One application is from a group of San Francisco citizens organized to promote the establishment of a Presidio Pacific Center which would serve as a cultural, business and educational center to promote U.S.-Asian ties. The citizens group is seeking Japanese involvement and support for the project.

Your reply thanks the Senator for her interest, notes the important contribution the center could make, but points out that it would be premature for you to mention the proposal until the National Park Service is further along in the solicitation process.

RECOMMENDATION

That you sign the letter to Senator Feinstein at Tab A.

Attachments
Tab A Letter to Senator Feinstein
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Dianne:

I appreciated receiving your letter in support of the establishment of a Presidio Pacific Center. The vision of an international center designed to anchor the United States in the Pacific is exciting and could offer a unique opportunity to bolster economic and cultural cooperation with our Asian allies.

As you know, the Presidio Pacific Center is only one of the applicants for use of the Presidio. As the Defense Base Closure and Realignment Commission is recommending the U.S. Sixth Army Headquarters remain at the Presidio, I think it would be premature for me to mention the project to Prime Minister Miyazawa. I will, however, keep this very interesting proposal in mind and I wish you the best of luck.

Sincerely,

Bill Clinton

The Honorable Dianne Feinstein
United States Senate
Washington, D.C. 20510

4742

DIANNE FEINSTEIN
CALIFORNIA

COMMITTEE ON APPROPRIATIONS
COMMITTEE ON THE JUDICIARY
COMMITTEE ON RULES AND ADMINISTRATION

United States Senate

WASHINGTON, DC 20510-0504

93 JUN 25 P 1:56

June 21, 1993

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

Dear Mr. President:

I am writing to inform you of my strong support for maintaining the 6th Army Headquarters at the Presidio of San Francisco where it is currently located. The Defense Base Closure and Realignment Commission currently recommends that the 6th Army Headquarters be relocated to the NASA Ames facility at Moffett Field, California.

I have shared my views with the Base Closure Commission, in writing as well as in my most recent testimony before the Commission here in Washington. I have enclosed my letter to Chairman Courter on this issue for your review. In this letter I point out that the move to NASA Ames will cost in the range of \$10-\$17 million, while the operating costs at both locations are estimated to be comparable. Former Secretary of the Army Michael Stone, in his testimony before the Base Closure Commission on April 25 called the plan to move the 6th Army "an economic loser."

The idea for maintaining the 6th Army Headquarters is supported by myself, Secretary Stone, and Representative Nancy Pelosi among others. Perhaps most importantly, the idea has received strong support from the Department of the Interior and the National Park Service who will be the landlords of the Presidio by the end of next year.

As you may know, the Presidio of San Francisco, as mandated by federal law, will be transferred to the National Park Service as a valuable addition to the Golden Gate National Recreation Area. This transfer will not be affected by the Army remaining at the Presidio. It is our hope that this park will soon become an international center for education and research, and many organizations are involved to make this vision a reality. Maintaining the 6th Army Headquarters at the Presidio will provide the Park Service with a valuable tenant, as well as a source of needed revenue, as the Army would likely enter a lease agreement with the Park Service for the buildings it would utilize.

Your support for maintaining the 6th Army Headquarters at the Presidio is important not only for the money it would save, but for the long-term benefits it would provide to the Park

Service. As the base closure process draws to an end, I urge you to give this plan your most serious consideration.

Sincerely,

Dianne Feinstein
United States Senator

DF:msm
Enclosure

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 7/5

NOTE FOR: The Vice President

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 7/4

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

To VP
per our discussion
BC

THE DIRECTOR

July 3, 1993

MEMORANDUM TO THE PRESIDENT

From: Leon E. Panetta

Subject: Disaster Assistance for Farmers in the Upper Midwest - Decision

OMB has reviewed Secretary Espy's July 2nd memorandum to you on proposed USDA actions and funding to address the emergency farm situation in the Upper Midwest due to the recent heavy rains and flooding in that area.

There are five action steps to be considered. OMB concurs in the first three actions described on page 2 of Secretary Espy's memorandum:

1. Take immediate steps within current authorities to assist affected farmers.

2. Release the remaining $100 million in disaster contingency funds. The required release statement is attached for your signature.

3. Sign the enrolled FY 1993 Supplemental Appropriations Act that includes additional disaster payments for 1993 crops. The bill and a proposed signing statement were sent to the White House yesterday.

On the fourth action step, OMB and USDA agree on the objective of providing disaster payments at a coverage level consistent with that received by farmers affected by Hurricane Andrew last year. However, OMB does not concur with the specific proposal outlined by Secretary Espy -- to state the Administration's intent to ask Congress, at this time, for $850 million in additional emergency disaster payments (plus the use of borrowing authority if this level of funding is insufficient).

OMB opposes USDA's proposed appropriations request for several reasons.

First, the request for a specific dollar appropriation is premature. The extent of the damage from the Upper Midwest flooding is not well defined at the present time. Qualified loss estimates range from $300 million to near $1 billion.

Second, the request is too broad. It would cover not only Upper Midwest losses, but also losses nationwide going back to 1990 and any other future 1993 losses. In the Supplemental now before you, Congress extended coverage for these years to nontraditional crop losses, but decided to fund the related disaster payments at a level below the Hurricane Andrew coverage. The USDA proposal would increase that funding.

Third, USDA's original proposal for the Upper Midwest would have authorized immediate, open-ended use of its Commodity Credit Corporation (CCC) borrowing authority from the Treasury to pay this broad range of disaster coverage. OMB is strongly opposed to any immediate, unrestricted reliance on CCC borrowing to pay disaster assistance to farmers. This would substantially increase the uncontrollable nature of the Federal budget and drive the deficit up correspondingly. In fact, in the Supplemental, Congress explicitly withdrew USDA's authority to use its CCC borrowing authority for these cases.

As an alternative to USDA's fourth action step, OMB recommends that you:

4. Reiterate your instructions this week to Secretary Espy to formulate a proposal to Congress for supplemental disaster assistance targeted to the Upper Midwest, which would provide benefits comparable to the Hurricane Andrew coverage. This should be ready for congressional consideration when Congress returns on July 13th.

As a final action step, OMB and USDA concur that you:

5. Direct the Administration to work with Congress over the coming months to reform the existing USDA crop insurance program to make it a workable program that will reduce the need for annual disaster payments. Such a proposal was contained in the April 8th Budget and is under active consideration in Congress.

If you agree with our approach in the five steps outlined above, OMB will begin work immediately with USDA on a targeted disaster assistance package for the Upper Midwest and reform of the crop insurance program.

DECISION:

Agree with OMB approach ________ Other; let's discuss ________

Attachment

Estimate No.______________
103rd Congress, 1st Session

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR

The President

The White House

Submitted for your consideration is a request to make available $100 million in FY 1993 emergency appropriations for the Department of Agriculture. This request, in the form of your transmittal to the Speaker of the House of Representatives, would make available previously appropriated funds to provide assistance to victims of recent natural disasters.

The funds proposed to be made available were appropriated in P.L. 102-368, the FY 1992 Dire Emergency Supplemental Appropriations Act. The Supplemental Appropriations Act of 1993 makes the funds available to producers of 1990, 1991, 1992, and 1993 crops of agricultural commodities for losses of production due to the deterioration of the quality of such commodities caused by natural disasters, as determined by the Commodity Credit Corporation prior to August 1, 1993.

The funds were made available contingent upon the President submitting a budget request to the Congress and designating the amount requested as an emergency requirement. No further Congressional action will be required.

Recent losses sustained from natural disasters, such as those due to heavy rains and flooding in the Midwest, make it necessary to release these disaster assistance funds at this time. I recommend that you designate this release as an emergency requirement in accordance with applicable provisions of the Budget Enforcement Act. Therefore, I join the Secretary of Agriculture in recommending that you make the funds requested available by signing the enclosed letter to the Speaker of the House of Representatives.

Sincerely,

Leon E. Panetta
Director

THE SECRETARY OF AGRICULTURE
WASHINGTON, D.C.
20250-0100

July 2, 1993

MEMORANDUM TO THE PRESIDENT

FROM: Mike Espy ME

SUBJECT: Disaster Assistance for Farmers in the Upper Midwest

As you instructed, we are moving aggressively to bring relief to farmers and rural residents in the Upper Midwest who are suffering from the damages caused by heavy rains and flooding throughout that area. As you know, it is a devastating situation. Fields are flooded. Many farmers have been prevented from planting their crops and their prospects for doing so in the foreseeable future are limited or nonexistent. Losses to the agricultural sector could exceed $1 billion, and there could be a substantial risk of farmers going out of business unless significant Federal assistance is provided.

I am prepared today to announce a series of actions which USDA, at your direction, can take within its current legal authorities to adapt USDA programs to the urgency of this situation. A listing of these actions is attached. In addition, I have identified the details of further actions that you could announce in Iowa on Sunday, July 4. This includes action to make available immediate funds as well as work to secure additional funds to meet the needs of farmers for disaster payments. There is $100 million available subject to your release, and we recommend your immediate action to release those funds.

However, additional funds and authorities will also be required. The Supplemental Appropriations Bill, which has passed the Congress and will be presented to you shortly for signature, expands the availability of disaster payments. The bill covers 1993 crop losses through August 1, 1993. This date is a problem because the logistics involved in estimating losses and running an orderly claims process by that date, given the current conditions on the ground, would be extremely difficult. Furthermore, it is also possible that there will be subsequent disasters affecting 1993 crops where it will be necessary to provide such assistance. Without the removal of the August 1, 1993 date, we may be unable to fully assist the farmers in the Midwestern flood disaster as well as respond to future crop disasters in 1993. We therefore recommend that you ask the Congress to repeal this deadline.

Another problem with the Supplemental Appropriations Bill is that it repeals our authority to use the funds of the Commodity Credit Corporation to make disaster payments. The Congress is repealing this authority because, under current rules, the use of this authority would be "scored" against the budget. Clearly, additional funding will be needed to assist in this emergency. I, therefore, recommend that you ask the Congress to provide up to $850 million, of which $100 million would be available only upon a Presidential request, and that our authority to use the funds of the Commodity Credit Corporation be restored to ensure that we will be able to provide disaster assistance at the same 50 percent coverage level that we provided during Hurricane Andrew and other recent disasters. This would make it possible for the Congress to move quickly on this matter.

If you agree with these recommendations, I have attached a proposed letter to the Congress and the necessary legal language.

In summary, on your trip to Iowa, you would be in a position to:

1. State that you are taking immediate steps within our current authorities to address this problem and assist farmers in this disaster.

2. Announce the release of the remaining $100 million in disaster funds.

3. Announce that you will immediately sign, upon receipt, the Supplemental Appropriations Bill which includes provisions to provide disaster payments for 1993 crops.

4. Announce that you are asking the Congress, on an emergency basis, to authorize additional funding so that these producers will receive the same benefits as those affected by Hurricane Andrew and other major disasters during the past year, and to eliminate the August 1 deadline so that the relief effort can proceed in an orderly way.

Attachments

ASCS FARM PROGRAM CHANGES

- **Waiver of Minimum Size and Width Requirements.** Producers will be permitted to designate small wet acres (minimum size .1 acre) as acreage conservation reserve (ACR) or conserving use (CU) acres. Currently, the minimum size is 5 acres. This will increase a producer's flexibility in dealing with the abnormal weather conditions.

- **Availability of 0/92 Program.** Availability of 0/92 program for farmers who have enrolled in the program that have been prevented from planting or have failed acres are eligible to participate in the 0/92 program. Producers will have until July 31 to select this program option.

- **Extend Time for Requesting Prevented Planted Credit.** The prevented planting deadline will be extended. Producers will therefore have until July 31 to file a request for prevented planted credit. This action will provide farmers with additional time to make such a request.

- **Extend Crop Reporting Dates.** The reporting dates for spring seeded crops is being extended to July 31 in States affected by the unprecedented adverse weather conditions. The window of opportunity for producers to make program choices, such as the 0/92 program, is extended with this action.

- **Refund of Advanced Deficiency Payments.** When producers are prevented from planting corn and opt out of the program to plant soybeans, any advanced deficiency payments will be due. Affected producers will be allowed to refund the unearned payments within 30 days or arrangements can be made to repay in installments at the lowest allowable interest rates. This action provides repayment under reasonable terms. Waiver of the refund of these advance deficiency payments is prohibited by law.

- **Coordinated Services.** I have directed the Federal farm service agencies to coordinate their activities in this effort to expedite service to producers.

FMHA DISASTER ASSISTANCE

Farmer Programs

- FmHA will be making available emergency loans for physical losses to pay for replacement of buildings, equipment, livestock and supplies lost, to the extent that insurance proceeds will not cover the loss. Current loan terms are 4.5 percent interest with up to a 40-year repayment period.

- Emergency loans will be made available and can be made for production losses to cover a shortfall in income, due to reductions in production as a result of the disaster. Loan funds can be used to pay creditors, buy feed and pay operating and family living expenses. To qualify, an individual must have at least a 30 percent loss on 1 crop or livestock enterprise. The loan amount will be 80 percent of the loss amount with terms of 4½ percent interest, up to 20 years.

- FmHA will provide loan guarantees, with up to a 4 percent interest subsidy, can be made for operating and real estate purposes (purchase or refinance feed, seed, fertilizer, livestock, supplies, etc.). Terms are negotiated with the lender.

- FmHA will also make available direct operating and real estate loans to farmers at regular or limited resource rates.

- Loans which cannot be repaid may be restructured at limited resource rates and maximum terms. If necessary, up to $300,000 of FmHA debt can be written off to create a positive cash flow for the farmer. Payments may be deferred up to 5 years.

- FmHA is prepared to waive various administrative requirements in disaster areas in order to facilitate and streamline loan processing. FmHA will work closely and coordinate with other Federal agencies in providing these Federal resources.

Rural Housing

- FmHA will authorize a moratorium on FmHA housing loan payments to assist borrowers whose homes or employment have been impacted in disaster area.

- FmHA will authorize use of single family housing inventory property to be made available to displaced families on a short-term basis.

- FmHA will make available vacant 515 multi-family units to displaced families on a short-term basis.

- Reserve loan funds in the amount of $2 million for those borrowers who are not covered by insurance, FEMA or SBA will be made available.

Community and Business Assistance

- Program authorizations can be utilized in Presidentially declared natural disaster situations. Under these authorizations, the Rural Development Administration (RDA) could provide loan and grant assistance for water and waste disposal systems and business and industry purposes. These authorities are limited to the repair and rehabilitation of actual uninsured losses not covered by assistance from FEMA.

- Community and business assistance under RDA's on-going programs may also be provided in disaster areas.

Honorable Thomas S. Foley
Speaker of the House of
  Representatives
The Capitol, Room H-204
Washington, D.C. 20515

Dear Mr. Speaker:

I am writing to request your urgent consideration of emergency disaster legislation to assist farmers who have or will suffer crop losses due to flooding and other adverse weather conditions during 1993. Both Secretary Espy and I have traveled to the Midwest to see first hand the devastation caused by the rains and flooding to this major agricultural producing area. Many farmers have been prevented from planting their crops, particularly corn and soybeans. Losses of income in the agricultural sector could exceed $1.0 billion and there could be a substantial risk of farmers going out of business unless additional Federal assistance is provided through the legislation I am proposing.

We are exerting maximum efforts using existing authorities to assist farmers and others affected by these adverse weather conditions. We will be making emergency shelter available, providing low interest loans, restructuring existing loans that cannot be repaid, and expediting Federal emergency assistance programs and procedures. We will also immediately implement the 1993 supplemental appropriations legislation that the Congress passed on July 1, 1993, to make use of any remaining funds from previous disaster appropriations and apply those funds to eligible 1993 crop losses and the other losses specified in the legislation. Currently, about $300 million remain available for these purposes. In addition to these funds, I am also releasing $100 million in emergency disaster funds provided under P.L. 102-368 subject to an official budget request and designation of the amount as an emergency requirement. While these funds will provide some immediate relief to farmers, only a very small percentage of their claims for losses will be covered. To bring this percentage of coverage up to a level of 50 percent of eligible claims, I am proposing legislation to amend the pending enacted 1993 Supplemental Appropriations Act to provide an additional $850 million, of which $100 million would be available only upon a Presidential request, and that our authority to use the funds of the Commodity Credit Corporation be restored. This level of disaster coverage would be consistent with coverage provided for 1990, 1991, and 1992 crop losses.

I hereby designate this request an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

Your prompt action on this legislation will be greatly appreciated. A similar letter has been sent to the President of the Senate.

Sincerely,

William J. Clinton

Honorable Albert Gore, Jr.
President of the Senate
The Capitol, Room S 212
Washington, D.C. 20510

Dear Mr. President:

I am writing to request your urgent consideration of emergency disaster legislation to assist farmers who have or will suffer crop losses due to flooding and other adverse weather conditions during 1993. Both Secretary Espy and I have traveled to the Midwest to see first hand the devastation caused by the rains and flooding to this major agricultural producing area. Many farmers have been prevented from planting their crops, particularly corn and soybeans. Losses of income in the agricultural sector could exceed \$1.0 billion and there could be a substantial risk of farmers going out of business unless additional Federal assistance is provided through the legislation I am proposing.

We are exerting maximum efforts using existing authorities to assist farmers and others affected by these adverse weather conditions. We will be making emergency shelter available, providing low interest loans, restructuring existing loans that cannot be repaid, and expediting Federal emergency assistance programs and procedures. We will also immediately implement the 1993 supplemental appropriations legislation that the Congress passed on July 1, 1993, to make use of any remaining funds from previous disaster appropriations and apply those funds to eligible 1993 crop losses and the other losses specified in the legislation. Currently, about \$300 million remain available for these purposes. In addition to these funds, I am also releasing \$100 million in emergency disaster funds provided under P.L. 102-368 subject to an official budget request and designation of the amount as an emergency requirement. While these funds will provide some immediate relief to farmers, only a very small percentage of their claims for losses will be covered. To bring this percentage of coverage up to a level of 50 percent of eligible claims, I am proposing legislation to amend the pending enacted 1993 Supplemental Appropriations Act to provide an additional \$850 million, of which \$100 million would be available only upon a Presidential request, and that our authority to use the funds of the Commodity Credit Corporation be restored. This level of disaster coverage would be consistent with coverage provided for 1990, 1991, and 1992 crop losses.

I hereby designate this request an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

Your prompt action on this legislation will be greatly appreciated. A similar letter has been sent to the Speaker of the House.

Sincerely,

William J. Clinton

Amendment to H.R. 2118
A Bill Making Supplemental
Appropriations for the Fiscal Year
ending September 30, 1993

Chapter 1 of H.R. 2118 is amended under the heading "Commodity Credit Corporation" by--

(1) deleting in the introductory text "prior to August 1, 1993, and for which the Secretary has received claims by August 1, 1993";

(2) deleting in the first proviso "which occurred prior to August 1, 1993, and for which the Secretary has received claims by August 1, 1993"; and

(3) deleting the seventh proviso and inserting in lieu thereof the following:

> ": Provided further, That an additional $850 million is appropriated for the "Commodity Credit Corporation Fund" to cover such crop losses associated with natural disasters, of which $100 million shall be available only to the extent an official budget request, for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, is transmitted by the President to the Congress, to remain available until expended: Provided further, That if the total amount of funds made available under this Act is insufficient to result in payment to affected producers at the same proportionate rate used in making payments under Public Law 102-229 and Public Law 102-368, the Secretary of Agriculture may use such funds of the Commodity Credit Corporation, to remain available until expended, as are necessary to make payments, to the maximum extent practicable, at the same proportionate rate: Provided further, That Congress hereby designates the entire amount provided herein as an emergency requirement for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985:".

chron

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 7/5

[redacted]

NOTE FOR: Harold Pastor, Marcia Hale

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

Information ☐

Action ☑

see note on back

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 7/4

M E M O R A N D U M

To: THE PRESIDENT

From: Nancy Hernreich

Date: July 1, 1993

Re: 3 ITEMS

It is fine with HRC to invite David to dinner tomorrow night but Ann Stock says you are 11 people over right now for the movie following the dinner and he would have to sit on the floor. She said it might be better to invite him another time.

Cong. Mfume's office called to let you know that the Cong. was not happy that Congressional Relations called him to find out the nature of his call. He just wanted you to know that.

Also you asked Alexis about George Ishiyama being invited to today's lunch. He was invited but could not come because he is in Japan. Also Maria says that if you have a private dinner with Mr. Iue while in Japan, you must include Mr. Ishiyama as well.

If there is any way, you should call Mfume tonight. He is ready to be conciliatory — according to Alexis —

WH / Housing

Black Caucus wants a meeting as soon as I get back —

R

Chron

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 8/5

NOTE FOR: Ann Walker, Marcia Hale

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

Information ☐

Action ☑

[redacted]

Thank you.

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

[redacted]

cc:

THE PRESIDENT HAS SEEN 7/4

THE WHITE HOUSE

WASHINGTON

93 JUL 2 P2:13

[illegible]
See Pres notes

(1) Set up Ray family visit
(2) try to [illegible] Quelin get [illegible]
(3) review all H Goberts to personally
(4) get higher Murphy's bill to sign [illegible]
[illegible]

July 2, 1993

MEMORANDUM TO THE PRESIDENT

FROM: Ann Walker

RE: Faces of Hope Update

Overview: The following is an updated report on the participants of Faces of Hope. This information was gathered from letters written to you and Mrs. Clinton by the Faces of Hope, questionnaire responses and telephone conversations with Susan Hazard. Ms. Hazard, a volunteer, helped to coordinate the Faces of Hope activities during Inaugural Week and has agreed to be our White House Liaison with the Faces of Hope. She will do this on an as needed basis working closely with me to ensure that we are kept abreast of developments within this group.

The above-mentioned questionnaire was sent to all Faces of Hope participants by Patricia Wetzel, a fellow Faces of Hope participant, as a means to maintain contact and in an effort to establish a Faces of Hope newsletter.

Rhyan Sollace family
Phoenix, Arizona

- Rhyan Sollace, aged 10, originally wrote you explaining his family's economic difficulties.
- The father, Mike Sollace, calls the White House regularly to provide us with "feedback" on administration policy.
- The Sollace family has again run into economic difficulty due to unforeseen payment of back taxes.

Charles Hampton
Marmaduke, Arkansas

- Charles Hampton, a Vietnam vet, sent you his Bronze Star Medal during the campaign.
- Hampton is currently touring schools in Arkansas, speaking on the issues of drugs and education. He reports that since his trip to Washington for the Inauguration, "a positive change has come over him" and he shares his experiences with school children in the hope they will continue their education and stay off drugs.
- Explanation of CLINTON - <u>C</u>aring <u>L</u>oving <u>I</u>ndividual <u>N</u>ow <u>T</u>akes <u>O</u>ver <u>N</u>ation

Leon Gullette
Los Angeles, California

- Leon Gullette works with Charles Rachal (FOH) at South Central Los Angeles Youth and Community Services, which targets "at risk youth" in the inner city.

Charles Rachal
Los Angeles, California

- Charles Rachal is co-founder with Leon Gullette of South Central Los Angeles Youth and Community Services.
- Rachal is making a "video diary" of his life as a former gang-member in South Central Los Angeles for the BBC.

Jim Miller
Fort Collins, Colorado

- Jim Miller discovered a bomb in his high school gymnasium before Al Gore was scheduled to speak at a rally.
- He graduated from high school in May and has joined the Navy. He began basic training in June.

Clifford and Louise Ray and family
Orlando, Florida

- The oldest son, Ricky Ray, a hemophiliac died of AIDS last December. The Ray family continues their advocacy for additional AIDS research.
- Their second son, Robert, has recently gone from HIV to AIDS.
- The Rays have also lobbied the Florida state government for a bill to help hemophiliacs, named in Ricky's honor.
- Mrs. Ray is considering a run for public office in Florida.

Do this

- Special Request - The Ray children want to come to the White House to meet with you and Mrs. Clinton. They are in Washington frequently because they are enrolled in the NIH AIDS Program.

Michelle Miller
Atlanta, Georgia

- You helped to complete the construction of Michelle Miller's house while working on a Habitat for Humanity project.
- Miller, a single mother, is presently working at NationsBank and is a strong proponent of quality child care and welfare reform, such as the PEACH Program, in which she is a participant.

Ollie McLemore
Chicago, Illinois

- She is still the Principal of Beasley Academic Magnet Elementary School, where you held a kid's town meeting. McLemore has offered to work with or advise any task force addressing educational issues.
- Sent you a photo of herself and husband, Nelson, with you.

John Baldwin
Shreveport, Louisiana

- Mrs. Clinton visited John Baldwin's school before the Louisiana primary.
- Baldwin is still Principal of the Hamilton Terrace Adult Learning Center, which focuses on high school drop-outs or "throw-outs," many of whom are welfare recipients.
- Baldwin is a strong advocate of welfare reform and has several suggestions on welfare and educational activities.

Michael Quercio
Worcester, Massachusetts

- You met with Quercio in Boston and ran with him here in Washington. You also spoke with him about his AIDS/HIV health and safety education plan for grades 9-12.
- Quercio, who is HIV positive, contacted Sue Hazard on June 24th to say that his condition has worsened.
- Quercio is trying to enroll in the NIH AIDS Program with the help of Louise Ray (FOH).
- Quercio lost his teaching job at Worcester Academy due to a conflict with the school director over the appropriate methods of teaching AIDS awareness.
- He regrets that he was unable to see you during your last visit to Boston, but looks forward to seeing you again soon.
- Special Request - He asks for any assistance you can offer with helping him get enrolled in the NIH program and would appreciate a telephone call from you, since he missed you in Boston.

Marjorie Bear Don't Walk
Billings, Montana

- Met Mrs. Gore while visiting a mental health center and homeless shelter in Billings.
- Continues to serve on the Indian Health Board and is a strong advocate of Native American issues, particularly adequate health care.

Ronald Patrick Murphy
Las Vegas, Nevada

- Ronald Patrick Murphy is a disabled Vietnam veteran you met during a Las Vegas rally when he presented you with his Vietnam Service Medal.
- Murphy is still engaged in a battle with the US Army and the Veterans Administration over the issue of his diagnosis as paranoid schizophrenic after speaking out against the war. Murphy contends, and medical tests support, that he suffers from Post Traumatic Stress Disorder. A change in this diagnosis would allow Murphy to receive a higher disability payment.
- Sent several local news clippings on his participation as a Face of Hope.

Msgr. William Linder
Newark, New Jersey

- Mrs. Clinton met Linder while in Newark and discussed programs for teenage mothers.
- Linder is still Director of Babyland Nursery a day care, job training and educational center for teenagers.

Elda Villamil
Jackson Heights, New York

- Met Mrs. Gore at the National Association for the Mentally Ill Convention. Her son suffers from schizophrenia.
- Villamil is still advocating the rights of the mentally ill, speaking at the National Association for the Mentally Ill Convention and the National Alliance for the Mentally Ill.
- Villamil is also a real estate broker and is involved in the New York State Office of Mental Health's efforts to develop housing for the mentally ill who are homeless.
- Villamil's son is in poor health. He has developed Agranulocytosis, a blood disorder.

Danny Kronenfeld
New York, New York

- Kronenfeld is the Director of the Henry Street Settlement on the East side of Manhattan, which operates three homeless shelters and provides community outreach programs, child care and after school activities.
- Kronenfeld co-sponsored, along with Maria Kostas-Weber (FOH) and Teann Scoggins (FOH), a petition drive addressed to Sen. Bob Dole calling for him to stop attacking your budget proposal.

Peter J. Madonia
Bronx, New York

- Mrs. Clinton met Madonia, who runs a third generation family-owned bakery in the Bronx.
- Offers his assistance as a sounding board representing small business on health care issues.

Dimitrios Theofanis
Flushing, New York

- A waiter at the New York Sheraton Centre, he met you in 1992 and stated that in the U.S., his "children are not free."
- His wife is a secretary at a magnet school for the arts and invites you and Mrs. Clinton to visit the school.

Leslie McDonaugh Williams
Hillsborough, North Carolina

- Williams, a single mother discussed family and medical leave with Gore during a campaign stop in Durham. She is a nurse at the UNC Hospitals in Chapel Hill and part of an AIDS Care Team that provides emotional support and companionship to AIDS patients.
- Williams also helped set up a volunteer program at Democratic Party Headquarters in Raleigh and spoke to a Democrats Club about her experiences with the campaign during the past few months since the Inauguration.

Maria Kostas-Weber
Cleveland Heights, Ohio

- Kostas-Weber was forced to quit her job in order to qualify for Medicaid so that she could care for her daughter, Sarah, who suffers from cerebral palsy, liver disease and other serious ailments. You saw them on your recent visit to Cleveland.
- The Plain Dealer recently published a Letter to the Editor, authored by Kostas-Weber, defending your proposed BTU tax and the overall economic plan.
- Kostas-Weber has also sponsored a petition drive targeting Sen. Bob Dole in order to send him a clear message that the American people will not tolerate the obstacles he is putting in the way of your economic plan. Over 1000 signatures have been gathered.
- Sarah's health is deteriorating.

Lisa, Ken and Ken, Jr. Crawford
Harrison, Ohio

- Gore met the Crawfords at a rally they helped organize.
- Lisa Crawford maintains her position as President of FRESH, Inc. (the **F**ernalt **R**esidents for **E**nvironmental **S**afety and **H**ealth). This organization that helped to close the Fernalt Nuclear Weapons Facility, is now working on the facility clean-up.

Frank Henderson
Pleasant Hill, Oregon

- You met with Henderson during a meeting with timber workers and discussed economic and environmental issues.
- Henderson was retrained at the Dislocated Workers Program after losing his job in the timber industry and now runs his own family business.
- Glenna, Frank's wife, is now out of school and is currently working.

Teann Scoggins
York, Pennsylvania

- Mrs. Gore met Teann Scoggins when the Clinton/Gore campaign opened its local headquarters.
- Scoggins is an advocate of children's issues and has spent a great deal of time lobbying support for your economic plan.
- She is one of the co-sponsors of the petition drive.
- Scoggins has also sent out flyers urging people who support your economic plan to call their Congressmen.
- Joel Rosenblatt, Teann's husband, is still unemployed.

Benjamin Edwards
Philadelphia, Pennsylvania

- Benjamin Edwards, the homeless man you spoke with concerning the lack of job opportunities, lost his position as a custodian with Shellville Services, a job received from a participant in the Economic Conference in Little Rock.
- United Ministries For All People Church, wrote recently to say they want to "adopt" Edwards and help him get back on the road to recovery. They stress that it is not enough to provide only a job, but homeless people also need support in terms of counseling and training.

J.E. Paisley
Pittsburgh, Pennsylvania

- J.E. Paisley worked full-time on the your campaign in Pittsburgh and met Al Gore during an October rally.
- Paisley, a stroke survivor, is presently working with such organizations as the National Stroke Association, the Stroke Survivors Connection and the United Way.
- Paisley recently spoke at the Pennsylvania State-Wide Consortium on Health Care issues and is expected to speak before the House and the Senate on health care.

Bill Brierton
Bloomfield, Pennsylvania

- You met Bill Brierton during a visit to Allegheny Community College.
- Brierton was laid-off from Teledyne Columbia Steel after 24 years of employment. He has been unable to find steady employment for the past two years.

Ricky Mullins
Parsons, Tennessee

- You and Al Gore met Ricky Mullins and other former employees of Decatur Sportswear in October during a campaign stop.
- Mullins was laid-off from Decatur Sportswear when it opened manufacturing in El Salvador, and is still currently unemployed.
- Mullins has been speaking at various events in Tennessee and has on several occasions requested talking points from us. He recently spoke in support of NAFTA.

Rosa Lovelace
El Paso, Texas

- Rosa Lovelace scheduled a student town hall meeting at her school, which was hosted by Al Gore.
- Lovelace is still an elementary school Vice Principal. She also teaches GED preparation courses for men and women who are on probation and are required to obtain a high school diploma.

Judge Fortunato Benavides
Austin, Texas

- Judge Benavides met with you on several occasions.
- Judge Benavides works to help "at risk youth" get on the right track. He recently sponsored a program to address the problems of this group.
- Judge Benavides participated in the filming of a documentary on a program that sets up volunteer mentors for children and their parents.

Dr. Patricia Wetzel
Arlington, Texas

- Met you at a town hall meeting in Dallas. She contracted the AIDS virus from an accidental needle prick and has become an active provider of care for AIDS patients.
- Sent out questionnaire to Faces of Hope participants in an effort to establish a Faces of Hope newsletter. It is in the planning phase now.

Sherry Kohlenberg
Richmond, Virginia

- Sherry Kohlenberg, along with her husband, Larry, and her son, Sammy, met with you Wednesday, June 23rd.

Jaimie Hogan
Strum, Wisconsin

- Jaimie Hogan met with you in Osseo at a stop during your bus rally. Mrs. Hogan, uses a respirator and waited in the rain to see you.
- Jacques Hogan, Jaimie's husband, is currently the Employment and Training Director at Western Dairyland, a community action agency serving disadvantaged youth and adults. Mr. Hogan also sits on the advisory boards of two organizations that deal with health care for families of children with special medical needs.

Updates on the following Faces of Hope are still being researched and compiled. We will provide you with a report as soon as possible.

Wilma Pollnow
Little Rock, Arkansas

Manny Cardona
Hamden, Connecticut

Brett Philpott
Marietta, Georgia

Marguerite and Ramal Taylor
South Bend, Indiana

Cheryl and Clennon Jones
Lexington, Kentucky

Bob Shannon
Ferguson, Missouri

Fred and Evelyn Keating
Weare, New Hampshire

Angie, Dean and Joshua Cox
Milan, Ohio

Roger Kuttan
McLean, Virginia

Zoila Terrazas
Los Angeles, California

Tiara Dews
Washington, D.C.

Pona Tiedmann
Honolulu, Hawaii

Alta Bardsley
Cedar Rapids, Iowa

Dennis Fiting
Saginaw, Michigan

Mike Morrison
Tilton, New Hampshire

Ms. Carter-Clark
New York, New York

Cathy Gould
Florence, South Carolina

Heather Williams
Rex, Georgia

SENT BY:D. M. REGISTER NEWSROOM; 7- 2-93 ; 9:05AM ; D. M. REGISTER NEWS→ 202 720 5043;# 2

Dole blasts Espy's flood visit

Mark - This is a mistake - shouldn't happen again

Says Democrats are playing politics with disaster

The Kansas Republican is miffed that Iowa Sen. Charles Grassley wasn't asked along to tour water damage in his home county.

By JANE NORMAN
Of The Register's Washington Bureau

Dole
Angry

Harkin
Went along

Washington, D.C. — A fight erupted on the floor of the U.S. Senate Thursday over the politics of a visit to waterlogged farms in Iowa and three other states earlier this week by Agriculture Secretary Mike Espy.

Senate Minority Leader Robert Dole, a Kansas Republican who won the Iowa presidential caucuses in 1988 and who has been in the state frequently in recent weeks, charged that the Espy visit was "marred by partisan politics."

Dole said that only political supporters of the Clinton administration were invited to participate in the visit and pointed out that Sen. Charles Grassley, R-Ia., was absent from Espy's visit to farms in Butler County, Grassley's home county.

But Sen. Tom Harkin, D-Ia., the only member of the Iowa congressional delegation who accompanied Espy on the trip, retorted that Dole was the one injecting politics into the visit. "Senator Dole should be less worried about the Iowa presidential caucuses in 1996 and more concerned about the tragedy taking place in Iowa today," Harkin said.

Took the Floor

Harkin and Dole each took to the floor twice during the day to accuse each other of playing politics, and Harkin — also a failed presidential candidate who won the 1992 Iowa caucuses — complained about Dole's comments in a conference call with Iowa reporters.

At issue was whether Republican lawmakers were welcome on the trip.

"I'm a Republican, so obviously I wouldn't have expected to be invited," Grassley told reporters Wednesday.

Grassley said he wasn't asked to go on the government plane with Espy and other officials, and didn't want to waste taxpayer money on a commercial flight.

"Would I want to be there if I really wasn't invited?" Grassley said. "Wouldn't I be like a skunk at a family picnic on Sunday afternoon if I showed up there?"

No Invitations

Harkin said no one — including him — was formally invited to come along on the trip, but it was possible to find out what the schedule was. "I didn't think someone had to hold my hand and tell me what to do," Harkin said.

He said Espy's plane was so small it could not have accommodated many people. He said the only reason he was along on the government plane was because he was unable to catch a commercial flight due to Senate business the night before.

But Harkin said he also understood that the U.S. Department of Agriculture notified every senator and member of Congress about the visit, so lawmakers could have been present if they wanted. And he pointed out that Iowa Gov. Terry Branstad, a Republican, was present for the visit.

Caran Kolbe McKee, press secretary to Grassley, said the senator's office got a call from the USDA saying that Espy would travel to Iowa to inspect farms, but no details were provided on when or where.

Called a Reporter

McKee said Harkin on Tuesday had a copy of Espy's schedule and passed it out to members of the press, but Grassley aides never received a copy. "We had to call a reporter," McKee said.

But McKee said Grassley was not interested in making a fuss over the incident. "He would like to have been invited; it was his home county," she said. "But he also wants to work with Clinton."

Grassley wrote a letter to Espy Thursday thanking him for the visit, and another to President Clinton thanking him for his statement that disaster assistance would be available to farmers.

Also absent from the Espy visit was Rep. Jim Nussle, the Republican who represents the area in the U.S. House. "I wasn't invited, but I'm just glad he came," said Nussle, who said he has been talking to Espy and his staff about the flood situation for the past few weeks.

A Nussle aide said Nussle's office was never notified of the Espy visit.

On the Senate floor, Dole said that "partisanship has no place in disasters." He said he had "expected a more responsible and caring response" from Espy, although in later remarks he said it may not have been Espy's fault.

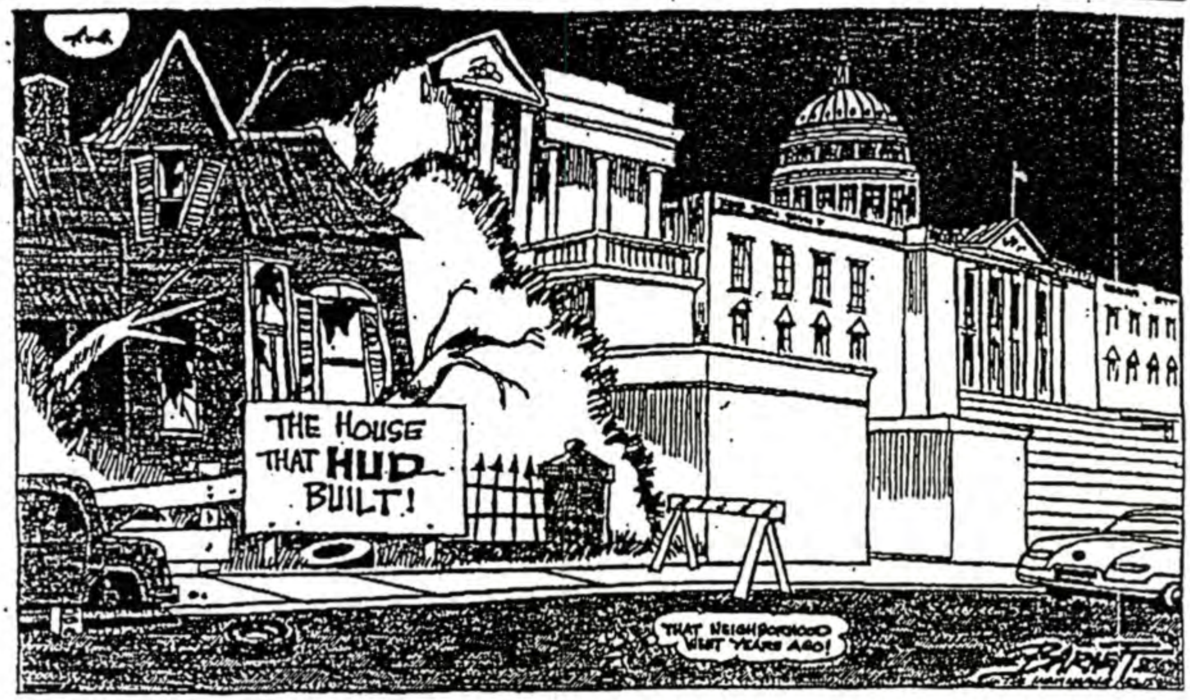
Democrats Excluded

Harkin said that when Republican Agriculture Secretary Clayton Yeutter made visits to Iowa to inspect farm losses, Democrats were not invited along.

A USDA official said Thursday night that Dole's comments were "ridiculous." Tom Amontree, a spokesman for the USDA, said that advisories of Espy's schedule were sent out to offices of members of Congress, both Republicans and Democrats.

THE PRESIDENT HAS SEEN 7/4

THE PRESIDENT HAS SEEN 7/4



Mack
this is
great
Moncabrea
[illegible]
Do - keep
[illegible]

An example of leadership

Will Rogers once said, "Politics is applesauce." In Henry Cisneros' case, it's more like "pass the applesauce."

Other Washington leaders, take note. Or better yet, like Cisneros, take a suitcase — and the dinner wine — and go visit the folks in the valley impacted by policies made on the Hill.

It's a principle to be applied on state and local levels as well.

Recently, the U.S. secretary of housing and urban development and his wife went to the Windy City and spent an evening with Patricia and Neal Perry, a couple living in a Chicago Housing Authority development.

The Cisneroses dined at home with the Perrys and stayed overnight with them. They left the next morning to tour other Chicago developments and came away with a better understanding of what it's like to live in government-subsidized housing.

That's the kind of example Washington needs to emulate: leaders willing to come down to America where it lives to see firsthand the fruits — or in some cases, the spoilage — of policymaking [illegible].

Cisneros says it's time for HUD to make some changes. He's talked about razing certain buildings and reconstructing them from scratch and moving some public housing residents into the suburbs, paying for the transplants through a voucher system.

Some public housing critics have advocated sweat equity-to-ownership arrangements and other programs that reward participants who upgrade their educations and work skills and demonstrate other efforts toward self-improvement.

Cisneros is open to suggestions.

"It's very clear the answer is rooted in offering people choices," he says.

Cisneros also wants to see HUD rules that encourage mothers and fathers to raise their children together. In a speech earlier this month in Indianapolis at a meeting of the National Academy of Public Administrators, he talked about changing a rule that inadvertently discourages a departed father or mother from moving back in with a custodial parent and family.

The rule requires families in public housing to spend at least 30 percent of their income on rent. Thus, if a husband or wife earning $10,000 a year returned to reside with his or her family, immediately the family's rent would jump by $3,000 a year.

Cisneros believes federal public housing rules should encourage two- [illegible] are in a better position to get off public housing rolls in the long run.

All of America's leaders should be asking how American families live and why they don't live together. And like Cisneros, they should be getting the answers from American families themselves.

6/28/93
Indpls News

TIMES-PICAYUNE NEWSPAPER (Editorial)
MONDAY/June 28, 1993
New Orleans, Louisiana

Cisneros and the HUD mess

Demonstrating the candor and attention to detail that made him one of the nation's most effective mayors, Secretary of Housing and Urban Development Henry G. Cisneros, former mayor of San Antonio, harshly assessed his department's performance during a congressional hearing.

Focusing his report on HUD's inept management of apartment buildings it owns, Mr. Cisneros told the Senate Banking, Housing and Urban Affairs Committee that the situation has "exacerbated the declining quality of life in urban America."

The nation's housing chief used blunt language in pointing out that HUD's management of its inventory has been abysmal. "The physical condition of many properties is deteriorating, and others have been overrun by drug trafficking and crime," he added.

The unsettling report left no doubt that much of the cost of defaulted loans would be borne by the taxpayers. A recent HUD internal study concluded that the department was most likely to sustain losses of as much as $11.9 billion over the next few years as apartment owners defaulted on their government-insured mortgages.

Of the approximately 15,000 government-insured loans issued, HUD holds the mortgages on 2,422 projects — about 360,000 apartments — in which the owner defaulted. About half of these are now delinquent on paying their mortgages.

Mr. Cisneros told the legislators that HUD, whose staff shrank during the 1980s to 13,500 from 17,000 was ill equipped to take over management of these buildings. The department prefers to sell the projects to private developers.

But that avenue is blocked largely by a law that says HUD can resell a building to a private buyer only if it attaches expensive subsidies that insure that the apartments are affordable to people with low incomes.

Coming at time when the American people are being asked to make sacrifices in an effort to cut the national deficit, the HUD mess helps explain their resistance to paying more taxes.

Aside from Mr. Cisneros' promise to take immediate steps to avert the defaults and work for changes in the law regulating the sale of HUD projects to private buyers, there appears little reason to hope that the situation will improve significantly any time soon.

Clearly, Mr. Cisneros is practicing damage control. He is wrestling with the consequences of the bad decisions by those who preceded him.

The one bright spot in the HUD story is Mr. Cisneros himself. He is widely regarded as a forward-looking and articulate government official with uncommon political skills who knows well the needs of urban American.

The housing leader's frank admission that HUD is part of the problem raises hopes that he is serious about reforming the department's bureaucracy to make it more efficient and more accountable.

CLEVELAND PLAIN DEALER

JUN 28 1993

Ohio's model for industrial growth

Jobs for the future: That's still Topic A as the economy tries to pull out of its slow-growth lethargy. If America seeks a path toward economic renewal, it should consider the success of the Ohio projects that are leading the way toward industrial productivity growth.

The Cleveland Advanced Manufacturing Program is an imaginative effort that seeks to promote industrial innovation and train workers for high-skilled, high-wage jobs. One CAMP project, the Great Lakes Manufacturing Technology Center, won some well-deserved national recognition last week when Commerce Secretary Ron Brown visited one of its facilities — the Unified Technologies Center on Woodland Ave. in Cleveland — and hailed it as one of the guideposts along the way to America's industrial future. (One of the federal groups that support the center is a Commerce agency, the National Institute of Standards and Technology.) As the United States braces to compete against its tough global competitors, said Brown, the United States will need many more such centers to link its industrial muscle with its high-tech brainpower.

The Ohio initiative is driven by private industry's needs: It aims to send advanced manufacturing processes from the laboratory to the factory, giving small- and medium-sized businesses better access to manufacturing know-how. While the private sector's role is central, government is a creative partner in this effort: The Great Lakes project shows how government agencies, when closely focused on cost-effective goals, can be catalysts in uniting business, labor and academia.

Ohio's technology projects — funded through corporate contributions as well as various federal, state, county and local agencies — see the state-level Thomas Edison Program as a vital link. The facility Brown visited, for example, is an Edison-linked technology center. Ohio's Edison project, begun by the Celeste administration and nourished during the Voinovich era, shows that the workable idea of "industrial policy" has ceased to be a partisan debating point.

Ohio's home-grown industrial policy, proven effective on the regional level, is now inspiring Washington's approach. The Clinton administration is adapting parts of Ohio's pattern as the basis of its nationwide effort to jump-start investment in industry. There are now only seven such technology centers in the nation. But Congress is poised to approve President Bill Clinton's plan to create about 100 similar centers by 1997, boosting this Commerce program's budget from $12 million this year to $30 million next year. In addition, the Defense Department will use $100 million to ease the conversion of Cold War military factories to civilian production.

In a global economy, where each nation's strength depends on the intensity of its capital investment and the skills of its work force, the United States must concentrate all its resources to compete against its foreign rivals. The Commerce secretary's Cleveland visit was a welcome reminder that Washington is learning the lessons of Ohio's leadership toward the industrial future.

THE PRESIDENT HAS SEEN 7/4

Mack

Here's a good idea that should be funded —

U.N. Relief Agency to Cut Food Rations to Bosnia

By CHUCK SUDETIC
Special to The New York Times

THE PRESIDENT HAS SEEN
7/4

SARAJEVO, Bosnia and Herzegovina, June 30 — The United Nations' main refugee relief agency will reduce food rations to 1.8 million people in this war-tormented country for the next 10 weeks because of a lack of donations and security problems, a United Nations spokesman said here today.

"United Nations-distributed food rations for more than 1.4 million people in Bosnia and Herzegovina are being cut in half and food aid for the 380,000 residents of besieged Sarajevo reduced by 20 percent due to shortages in food supplies and lack of money," said Peter Kessler, the spokesman for the Bosnian operations of the United Nations High Commissioner for Refugees.

Mr. Kessler also cited threats by Serbian and Croatian nationalist forces to begin charging tolls to allow United Nations convoys to pass through territory they hold. He said the Bosnian Croats had advised that they would begin charging tolls on Thursday.

The spokesman said the United Nations would not pay any tolls. But he said the cuts will take effect on Thursday and last at least until mid-September, although food supplies to the particularly hard-pressed Muslim enclaves in eastern Bosnia will not be reduced. Much of the food to eastern Bosnia is delivered by airdrop.

Cutbacks a Potential Disaster

But even with no letup in deliveries to eastern Bosnia, the cutbacks are a potential disaster for many who depend on the assistance. The United Nations' goal is to provide those in need with at least two ounces of food a day. If this meager ration were cut in half, many of the refugees, who have the least ability to supplement their diet and are almost totally dependent on United Nations handouts, could face starvation.

Officials of the Muslim-led Bosnian Government condemned the reduction of aid and said it was part of a concerted effort to pressure Sarajevo to accept a Serbian-Croatian peace plan that would partition this country along ethnic lines. The Bosnian President, Alija Izetbegovic, opposes the partition plan, arguing that it will lead to Bosnia's disintegration, cause more people to be uprooted from their homes and reward Serbian and Croatian aggression.

"The reduction in humanitarian aid is part of the pressure on Bosnia and Herzegovina," said Sulejman Sulic, the second-ranking official in the Bosnian Government's Foreign Ministry.

"In March, when the United Nations wanted us to sign the Vance-Owen plan, they called and said there was no aid," he said, referring to the peace plan put forward by Cyrus R. Vance, the former United Nations mediator for the Balkans, and Lord Owen, the European Community negotiator. The plan was abandoned after Bosnia's Serbian nationalists rejected it.

Accuse Donors of Hypocrisy

The Bosnian Foreign Minister, Haris Silajdzic, accused donor governments of hypocrisy in supporting the partition plan.

"The international community is opposed to ethnic cleansing and the so-called humane transfer of populations only in a declarative way," he said. "The world community has abandoned all its principles, all its obligations. They treat this as a natural catastrophe, not a man-made one."

United Nations officials here denied that the reduction announced today was intended to pressure the Bosnian Government to approve the partition plan.

"That's absolutely untrue," Mr. Kessler said. "The cut in food supplies is a result of a marked drop in contributions for relief operations in the former Yugoslavia."

"Continued instability over the next months could result in further delays to aid convoys, meaning even deeper cuts in food supplies reaching people in need of aid," he said. "Ethnic tension and open fighting has made it unsafe for private trucks to enter Bosnia and Herzegovina, bringing independent commerce to a halt and making more than one million people totally dependent upon humanitarian aid deliveries."

Aid Pledges Are Down

A high-ranking official of another humanitarian aid organization said that the problems with aid deliveries "have been around for awhile."

"The Europeans are clearly writing off the country," said the official, who requested anonymity. "The pledges are down from last year. It's not only donor fatigue, it's battle fatigue."

The European Community paid for 73 percent of the United Nations High Commissioner for Refugees' $347 million budget for the Balkans in 1992, Mr. Kessler said.

"This year, in the first six months, they funded just 12 percent of a $420 million budget, and no one is making up the difference," he said, adding that pledges to the United Nations relief effort amount to only $175 million.

"The Americans have been very generous, but there's often a response from them that this is a European problem," he said. "War and refugees are a world problem and cannot simply be shoved off on neighboring countries."

"The humanitarian situation is looking very bleak," another United Nations official said.

No Electricity or Water

Sarajevo has been without electricity and water service for days because of fighting between Croatian nationalists and Bosnian Army forces in central Bosnia, especially around the town of Kakanj, where the Croatian forces refuse to release coal deliveries to a Bosnian army-controlled power plant.

Convoy stoppages have dried up virtually all the capital's gasoline and diesel fuel reserves. Today, Serbian militiamen at a checkpoint outside Sarajevo threatened to seize all of the oil the United Nations was transporting to the city unless it surrendered half of it to them, United Nations officials said.

Mr. Kessler described the situation in Mostar, which is contested by Croatian and Bosnian Army forces, as being worse than in Sarajevo. He said the Croats are not allowing the United Nations to make food deliveries to the predominantly Muslim eastern side of town, and that the area also suffers a fuel shortage and electricity outages.

"The Croats have shut off the water as a form of ethnic cleansing," Mr. Kessler said. "They won't let a German aid agency repair the water system. The German Government got so frustrated that they pulled the agency out last Friday."

In Srebrenica, the most hard-pressed of the three Muslim enclaves in eastern Bosnia, some 50,000 people are suffering a critical water problem.

"The Serbs intentionally blew up the water plant," a United Nations aid worker said. "They won't even let us bring in tents. What's going to happen when we try to bring in piping and pumps to fix the water system."

Tony
can we do anything about this
B.

14

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 7/5

NOTE FOR: HRC

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

Information ☑

Action ☐

[redacted]

Thank you.

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

cc: IRA MAGAZINER

THE PRESIDENT HAS SEEN 7/4

HRC - wednesday A

AMA Lavishly Courts Congressional Staffers Who Will Affect Outcome of Clinton's Health Plan

By TIMOTHY NOAH
Staff Reporter of THE WALL STREET JOURNAL

WHITE SULPHUR SPRINGS, W.Va. – Here at the Greenbrier, the late Duke of Windsor twirled his American bride on the ballroom floor. President Dwight Eisenhower swung his clubs on these lush golf greens, and Congress so fancied this spot that at the height of the Cold War it arranged to assemble, in the event of nuclear war, in a bomb shelter built specially down below.

This past weekend, the list of eminent visitors to the world-famous mountainside resort expanded, courtesy of the American Medical Association, to include a number of congressional staff aides who will help shape the legislative outcome of President Clinton's forthcoming health-care reform package. Among them were David Abernethy, staff director for the House Ways and Means health subcommittee, and aides to both Democratic and Republican lawmakers.

The event was billed as a "congressional staff seminar," but as with most such outings the formal meetings were strictly a morning affair. Afternoons, the aides – and their guests – were encouraged to sample the Greenbrier's plentiful amenities, which range from horseback riding to swimming, shuffleboard, tennis and croquet.

Limit of Seriousness

"We figure half a day is about the limit for serious discussion," explains Lee Stillwell, the AMA's senior vice president for government and political affairs.

Interest groups often use posh getaways to woo senators and representatives, but the lavishness of the Greenbrier as a setting to court congressional staff is extravagant even by Washington's somewhat jaded standards. Its use in this case points up not only congressional staffers' importance in affecting legislation, but also the enormous stakes in the coming health-care debate.

"The Greenbrier reeks of a cozy, wealthy familiarity which promotes 'good listening' on the part of senior staffers," says Ellen Miller, executive director of the Center for Responsive Politics, a nonprofit watchdog group. "How could they not be forever grateful to the AMA for such a weekend?"

For its nine special guests, the AMA paid both food and lodging for as many as three nights. (It didn't pay for travel costs to the resort, which is a four-hour drive from Washington.) Those who supped in the Greenbrier's peach-colored main dining room Saturday night could sample dishes such as Roast Tomato Dijon Pork Loin with Smoked Fruit and Nut Compote, Thyme Jus, Boursin Polenta and Gaufrettes while a piano and violin duo in evening wear played airs from Bizet's "Carmen."

Familiar Environment

"This is the environment that the AMA works in all the time," M. Roy Schwarz, the AMA's senior vice president for medical education and science, cracks in a speech to the group, "so you're getting a taste of the lifestyle we live every day."

The AMA won't say how much it spent to entertain its guests, except that it got a group rate. But the cheapest room at the Greenbrier costs $424 a night (including taxes, service fee, breakfast and dinner, but not including liquor), while greens fees run $75 and tennis fees $22 an hour. So a congressional staffer who stayed the full three days received amenities that, had he or she paid his own way, would likely have totaled more than $1,500 – and that is assuming the aide stayed in the very cheapest rooms, skipped lunch, carried his or her own golf clubs and was a teetotaler to boot.

Congressional aides, like members of Congress, are permitted to accept free hotel lodging from a lobby group provided it is connected to a speaking engagement or fact-finding trip. But unlike lawmakers, staff aides in most cases aren't required to disclose these activities unless their salary exceeds about $80,000 – leaving the vast majority of aides free from any disclosure requirements. Of the congressional aides who went on the Greenbrier trip, only Mr. Abernethy and LaVarne Addison-Burton, a Democratic senior budget analyst on the House Budget Committee, earn more than $80,000, according to congressional records.

Mr. Stillwell insists that the weekend is an "opportunity to provide information and data" and to enjoy "a free-flow discussion" between congressional staffers and AMA officials. "We have found it's best to change the setting admittedly, to a more relaxed environment," he says, because "the everyday distractions you have in your ordinary environment are counterproductive."

Dr. Schwarz's Saturday morning talk to the group relates important breakthroughs in gene therapy and the challenge posed by the rising AIDS and tuberculosis epidemics. Periodically he pauses to make a political point, complaining about the Clinton administration's attack on drug-company profits and about cuts in federal funding for medical research.

Then comes a discussion with the congressional staffers on health care reform, which the AMA rules out of bounds to the press.

By 12:30, the meetings are over and the playtime begins. Mr. Stillwell and Larry Rosenthal, legislative director for Democratic Rep. Dale Kildee of Michigan, head for the first tee. Mr. Abernethy dons a pair of blue swimming trunks and wanders the periphery of the swimming pool with two small children in tow. Ms. Addison-Burton and Dave McIntyre, a legislative aide to Republican Sen. John McCain of Arizona, head for the tennis courts.

The other attendees similarly scatter: Andrew Patzman, a Republican aide on the Senate Labor Committee; Gioia Bonmartini, a GOP aide on the Senate Governmental Affairs Committee; Remmel Dickinson, a legislative aide to Virginia Republican Sen. John Warner; Julie Millies, legislative aide to Democratic Rep. Bart Stupak of Michigan; and Stacey Windham, legislative aide to Republican Rep. Carlos Moorhead of California.

Most of the congressional staffers decline to discuss their attendance for the record. One who does, Mr. Abernethy, has no misgivings about accepting the AMA's generosity.

Scrapped With AMA

"Anybody who would ever think of me as slavishly devoted to the AMA would be nuts," he says. "I came, I listened, and I enjoyed myself." Mr. Abernethy's boss, Democratic Rep. Fortney "Pete" Stark of California, has scrapped frequently with the AMA, a group he once called "greedy troglodytes." (Rep. Stark did, however, accept $6,000 in campaign contributions from the AMA's political action committee during the 1991-1992 election cycle, part of the AMA's nearly $4 million in direct and indirect PAC contributions to congressional candidates during this period.)

Another attendee willing to talk about it is Mr. McIntyre, Sen. McCain's aide. "In a lot of ways," he says as an AMA official herds him into dinner, "we're all a special interest when it comes to the health-care system."

62

chron

THE WHITE HOUSE
WASHINGTON

DATE: 7/5

NOTE FOR: MACK

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

Information ☐

Action ☑

[redacted]

Thank you.

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

cc:

THE PRESIDENT HAS SEEN 7/4

CONSERVATIVE DEMOCRATIC FORUM

C.D.F.

DEDICATED TO AN AFFORDABLE, COMMON SENSE, DEMOCRATIC LEGISLATIVE PROCESS

Mack

we need in the end a comparison betw our plan, Perot, and GOP plans (House & Senate)

B

M E M O

TO: CDF MEMBERS, ASSOCIATES, & INVITEES
FROM: Charlie Stenholm
RE: BUDGET MATERIALS
DATE: July 1, 1993

To help prepare for town hall meetings and other constituent encounters, I have developed a number of budget-related materials which seek to explain in concise, "user-friendly" ways some of the complications of our budget process. I thought that you might find these materials useful as well.

Included you will find:

**A comparison of the Perot Deficit Reduction Plan to the Congressional plan

**Charts and tables displaying facts about
--the federal deficit, debt, and interest payments
--where the federal dollar comes from and how it is spent
--how the deficit reduction of reconciliation is achieved
--specific spending cuts made this year in reconciliation and appropriations bills
--the result of the hard discretionary freeze compared to discretionary spending under President Reagan
--a comparison of 1978 tax rates to the rates proposed in reconciliation

**An explanation of the ratio of spending cuts to tax increases included in the reconciliation bill

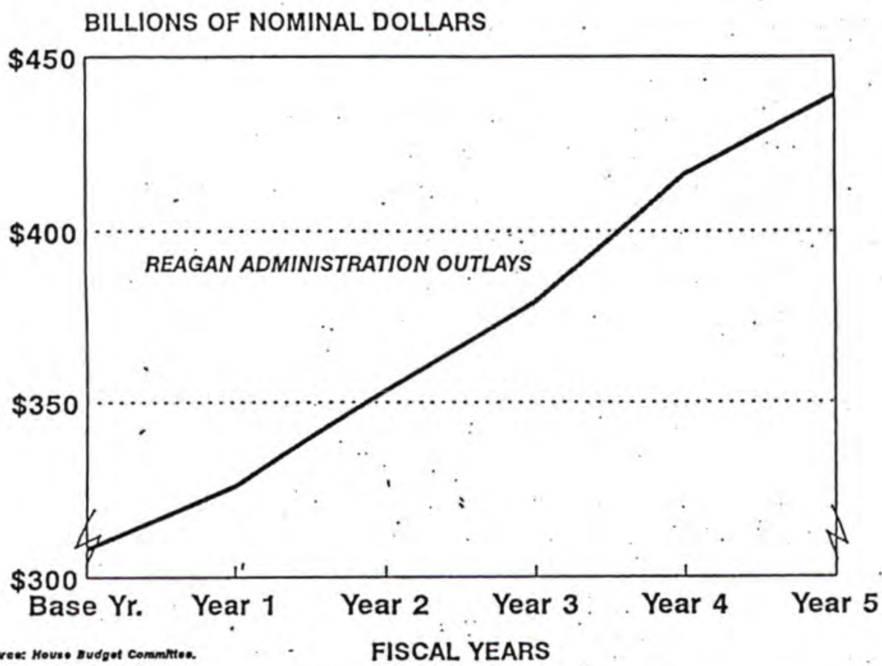
**A brief explanation of the overall budget process

**A brief explanation of the reconciliation process

We hope that this information will be useful to you. If you at any time have prepared newsletters or materials on other issues which you are willing to share with CDF Members, please contact me or Becca Tice of my staff and we will be happy to help in their distribution.

DISCRETIONARY OUTLAYS
UNDER 1993 BUDGET RECONCILIATION BILL COMPARED TO REAGAN ADMINISTRATION

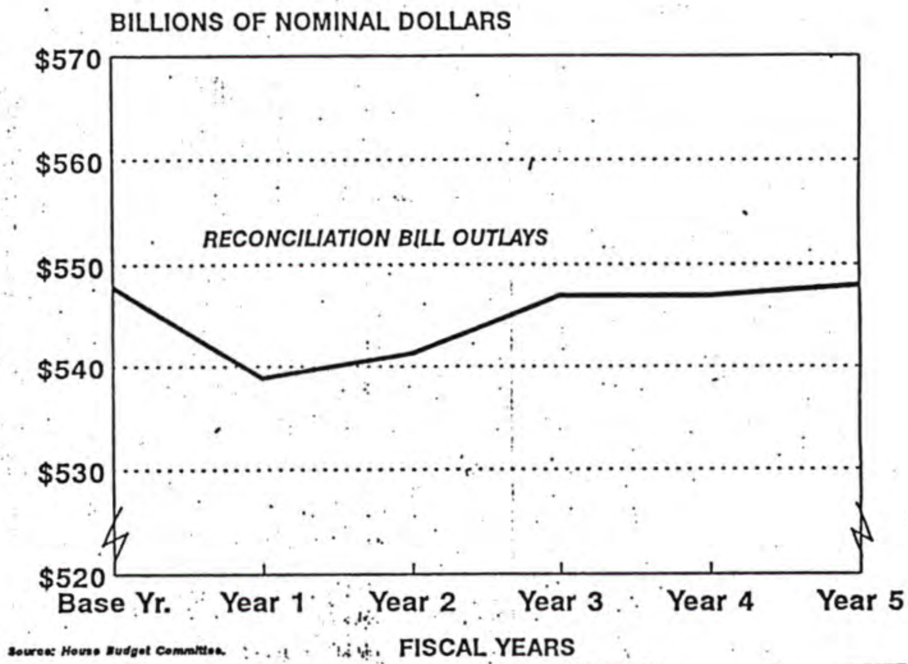
DISCRETIONARY OUTLAYS DURING THE REAGAN ADMINISTRATION



Source: House Budget Committee.

YEAR	ACTUAL OUTLAYS	CHANGE FROM PREVIOUS YEAR
1981	$308.0	---
1982	$326.2	+5.9%
1983	$353.4	+8.3%
1984	$379.6	+7.4%
1985	$416.2	+9.6%
1986	$439.0	+5.5%
Change 1981-1986	+$112.8	+34.5%

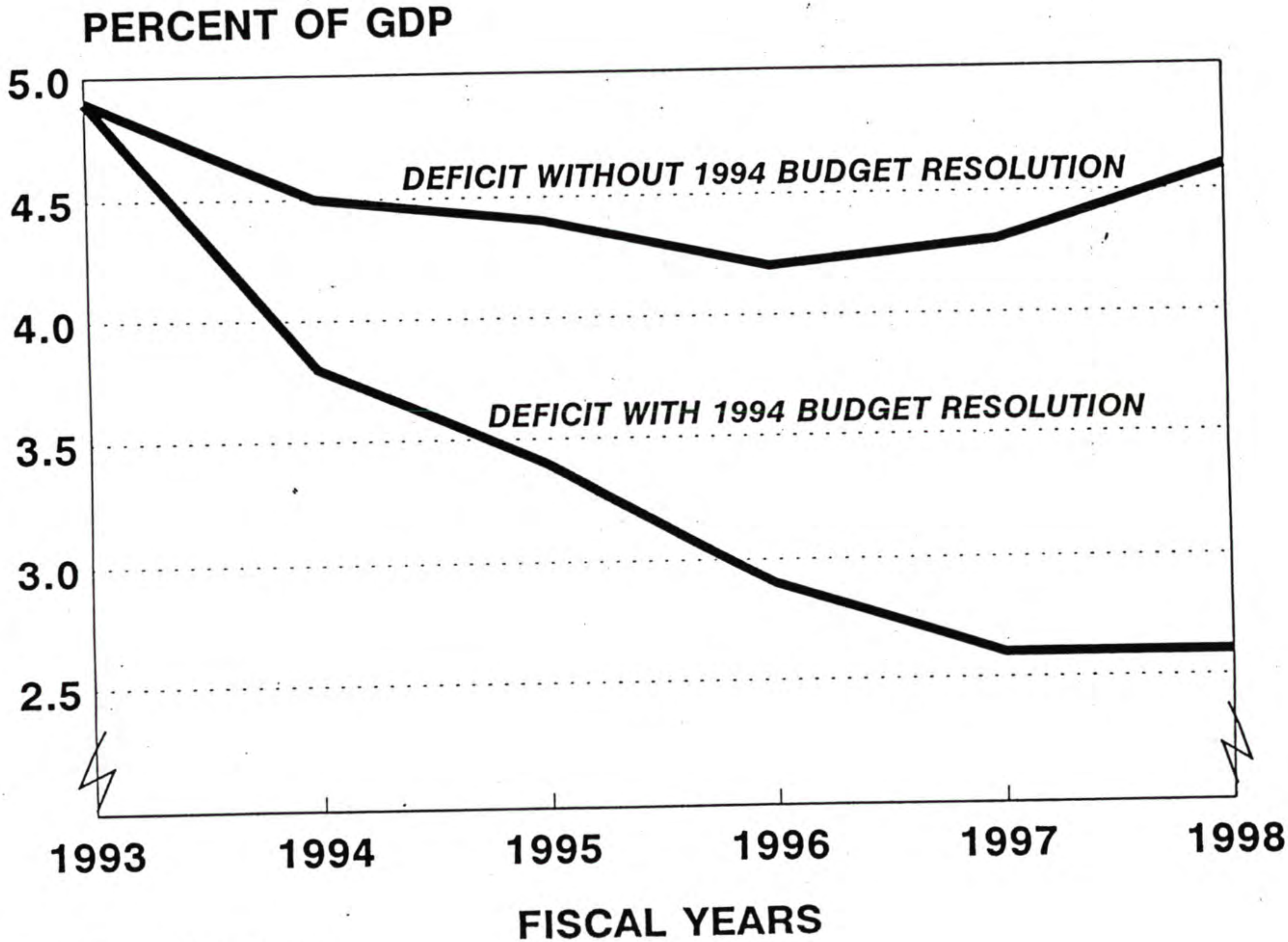
DISCRETIONARY OUTLAYS FROM THE RECONCILIATION BILL



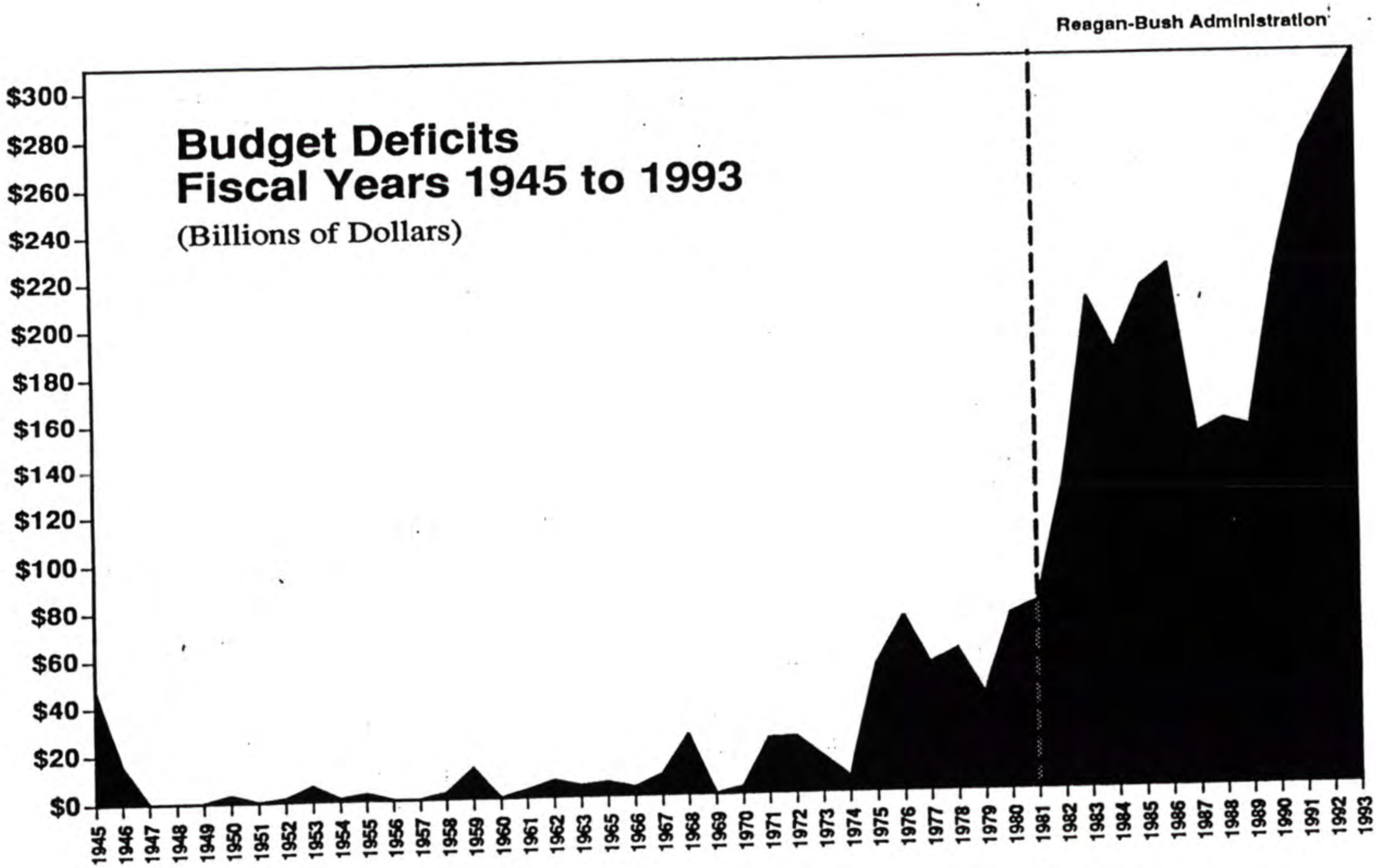
Source: House Budget Committee.

YEAR	ACTUAL OUTLAYS	CHANGE FROM PREVIOUS YEAR
1993	$547.9	---
1994	$538.8	-1.6%
1995	$541.4	+0.5%
1996	$547.3	+1.1%
1997	$547.3	---
1998	$547.9	+0.1%
Change 1993-1998	$0	---

DEFICIT REDUCTION FROM THE 1994 BUDGET RESOLUTION



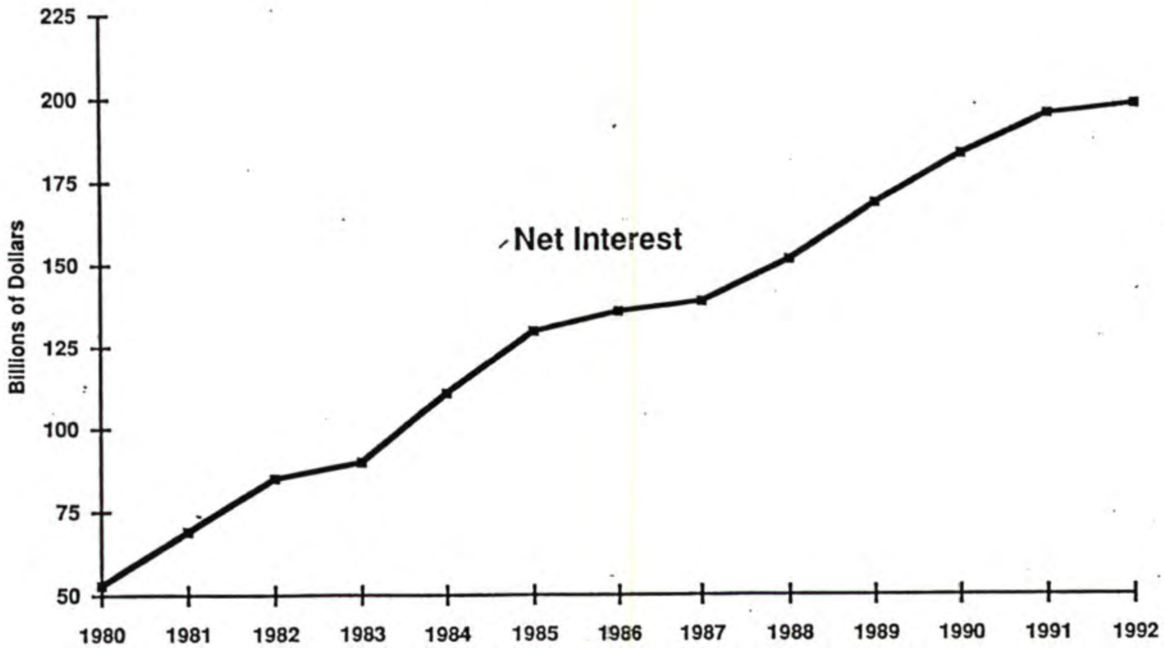
Source: CBO, House Budget Committee.



Source: Joint Economic Committee

GROWTH IN INTEREST ON THE FEDERAL DEBT

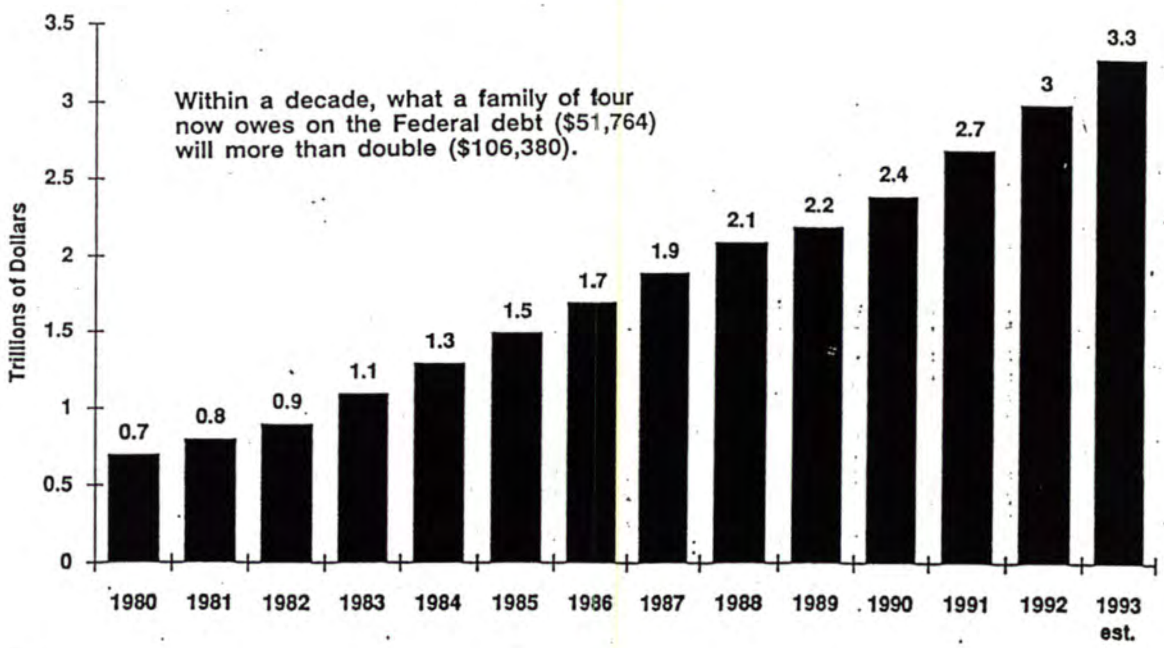
($ in billions)



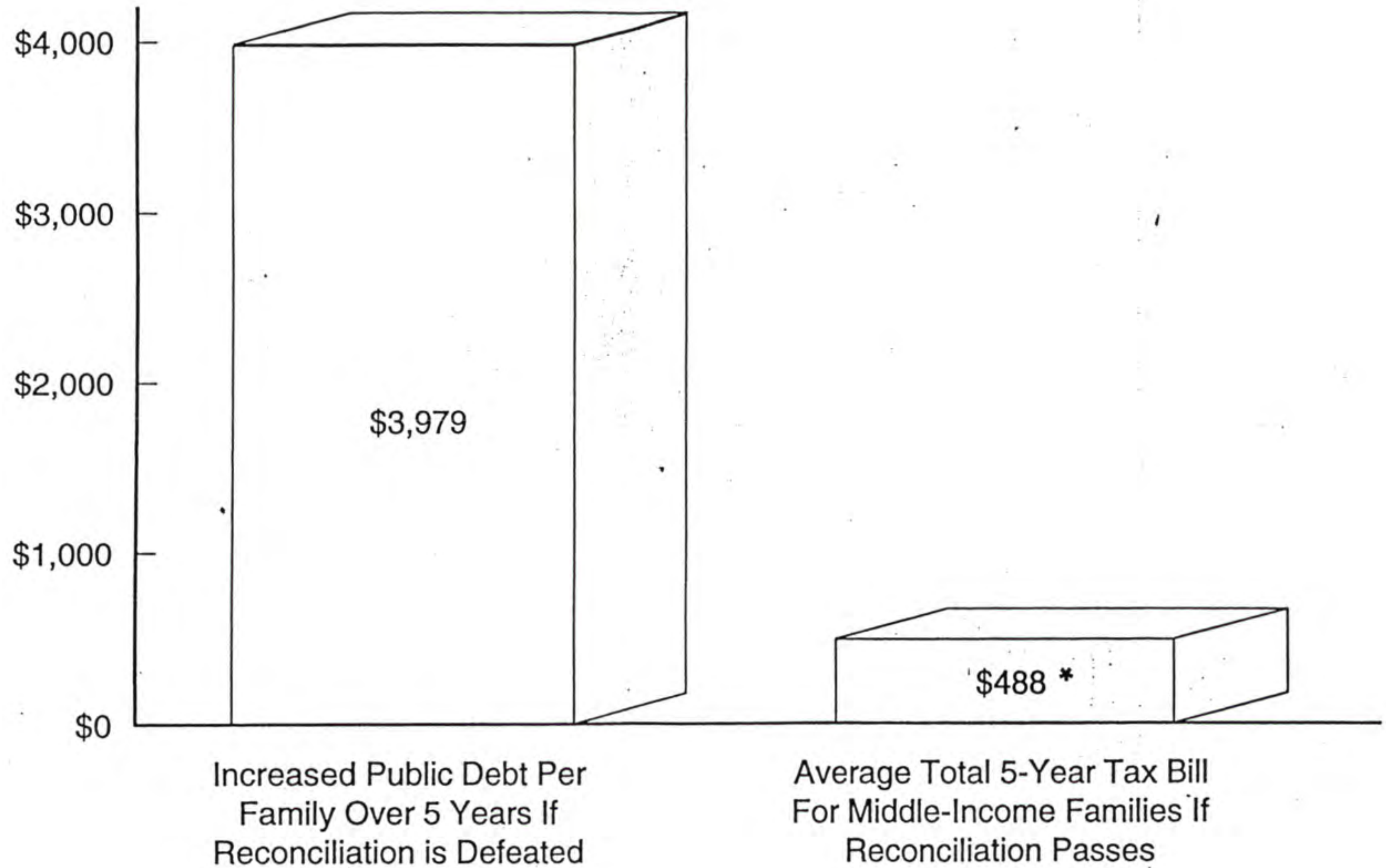
Source: Congressional Budget Office; Senate Budget Committee

THE EXPLOSION IN FEDERAL DEBT

($ in trillions)



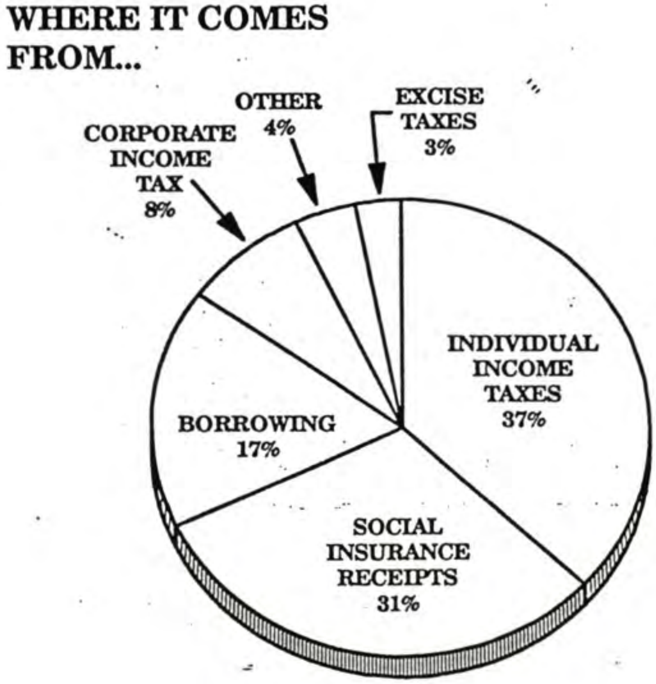
Source: Treasury Secretary Bentsen Testimony to Senate Budget Committee

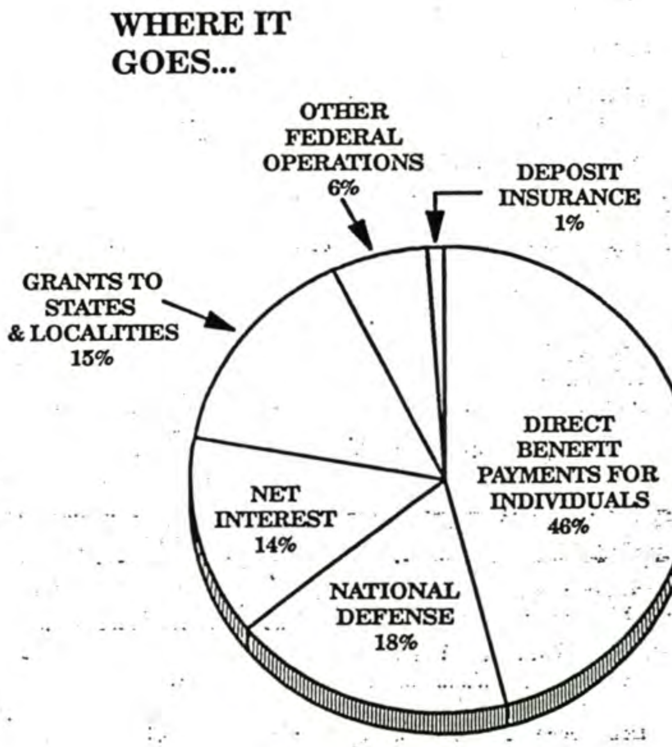


Source: DSG calculations using Congressional Budget Office data.

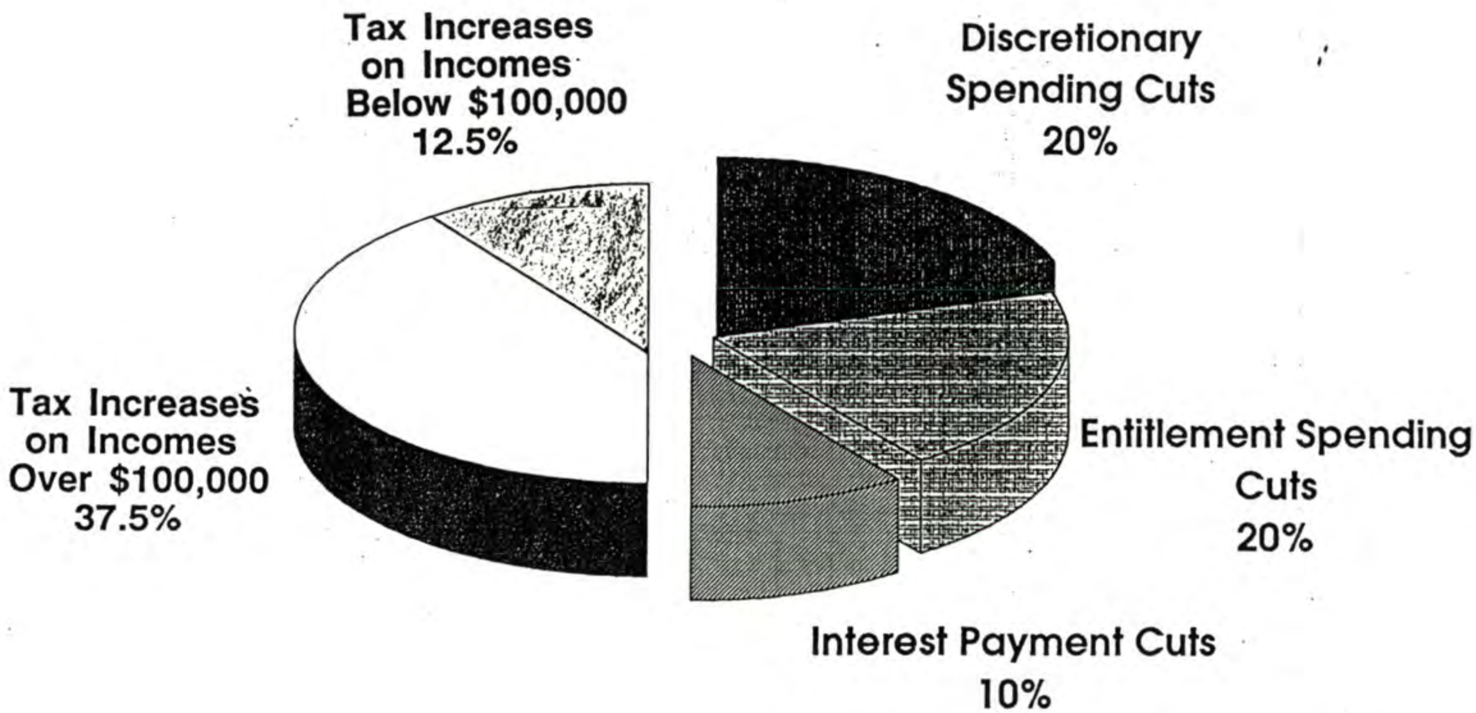
***Figure represented the middle income tax increase with the inclusion of the Btu tax. With the elimination of the Btu tax and possible elimination of all energy taxes, the tax bill for middle income families will approach $0.**

THE FEDERAL GOVERNMENT DOLLAR
FISCAL YEAR 1994
ESTIMATE





How $496 Billion in Deficit Reduction is Divided



SPENDING CUTS IN RECONCILIATION & APPROPRIATIONS BILLS

RECONCILIATION CUTS

The reconciliation bill which passed the House of Representatives on May 27 included 200 cuts in spending programs. $250 billion of the $500 billion five-year deficit reduction occurs through spending cuts.

- *Over 30 specific cuts in Medicare and Medicaid reduce the deficit by $56 billion.*
- *Federal worker entitlements are cut by $11 billion and a pay reduction for federal employees saves an additional $13.2 billion.*
- *Use of federal tax return information to verify the eligibility of families receiving housing assistance saves $1.6 billion.*
- *Strengthening child support enforcement measures will result in spending reduction of $290 million.*
- *Agriculture entitlements (Dairy Program, Wool & Mohair Program, Honey Support Program, etc.) are cut by $3 billion, while agriculture administrative cuts bring an additional $1.1 billion.*
- *Eliminating tens of specially earmarked highway demonstration projects saves $1 billion.*

APPROPRIATIONS CUTS

In addition to the reconciliation cuts, within the 8 regular appropriation bills which already have been considered by the House of Representatives, numerous programs have been completely eliminated or reduced.

***ADVANCED LIQUID METAL REACTOR PROGRAM** eliminated, saving $31.9 million.*

***CONGRESSIONAL MAIL ALLOWANCE** cut by $5.8 million.*

***FOREIGN OPERATIONS DEVELOPMENTAL AID TO INDIA** reduced by $4.1 million.*

***HIGH-POWERED NUCLEAR REACTOR IN SPACE** trimmed by $25 million, leaving $5 million for the costs of canceling it.*

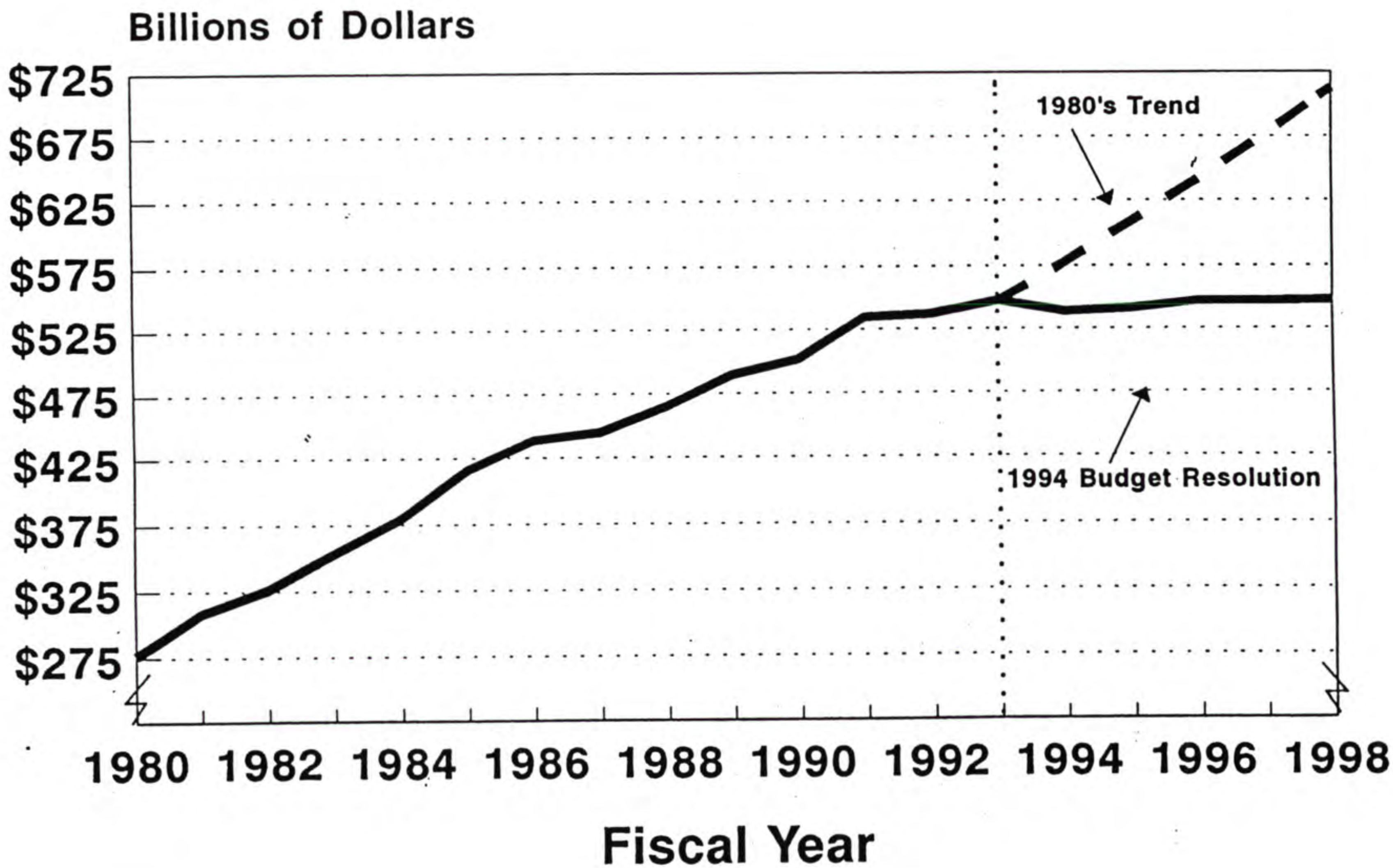
***SUPERCONDUCTING SUPER COLLIDER** cut by $400 million, leaving $220 million to terminate the project.*

***NATIONAL ENDOWMENT FOR DEMOCRACY's** $48 million authorization stricken (subsequent appropriation expected to reflect that change).*

***FORMER PRESIDENTS & SPEAKERS OF THE HOUSE OFFICE ALLOWANCES** limited to five years of staffing and office expenses.*

***TREASURY/POSTAL SERVICE APPROPRIATION** cut by $21 million, including paring $13 million from new courthouse projects and $1.9 million eliminating the Advisory Commission on Intergovernmental Relations.*

THE 1994 BUDGET RESOLUTION DRAMATICALLY TIGHTENS DISCRETIONARY SPENDING IN THE 1990'S



House Budget Committee, 6/16/93.

PRESIDENT CLINTON'S ORIGINAL TAX PLAN*

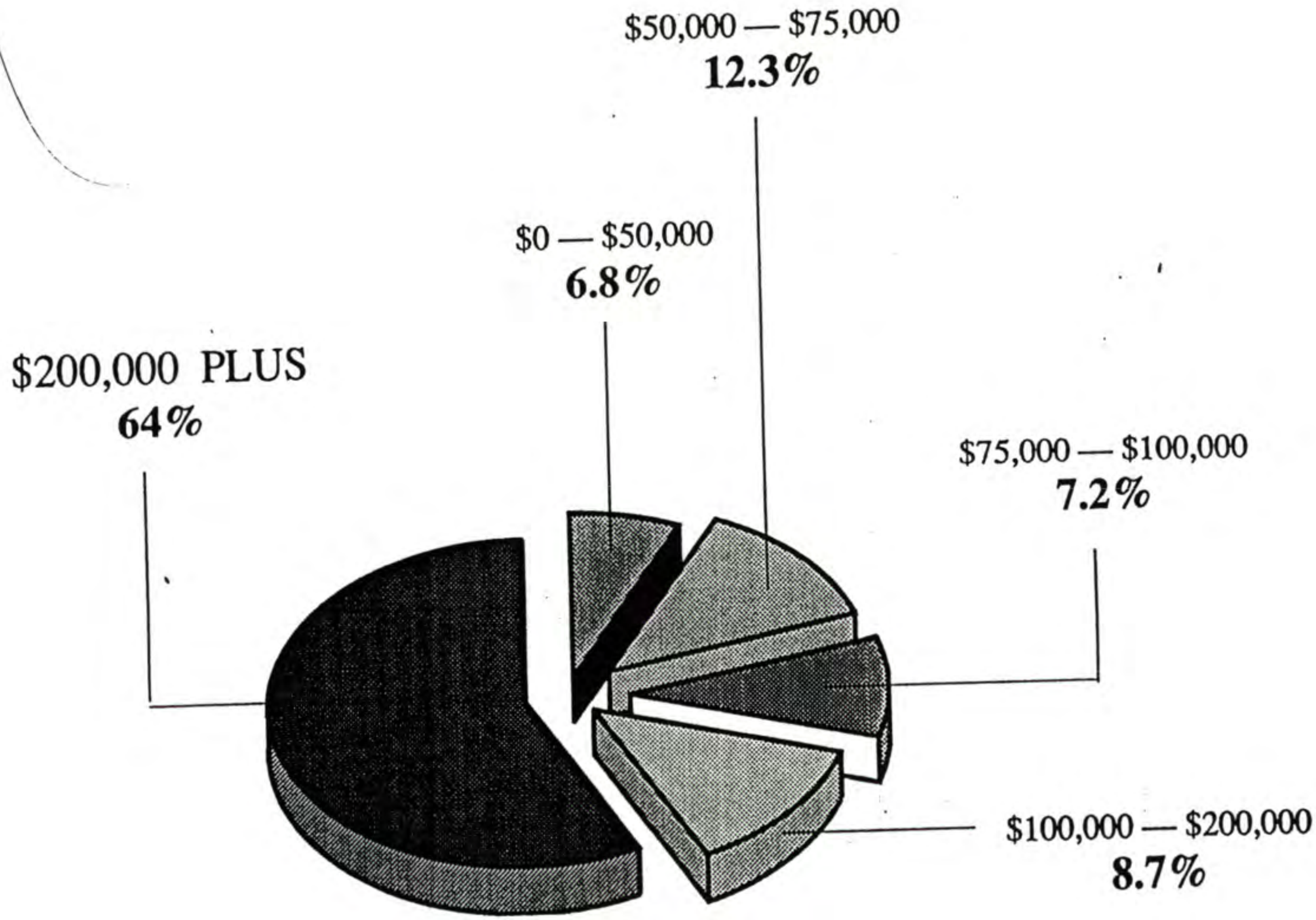
Added Taxes in Clinton's Plan

Family Income	Change in Taxes
Less than $10,000	-$30.00
$10,000 — $20,000	-$31.00
$20,000 — $30,000	$28.00
$30,000 — $40,000	$160.00
$40,000 — $50,000	$266.00
$50,000 — $75,000	$362.00
$75,000 — $100,000	$485.00
$100,000 — $200,000	$769.00
$200,000 — more	$23,155.00

Source: Joint Tax Committee/CBO Analysis of the President's Budget excerpted in *New York Times*, May 27, 1993

*** Numbers are based on the original tax plan which included the Btu tax. With the elimination of the Btu tax and possible elimination of all energy taxes, the change in taxes for all income groups below $100,000 will be significantly reduced.**

Total Additional Revenues by Income Group Under Modified Clinton Proposal (in billions)



SOURCE: CBO, Senate Budget Committee

COMPARISON OF TAX RATES IN 1978 TO 1993 BUDGET RECONCILIATION PROPOSALS

Income Taxes

1978	Marginal rate of 70% on unearned joint incomes above $203,200 Marginal rate of 50% on earned joint incomes above $47,200
Current law	Top marginal rate of 31% on joint incomes above $82,150
House Reconciliation	Maintain 31% marginal rate on joint incomes from $82,150 -- $140,000 Create a new marginal rate of 36% on joint incomes above $140,000 Create an effective marginal rate of 39.6% on joint incomes above $250,000

* * *

Capital Gains

1978	Top marginal rate of 33.8% on capital gains
Current law	Top marginal rate of 28% on capital gains
House Reconciliation	Maintain 28% top marginal rate on capital gains.

* * *

Corporate Taxes

1978	Top marginal corporate rate of 48% on income above $50,000
Current law	Top marginal corporate rate of 34% on income above $75,000
House Reconciliation	Create a new top marginal rate of 35% on income above $10 million

* * *

FICA Taxes

1978	Employer and employee contribution of 6.05% of wages up to $17,700
Current law	Employer and employee contribution of 7.65% of wages up to $53,400 and 1.45% contribution on wages between $53,400 to $125,000
House Reconciliation	Employer and employee contribution of 7.65% of wages up to $53,400 and 1.45% contribution on wages above $53,400

EXPLANATION OF RATIO OF SPENDING CUTS TO TAX INCREASES IN DEFICIT REDUCTION PACKAGE

Discretionary Spending Cuts. The reconciliation bill places caps on all discretionary spending for five years. The discretionary caps established in 1990 were successful in forcing Congress and the President to make the discretionary spending cuts that were projected in the 1990 budget agreement. The discretionary caps in the reconciliation bill will force us to cut spending $104 billion below the current services baseline in fy94-fy98. The Republicans substitute took credit for achieving discretionary saving from spending caps identical to the House bill. **Counted as a spending cut.**

Mandatory spending cuts. Mandatory spending programs, such as Medicare, retirement programs, provide benefits to all individuals who meet certain qualifications under permanent law. If Congress took no action to change the permanent law authorizing benefits for mandatory spending programs, spending on these programs would automatically increase by an average of more than $50 billion a year over the next five years. The changes in permanent law made by the House reconciliation bill will reduce entitlement spending $116 below what it would have been if Congress took no action. The Senate bill would reduce mandatory spending $160 below what it would have been if Congress took no action. **Counted as a spending cut.**

Interest payments As a result of reducing the deficit, we will borrow less money than we would have if we took no action on the deficit. Since the government will borrow less money, it will pay less interest. It is a clear reduction in the amount of money that the government will spend. It was counted as a spending cut in the Perot plan. **Counted as a spending cut.**

User fees. User fees have always been counted as spending cuts by Republicans and Democrats, even though they result in increased money coming into the Treasury. The government has been criticized for providing subsidies to certain individuals at no cost or below-market rates. User fees eliminate these government subsidies by requiring individuals who get the benefits from government activities to pay for these services. Both the House and Senate reconciliation bills achieve $15 billion in savings from user fees. The Republicans counted user fees as spending cuts in their alternative. Ross Perot apparently counted user fees as spending cuts as well. **Counted as a spending cut.**

Earned Income Tax Credit President Clinton initially counted the $28 billion for the EITC as a tax cut, because it is a tax credit. However, since the EITC is refundable, it results in the Treasury sending checks out to people who did not pay any taxes. In other words, the $28 billion does not represent taxes that people don't pay, but rather money that the government pays them. For this reason, Congress has decided to count the EITC expansion as a spending program by the Congressional Budget Office. **Counted as a spending increase.**

Social security taxes Clinton initially counted the $32 billion raised from increasing the amount of Social Security benefits subject to taxation as a spending reduction, as did Ross Perot. Since the money is collected through the tax code, the Congressional Budget Office had called this proposal a tax increase. **Counted as a tax increase.**

Savings from Deficit Reduction Proposals

Discretionary programs

	Clinton	House	Senate
Total discretionary spending cuts from baseline necessary to meet discretionary caps in reconciliatin bill. (baseline allows inflation increases for domestic programs and assumes Bush defense proposals)	**-56**	**-104**	**-104**

Mandatory savings

	Clinton	House	Senate
Medicare	-48	-50	-58
Medicaid	-8	-8	-8
Farm programs	-5	-3	-3
Other mandatory savings	-9	-22	-22
Mandatory increases (excluding EITC)	+10	+10	-
Earned Income Tax Credit	+28	+28	+18
User Fees	-22	-15	-15
Interest Savings	-38	-64	-61
Total net mandatory savings	**-92**	**-125**	**-151**
Total Spending Cuts	**-148**	**-229**	**-255**

Revenues

	Clinton	House	Senate
Income taxes	-143	-131	-119
Social Security Taxes	-32	-32	-26
Energy taxes	-78	-79	-33
Other taxes	-15	-34	-66
Total taxes (excluding SS taxes)	**-268**	**-276**	**-244**
Total Deficit Reduction	-416	-506	-499

MAKING SENSE OF THE FEDERAL BUDGET PROCESS

A budget, in customary usage, is a plan for managing funds, setting levels of spending and financing the spending. Since formulating a budget involves choosing among alternative expenditures, a budget is also a plan of operations and a description of goals and priorities.

Most of us have at least a passing familiarity with how a typical budget works from our experiences with employment, service organizations, churches or even home budgets. While the budget, or entire fiscal operations, of the federal government are related to that concept we all know, they sometimes seem more different than alike.

Understanding the many convolutions of the federal budget process is never easy but even for the seasoned politico this year's process has been particularly confusing. In the news citizens hear about the Congressional budget, the Presidential budget, the stimulus plan, the debt ceiling increase, and reconciliation, not to mention authorization and appropriation bills. It's hard to determine how all of these pieces fit together to create the government's entire fiscal picture. This white paper will attempt to make some sense of the puzzle.

THE USUAL BUDGET PROCESS

In a normal year, the President would have delivered his full budget proposal in early February. This document would have been the starting point for both the House and Senate Budget Committees, which would have reviewed the President's budget and then created their own budget resolutions. Differences between the two Congressional documents are worked out and sent back to both Bodies for approval. This final consensus Congressional budget resolution tells Congressional committees what limits they must meet in the legislation which they pass through their committee.

THIS YEAR'S BUDGET PROCESS

While most of that process remains in place this year, there have been some confusing differences. To begin with, in early February President Clinton had been in office barely two weeks, obviously too short a time to develop the thousands of tax and spending numbers that ultimately ended up in his $1.52 trillion, 1,478-page 1994 budget proposal. While he did not have a budget prepared at that point, he did make a State of the Union address and provided additional information to give the Congress and the Country some idea of what his budget would look like.

In addition to the outlines of that budget, however, he also provided a request for an "economic stimulus" package amounting to approximately $16 billion. Because this request for new spending came outside of the regular appropriations process, he had to declare this package "emergency spending," which meant that it would be added straight to the deficit, rather than being paid for through budget cuts or new taxes.

Furthermore, President Clinton proposed his ideas for deficit reduction -- both spending cuts and tax increases -- which currently are being considered by both the House and the Senate in a bill called "budget reconciliation."

One final piece of the puzzle involves the debt ceiling increase. The only way the federal government can finance its debt is by borrowing, either from itself or from other lenders, both domestic and foreign. By law, the Congress sets a limit -- a ceiling -- on how much can be borrowed. When a vote on the debt limit is taken, that particular vote does not spend more money. What it does is acknowledge the spending which has already occurred or has been promised. When that spending is about to exceed the limit, the authority to borrow must be increased.

So those are some of the pieces of the puzzle. But how do they all fit together this year?

THE CONGRESSIONAL BUDGET RESOLUTION

To start with, Congress accelerated the usual budget schedule in order to vote quickly on its own Congressional budget plan, with its broad promise of deficit reduction, prior to having to vote on the stimulus spending plan or the debt ceiling increase. Both the House and the Senate were able to move quickly on their budget resolutions and approval of the compromise bill was accomplished by both Bodies by early April. (I voted yes on the budget.)

THE SUPPLEMENTAL APPROPRIATION

Secondly, in March the House approved the President's stimulus spending bill, exactly as he presented it. (I voted no on this package because it was not paid for.) The President's stimulus (supplemental appropriations) package ran into rougher sailing once it reached the Senate, however, and was defeated. An enormously pared-back supplemental, including decreases in certain programs to pay for the additional spending, included a few of the President's initial proposals is currently in conference.

RAISING THE DEBT LIMIT

Thirdly, both the House and Senate cleared a bill in early April that gave the federal government another $225 billion in borrowing authority to carry it through the end of the fiscal year (September 30, 1993). On April 6, just one day prior to the date the Treasury Department warned the Government would run out of money, President Clinton signed this measure temporarily raising the limit on the nation's borrowing to $4.37 trillion. After September 30, the limit on the debt will revert to $4.145 trillion unless Congress agrees to another temporary extension or to a long-term increase in the borrowing limit.

THE PRESIDENT'S BUDGET RECOMMENDATION

On April 8 President Clinton released his five-year budget plan. With Congress already having passed its own budget, this timing might seem like arriving at the dance when the band has gone home. In reality, however, these voluminous program-by-program details were referenced continually by the dozens of Congressional committees and subcommittees which must turn the budget resolution into the 13 regular appropriations bills and the one huge budget reconciliation bill that embody the actual deficit reduction called for in the two budget plans.

BUDGET RECONCILIATION

Roughly two-thirds of the deficit cuts called for in the White House and Congressional budgets will come in this single omnibus bill designed to reconcile tax and entitlement spending policies with deficit reduction goals. Two different versions of the so-called reconciliation bill have now passed the House and Senate, with numerous similarities but also many major differences between the two bills. During the month of July a conference committee will seek to reach agreement between the bills and return the conference report to both Bodies for their final approval.

DEFICIT REDUCTION

Just how much deficit reduction has been specified? Clinton's five-year program provided about $448 billion in net deficit cuts, sharply reducing defense spending, making more modest cuts in domestic spending, and levying significant new taxes, much of them on upper-income Americans and corporations. The plan already approved by Congress would actually achieve deficit reduction of nearly $500 billion over the five-years, relying more heavily on spending cuts than did President Clinton. In both cases, the cuts are counted from what the deficit would be with current policies left in place without change.

Still, dealing with the deficit will require a much longer commitment than these budgets have outlined. With the 1993 deficit expected to hit a record $322 billion, or 5.2 percent of the gross domestic product (GDP), the $205 billion deficit the White House is predicting for 1997 seems substantially smaller. But at 2.7 percent of GDP, it is still triple or more the level that economists say is acceptable by historical standards, which is somewhere between .5 percent and 1 percent of GDP.

In addition to the authorization, appropriation, and reconciliation bills, many of us in Congress will be pushing for other budget-related votes. On April 29, the House approved a modified line item veto proposal which I have co-authored. This legislation would give the President the chance to rescind appropriations for any program, but would maintain the requirement of majority approval by the Congress. The bill, H.R. 1578, is currently awaiting acting in the Senate. Also this year I am hoping to see another vote on my Balanced Budget Constitutional Amendment. Last year the House of Representatives came within nine votes of the two-thirds necessary to pass this measure.

June 1993

A Budget Glossary

Appropriations: The process by which Congress provides budget authority — usually through the passage of 13 separate appropriations bills.

Budget authority: The authority for federal agencies to obligate money.

Budget outlays: The money that is actually spent in a fiscal year, as opposed to the money that is appropriated. One year's budget authority can result in outlays over several succeeding years, and the outlays in any given fiscal year result from a mix of budget authority from that year and from prior years. Appropriators provide only budget authority; until outlays actually occur, they are simply estimates.

Discretionary spending: Programs that Congress can fund as it chooses through the appropriations.

Mandatory spending: Programs for which money must be spent every year, due primarily to laws mandating that money be made available (see entitlements). Interest on the national debt is also considered mandatory spending.

Entitlements: Programs that have eligibility requirements written into the law. People who meet the requirements are entitled to benefits, and the money must be provided, either through appropriations or direct spending.

Fiscal 1994: Oct. 1, 1993, through Sept. 30, 1994.

Reconciliation: The procedure for bringing existing tax laws and entitlement spending into conformity with the congressional budget resolution. Authorizing and tax-writing committees produce sections, based on instructions in the budget resolution, and the Budget committees package them for floor action.

Rescission: The cancellation of previously appropriated budget authority.

Revenues: Taxes, user fees and other receipts to the federal government.

Sequester: Automatic spending cuts triggered under the Gramm-Rudman anti-deficit law to penalize spending above preset limits.

THE BUDGET RECONCILIATION PROCESS

THE LEGISLATIVE PROCESS

The reconciliation bill, also dubbed a deficit reduction bill or tax bill, seeks to reconcile tax and spending policy with the deficit-cutting goals of the Congressional budget which was passed in the Spring. As with any piece of legislation, the bill must first pass out of one Body (in this case the House of Representatives), and then proceed to the other Body (the Senate) for consideration. Because there are normally differences between the bills passed by the two Bodies, they then go to a conference committee made up of representatives from both the House and the Senate. Incidentally, I hope to serve on that committee as one of the House representatives from the Budget Committee. There in conference, differences between the two bills will be worked out and then sent back to both Bodies for final approval. It is at this point that every Member of Congress has a final opportunity to give his/her approval of what ultimately remained in the package. If both the House and the Senate approve this conference bill, it is then sent to the President who must sign it before it can become public law.

Currently, the 1993 reconciliation bill has gotten through the first two of those many legislative hoops, first passage through the House of Representatives and the Senate. The most reported change in the Senate version was the removal of the BTU tax and its replacement of a gasoline tax. Putting together a budget under our legislative process requires a "cost/benefit analysis" in terms of the vote count for every spending cut or tax increase proposed. It is extremely difficult to construct a budget that makes a significant cut in the deficit without touching so many "sacred cows" that a majority of Congress and the American people do not end up opposing the plan.

ACCOMPLISHMENTS IN STEP ONE, HOUSE PASSAGE

The reconciliation bill represents the largest deficit reduction package in U.S. history. Final enactment of the bill will result in approximately $500 billion in deficit reduction over the next five years, with a little less than half coming from spending reductions and a little more than half coming from revenue increases.

Before supporting the reconciliation bill in the House, I worked with my conservative Democratic colleagues to achieve three major changes to the President's package: 1)first-time ever limits on entitlement spending; 2)a hard freeze on all discretionary spending; and 3)a commitment from the White House that the BTU tax would be removed and more spending cuts would be added before the final bill is signed into law.

ENTITLEMENT CAPS

I believe our greatest accomplishment in the reconciliation bill was to officially state for the first time that entitlement spending is no longer "uncontrollable." Entitlement programs such as Medicare and Medicaid, food stamps, unemployment benefits, family support, etc. are programs which have eligibility requirements (e.g. poverty status, unemployment, disability, age, etc.) written into law, granting people who meet those requirements an automatic "entitlement" to the benefits. This automatic spending is not now controlled by budget rules, giving these programs the name of "uncontrollable spending." I believe the President and the Congress must be responsible for <u>all</u> federal spending and we must be held accountable to take action if entitlement spending increases beyond the limits we have forecast in the budget bills.

Since I first came to Congress, spending on entitlements has increased 286%, more than 1-1/2 times the rate of inflation. The failure to place limits on entitlement spending in the past has been the undoing of all previous deficit reduction efforts. For example, almost half of the deficit reduction included in the 1990 Budget Agreement was wiped out by unexpected increases in entitlement spending. Although the 1990 agreement has been successful in controlling discretionary spending, entitlement spending will be $225 billion more than it was projected to be when the 1990 agreement was enacted. Those increases occurred without any action by Congress or the President, because entitlement spending was left on automatic pilot.

Our provisions included in reconciliation state that the President will be required to submit a package to deal with the overage if entitlement spending exceeds the promise made in the budget bill, and Congress then will be required to pass legislation offsetting the overage or explicitly raising the spending limits. If Congress wants to raise the limits there must be a separate vote, held fully in the public's eye, directly on that issue. The guarantee that Congress will act to deal with the entitlement overage is that failure to do so will prevent any appropriations bills from being considered. These procedures will take entitlement spending off of "auto-pilot" and force the President and Congress to take concrete actions dealing with entitlement spending.

DISCRETIONARY SPENDING FREEZES

Discretionary spending is "controllable" spending that is appropriated each year and includes defense spending, law enforcement, scientific research, patrolling our borders and coasts, education programs, some social programs, repairing roads, running the government, etc. It also includes the spending which many refer to as "pork" or unnecessary and trivial spending. A hard freeze in discretionary spending, meaning that discretionary spending in 1998 will be no more in actual dollars than it is in 1993, will have a major impact on business-as-usual around here by forcing us to make tough choices and set priorities. By freezing overall discretionary spending we will force a separating of "the wheat from the chaff" in appropriations.

One need only compare a hard freeze to the discretionary spending which occurred during the first five years of the Reagan presidency to understand just how different business will be. Even though Congress appropriated less money than President Reagan requested for discretionary programs, discretionary spending increased by $131 billion, an average of $26.2 billion each year over five years. We are now guaranteeing that in the next five years it will not increase one dollar.

BTU REMOVAL

Thirdly, I made it perfectly clear from the outset that my vote for moving this process forward was predicated on the assurance of improvements in the BTU tax before the bill becomes law. From the moment the BTU tax was initially proposed, I stated my concern that it would be harmful to all of rural America and especially harmful to Texas. As I voted to pass the reconciliation bill out of the House, I stated that I would not vote for the conference report unless my concerns about the BTU tax were addressed and more spending cuts were added to the bill. Naturally, I am very gratified that news of these changes is now circulating.

COMPARISON OF PEROT DEFICIT REDUCTION PLAN TO CONGRESSIONAL PLAN

	PEROT PLAN	CONGRESSIONAL PLAN (As passed by the Senate)
DISCRETIONARY SPENDING	$75 billion in specific spending cuts, $73 billion in unidentified cuts, and $109.5 billion in spending increases. The net result of the Perot plan would be a $38.5 billion reduction in discretionary from baseline. Under the Perot plan, actual discretionary spending would be $16 billion higher in 1998 than it was than it was in 1993. Unlike the Congressional plan there would be no mechanisms to enforce the discretionary cuts. discretionary cuts.	The plan would freeze all discretionary spending for five years by placing caps on discretionary spending that would be enforced by spending sequestration. These caps will force Congress to cut discretionary spending $104 billion below baseline. Under the Congressional plan, actual the same as it was in 1993.
MANDATORY SPENDING	The Perot plan would reduce mandatory spending by $209 billion from baseline, primarily through deep cuts in Medicare, Medicaid, agriculture, and retirement programs.	The Congressional plan, as passed by the Senate, would reduce mandatory spending by programs by $108 billion and. increase mandatory programs by $18 billion, for a net reduction of $90 billion.
MEDICARE	Would cut Medicare by $120.2 billion. Of this reduction, $37.7 billion would come from a 40% increase in the premiums paid by Medicare beneficiaries, and $82.5 billion in unspecified savings from "Medicare cost containment". Cuts of this magnitude without overall health care reform would require deep reductions in payments to providers, which would force many rural hospitals to close. The Perot plan does not include a health care reform proposal to control health care costs.	The plan, as passed by the Senate, would reduce Medicare spending by $58 billion by reducing payments to doctors, hospitals, and other providers. It is anticipated that there will be additional savings in the Medicare program as part of overall health care reform.
MEDICAID	The Perot plan calls for $58.8 billion in unspecified savings from "Medicaid cost containment." Savings of this magnitude without overall health care reform would require dramatic reductions in benefits.	The Congressional plan would reduce Medicaid spending by $8 billion. Additional savings will be achieved as part of overall health care reform.
FARM PROGRAMS	The Perot plan would reduce farm price support programs by $17 billion. This would effectively reduce the farm program by 1/3. The plan does not specify how these savings would be achieved.	The Congressional plan would reduce farm price support programs by $2.9 billion, primarily through an increase in the flex acres not eligible for price support payments.
FEDERAL RETIREES	The Perot plan would achieve $13 billion in savings by reducing the COLAs for all federal retirees.	The Congressional plan would achieve $2.7 billion in savings through delays in COLAs.
TAX INCREASES		
INCOME TAXES	The Perot plan would increase individual income taxes by $104 billion through an increase in the top marginal rate, reduction in the mortgage interest deduction and deduction for employer provided insurance and other changes.	The Congressional plan, as passed by the Senate would increase individual income taxes by $119 billion primarily through an increase in the marginal rate to 36% and health limitations on deductions for upper-income taxpayers.
CORPORATE TAXES	Does not increase corporate taxation.	Increases the corporate rate to 35% for profits above $10 million.
TAXATION OF SOCIAL SECURITY	Would increase amount of Social Security benefits subject to taxation from 50% to 85% for individuals with income above $24,000 and couples with income above $32,000.	Same as Perot plan, except that the Senate would apply the increased taxation to individuals with incomes above $32,000 and couples with incomes above $40,000.
ENERGY TAXES	Would raise $157.8 billion over five years by increasing the gas tax 10 cents a year for five years, resulting in a fifty cent a gallon gas tax.	The House bill would raise $72 billion through a Btu tax that equivalent to a 7.5 cent a gallon gas tax. The Senate bill included a 4.3 cent a gallon gas tax.
RATIO OF TAXES TO SPENDING CUTS	Using the same accounting methods that are being used by Congress, the Perot plan would cut spending $1.09 for every $1.00 in increased taxes.	The Congressional plan as passed by the Senate, would cut spending $1.04 for every $1.00 in increased taxes.

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 7/5

[redacted]

NOTE FOR: Tony, MARCIA, Gergen George

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:

[redacted]

THE WHITE HOUSE
WASHINGTON

(1)
See his suggestion
Mr. Annagorta
(2) should bring him
in to discuss military
issues —
B

[redacted]

[redacted]

THE WHITE HOUSE

WASHINGTON

June 30, 1993

Philip C. Jamison
1848 Greenplace Terrace
Rockville, Maryland 20850

Dear Phil:

Thank you for your letter about the recent strike against Iraq. I appreciate your support of my decision. You are correct that the decision wasn't easy, but it was the right thing to do.

I also appreciate your sending a copy of President Kennedy's remarks at the Naval Academy in 1963. It's a fine speech, and I am glad you shared it with me.

Sincerely,

Bill

THE PRESIDENT HAS SEEN 7/4

PHILIP C. JAMISON • 1848 GREENPLACE TERRACE • ROCKVILLE, MARYLAND 20850
(301) 251-9709

June 27, 1993

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500-2000

Dear Bill,

You and your troops deserve a hearty "well done" from the nation for the successful naval strike against Iraq -- such a mission is much, much harder than it looks (I was involved in introducing Tomahawks to the fleet several years ago.) I feel for you in having to deal with the agony of the unavoidable civilian casualties. The danger to the world that Saddam represents doesn't make it any easier, but you unquestionably did the right thing.

On a slightly different subject, the 30th anniversary of one of JFK's best speeches dealing with the military comes up August 1st. Since that presentation (enclosed) was to the entering class at Annapolis, you might want to send a message to be read to the new class of plebes at all the service academies commemorating those remarks.

You are doing a super job. Keep up the good work.

Sincerely,

Phil

FYI: THE 30th ANNIVERSARY OF THIS ADDRESS COMES UP IN A MONTH.

(PRESIDENT JFK)

321 Remarks at the U.S. Naval Academy. *August 1, 1963*

Admiral, officers, members of the Brigade:

I hope you will stand at ease. Perhaps the plebes will. Did you explain that to them? That comes later in the course.

I want to express our very strong appreciation to all those of you in the plebe class who have come into the Navy. I hope that you realize how great is the dependence of our country upon the men who serve in our Armed Forces. I sometimes think that the people of this country do not appreciate how secure we are because of the devotion of the men and their wives and children who serve this country in far off places, in the sea, in the air, and on the ground, thousands and thousands of miles away from this country, who make it possible for us all to live in peace each day.

This country owes the greatest debt to our servicemen. In time of war, of course, there is a tremendous enthusiasm and outburst of popular feeling about those who fight and lead our wars, but it is sometimes different in peace. But I can assure the people of this country, from my own personal experience in the last 2½ years, that more than anything, more than anything, the fact that this country is secure and at peace, the fact that dozens of countries allied with us are free and at peace, has been due to the military strength of the United States. And that strength has been directly due to the men who serve in our Armed Forces. So even though it may be at peace, in fact most especially because it is at peace, I take this opportunity to express our appreciation to all of them whether they are here at Annapolis, or whether they are out of sight of land, or underneath the sea.

I want to express our strong hope that all of you who have come to the Academy as plebes will stay with the Navy. I can think of no more rewarding a career. You will have a chance in the next 10, 20, and 30 years to serve the cause of freedom and your country all over the globe, to hold positions of the highest responsibility, to recognize that upon your good judgment in many cases may well rest not only the well-being of the men with whom you serve, but also in a very real sense the security of your country.

I can imagine a no more rewarding career. And any man who may be asked in this century what he did to make his life worth while, I think can respond with a good deal of pride and satisfaction: "I served in the United States Navy." So I congratulate you all. This is a hard job, particularly now as you make the change, but I think it develops in you those qualities which we like to see in our country, which we take pride in. I am sure you are going to stay with it. I am sure you are going to be able, by what you are now going through, to find the means to command others.

So I express our very best wishes to you and tell you that though you will be serving in the Navy in the days when most of those who hold public office have long gone from it, I can assure you in 1963 that your services are needed, that your opportunities are unlimited, and that if I were a young man in 1963 I can imagine no place to be better than right here at this Academy, or at West Point, or in the Air Force, or in some other place beginning a career of service to the United States.

There is an old story—which I will close with which will give you very valuable advice as you follow a naval career—about a young yeoman who watched a lieutenant begin a meteoric career in the Navy, and he always used to go into his office every morning and go to his drawer and take out a piece of paper and look at it. He became the youngest captain, the youngest admiral, the youngest commander-in-chief. Finally one day he had a heart attack. The yeoman said, "I want to see what is in that paper. It might help me." So he went over and opened up the safe and pulled out the paper. And it said, "Left—port; right—starboard."

THIS QUOTE HAS JOINED THE LIST OF FAMOUS NAVAL SAYINGS — IT IS ETCHED IN GRANITE AT THE ENTRANCE TO THE NAVY MEMORIAL.

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 7/5

NOTE FOR: Bruce Lindsey

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

Information ☐

Action ☑

Thank you.

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

cc:

[redacted]

Working here is like an amusement park! There's excitement! There's challenge...

[redacted]

Bl – we should help her –
B.

...and it will often make you sick.

[redacted]

THE WHITE HOUSE

WASHINGTON

July 2, 1993

Ms. Susan Collins
874 39th Street
Ashland, Kentucky 41101

Dear Susan:

Hillary and I were so sorry to learn of your illness. You are in our thoughts and prayers during this difficult time.

Sincerely,

Bill

I am so glad the tumor was benign - Please keep in touch with us and hang in there!

P-102A

get-well

THE PRESIDENT HAS SEEN
7/4

THE WHITE HOUSE

WASHINGTON

June 15, 1993

Ms. Susan Collins
101 Sparrowhawk Lane
Agoura, CA 91301

Dear Ms. Collins:

Thank you for writing to express your interest in working with the Clinton/Gore Administration. We appreciate your interest in public service.

You may be assured that your resume will be given every possible consideration. Should we need additional information, we will contact you at that time.

Again, we appreciate both your interest and your continued support.

Sincerely,

Bruce R. Lindsey

Bruce R. Lindsey
Assistant to the President and
Director of Presidential Personnel

[illegible] I'd really appreciate
[illegible] our new president [illegible]
a get well note from [illegible] hope you're doing well [illegible]