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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: Telephone Log for President Clinton [partial] (1 page)	09/01/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 1391

FOLDER TITLE:

September 1-4, 1993 [1]

2018-0662-S
rs3067

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.
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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: 9/4

NOTE FOR: MACK / Roy

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

Information ☐

Action ☐

see (P) note

Thank you.

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

cc:

For the President
From: Mack McLarty

Post-it™ brand fax transmittal memo 7671 | # of pages ▸ 3

To Thomas F. McLarty	From H. L. McColl, Jr.
Co. Chief of Staff	Co. NationsBank Corp
Dept. White House	Phone # 704/386-5663
Fax # 202-456-6424	Fax # 704/386-4578

Hugh L. McColl, Jr.
Chairman of the Board

NationsBank

NationsBank Corporation
NationsBank Corporate Center
NC1 007-5801
Charlotte, NC 28255
704/386-5663

August 25, 1993

Mack - please advise how you would like us to handle (do you want to give it to the President?) B

Mack (Rom) - we could do this on WHA letterhead in NC along w/ — work con

Via Fax # 202-456-6424

Mr. Thomas F. McLarty
Chief of Staff
The Office of the President
of the United States
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mack:

It would be a great favor to me if you would bring the attached letter to the President's attention. Thanks so much!

Kindest personal regards.

Sincerely,

Hugh

Hugh L. McColl, Jr.

rls

Attachment

93 SEP 3 P5:49

Sept 2/93

Hugh -

Hand-delivered Sept 2/93 to the President's desk

Great idea - Hope we can accomodate, But very much on agenda [illegible]

Hugh L. McColl, Jr.
Chairman of the Board

NationsBank

NationsBank Corporation
NationsBank Corporate Center
NC1 007-5801
Charlotte, NC 28255
704/386-5663

August 23, 1993

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

Dear Mr. President:

I am sure that you know of the good works of Habitat for Humanity. You may not know that Charlotte has built more Habitat houses than any other city in the United States. As of this date, we have built 170.

During the week of October 16-23, Habitat for Humanity of Charlotte will build 23 homes in one of our lower income neighborhoods. This housing blitz is in honor of the tenth anniversary of Habitat home sponsorship in Charlotte (we expect that it will get good national press coverage). NationsBank and 22 other corporations are each sponsoring a home.

As you know, Habitat is not a charity. Home ownership improves self-esteem and allows people to take responsibility for their own lives. We don't give away homes, but we do furnish interest-free mortgages. As loans are paid back, the money goes to build new houses.

You are the champion of the less advantaged people in our society. The celebration of the completion of the 23 homes on October 23 would be a wonderful opportunity for you to be seen as a president who is committed to providing housing to people who deserve it. Each of the new owners will have provided "sweat equity" into their homes and each is the kind of American we are looking for.

I would strongly urge you to consider coming to Charlotte at any time during the week of October 16-23, if for only an hour, to drive a couple of nails and to lift the spirits of both workers and future homeowners not only here in Charlotte, but across the nation. Thank you for your consideration.

Kindest personal regards.

Sincerely,

Hugh

Hugh L. McColl, Jr.

pah

Omar

THE WHITE HOUSE
WASHINGTON

DATE: 9/4

NOTE FOR: Roy Neel / Alexis

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: Nancy H.

THE WHITE HOUSE

WASHINGTON

August 31, 1993

MEMORANDUM FOR ROY NEEL

FROM: Alexis Herman

RE: Today's Strategic Scheduling Meeting

Great meeting today!

Given the President's concerns about his position with his base particularly with the African Americans, I wanted to summarize all the requests in for his participation during the next month so we can bring these issues to closure as soon as possible.

The President has indicated that all the events that are starred are requests that he wishes to do. The others are highly recommended and gives us political lift for reasons I believe are obvious.

AFRICAN AMERICANS

September	Joycelyn Elders swearing-in
*September 8	March on Washington Co-chairs
*September 11	National Baptists
*September 17	Reception/CBC/White House
September 18	CBC Dinner

HISPANIC

September 16	Proclamation signing/afternoon Hispanic Caucus Dinner

RELIGIOUS BREAKFASTS

We recommend that starting with the second Monday of each month beginning with October, we will have religious breakfasts similar to the CEO lunches with fixed time and place.

cc: Mack McLarty
cc: Marcia Hale
cc: Nancy Hernreich

Omon

THE WHITE HOUSE
WASHINGTON

DATE: 9/4

NOTE FOR: Mickey Kantor / Roy Neel

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

Information ☑

Action ☐

See (P) Note

Thank you.

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

cc:

THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON
20506

SEP 3 P5:48

August 31, 1993

MEMORANDUM TO THE PRESIDENT

FROM: AMBASSADOR MICKEY KANTOR

SUBJECT: INVITATION TO CONFERENCE

There will be an Americas Conference, sponsored by Dow Jones in New York on October 28 and 29.

The topic will be NAFTA.

The audience will be made up of mostly U.S. and Latin American CEO's, along with government officials from Mexico and other Latin American countries.

We should strongly consider your making a major speech regarding NAFTA, given the location, timing and audience for this event.

cc: Mack McLarty

Chron

THE WHITE HOUSE
WASHINGTON

DATE: 9/4

NOTE FOR: Tony L. / George S.

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

Information ☐

Action ☑

see (P) note

Thank you.

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

cc:

MACK MCLARTY

September 2, 1993 93 SEP 3 P5:48

To The President:

"Positive piece".

Mack

Tony | GS

should make this part of HA speech

Airdrops Into Bosnia Prove to Be Lifesaver

After Initial Turbulence, Nightly Flights From U.S. Air Base Have 'Meant Survival'

By Steve Vogel
Special to The Washington Post

RHEIN-MAIN AIR BASE, Germany—Early on the morning of March 1, the first bundles of supplies intended for besieged Muslims in eastern Bosnia plunged in darkness from the rear of high-flying U.S. Air Force Hercules C-130s—almost straight into the arms of Bosnian Serb attackers who had just captured the frozen ground where the parachutes landed.

The inauspicious start of the American airdrops—much publicized—seemed to confirm widespread skepticism about how effective such an operation would be. With the planes flying high to stay safe from enemy fire, the drops would be a farce, critics said.

Six months later, the criticism has become muted. In what officers here describe as the longest sustained airdrop operation in aviation history, more than 7,700 tons of food—9 million meals—and 144 tons of medical supplies have been dropped into eastern Bosnia from U.S., German and French planes.

"It has been crucial for those regions—essentially, it has meant survival," said Mufid Halilovic, a representative of the Bosnian government who inspects the cargo at Rhein-Main, the U.S. air base near Frankfurt from which the operation is run.

"The international community—particularly the U.N. and [European Community]—has lost every other battle," Halilovic added. "This is one of the few things that has worked."

A spokesman for the U.N. High Commissioner for Refugees in Geneva described the airdrops as "absolutely lifesaving" for areas which have no other means of relief.

The supplies have reached hundreds of thousands of Muslims in 19 towns, including the eastern enclaves of Zepa, Cerska and Konjevic Polje as well as the refugee centers of Srebrenica and Gorazde.

Last week, planes began dropping supplies to the besieged Muslim enclave of Mostar, the first to areas under Bosnian Croat attack.

"I don't think it's a great leap to say there are several thousand people alive today because of the airdrops," said Brig. Gen. Donald Loranger, who oversees the operation as commander of the 435th Tactical Air Wing. Moreover, U.S. aircraft participating in an international airlift into Sarajevo have carried more than 21,000 tons of supplies into the Bosnian capital since July 1992.

The media attention has long since died away, but the crews have continued to fly, missing only 20 nights. This points to another reality—the U.S.-led operation clearly has not stopped the fighting in Bosnia.

"Airdrops are definitely not going to solve the problem," said Halilovic. "Airdrops are only healing the consequences."

Officers here acknowledged disappointment that the drops were still needed half a year after they began. "I certainly didn't expect it to last six months," said Loranger. "I hoped there would be some viable political outcome that would obviate the need."

Even if a peace settlement is reached in Geneva, officers here say, the airdrops would likely continue until ground relief convoys are shown to have unrestricted access to all areas of Bosnia.

Crew members say the aircraft operate in an environment considerably more tense than commonly recognized. "The missions are dangerous," said Lt. Col. Harlan Ray, a squadron commander, pointing out that Bosnia is full of weapons capable of taking down the unarmed cargo planes, including antiaircraft artillery and surface-to-air missiles.

An Italian cargo plane was shot down by a missile one year ago flying into Sarajevo, and planes are occasionally hit by small-arms fire near the airport.

While none of the aircraft involved in the airdrops has been hit, Loranger said, there have been "times when we quite possibly were shot at, but not effectively."

Loranger described the fire as "undisciplined" antiaircraft artillery, not centrally directed. The fire is not necessarily all coming from Serbs, officers added. "There are no Boy Scouts down there," said Loranger.

"Some days, you'd never know there was a war going on," said Capt. Todd Copley, a navigator. "Other nights, things look a little too close."

Aircrews vary their altitudes as a defensive measure, and pilots do not fly over areas where potential threats have been identified. Sometimes, the cargo planes are given escort by patrolling NATO warplanes.

Pilots say that on occasion their planes have been lit up by spotlights from the ground. "It's a little disconcerting," said Capt. David Barnes, who took evasive action after it happened to him two weeks ago.

"They're looking for us," said Copley. "But we're running dark."

The cargo planes fly under blacked-out conditions over Bosnia at altitudes exceeding 10,000 feet, and while some loads still go astray, the use of sophisticated satellite-based navigational equipment has led to target accuracy rates that the military says would be expected at one-third the altitude.

Tensions have been heightened by NATO's enforcement of a "no-fly zone" over Bosnia, according to Col. Ray. And should the alliance launch airstrikes against Serb positions in Bosnia, officers here say, the missions over Bosnia and into Sarajevo could have to be suspended for fear of retribution.

But pilots say their biggest concerns now are complacency and powerful late-summer thunderstorms at high altitudes.

A typical mission includes six Hercules, joined by one French and one German C-160 Transall, carrying about 50 tons of goods.

In a cargo bay at Rhein-Main, 60 U.S. soldiers work in assembly-line fashion, rigging parachutes and preparing loads. Working with forklifts, crews assemble 1,550-pound pallets with military rations, seeds, rice, biscuits, Danish cheese, Turkish sardines, German potatoes, Austrian goulash and Japanese powdered milk.

The riggers pack medical supplies with extra care. Recently, 4,200 vials of penicillin were dropped to a hospital without a single one being broken, according to Capt. Brian Williams, leader of the riggers.

Almost every night, the cargo planes roar out with their loads, returning around six hours later. "Everybody says be ready for the long haul," said Barnes. "Nobody sees an end to it."

Chron

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 9/4

NOTE FOR: V.P. / Jack Quinn

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)

[redacted]

cc:

[redacted]

TO-DO-LIST

Date:	Finished: ✓
cc: VP/AVP	
P/S contacts	
Auditors, Doc	
supply from	
B	

TO-CALL-LIST

[redacted]

[redacted]

THE WHITE HOUSE

WASHINGTON

September 3, 1993

Edwin L. Jones, Jr.
1214 Wareham Court
Charlotte, North Carolina 28207

Dear Edwin:

Thank you for your letter.

I appreciate having your views on ways to cut government spending and your recommendation of the book About Face. We will soon release the Administration's plan for reinventing government, and I think you'll be encouraged by some of the recommendations that will be made. I look forward to your support of that effort.

Best regards.

Sincerely,

Bill

I'll check on policies regarding moving personnel + that's a good idea —

1214 Wareham Court
Charlotte, N. C. 28207
August 25, 1990

President Bill Clinton
White House
Washington, D. C.

Dear President Clinton,

Because of our many years at Renaissance Week-ends, I hope that it is possible for this letter to reach your desk.

I know that you are flustered by the excessive cost of government. One easy way that you could save substantial money in the Military Budget, the State Department, and Public Health, would be to ask each department to review their policy reference moving personal every few years.

Just think of the millions of dollars spent moving personal and their dependants to military bases overseas. Add to that the cost of moving them to different bases here in the U S A.

Why shouldn't a Public Health doctor stay a one hospital or clinic for many years? Did you know that those assigned to a Coast Guard Clinic stay only three or four years before they are moved?

If you want to be re-elected in 1996, now is the time to start cutting cost. One cut a day would soon add up!

I found during my many years in business that the way to find out things is to ask questions. I often got far more information that I needed to make decisions by asking those who were not Vice Presidents, Project Managers, Superintendents, foremen or even Department Heads. Many of the best information came from the laborers, carpenters, etc.

I can not help but wonder if you have read "ABOUT FACE" The odyssey of an American warrior Colonel David H. Hackworth and Julie Sherman. I think it would improve our military if you would ask officers that you come into contact with what changes they are making in the military because of ideas they secured from studying the book. Chapter 17 on Pentagon duty is especially revealing. Think of the lesions the military has not learned when you fly into a military base and see our planes lined up in a row. Why did not they learn a lesson from Pearl Harbor?

May God bless you and yours,

Edwin

Edwin L. Jones, Jr.

ORIGINAL MICHEL
LETTER HAND
DELIVERED TO MICHEL:
RESIDENCE APPROX
2:30 pm SATURDAY
7/4/93. Address
PROVIDED By Chris
JENNINGS

322 2 ST SE
WDC

Bill Pitts
225-1234
Michel letter

THE WHITE HOUSE

WASHINGTON

93 SEP 4 P1:33

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: The Honorable Robert Michel
C/O Bill Pitts

Fax Number: 225-1234 **Phone Number:**

FROM: Paul Richards

SUBJECT: Health Care Reform

DATE: September 4, 1993

NUMBER OF PAGES (including cover sheet): 3

MESSAGE:

If all pages are not received, please call 202/456-2702

THE WHITE HOUSE

WASHINGTON

September 2, 1993

The Honorable Robert Michel
House Republican Leader
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Leader:

As you know, I share your belief that health reform is and must be a non-partisan issue. It is clear that our constituents want us to work together to pass a long overdue health reform initiative.

For months now, Hillary and representatives from the Administration have held numerous meetings with Representatives and Senators from both parties on the health reform issue. I have been pleased with reports from her and others about how constructive the discussions have been. It has become clear that the vast majority of the Congress wants to contribute to and support a package that stems the tide of skyrocketing health care expenditures while assuring that all Americans have health insurance protection.

While there have been many extremely encouraging signs that we are working with similar health policy goals and approaches to reach those goals, we can do better in developing a closer and more constructive working relationship. I would, therefore, like to take this opportunity to invite you and the Republican House Members of your choosing to meet with the First Lady and me as soon as our schedules permit early this month.

I believe these meetings will give us the opportunity to review the options that we have before us to meet our mutual goals of containing costs, providing universal coverage, improving quality, and assuring choice of health care providers. These are daunting but achievable goals that must be met in order to provide health and economic security for all Americans.

In addition, I have directed Administration representatives to prepare a health care briefing workshop to be offered to Republican and Democratic Members BEFORE the Health Security plan is publicly released later in September. These bipartisan meetings will provide detailed briefings on the health reform policy and the rationale behind it.

The workshop will provide a general outline and philosophy of the proposal by the First Lady, followed by much more specific discussions of the provisions of the plan as they relate to issues of most concern to Members. For example, issues such as (1) cost containment; (2) financing; (3) the role, benefits and responsibilities of businesses; (4) rural health care; (5) how the Medicare and Medicaid populations will be affected; and many others will be discussed in great detail during these workshops.

Members of the Cabinet, White House officials and other key staff within the Administration will conduct these briefings and question and answer sessions. As currently envisioned, the briefings will be offered on a repeated basis starting late in the afternoon on Sunday, September 19, and ending early in the afternoon on Tuesday, September 21. If this concept and timeframe meets with your and Republican Leader Dole's approval, I would like to have my staff meet with your staff to discuss the logistics of these sessions.

There are few issues which offer the opportunity to forge new, bipartisan working alliances as much as health care. It is my hope and belief that we will develop a plan that both Democrats and Republicans can proudly support. I look forward to hearing from you and Senate Republican Leader Dole, who has received a similar letter.

Sincerely,

Bill Clinton

Chris Jennings
STATED THAT
ORIGINAL DOLE letter
SHOULD BE DELIVERED
TO DOLE'S OFFICE
MON OR TUESDAY

Holiday
202/479-2700

Hart Bldg.
224-6710 Rm 141

THE WHITE HOUSE

WASHINGTON

93 SEP 4 P1:27

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO: The Honorable Robert Dole

Fax Number: 224-6710 **Phone Number:**

FROM: Paul Richards

SUBJECT: Health Care Reform

DATE: September 4, 1993

NUMBER OF PAGES (including cover sheet): 3

MESSAGE:

If all pages are not received, please call 202/456-2702

THE WHITE HOUSE

WASHINGTON

September 2, 1993

The Honorable Robert Dole
Senate Republican Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

As you know, I share your belief that health reform is and must be a non-partisan issue. It is clear that our constituents want us to work together to pass a long overdue health reform initiative.

For months now, Hillary and representatives from the Administration have held numerous meetings with Senators and Representatives from both parties on the health reform issue. I have been pleased with reports from her and others about how constructive the discussions have been. It has become clear that the vast majority of the Congress wants to contribute to and support a package that stems the tide of skyrocketing health care expenditures while assuring that all Americans have health insurance protection.

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There are few issues which offer the opportunity to forge new, bipartisan working alliances as much as health care. It is my hope and expectation that we will develop a plan that both Republicans and Democrats can proudly support. I look forward to hearing from you and House Republican Leader Michel, who has received a similar letter.

Sincerely,

Bill Clinton

THE WHITE HOUSE
WASHINGTON

DATE: 09/03/93

TO: THE VICE PRESIDENT
DAVE GERGEN
GEORGE STEPHANOPOULOS
MARK GEARAN
DEE DEE MYERS

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

The attached has been forwarded
to the President.

THE ATTORNEY GENERAL

93 SEP 3 P6:42

September 3, 1993

Bernie Nussbaum --

FYI

Janet Reno

9/3/93

Mr. President:

Janet sent this over in response to my inquiries about BNL.

It indicates that investigations are still continuing.

Bernie

AN OVERVIEW OF THE CHRISTOPHER DROGOUL-BNL MATTER

On Sept. 2 the government accepted a plea by Drogoul to 3 counts (wire fraud and lying to the Federal Reserve Bank) because the prison sentence would likely have been the same no matter how many counts the government proved during a trial which was expected to last 4 to 6 months.

During that time, Drogoul, BNL's former branch manager in Atlanta, would not have been available to federal investigators -- slowing the rest of the investigation.

At a sentencing hearing November 29, the government may ask the judge to impose a prison sentence of up to 6 1/2 years -- almost two years longer than the baseline sentence under the sentencing guidelines. The judge could initiate a sentence up to 15 years.

Drogoul will be ordered to pay restitution, and acknowledged when he entered his plea that he could be fined as much as $3.6 billion.

The plea frees the BNL team Janet Reno has assembled to turn its attention to the larger issues. Examples: Were U.S. export laws violated by companies that received letters of credit from BNL? Was there misconduct by any U.S. government officials?

Drogoul hints that the U.S. government approved his activities but, in fact, he has never said so. He said he assumed intelligence agencies knew of his activities and would have stopped him if they disapproved.

The Justice Department BNL team, headed by veteran prosecutor John Hogan, has not found credible evidence that the U.S. government knew at the time of Drogoul's illegal activities. However, Drogoul's plea does not close the investigation.

The BNL investigators have no conclusive, credible evidence that officials in Rome knew what Drogoul was doing. Drogoul admitted he kept separate records. Investigators will travel to Rome to re-interview bank officials. In any event, the knowledge of individuals in Rome would not vitiate Drogoul's admission that he took illegal kickbacks and lied to the Federal Reserve.

The preliminary assessment that American and BNL officials were kept in the dark does not mean that investigators have cleared U.S. officials of any possible wrongdoing in connection with all of Drogoul's activities. Contrary to press conjecture, the probe remains wide open.

Despite the fact that Drogoul may have defrauded BNL-Rome of over $1.8 billion, it is still possible that a court might find the bank ineligible to collect on U.S. loan guarantees as an innocent victim. That is because the law imputes knowledge of an employee's conduct to the employer, even though it may not have had actual knowledge.

BNL-Rome's civil suit for $400 million in loan guarantees was stayed pending resolution of the Drogoul case. Now that litigation can proceed.

Congress' failure to renew the Independent Counsel law last December precluded appointment of an independent prosecutor. However, John Hogan was assigned by the Attorney General to work fulltime on the BNL investigation, and functions as an independent counsel for most purposes. The Drogoul plea does not foreclose the possibility of seeking appointment of an independent counsel to examine specific issues, if Congress reenacts the law, as the Clinton Administration has urged it to do.

(Questions about this statement should be referred to Carl Stern, Office of Public Affairs, 616-2777) U.S. Department of Justice

THE PRESIDENT HAS SEEN
THE [illegible] HAS SEEN
9.3.93

B Nussbaum
adding
is this under
B.

Plea in Bank Fraud Blocks Questions About Iraq Arms

By NEIL A. LEWIS
Special to The New York Times

WASHINGTON, Sept. 2 — A bank fraud case that was to have been the main stage for an accusation that the Bush Administration secretly armed Iraq and then sought to cover up that arming came to a surprising close today when the defendant, a week away from trial, struck a deal with the Government and pleaded guilty in Federal District Court in Atlanta.

The defendant, Christopher P. Drogoul, former manager of the Atlanta branch of a Rome bank, Banca Nazionale del Lavoro, had earlier insisted that he wanted to go to trial to demonstrate that he had been a pawn in an international conspiracy, involving the Bush Administration, to strengthen the Iraqi regime of Saddam Hussein during the 1980's.

But today Mr. Drogoul, who had been indicted on 70 counts stemming from the Atlanta branch's secret loans of more than $5 billion used by Iraq for an arms buildup, pleaded guilty to three of those counts: one of wire fraud and two of making false statements to bank regulators.

Mr. Drogoul's lawyer, Robert M. Simels of New York, said the defendant had decided to enter guilty pleas because his family had urged him to bring the prosecution against him to a close.

Two Crucial Rulings

But a far more important factor was apparently a pair of rulings last month by Judge Ernest G. Tidwell, who was to have presided at the trial and who accepted Mr. Drogoul's pleas today.

In those rulings, which cut the heart out of the strategy that Mr. Simels had been expected to pursue, Judge Tidwell held that the defense could not present evidence concerning Washington's policy tilt toward Baghdad during the 1980's. The judge said such evidence would be irrelevant to the charges against Mr. Drogoul.

Judge Tidwell also ruled then that Mr. Simels could not present evidence that senior officials of the Italian Government, which largely owns B.N.L., had pleaded with the Bush Administration to limit its inquiry into the Atlanta branch's loans.

After those rulings, Mr. Simels said today, "It became apparent to the defense that a search for the truth in this matter was being curtailed."

Approval by Reno

At the Justice Department today Carl Stern, the agency's chief spokesman, said the plea arrangement had been approved by Attorney General Janet Reno.

"With these three counts," Mr. Stern said, "the Government achieved the likely prison term which would have been achieved no matter how many counts you took to trial. It would have been pointless to go to trial."

Mr. Drogoul is to be sentenced on Nov. 29. Government prosecutors said that under Federal sentencing guidelines, Judge Tidwell was obliged to send him to prison for 46 to 57 months. But Mr. Simels said he would argue that Mr. Drogoul, who has already been imprisoned for 17 months while awaiting disposition of the case, should be sentenced to time already served.

Mr. Drogoul and five other officials of the Atlanta branch of B.N.L. were charged with bank fraud after the Federal Bureau of Investigation raided their offices in August 1989 and found evidence of illegal loans to Iraq.

In the many months that the issue has simmered, there has never been any doubt that Mr. Drogoul, in arranging for unsecured credit to a nation that had a history as a bad credit risk, had been involved in illegal lending.

What was at issue was whether the loans had been made with the knowledge of White House officials trying to buy favor with Mr. Hussein, and whether those officials sought to cover up their efforts after Iraq invaded Kuwait in August 1990.

The Bush Administration's Justice Department charged the six officials with defrauding the parent bank in Rome by making the loans without the knowledge of senior bank officials. But at a tumultuous hearing in Atlanta last September before Judge Marvin H. Shoob, it was disclosed that the Central Intelligence Agency might have known that senior bank managers in Rome had been aware of the loans and thus could not have been defrauded.

Immediately after that disclosure, Mr. Drogoul withdrew an earlier guilty plea and demanded he be allowed to go to trial in order to demonstrate that the loans had been made with the knowledge of senior American officials working with the Italian Government.

Much of the speculation surrounding the case was whether the C.I.A. and the Bush Administration had sought to limit the investigation to the Atlanta bankers, in order not to embarrass President George Bush, who was then running for re-election, and the Italian Government.

Judge Shoob said he believed he had been lied to by the Justice Department and the C.I.A. After expressing ever-increasing skepticism about the Government's claims that the case involved a straightforward bank fraud case limited to a group of Atlanta bankers, Judge Shoob agreed to a Justice Department request that he turn the case over to another judge.

Accusations of a cover-up will not be explored.

Before today's pleas, Mr. Simels had sought to subpoena Mr. Bush and several of his senior aides to ask them about meetings they had held with senior Italian government officials and about whether Washington wanted to aid Iraq through the Italian bank.

During the Presidential election campaign, Bill Clinton said he would favor the renewal of a law allowing for the appointment of independent prosecutors and would seriously consider seeking the appointment of one to take over the B.N.L. case.

But at a sentencing hearing last week for the five accused bankers who had worked under Mr. Drogoul, a senior Justice Department official signaled that the Clinton Administration does not believe there is any need for a special prosecutor. That official, John Hogan, a special assistant to Attorney General Reno, said the Clinton Administration had conducted its own review of the B.N.L. matter and had concluded there had been no conspiracy by Mr. Bush or his aides.

Judge Shoob, who still retained control over the cases of the five other bankers, reacted harshly to Mr. Hogan, saying such a conclusion was possible only "in never-never land." He said it was highly implausible that a multi-billion-dollar bank fraud had been run out of a small branch in Atlanta.

11

Government Denies Bush Armed Iraq

SEEN 8/3

By NEIL A. LEWIS
Special to The New York Times

ATLANTA, Aug. 23 — A Federal prosecutor said in court today that the Clinton Administration had conducted an investigation and concluded that there was no conspiracy by President George Bush and senior aides to arm Iraq secretly and then cover up their actions.

The statement by John Hogan, special assistant to Attorney General Janet Reno, was greeted with skepticism bordering on outright disbelief by the Federal judge who has presided over the matter matter for nearly four years. Judge Marvin H. Shoob of Federal District Court said such a conclusion was only possible "in never-never land."

Judge Shoob said he believed there was strong evidence of a far-ranging conspiracy involving the governments of the United States, Italy and Britain to aid Iraq. He said the only way to find out what really happened would be the appointment of an independent prosecutor. But with the Clinton Administration's view of the case, as expressed today, it seems unlikely that would happen, and the case will soon simply come to a halt.

Backing up his sharp words, Judge Shoob refused to sentence to jail five of the six Atlanta bankers charged with making illegal loans to Iraq. The five had pleaded guilty to various felony counts, but Judge Shoob said he would not sentence them to jail because the Government's contention that they defrauded the parent bank in Rome was incredible.

Objections by Prosecutors

Prosecutors, led by Mr. Hogan, objected, saying the bankers were largely responsible for the secret loans. But Judge Shoob characterized them as merely, "pawns and bit players in a far more wide-ranging conspiracy."

Today's sentencing was probably Judge Shoob's last action in the Iraq loan case and he lamented the fact that as a judge, he lacked the resources to pursue the case. He said there were too many circumstances that made it implausible that the conspiracy was a small one involving only the Atlanta bankers. "Smoke is coming out of every window," he said. "I have to conclude the building is on fire."

Both Judge Shoob's admirers and detractors say he is trying to play a role similar to that of Judge John P. Sirica in the Watergate scandal when he refused to accept answers by prosecutors that the misdeeds were restricted to a small group of low-level officials.

The case before Judge Shoob involves six former officials of the Atlanta branch of an Italian bank which was secretly used to finance nearly $5 billion in arms purchases for Saddam Hussein. The prosecution of the Atlanta bankers is at the heart of the accusations that the Bush Administration covertly armed Iraq to appease Mr. Hussein and then sought to cover up that policy after Mr. Hussein's army invaded Kuwait in August 1990.

Alan Weiner

Judge Marvin H. Shoob refused to sentence to jail 5 of 6 Atlanta bankers charged with making illegal loans to Iraq.

Clinton aides find no misdeeds by top Bush aides.

The officials of the Atlanta branch of the Banca Nazionale del Lavoro were charged by the Bush Administration with defrauding the parent bank in Rome after the Federal Bureau of Investigation raided the Atlanta office in August 1989. But at a tumultuous court hearing before Judge Shoob last September, it was disclosed that the Central Intelligence Agency may have known that the bank's senior managers were aware of the loans, and so could not have been defrauded.

Much of the speculation surrounding the case has been whether the Central Intelligence Agency and the Bush Justice Department sought to limit the investigation to the Atlanta bankers out of fear of embarrassing the White House or the Italian Government, which largely owns the bank.

Judge Shoob had complained in the past that he had been lied to by the intelligence agency and the Bush Administration.

Inquiry Was Promised

During the campaign, Mr. Clinton promised that he would have his attorney general make a fresh and thorough investigation of the allegations. Then they would decide whether to seek the appointment of an independent prosecutor.

The comments today by Mr. Hogan suggest that Ms. Reno is unlikely to seek a special prosecutor in the case.

The sixth banker charged in the case, Christopher P. Drogoul, the manager of the Atlanta branch, is scheduled to go to trial on bank fraud charges on Sept. 8. Judge Shoob has acceded to a Government request that he step aside in that case and Mr Drogoul will appear before a different judge.

A Justice Department spokesman, Carl Stern, said in Washington today that Mr. Hogan had carried out an "energetic review" of the case and reported his findings to the department's top officials.

Mr. Hogan told the judge that he had been working nearly full-time in reexamining the case since he joined the Federal Government. Before that, he was Ms. Reno's chief assistant in Miami where she had been Dade County prosecutor.

He said Ms. Reno told him to use the best talent available and not shrink from the truth. Mr. Hogan said he was now satisfied that the head office of the bank in Rome was not aware of the loans processed by the Atlanta branch, an assertion that brought sharp skepticism from Judge Shoob.

Judge Shoob also charged that the Government was inconsistent because it took a conflicting position on a related case in the United States Court of Claims.

At the same time that the Justice Department is prosecuting Mr. Drogoul for defrauding the Rome headquarters, it is refusing to pay a claim to the bank for $340 million in the Court of Claims. The bank is seeking reimbursement for some money lost when Iraq defaulted on some loans made by Mr. Drogoul. The loans were guaranteed by the United States Government.

But the Government is arguing that it need not pay the claim because Mr. Drogoul was an officer of the bank and therefore made the loans under the auspices of the bank. Mr. Hogan told Judge Shoob he did not believe the positions were in conflict.

The law by which a special prosecutor could be appointed expired last year and Congress has been moving to reenact it. President Clinton said he supported renewing the law.

Senior Bush Administration officials were adamantly opposed to the concept of independent prosecutors. William P. Barr, the last attorney general under President Bush refused to name a special prosecutor in the case, instead asking a former Federal judge, Frederick B. Lacey, to conduct what he said was an independent investigation within the Department.

Judge Shoob had criticized the Lacey report which was issued last December, and found no wrongdoing and no reason to appoint a special prosecutor. When Randy Chartash, one of the prosecutors today offered the Lacey report to dispute Judge Shoob's assertions, Judge Shoob was incredulous.

He said that, "If Judge Lacey had investigated the Teapot Dome scandal," he said referring to the 1922 scandal which almost toppled President Warren G. Harding, "he would have given out a medal instead of a jail sentence."

Tony | B Nussbaum - what's this deal here? → BC

THE WHITE HOUSE
WASHINGTON

DATE: 09/07/93

NOTE FOR: LINDA LADER

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

Information ☒X

Action ☐

Thank you.

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

cc:

THE WHITE HOUSE

WASHINGTON

cc: Shows
Linda Koder
Mark Gearan

September 3, 1993

David Neff
Executive Editor
Christianity Today
465 Gundersen Drive
Carol Stream, Illinois 60188

Dear David:

Thank you for your letter. It was great to see you at the breakfast Monday. Having all of you in for a visit renewed my spirit.

I appreciate your reminding me about the interview, and I have shared your letter to Mark Gearan, Assistant to the President for Communications.

I look forward to seeing you soon.

Sincerely,

Bill Clinton

August 31, 1993

The President
The White House
Washington, D.C. 20500-2000

Dear Mr. President,

I wish to thank you and Mrs. Clinton for your generous hospitality Monday morning and for your kind comments about *Christianity Today.*

We share a common concern for healing the many problems that plague our nation; and while we may sometimes disagree as to the best solutions, I know we both want to try to arrive at courses of action through careful, civil discourse informed by the wisdom of our religious heritage.

Your parting comment, suggesting an interview for the readers of *Christianity Today* appeals to us greatly. *CT* readers are key influencers in American churches, and their president should have the opportunity to speak directly to them about topics dear to his heart: about recovering a sense of the common good, about the need for humility in our debates, and about the realities of the political process in a pluriform society. We would very much like to accept your generous offer of an interview.

Knowing that you may be too busy to follow through on specific arrangements for such an interview, I am sending copies of this letter to David Gergen, Alexis Herman, and Linda Lader in the hope that they can help facilitate this meeting.

Mr. President, we deeply appreciated your sharing the concerns that were on your heart. As a result of our meeting, I feel I know how to pray for you more concretely.

Sincerely yours,

David Neff

David Neff
Executive Editor

A PUBLICATION OF
CHRISTIANITY TODAY, INC

465 Gundersen Dr.
708/260-6200

Carol Stream, IL 60188
FAX:708/260-0114

THE WHITE HOUSE

WASHINGTON

cc: Shows to
Linda Loder
Mark Gearan

September 3, 1993

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465 Gundersen Dr.
708/260-6200
Carol Stream, IL 60188
FAX:708/260-0114

THE WHITE HOUSE
WASHINGTON

DATE: 09/03/93

TO: THE VICE PRESIDENT
DAVE GERGEN
GEORGE STEPHANOPOULOS
MARK GEARAN
DEE DEE MYERS

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

The attached has been forwarded
to the President.

THE WHITE HOUSE

WASHINGTON

September 3, 1993 3 SEP 3 P6:10

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Federico Peña
Robert Rubin
Laura Tyson

SUBJECT: Report of the Airline Commission

The National Commission to Ensure a Strong Competitive Airline Industry submitted its final report to you and to the Congress on Thursday, August 19. In response to that report, and in anticipation of Congressional hearings on the subject, we will soon present you with a memo outlining recommendations for an Administration initiative on civil aviation.

The Commission's final report argues that the U.S. must have strong airline and aerospace manufacturing industries if it is to compete successfully in the global economy. The report contains 61 specific policy recommendations grouped under the broad, unassailable themes that the U.S. air transportation system should be efficient, technologically superior, financially strong, and have a global reach. An NEC Working Group chaired by Secretary Peña and CEA Chair Tyson has been following the Commission's work and crafting recommendations for an Administration response. A detailed description of each Commission proposal and a draft of the Working Group's preliminary analysis can be found at Tab A. The more significant recommendations are discussed briefly below.

SIGNIFICANT COMMISSION RECOMMENDATIONS LIKELY TO BE SUPPORTED BY THE ADMINISTRATION.

While many of the Commission's most important recommendations are broadly acceptable to the Working Group, important details remain under discussion. The recommendations include:

- *Restructure the FAA's air traffic control services as a government-owned corporation to address problems with FAA's budget, procurement and personnel policies.* The National Performance Review will make a similar recommendation. The Working Group supports this recommendation in principle. Significant implementation issues remain unresolved, however, and some Working Group members are concerned that alternative solutions may be required to address the problems at FAA.

- *Focus U.S. negotiating efforts on replacing existing bilateral aviation agreements with a regime of liberal multilateral agreements in which routes, fares, and flight frequencies are determined by markets rather than by governments.* Because U.S. airlines enjoy a substantial cost advantage over many of their foreign rivals, they would benefit greatly from more liberal aviation agreements. Successfully negotiating such agreements will likely prove to be extremely difficult in the short run. Indeed, the U.S. currently faces demands from numerous European and Asian governments to limit the access of U.S. carriers which, in the eyes of our trading partners, are "too efficient" and threaten the viability of their own carriers. At the same time, the Working Group believes that the Commission proposal represents an important *long-run* goal, and that progress toward this goal may be possible in the near term through negotiations on air cargo and charter services.

- *Increase domestic airlines' access to foreign capital by raising from 25 percent to 49 percent the amount of voting stock that can be held by foreign investors. Make greater foreign investment available only to countries that provided comparable investment opportunities and liberal aviation agreements.* Among other things, this would offer a reward to those countries that conclude liberal aviation agreements with the U.S.. While the Working Group supports this recommendation in principle, a number of implementation issues remain unresolved.

- *Reaffirm DOT's prohibition on the diversion of revenues from airports receiving Airport Improvement Program (AIP) grants.* Given the fungibility of federal grants, the diversion of airport revenues to city coffers would *de facto* change AIP grants into general revenue sharing. This prohibition may have the greatest effect in L.A., where Mayor Riordan is trying to use airport revenues to fund city services such as police forces.

- *Enact a statute of repose to limit the liability of general aviation (GA) aircraft manufacturers to 15 years from the date of manufacture.* GA manufacturers believe that such a limit would help regenerate their once-healthy industry. Previous legislative efforts to enact such liability limits have been stopped by opposition from trial lawyers.

- *Move quickly toward a satellite-based air traffic control system.*

- *Reduce airlines' regulatory burden by assessing aviation regulations to ensure that benefits exceed costs.*

- *Aggressively enforce international agreements on aerospace manufacturing.*

SIGNIFICANT COMMISSION RECOMMENDATIONS LIKELY TO BE OPPOSED BY THE ADMINISTRATION.

- *Reduce aviation excise taxes to 1990 levels* (5-year cost about $4-5 billion). Air carriers strongly support this proposal on the ground that they pay more than their share of aviation program costs (although the FAA, OMB, and CBO find otherwise). The Working Group

believes that excise taxes should stay at their current levels, among other reasons, to preserve the long-accepted principle that aviation users should pay for aviation infrastructure.

The Administration should take credit, however, for the limited airline tax relief provided by the recent budget package: a reduction in the alternative minimum tax for all capital intensive industries, and a 2-year exemption for airlines from the transportation fuel tax. Although these measures provided less of a subsidy than called for by industry, they nonetheless represent significant tax relief.

- *Create a Presidential Advisory Board to oversee the financial health of airlines*. Industry is split on this proposal; the Hill is skeptical. The Working Group believes that such a Board is at best unnecessary (since the Secretary of Transportation already has wide latitude in his financial oversight functions) and at worst harmful (such oversight could invite further steps toward reregulating the industry).

DISSENT BY ORGANIZED LABOR.

John Peterpaul, of the International Association of Machinists, filed the lone dissent to the Commission's report (Randy Babbitt, head of the pilots' union, expressed sympathy for Peterpaul's position, but voted with the majority). Among other things, Peterpaul called for: the reregulation of routes and fares; numerous labor protections (e.g., providing enforceable rights for workers laid off at one airline to receive hiring priority at any other expanding airline; allowing airline workers to receive hiring priority at any company that acquires part of the assets of their former employer); a prohibition against U.S. carriers using foreign repair stations; and a number of provisions that would encourage greater employee ownership. Other Commission members felt that Peterpaul's proposals would introduce significant rigidities into the market (some characterized his proposals as providing airline workers with lifetime employment guarantees).

The Working Group thinks that the Commission was correct to reject Peterpaul's recommendations. The Working Group continues, however, to seek alternative proposals that might address some of the concerns expressed by labor interests.

THE WHITE HOUSE
WASHINGTON

DATE: 09/07/93

NOTE FOR: LINDA LADER

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

Information ☒

Action ☐

Thank you.

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

cc:

THE WHITE HOUSE

WASHINGTON

September 2, 1993

James M. Dunn
Executive Director
Baptist Joint Committee
200 Maryland Avenue, N.E.
Washington, D.C. 20002-5797

Dear James:

Thank you for your letter. It was great to see you at the breakfast Monday. Having all of you in for a visit renewed my spirit.

I appreciate your good idea that I sit down for a few minutes with a group of writers for Baptist publications. I have forwarded your letter to Mark Gearan, Assistant to the President for Communications.

I look forward to seeing you soon.

Sincerely,

Bill

BAPTIST JOINT COMMITTEE
200 MARYLAND AVENUE, N.E., WASHINGTON, D.C. 20002-5797 • 202/544-4226

James M. Dunn
Executive Director

August 31, 1993

The President
The White House
Washington D.C. 20500-2000

Dear Mr. President:

The breakfast yesterday morning was a great idea. Your presentation was perfectly appropriate and inspiring. The participants were euphoric.

Thank you for putting up with all the "bull" you must endure. Thousands of Baptists are embarrassed by the actions of the most recent Southern Baptist Convention. We, like your pastor, Rex Horne are eager for Baptists to know the real Bill Clinton.

Rex and I had a talk yesterday and agree that it would be wise to bypass human filters who might distort your message and speak directly to the largest possible number of Southern Baptists.

Here´s an opportunity to share your spirirtual commitments with respected Baptist writers who are eager to report fairly and objectively your views and values.

Given our shared religious heritage, I am sure you are aware of the importance of Baptist publications in Baptist life. While the local newspaper stacks up on the porch, Baptist state papers are stuck in the Bible, left on the nightstand, and discussed at church. An interview with Baptist editors and reporters will provide you with a secure forum to express your thoughts and beliefs. Moreover, this forum will reach all of the national, regional, and state Baptist papers as well as the religion pages of over 600 daily newspapers. As one Baptist addressing the others, you will have a substantial apparatus for communicating directly with the millions of Baptists across the United States.

Four journalists I would recommend for such an undertaking are Larry Chesser, editor of Report from the Capital and a member of the White House Press Corps., Jack Harwell, editor of Baptists Today, Michael Smith of the Columbia Missourian, and Presnall H. Wood, editor of The Baptist Standard, the religious weekly with the largest circulation in America, 236,000. All these Baptist writers are accomplished, objective and have demonstrated the highest journalistic integrity in their reporting. These are writers that you can trust.

As several of your staff suggest, I will be pleased to assist with logistics, ground rules, and backgrounding. We hanker powerfully at the Baptist Joint Committee to help you in the one area in which we confess to a considerable expertise, Baptists. Enclosed is a brief biography of each of these writers and Mark D. Geran has samples of their work which I sent to him earlier.

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Executive Director
The Baptist Joint Committee

Larry Chesser is editor of Report from the Capital, Washington Bureau Chief for Associated Baptist Press, and a regular writer for Religious News Service. He is the son of an Arkansas Baptist minister, was editor of the Conway Log Cabin Democrat, 1982-1988 and is a member of the White House Press Corps.

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Presnall H. Wood is the long-time editor of The Baptist Standard the state paper for Texas. He has a great tradition since E.S. James, his predecessor, in the 1960's did exactly this sort of thing for President Kennedy. The impact of that interview dramatically enhanced the President's standing with Texas Baptists.

THE WHITE HOUSE

WASHINGTON

cc Mark Gearan
cc: Lader

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Senior Executives Fault Gore Plan's Labor Initiative

By Stephen Barr
Washington Post Staff Writer

The effort by Vice President Gore's National Performance Review to gain united backing from federal employee groups faltered yesterday when the group representing the top layer of the civil service broke ranks.

"We reluctantly conclude that career executives and managers currently have a dysfunctional relationship with this administration," the Senior Executive Association said. The association represents the interests of more than 7,500 career members of the Senior Executive Service (SES), an elite group of federal managers, lawyers and scientists.

The association said the National Performance Review, which will issue its report on "reinventing government" Tuesday, has "junked" recommendations that the performance review and the association worked to develop.

"This stands in stark contrast to the effort the administration has devoted to negotiating a satisfactory outcome with federal employee unions," the association said in its statement.

Carol A. Bonosaro, the association's president, said in an interview that "we don't feel threatened" by a proposed labor-management partnership outlined in a draft report of the National Performance Review.

The draft report says President Clinton will issue an executive order setting up a National Partnership Council that includes federal employee union leaders, a signal that the government will no longer treat the unions as adversaries.

The administration, Bonosaro said, has not "developed a partnership with their own managers and executives. It's sorely needed and long past due." The administration, she added, is "losing a golden opportunity" to capture the enthusiasm and leadership skills in the SES that will be needed to make "reinventing government" a reality.

The association had urged the Gore group to push for an SES oversight board and to designate "directors general" for the SES at each agency as a way of assuring accountability and uniformity in SES matters. The draft report says Clinton will ask Congress to give agencies the authority to recruit and test job applicants, including SES hires, and abolish the centralized hiring system run by the Office of Personnel Management.

Marla Romash, Gore's communications director, said the performance review "made an extraordinary effort to reach out to federal workers at every level throughout this process." She said Gore "has a tremendous amount of respect" for the SES "and the leadership they provide to the government."

To VP
What about this — B.

Nader Dubs Perk 'Kings' Of the Hill

By Kenneth J. Cooper
Washington Post Staff Writer

Ralph Nader yesterday launched a perk attack on Congress, dubbing nine House members "Kings and Queen of the Hill" for what the consumer advocate called abuses of official expense accounts and campaign funds.

Nader tagged each of the five Democrats and four Republicans with a colorful moniker for being a top spender in various categories, based on House and campaign records for the last two years. Nader said his Congressional Accountability Project conducted the study and plans another on the spending habits of senators.

House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.) was named "Meal King" for tapping almost $105,000 in campaign funds for meals and catered food, while House Speaker Thomas S. Foley (D-Wash.) was declared "King of the Good Ol' Boys" for sharing almost $42,000 in meals—primarily with House leaders—underwritten by his campaign or political action committee.

From official expense accounts supported by tax dollars, Rep. Julian C. Dixon (D-Calif.) spent $80,000 on first-class airfare to and from his Los Angeles area district. Nader dubbed Dixon "High Flyer King." Rep. Barbara F. Vucanovich (R-Nev.) was pronounced "Tip Queen" for handing out almost $1,300 in gratuities to airport and hotel porters.

Nader termed such expenditures imprudent and said they represented, at a time of economic stress, a wide gulf between lawmakers and ordinary citizens. "These are examples of the last wild frontier of expense account-ism," Nader said.

Nader urged tighter restrictions on the personal use of campaign funds and a ban on first-class travel at taxpayer expense.

Some of the named members and their aides charged that Nader had misconstrued spending patterns.

"No taxpayer funds were used by Speaker Foley in any of the events cited by Ralph Nader. Any insinuation or implication that taxpayer funds were used for these political and campaign related events is totally wrong," Foley said in a statement.

Minority Leader Robert H. Michel (R-Ill.) was named "Golf King" for $58,000 in campaign spending for golfing expenses. Michel said they covered the costs of golf outings held to raise campaign funds.

Vucanovich said workers in Nevada's service industry needed tips to compensate for lower wages. An angry aide, Tina Kreisher, said Vucanovich's physical limitations required that she tip as much as $25 to $45 per trip.

"This is a 72-year-old woman who had breast cancer and a broken arm and is not allowed to carry anything," Kreisher said. "So you're talking about every time a bag has to be lifted, she has to have help. Those are doctor's orders."

An aide to Rep. Hamilton Fish Jr. (R-N.Y.), named "Car King" for charging his expense account $18,500 to lease a Lincoln Continental, said the lanky lawmaker needed a large car to travel his Hudson Valley district.

"He's 6-foot-5. He can't ride around in a little car like Uncle Ralph would like him to," said Fish aide Nicholas Hayes.

Rep. Mike Parker (D-Miss.) was named "Rental Car King" for spending $14,000 from his official account, but an aide, Scot Malvaney, said renting a car was cheaper than leasing one in Parker's rural district.

The House permits members to lease or rent cars for official travel in their districts. The House Administration Committee reviews and approves each lease.

Dixon, whose first-class airfare to California cost as much as $2,300 a roundtrip, said he traveled to his district a total of 36 times in 1991 and 1992. A brief statement did not explain why he charged taxpayers to ride first-class instead of coach.

Rostenkowski, whose expense account purchases of postage and other items are under federal investigation, did not try to explain his habit of eating at his campaign committee's expense.

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9.3.93

FRIDAY, SEPTEMBER 3, 1993 THE WASHINGTON POST

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Where's the Bottom?

With its only superpower enemy having retired from the global battlefield, does a fiscally strapped United States still need to spend more than $1.2 trillion over the next five years for defense? It's hard to see why. But that's the number on the bottom line of the Pentagon's new "bottom up review," unveiled Wednesday by Secretary of Defense Aspin.

By cutting perhaps $120 billion more than the Bush Administration had planned over the five-year period and scrapping some of the forces and weapons aimed solely at the now-vanished Soviet threat, the review makes a modest start at adjusting defense budgets to new international realities. But the start is too modest to do justice to competing fiscal needs.

•

Sure, it's still a dangerous world out there, and it would be reckless and economically disruptive to abruptly shrink America's defense effort to the levels other countries consider comfortable. One of the reasons most of our allies spend less is that they count on us to spend more.

The Pentagon document's greatest merit is that it usefully reorients American strategy away from confronting the vanished Soviet Union toward more plausible regional threats, and scraps a handful of weapons programs that no longer serve any realistic purpose.

But then it ingeniously totes up the costs of fighting regional wars with conventional weapons in ways that make them nearly as expensive as facing down the thermonuclear weapons and intercontinental missiles of the old Warsaw Pact.

One reason for these unnecessarily high costs is Secretary Aspin's determination not to give allies a veto on whether the U.S. takes military action against regional aggressors like Saddam Hussein or, potentially, North Korea's Kim Il Sung.

Given the Europeans' performance on Bosnia, the Secretary's concerns are understandable. But America's allies aren't likely ever to be induced into more constructive multilateralism if Washington budgeters continue to offer them a free ride.

Besides assigning too much of the regional-conflict burden to American taxpayers, the Pentagon's program also keeps alive a number of no longer needed weapons programs. The acknowledged reason is to keep production lines in place, preserve defense industry jobs and ease economic pressures on military contractors. For example, the main rationale for building a third Seawolf attack submarine, at $2.4 billion, and a new nuclear carrier, at $3.6 billion, is to keep afloat the Connecticut and Virginia shipyards that construct them.

This seems to reaffirm the old political truth that defense lobbyists have a much easier time protecting their endangered programs than do those who press for public investment programs. Last month, Administration initiatives like youth apprenticeship, college tuition aid and even adjustment assistance for those thrown out of nondefense jobs were all cut back sharply to meet budget reduction targets.

President Clinton's obvious political need is to avoid further disaffection in states like California, Connecticut and Virginia, already hard hit by base closings and procurement cuts. But slighting more critical national needs is no answer.

Mr. Aspin's handiwork needs to be re-reviewed by the White House and Congress. The security of America depends on a realistic defense budget, not a padded one.

August Doledrums

Last month Senator Robert Dole's 1988 Presidential campaign agreed to pay $100,000 in civil penalties for election law violations — the largest fine ever imposed on a Presidential campaign by the historically limp Federal Election Commission. The Republican minority leader shrugged off the offense and criticized the commission for its slow response time. But that trivializes a serious subject.

Mr. Dole's campaign had accepted illegal corporate contributions, exceeded the spending limits in the important Iowa and New Hampshire primary elections and improperly used the Senator's political action committee to benefit his Presidential effort. The campaign agreed to refund $104,000 in excessive or prohibited contributions, on top of $245,000 it had already returned.

Senator Dole might forthrightly have accepted personal responsibility. Instead he has tried to change the subject, attacking the F.E.C.'s bureaucratic process, which took so long to close the case. The overriding lesson, according to Mr. Dole, is not to extend the Presidential public financing system to Congressional campaigns.

It's the wrong lesson. The public-financing system works reasonably well when participants respect the rules and refrain from cheating. True, it's easy to poke fun at the underfinanced election commission — the fine in Mr. Dole's case comes laughably late and could be higher. But a well-policed system of public financing for Congressional races would provide a way to clean up the special interest cesspool that fund-raising has become.

In the spring, Senate Republicans removed provisions from a larger campaign financing reform bill that would significantly improve the F.E.C.'s ability to provide more timely oversight. It may be too much to hope that Senator Dole will change his position on public financing of Congressional races. But he should at least be sufficiently chastened to join this fall with Senate Democrats who want to strengthen an election commission that Mr. Dole himself has criticized as inadequate.

GS - Seen

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THE NEW YORK TIMES, FRIDAY, SEPTEMBER 3, 1993

THE PRESIDENT HAS SEEN
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Marvin Hier and Abraham Cooper

Don't Rewrite History

President Clinton made the wrong speech when he nominated Gen. Shalikashvili.

At an emotionally charged White House ceremony on Aug. 11, this is the way President Clinton could have introduced his nominee to replace Gen. Colin Powell, retiring chairman of the Joint Chiefs of Staff:

"Ladies and gentlemen: Before you stands a great American patriot, who made it on his own—against great odds. As an immigrant who could not speak English, he also carried the extra burden of a father who fought for Nazi Germany during the Second World War. But John M. Shalikashvili overcame all obstacles to stand next to me today."

Instead, the president said this: "In 1944 . . . his family fled in a cattle car westward to Germany in front of the Soviet advance."

This language is sadly reminiscent of another wartime recollection:

"We made the journey in a cattle car . . . It was impossible to sleep. . . . We were crammed against the baby's cradle. . . . Lisolette never stopped crying. . . . We were hungry and above all thirsty."

These were *not* the desperate musings of another anonymous victim en route to Auschwitz, but the self-serving delusions of former U.N. secretary general and Austrian president Kurt Waldheim—the same Waldheim who suffered from selective amnesia when it came to the deportation of the Greek Jews of Salonika and the infamous massacre at Kozara, Yugoslavia, despite the fact that these events took place almost under his nose.

Make no mistake. The journeys of the Shalikashvili and Waldheim families were indeed trying and even fraught with danger. But it is an assault on memory for anyone who first volunteers into the ranks of the perpetrators to be permitted, when the tide turns, to invoke the imagery and moral high ground of a victim.

Of the elder Shalikashvili's participation in one of Nazi Germany's ethnic legions, Raul Hilberg, the preeminent Holocaust historian, declared: "No. 1, the man volunteered, nobody could possibly say he was a draftee. And, No. 2, he was in Poland, which meant he had a clear knowledge of what the SS and Nazi regime were all about."

Indeed, during the early years of the war Dimitri Shalikashvili led a privileged life in Warsaw, including spending the summer of 1942 in a villa on the outskirts of the city. During his stay in the capital, he certainly would have witnessed the daily roundups and deportations of tens of thousands of Jewish men, women and children. Yet he later had no qualms in donning the uniform of the swastika, thereby aiding and abetting Adolf Hitler's ambitions, even though he knew the fate that awaited these "enemies" wherever the flag of the Third Reich flew. In 1944 he achieved the rank of major in the Waffen SS. Such a person could be described as many things but not as a victim.

Another president who blurred the distinction between perpetrator and victim was Ronald Reagan. Just how powerful the impact of a president's word and deed can be was brought home in August 1985. Despite the lame excuse floated by Reagan's spin doctors that "they too were victims of war," history has shown that by placing a wreath at the Bitburg Cemetery, where SS soldiers were among those buried, President Reagan unwittingly provided a platform for those seeking to legitimize anew the forces of fascism.

For us, the issue never was whether Gen. John Shalikashvili should be the next chairman of the Joint Chiefs. No son is to be held accountable for the sins of his father. We said that from the outset, and we are certain he will continue to serve our country with distinction when he is confirmed by the Senate.

But the president misspoke when he sought to cast the general's father as a victim in World War II, and the White House spokesman, Dee Dee Meyers, was wrong to say it's all "totally irrelevant." Remember, Mr. President, words help to shape reality. Don't confuse the "relevant" with the "irrelevant." Don't violate the only thing the victims have left—memory. In doing so, even inadvertently, we erode the values we cherish most. So when you send the general to Capitol Hill for his confirmation, promote him on his many personal accomplishments, but don't validate those who would rewrite history.

Rabbi Marvin Hier is founder and dean of the Simon Wiesenthal Center. Rabbi Abraham Cooper is the center's associate dean.

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This is right.
Unfortunately
Near (was not true
This — B.

THE WHITE HOUSE
WASHINGTON

DATE: 09/03/93

was faxed

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

Information ☐

Action ☒

See President's note --
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Thank you.

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

cc:

THE PRESIDENT HAS SEEN
9.3.93

Mickey
This needs to be answered — by Reich?
B

Jeff Faux

NAFTA Delusions

The recent chorus of Post editorials and op-ed pieces supporting the North American Free Trade Agreement reflects the widespread Washington delusion that the proposal is in trouble because labor unions, environmentalists and right-wing know-nothings are playing on the irrational fears of a public ignorant of economics. Nothing wrong with NAFTA, of course. George Will blames the opposition on "timid legislators" [op-ed, July 8]. The Post editorializes against a "new isolationism" [Aug. 18]. Gerald Ford complains that the White House is not making a hard enough sell [op-ed, Aug. 22].

But the Bush and Clinton administrations have been pitching NAFTA for three years. The Mexican government is spending at least $30 million to promote it, and U.S. corporations have added millions more. The interests behind NAFTA should save their money; polls show that the more average working people hear about NAFTA, the less they like it. Common sense tells them that they will be losers. They are right.

The central economic problem is that labor productivity in Mexico's export industries is typically 80 percent to 100 percent of U.S.

Taking Exception

levels, while wages are 10 percent to 15 percent. This encourages manufacturers to produce goods in Mexico for sale in the United States. It has already cost roughly 500,000 jobs here and downward pressure on wages.

The wage-productivity gap stems from the policies of the present authoritarian Mexican government. Through a variety of means, including use of the armed forces to intimidate workers and the establishment of business associations to fix wage rates, wages are kept low in order to attract foreign capital. The absence of an effective political opposition, an independent judiciary and independent labor and environmental organizations gives the government a free hand in economic policy. By guaranteeing Mexican producers access to the U.S. market in return for protecting U.S. investors against policy changes by future Mexican governments, NAFTA locks in the current low-wage policy.

Under such circumstances, free-trade models do not apply. Thus, despite efforts by NAFTA advocates to label all opponents as protectionists, it is perfectly consistent to be in favor of free trade and against NAFTA.

NAFTA supporters bombard us with a jumble of statistics. One op-ed writer says exports to Mexico are creating 400,000 jobs, another 700,000, two others, 800,000. About the jobs lost to imports from Mexico and the shift of investment from the United States to Mexico, there is silence. Supporters claim that the two-year-old trade surplus with Mexico "proves" that NAFTA will create jobs. But the surplus is not a result of trade liberalization. Rather it reflects an overvalued peso. Even pro-NAFTA economists have admitted that the peso is likely to fall 10 percent to 20 percent next year, which would more then wipe out all the advantage to the United States of eliminating Mexican tariffs. Moreover, the surplus is in capital goods, not consumer goods.

> *"Where labor is cheap to hire, it is cheap to train."*

We are shipping machinery south to expand the capacity of Mexico's low-wage factories to produce consumer goods for sale back in the United States. The prize in NAFTA is not Mexico's market, it is Mexico's labor force, which is educated, disciplined and trainable. In fact, NAFTA provides more incentives for U.S. businesses to train Mexican workers than American ones; where labor is cheap to hire, it is cheap to train.

Thus, in the long run, NAFTA will undercut any chance we have to create a high-skill, high-wage American answer to global competition. It will encourage U.S. producers to compete by lowering wage costs rather than by increasing investment and organizing high-performance workplaces.

Unfortunately, the recently announced side agreements do nothing to address the question of suppressed wages in Mexico. They contain no labor standards and limit requirements that Mexico enforce its own laws to only three areas—minimum wage, health and safety, and child labor. Indeed, even the references to high wages and a fair distribution of income that were in the preamble of the original U.S. draft were stricken in the agreed-upon version.

The side agreements are also silent on questions of air pollution and wildlife protection. And they set up a bureaucratic maze that will make it all but impossible for redress of grievances even on those few topics it covers. The side agreements have already been mocked by the Mexican secretary of commerce, who recently assured Mexican legislators that "the time frame of the process makes it very improbable that the stage of sanctions could ever be reached."

We are told that defeating NAFTA will bring a crisis to Mexico. Henry Kissinger warns us darkly of President Carlos Salinas's "left-wing" opposition ready to "boil to the surface." But Mexico will be in a crisis anyway when the financial bubble promoted by foreign speculation bursts. It makes no sense for the administration to further load on to American workers—already facing slow job growth, continued erosion of incomes and the cost of paying for our own speculative excesses of the 1980s—the burden of saving Salinas and his corrupt party from the consequences of their own mistakes.

The next president of Mexico, whoever it is, will have to cooperate with the United States. In any case, the choice should be left to the Mexicans, not manipulated by a tired Washington foreign policy establishment with time on its hands now that the Cold War is over.

Congress should insist—as the European Community did before its economic integration with Spain, Portugal and Greece—that democracy in Mexico precede an agreement on a common North American market. Democracy, not side agreements that the Mexican ruling class has already shown it holds in contempt, is the only guarantee that freer trade will help the people on both sides of the border who work for a living. The first step down this more responsible path is to reject NAFTA.

The writer is president of the Economic Policy Institute.

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Comment

ON THE NATION

Time-Honored Tradition for Democrats

Since '68 Chicago Convention, Democrats have specialized in internecine warfare. A sorry affair for the party of F.D.R.

BY WILLIAM SCHNEIDER

WASHINGTON

From Franklin D. Roosevelt's New Deal in the 1930s to Lyndon B. Johnson's Great Society in the 1960s, the Democratic Party ruled America. They were the nation's majority. They set the agenda.

All that came to an end, suddenly and violently, 25 years ago last week. At the end of August, 1968, the Democratic National Convention met in Chicago to nominate Hubert H. Humphrey for President—and ended up in a bitter and bloody civil war. The Democrats paid a terrible price. They got shut out of the White House for 20 of the next 24 years.

Now, a Democrat is President again. But the scars of 1968 have never healed.

In 1968, the Old Politics and the New Politics confronted each other in Chicago. It was the young protesters out on the streets versus the old party bosses in the convention hall. Literally, the insiders versus the outsiders.

It was also a class conflict. Poorer blue-collar Democrats were for Humphrey. Better-educated, upper-middle-class Democrats were for Sen. Eugene McCarthy, the man who won the primaries and drove Johnson out of the race.

The party split wide open, and the blood began to flow. On one side were the Old Politics regulars. They controlled the convention and nominated Humphrey, who had not run in a single primary. On the other side were the New Politics liberals. They protested Humphrey's nomination—and got their heads beaten in by Mayor Richard J. Daley's cops.

A Democrat is President again. But the scars of 1968 have never healed.

Only one candidate could have brought the two sides together in 1968. That was Robert F. Kennedy. His campaign won strong support from both liberals and regulars. But Kennedy was murdered the night of the California primary.

What tore the Democrats apart was, of course, the Vietnam War. That war ended in 1975. But the bitterness remains. Look what happened to President Bill Clinton when he visited the Vietnam Memorial earlier this year. He tried to heal the wounds and ended up the target of protests for his 1960s anti-war activities.

Race was also a big issue in 1968. But not at the Chicago Convention. After all, it was the Old Politics regulars—John F. Kennedy, Johnson and Humphrey—who first embraced the civil-rights movement and ended the Democratic Party's 100-year-old accommodation with racism. New Politics liberals had no quarrel with Humphrey on civil rights.

But a lot of Southern whites and northern urban ethnics did. Many followed Independent George C. Wallace out of the Democratic Party in 1968. And never came back. Most Southern whites didn't even vote for fellow Southerners Jimmy Carter and Clinton.

In the 1960s and early 1970s, the political agenda was dominated by Vietnam, race and social protest. After the energy crisis of the mid-1970s, the agenda shifted to economics, where it has remained. Here's the irony: Economics had always been the Democrats' strength. But with the tax revolt and soaring inflation, and with Carter in office, the economic issue turned against the Democrats.

The Democratic Party had changed since the days of Roosevelt. Now the party included a large constituency of affluent voters who came in with the New Politics. After Vietnam, divisions over foreign policy were no longer so bitter. With the economic downturn, however, new divisions began to surface.

And once again, they divided Democrats along class lines.

After all, New Politics liberals had their formative political experiences in the civil-rights and anti-war movements of the 1960s, not in the sit-down strikes of the 1930s. Theirs is an affluent, suburban liberalism, not the working-class, labor-oriented liberalism of the regulars.

The new split became evident in 1984. It bore an unmistakable resemblance to the old split. Gary Hart, who had managed McGovern's 1972 campaign, defined the New Politics that year—problem-solving and "new ideas." The champion of the Old

Please see DEMOCRATS, A6

William Schneider, a contributing editor to Opinion, is a political analyst at CNN.

DEMOCRATS: Much Has Changed Since '68

Continued from A5

Politics was Walter F. Mondale, who happened to be Humphrey's political protégé. Mondale discredited Hart in terms Old Politics regulars understood. He asked a devastating question: "Where's the beef?"

The regulars nominated Mondale. He turned out to be another Humphrey. A lot of upscale Democrats deserted Mondale in 1984 because of the economic issue.

Four years later, New Politics Democrats got their revenge—again. They nominated a brainy but bloodless New Politics liberal, Michael S. Dukakis. Dukakis turned out to be another McGovern. Just as Richard Nixon used "values" to demolish McGovern in 1972—"acid, amnesty and abortion"—so George Bush used values to demolish Dukakis in 1988—the Pledge of Allegiance and Willie Horton. Many blue-collar Democrats deserted Dukakis because of values.

It was happening again. The Old Politics found they couldn't win without the New Politics in 1984. And the New Politics couldn't win without the Old Politics in 1988.

But a lot has changed since 1968. The New Politics Democrats who started out on the streets of Chicago are now the party Establishment. And they are not simply liberals any more. They are "neo-liberals," who reject the party's big-government tradition.

Clinton was all set to run as the candidate of the New Politics against Mario M. Cuomo last year. Clinton was, after all, a baby boomer, an anti-war protester and a McGovern organizer in 1972. But Cuomo fooled him. He didn't run. Instead, Paul E. Tsongas, who called himself a pro-business liberal, upstaged Clinton as the New Politics candidate.

After winning the nomination, Clinton used the Democratic Convention to re-establish his New Politics credentials. It worked. He persuaded voters that he really was a new kind of Democrat.

In the election, Clinton managed to hold a fragile coalition of New Politics and Old Politics Democrats together, just as Carter did in 1976. Clinton got just enough support from each side to win—with 43%.

But the same thing is happening to Clinton as President that happened to Carter. Only sooner.

Both wings of the party feel Clinton has betrayed them. Liberals complain he backs down—on gays in the military, for example. Party regulars complain that, as President, Clinton has adopted Tsongas' program—deficit reduction—instead of what he promised in the campaign—a middle-class tax cut and an economic-stimulus program.

The two wings of the Democratic Party expect different things from Clinton. One recent poll asked people what his economic plan must accomplish if they were to judge it a success. College-educated Democrats said deficit reduction. Non-college Democrats said new jobs. If he's going to hold the party together, Clinton's plan had better do both.

Clinton should remember what happened to Carter. The Democratic Party turned against its own President in 1980 and ended up destroying itself. But then, self-destruction is a Democratic tradition. It goes back to Chicago in '68.

Who will rid the Democrats of their Chicago demons? Clinton hopes he will. He picked a Chicago political operative, David C. Wilhelm, to head the Democratic Party. A man named Richard Daley (son of Boss) is again mayor of Chicago. And Clinton is desperate to make the point that the Democratic Party is not what it used to be, and thank God for it. What better way to do this than to hold the 1996 Democratic National Convention, for the first time in 28 years, in Chicago?

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World, Nation, Sports, Editorials
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California, Business, Calendar, View

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Plea in Bank Fraud Blocks Questions About Iraq Arms

By NEIL A. LEWIS

Special to The New York Times

WASHINGTON, Sept. 2 — A bank fraud case that was to have been the main stage for an accusation that the Bush Administration secretly armed Iraq and then sought to cover up that arming came to a surprising close today when the defendant, a week away from trial, struck a deal with the Government and pleaded guilty in Federal District Court in Atlanta.

The defendant, Christopher P. Drogoul, former manager of the Atlanta branch of a Rome bank, Banca Nazionale del Lavoro, had earlier insisted that he wanted to go to trial to demonstrate that he had been a pawn in an international conspiracy, involving the Bush Administration, to strengthen the Iraqi regime of Saddam Hussein during the 1980's.

But today Mr. Drogoul, who had been indicted on 70 counts stemming from the Atlanta branch's secret loans of more than $5 billion used by Iraq for an arms buildup, pleaded guilty to three of those counts: one of wire fraud and two of making false statements to bank regulators.

Mr. Drogoul's lawyer, Robert M. Simels of New York, said the defendant had decided to enter guilty pleas because his family had urged him to bring the prosecution against him to a close.

Two Crucial Rulings

But a far more important factor was apparently a pair of rulings last month by Judge Ernest G. Tidwell, who was to have presided at the trial and who accepted Mr. Drogoul's pleas today.

In those rulings, which cut the heart out of the strategy that Mr. Simels had been expected to pursue, Judge Tidwell held that the defense could not present evidence concerning Washington's policy tilt toward Baghdad during the 1980's. The judge said such evidence would be irrelevant to the charges against Mr. Drogoul.

Judge Tidwell also ruled then that Mr. Simels could not present evidence that senior officials of the Italian Government, which largely owns B.N.L., had pleaded with the Bush Administration to limit its inquiry into the Atlanta branch's loans.

After those rulings, Mr. Simels said today, "It became apparent to the defense that a search for the truth in this matter was being curtailed."

Approval by Reno

At the Justice Department today Carl Stern, the agency's chief spokesman, said the plea arrangement had been approved by Attorney General Janet Reno.

"With these three counts," Mr. Stern said, "the Government achieved the likely prison term which would have been achieved no matter how many counts you took to trial. It would have been pointless to go to trial."

Mr. Drogoul is to be sentenced on Nov. 29. Government prosecutors said that under Federal sentencing guidelines, Judge Tidwell was obliged to send him to prison for 46 to 57 months. But Mr. Simels said he would argue that Mr. Drogoul, who has already been imprisoned for 17 months while awaiting disposition of the case, should be sentenced to time already served.

Mr. Drogoul and five other officials of the Atlanta branch of B.N.L. were charged with bank fraud after the Federal Bureau of Investigation raided their offices in August 1989 and found evidence of illegal loans to Iraq.

In the many months that the issue has simmered, there has never been any doubt that Mr. Drogoul, in arranging for unsecured credit to a nation that had a history as a bad credit risk, had been involved in illegal lending.

What was at issue was whether the loans had been made with the knowledge of White House officials trying to buy favor with Mr. Hussein, and whether those officials sought to cover up their efforts after Iraq invaded Kuwait in August 1990.

The Bush Administration's Justice Department charged the six officials with defrauding the parent bank in Rome by making the loans without the knowledge of senior bank officials. But at a tumultuous hearing in Atlanta last September before Judge Marvin H. Shoob, it was disclosed that the Central Intelligence Agency might have known that senior bank managers in Rome had been aware of the loans and thus could not have been defrauded.

Immediately after that disclosure, Mr. Drogoul withdrew an earlier guilty plea and demanded he be allowed to go to trial in order to demonstrate that the loans had been made with the knowledge of senior American officials working with the Italian Government.

Much of the speculation surrounding the case was whether the C.I.A. and the Bush Administration had sought to limit the investigation to the Atlanta bankers, in order not to embarrass President George Bush, who was then running for re-election, and the Italian Government.

Judge Shoob said he believed he had been lied to by the Justice Department and the C.I.A. After expressing ever-increasing skepticism about the Government's claims that the case involved a straightforward bank fraud case limited to a group of Atlanta bankers, Judge Shoob agreed to a Justice Department request that he turn the case over to another judge.

Accusations of a cover-up will not be explored.

Before today's pleas, Mr. Simels had sought to subpoena Mr. Bush and several of his senior aides to ask them about meetings they had held with senior Italian government officials and about whether Washington wanted to aid Iraq through the Italian bank.

During the Presidential election campaign, Bill Clinton said he would favor the renewal of a law allowing for the appointment of independent prosecutors and would seriously consider seeking the appointment of one to take over the B.N.L. case.

But at a sentencing hearing last week for the five accused bankers who had worked under Mr. Drogoul, a senior Justice Department official signaled that the Clinton Administration does not believe there is any need for a special prosecutor. That official, John Hogan, a special assistant to Attorney General Reno, said the Clinton Administration had conducted its own review of the B.N.L. matter and had concluded there had been no conspiracy by Mr. Bush or his aides.

Judge Shoob, who still retained control over the cases of the five other bankers, reacted harshly to Mr. Hogan, saying such a conclusion was possible only "in never-never land." He said it was highly implausible that a multi-billion-dollar bank fraud had been run out of a small branch in Atlanta.

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'Deficit hawks' eye a new round of cuts in Congress next week

By William M. Welch
USA TODAY

Emboldened by a month at home with voters, Democratic "deficit hawks" return next week — determined to force Congress to consider a fresh round of spending cuts.

They're armed with commitments from House leaders to permit a vote, their price for providing the margin of victory to President Clinton's $496 billion deficit-reduction bill.

"I hope when we get back it'll be cut, cut, cut," says Rep. Jim Cooper, D-Tenn.

Rep. Tim Penny, D-Minn., aims for $50 billion to $100 billion in cuts, over five years, beyond what he expects Clinton to suggest.

Penny's top goals: Scaling back cost-of-living increases in Social Security and charging affluent senior citizens more for Medicare.

Also on the list: farm programs, Civil Service pay and pensions.

"If we don't look at entitlements, we're not looking at the real money," Penny says.

But there are big obstacles. Top Democrats promised conservatives a chance to vote on spending cuts, but they didn't promise to support them.

And opponents, particularly in the Senate, have plenty of procedural roadblocks available.

PENNY: Leading push for more cuts

AP

ARMEY: Wants 'inclusionary effort'

It's not even certain that Republicans, who denounced Clinton's bill for raising taxes without cutting spending enough, will go along. They want votes on their own proposals.

"Certainly we will if it's a serious effort, but it's got to be an inclusionary effort," says Rep. Dick Armey, R-Texas, conservative chairman of the House Republican Conference. "We want to be involved."

In the Senate, Majority Leader George Mitchell, D-Maine, promises more cuts when the Senate takes up House-passed appropriations bills.

"Oh sure, we not only can but we will. We will have additional spending cuts," he says.

But the "deficit hawks," who want to slash spending and pour all the savings into reducing the deficit, want to go beyond reductions in domestic discretionary spending.

Rep. Marjorie Margolies-Mezvinsky, D-Pa., whose vote switch allowed Clinton's bill to pass the House, defended her last-minute conversion to angry voters by saying she won a pledge from Clinton to take a new look at entitlement spending this fall.

The final Senate holdout on the deficit-reduction bill, Sen. Bob Kerrey, D-Neb., has been telling voters he'll push for billions more in cuts in retirement, health and farm programs, and even congressional pay.

"Everything ought to be on the table," Kerrey says.

Leading the House push is Penny, who stunned colleagues by announcing he won't seek a seventh term next year in what was widely viewed as a gesture of disgust with Congress. He's been negotiating with Majority Leader Richard Gephardt, D-Mo., to set aside a day or two in mid-October for the full House to consider cuts.

Penny says the White House has promised to submit a recision bill, proposing immediate reductions in domestic spending for the new fiscal year. He says it may also include some of the savings targeted by Vice President Gore's government review.

Penny says he was guaranteed votes on two or three amendments, his chance to offer more ambitious cuts. "It's really up to us to come up with some cuts that can pass."

But not all Democrats are so enthusiastic. They say budget-cutters had their chance.

"I don't quite understand my colleagues who think we need a summit on spending," says Rep. Mike Synar, D-Okla. "Where the hell have they been when we had hearings on appropriations?"

Top Democrats say they'll give Penny and allies a shot. "We have to do it," says Rep. Bill Richardson, D-N.M. "There's a bloc of about 10 members whose vote was contingent on that, so that has to be honored."

We also have to vote on the budget control mechanism:
① Trust fund
② Entitlements control — Have idea about that

84

Loss of Thousands of Defense Jobs Predicted

■ Pentagon: New policy will not prevent industry consolidation and is designed only to preserve critical technology, official says.

By ART PINE
TIMES STAFF WRITER

WASHINGTON—The Pentagon warned Thursday that its new "industrial policy" for the defense industry is not designed to save defense firms from consolidation and predicted that hundreds of thousands of additional defense-related jobs will be lost over the next several years.

In a session with reporters, Deputy Defense Secretary William J. Perry said the program is intended only to preserve critical technology in fields such as submarine construction that are needed for military purposes and for which there is no civilian market.

"We've already lost hundreds of thousands of jobs and there are that many more ahead of us to lose," Perry said. "This is not a bailout for any companies . . . . We clearly expect many defense companies to go out of business. And we will stand by and see that happen."

Despite the Administration's concern for those who have been laid off, he said, the government will continue to press the industry to consolidate and to get rid of unneeded facilities and workers—if only to guarantee that surviving firms will be healthy later on.

In fact, he said, the Administration already is exploring the possibility of asking Congress to relax current antitrust restrictions to permit more mergers within the defense industry—even where the consolidation leaves only one company monopolizing a market.

The proposed industrial policy for the defense industry—announced Wednesday as part of the long-awaited "bottom-up review" of overall defense policy—seeks to keep part of the defense industrial base intact, essentially by buying some weapons even if they are not needed.

The Pentagon announced Wednesday, for example, that it would buy a third Seawolf attack submarine solely to enable the Electric Boat Co. in Groton, Conn., to maintain its specialized technology and skilled personnel.

It also disclosed plans to buy a new nuclear-powered aircraft carrier from the Newport News Shipbuilding Co. of Newport News, Va., for much the same reasons.

Officials said the alternative would have been to shut both companies and risk losing critical skills.

The Administration also has served notice that it plans to contract out parts of the overhaul and maintenance work done by the dozens of huge military "depots" throughout the country to private defense contractors.

Here, again, though, Perry cautioned that the military still would retain responsibility for overhauling and maintaining core programs that the individual services believe must be done in-house. He said the plan is in early stages of development.

The Administration has developed a spate of other programs to help ease the transition for defense workers, communities that have heavy concentrations of defense-related firms and companies that want to reshape their goods for sale in civilian markets.

But those programs, too, are regarded as limited. Rather, economists said, the biggest boost for laid-off defense workers would be for the economy to pick up generally, benefiting all sectors of manufacturing.

The government's concern about the nation's industrial base represents a major departure from the position of the George Bush Administration, which asserted that the government should decide on the size of the military without regard to impact on the defense industry.

"The previous Administration . . . explicitly rejected the idea that we should consider the defense industrial base [in] making decisions," Perry said. "We have explicitly accepted the judgment that we need to consider the defense industrial base."

Perry argued that the push to maintain critical technologies also would prove valuable if the situation in the former Soviet Union worsens and the military there once again becomes a major threat, as it was during the Cold War.

The United States, with its technology and facilities still intact, could quickly expand its military capability, he said. But if critical facilities are shut, the nation would need much more time to revive its military force.

In surveying the future, Perry said he expects that once the defense industry sheds its extra capacity, it will regain its health and end up as vigorous in the late 1990s as it was in the late 1970s—with plenty of business to support its production lines.

But, he declared, the industry consolidation will mean additional layoffs. "If the industry tries to maintain this excess capacity, then it is not going to be healthy," he said.

Perry also cautioned defense firms not to rely on increased sales of weapons to foreign governments to help offset the decline in business at home. He said the overseas market was small at best, and warned that relying on it might only postpone needed consolidations.

Despite the Pentagon's interest in the field, Perry asserted that the Administration was not trying either to manage the industry or to oversee the consolidation of its various parts. "Our intervention here is only to protect certain military capabilities," he said.

The "bottom-up review," the most comprehensive review of defense policy in recent memory, sought to continue cutting defense spending while maintaining the ability of U.S. forces to win two major regional wars almost simultaneously.

Under the cuts that the Administration has proposed, the number of people in the military would shrink to 1.4 million by 1999, compared to a 1.6 million total envisioned by the Bush Administration.

THE PRESIDENT HAS SEEN
9.3.93

Mack

Robin/Spulley

(1) in summer days all we can on conversion -

(2) should do another event in Alameda - Charleston? -

We won't That's what conversion is all about — that's not good -

9/3/93

WASHINGTON EDITION
Los Angeles Times

THE WHITE HOUSE
WASHINGTON

DATE: 09/03/93

NOTE FOR: HOWARD PASTER

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

Information ☒ x

Action ☐

Thank you.

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

cc:

6601

THE PRESIDENT HAS SEEN
9-3-93

THE WHITE HOUSE

WASHINGTON

September 3, 1993

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
HOWARD PASTER

SUBJECT: Suggested Response to Senator Robert Dole re Somalia and Bosnia

Purpose

To respond to a letter from Senator Dole.

Background

Senator Dole wrote to you expressing deep concern about the Administration's policy towards Somalia and its commitment to use U.S. troops to enforce a settlement in Bosnia. We have drafted a suggested response at Tab A.

RECOMMENDATION

That you sign the letter at Tab I.

Attachments
Tab A Suggested Response to Senator Dole
Tab B Incoming Correspondence

9-3 per Jim Reed
Tony walked
into P.
Wd like to
have del.
to Dole
today. FW

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. Leader:

Thank you for your letter regarding U.S. foreign policy and for sharing your considered thoughts on the situations in Somalia and Bosnia. I have appreciated your earlier expressions of bipartisanship on national security issues and hope we can address these and other such questions in the same spirit in the future.

With respect to Somalia, I can assure you that U.S. forces will remain in that country no longer than absolutely necessary. From the peak of 28,000 U.S. troops at the end of the Bush Administration, U.S. participation is down to 4,500 today, with twenty-three other nations providing nearly 20,000 troops and more arriving. About 1,400 of these remaining U.S. troops are part of a quick reaction force under U.S. command.

The mission of the Somali effort, from the beginning, has been to end the turmoil which was blocking relief efforts and causing the deaths of more than 300,000 Somalis from starvation and disease. That largely has been accomplished outside of Mogadishu. One faction there, which substantially created the problem in the first place, seeks to reignite the turmoil in that city. It would be unfortunate if, after establishing a secure environment that has enabled Somalis to live again, we were to withdraw precipitously without establishing a secure environment in Mogadishu. When that is accomplished, our QRF will depart and our modest logistical and support contribution to UNOSOM will help the UN establish the basic conditions in which Somali civil security can reemerge. Ultimately, it is up to the Somalis themselves to rebuild their nation.

You also raise concerns over the conflict in Bosnia. Ever since the outset of my Administration, I have believed that the best way to achieve a lasting peace in the former Yugoslavia is through negotiations, and that to help achieve as fair a settlement as possible we needed to put power behind diplomacy.

You suggest that we reject the plan most recently under discussion. While this week's events cast doubt on the future of that particular agreement, it is significant to me that the Bosnian government itself had decided that trying to negotiate a tripartite solution was better than continuing the war. I believe we should respect the Bosnian government's views on the difficult -- and sad -- choices open to it.

The United States has not been reluctant to put pressure on those responsible for the aggression in Bosnia. We sought, and won, allied agreement to conduct air strikes if the strangulation of Sarajevo and other Bosnian government-held areas continued. That warning has had a positive effect on Serb behavior, and remains in place. And they know that our proposal for lifting the arms embargo is still very clearly on the table with our Allies.

I share your concern that the plan presented to the Bosnians in Geneva is flawed. That is why we are pressing the Serbs and the Croats to show greater flexibility in working on the adjustments sought by the Bosnian Government in its effort to achieve a more equitable settlement. If the intransigence of the Serbs and Croats prevents a settlement from being achieved, we will work with others in the international community to hold them responsible.

But the alternative to a settlement is more fighting as winter approaches. This would allow ethnic cleansing to continue, with the Muslims and others who want to live in a multi-ethnic state losing even more territory. By contrast, if the parties can achieve a settlement that recovers significant territory for the Muslims, is enforceable, and is acceptable to the Bosnian government, it will create an opportunity to stop the killing, end ethnic cleansing and bring those who have committed war crimes to justice. In the end, I do not believe Americans would wish to be responsible for preventing such a development.

I would be pleased to have my National Security Advisor, Tony Lake, and his Deputy, Sandy Berger, meet with you in the near future in order to fully discuss these concerns. As always, I appreciate your counsel on these difficult challenges.

Sincerely,

The Honorable Robert Dole
Minority Leader
United States Senate
Washington, D.C. 20510

BOB DOLE
KANSAS

United States Senate
OFFICE OF THE REPUBLICAN LEADER
WASHINGTON, DC 20510-7020

August 31, 1993

The President
The White House
Washington, D.C.

Dear Mr. President:

The United States is at a crossroads in its foreign policy. The policy priorities this administration sets and the decisions it will make in the months ahead will have tremendous consequences for years to come. In this regard, I am deeply concerned that the weight of U.S. leadership is being brought to bear in an area where the United States does not have a national interest, at the expense of an area where U.S. interests are at stake. I am troubled by the administration's increasing focus on Somalia -- where the humanitarian crisis is nearing an end -- and lack of initiative toward the situation in Bosnia-Hercegovina where American leadership is sorely needed to guide the international community toward a principled and feasible solution to the war in Bosnia.

While I have supported the humanitarian mission in Somalia, I cannot see the need for America to continue a lead role in the new mission of "nation-building." The tasks of pacification and rebuilding the Somali state, while worthy initiatives, can be achieved without U.S. leadership. The pursuit of Somali warlords does not require the resources of the world's only superpower. It is time for America to disengage and turn over the reins to the United Nations and to African countries who have a clear stake in the stability of the area. In contrast to Somalia, what is at stake in Bosnia is more than just Bosnia -- it is the future of the international order. As the United States and the United Nations engage in "nation-building" in Somalia, the United Nations and the European Community are papering over the destruction of the Bosnian state.

At your press conference yesterday, you reiterated your commitment to have U.S. ground troops participate in implementing a Bosnian settlement that is fair, acceptable to the Bosnian government and enforceable. Clearly the present Owen/Stoltenberg plan does not meet your criteria. More significantly, the proposed partition of Bosnia would create a dangerous precedent and invite aggression in other areas of the world. However, the mediators seem to have only one objective: to bring the talks to an end regardless of whether an agreement is principled, fair or workable. And ironically, they are pressuring the Bosnian government to accept this flawed and unprincipled plan using the

U.S. commitment to provide ground troops as leverage.

In view of the fact that the Owen/Stoltenberg plan is essentially a vehicle for the surrender of most of Bosnia's territory to aggressor forces, would lead to the creation of a string of Muslim refugee camps, and would require a substantial commitment of ground troops and other resources for the foreseeable future, I would strongly urge the administration to publicly oppose the plan. Moreover, I would urge that you take this opportunity to call for an immediate pause in the negotiations and to personally host a meeting in Washington of NATO heads of state to establish a new diplomatic and military framework for addressing this conflict. It seems to me that your criteria, as well as the critical objective of maintaining the integrity of international laws and institutions, could be best achieved if some version of your 'lift and strike' option (which would not involve the deployment of U.S. ground troops) were to be immediately adopted.

The difficulties associated with a new policy approach toward Bosnia and a disengagement from Somalia are essentially political. The United States would have to reassert its leadership vis-a-vis some of our European allies, as well as the United Nations and the U.N. Secretary General. On the other hand, this approach would prevent the United States from being dragged into a quagmire -- in either Bosnia-Hercegovina or Somalia -- where the costs would not only be in dollars, but in lives.

Mr. President, I urge you to reconsider the current policies toward Somalia and Bosnia-Hercegovina. I believe that the recommendations I have made are consistent with our national interest in that U.S. leadership would be used to uphold the international order, and would minimize risks to our military personnel, as well as minimize the expenditure of U.S. resources. I also believe that the Congress could support such a reordering of foreign policy priorities, and I would like to offer my assistance to you in building Congressional support should you come to such a decision.

Sincerely,

Bob Dole

BOB DOLE
United States Senate

9/2

THE WHITE HOUSE

WASHINGTON

cc:

Bob Rubin / Bill Daley

Pls. make sure your mother Betsey Wright in MAFTA.

She has great ideas re: Jobs conference Projects Fair

Also need to follow up w/ Govs — I asked them to all come to hang loose til the bill is introduced — need to see who's doing that — Mitchell / K Mason can do —

THE PRESIDENT HAS SEEN 9/3

Mack/Gayle/VP/GS- 1 Trim
Win Cut Strategy
p.2 is right. only
want to a) protect
investments
b) get bi-partisanship

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

THE DIRECTOR

September 2, 1993

93 SEP 2 P2:07

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: FY 1994 Appropriations Update -- Looking Ahead to September/October

This memorandum: summarizes the status of FY 1994 appropriations; reviews progress on your investment proposals; reviews progress on your non-defense discretionary savings proposals; and briefly discusses issues such as implementing the pay freeze and developing a strategy for following up on the commitment to further spending reductions in the Fall.

Status of FY 1994 Appropriations

Public Law - Only one of the thirteen bills has been signed into law, Legislative Branch.

House - The House has passed 11 of the thirteen bills. Defense will be marked up in Subcommittee the week of September 7th and be on the floor on September 23rd. Transportation will be on the floor whenever the Speaker finds a way to resolve the Mineta-Carr dispute over earmarked highway projects.

Senate - The Senate has passed five of the thirteen bills.

602(b)s - Byrd and Natcher are expected to try to reach agreement on a conference 602 (b) allocation during the week of September 13th so that conferences can begin that week. Decisions on how (or whether) to allocate any excess budget authority to domestic bills that is left on the table by Foreign Operations and Defense will likely be deferred.

Conference - Three bills are ready for conference (Treasury/Postal, DC and Commerce/Justice/State). The Agriculture conference report is pending in the Senate with the wool/mohair and honey subsidies open to debate.

Continuing Resolution - There are only 11 legislative days in September and it is quite possible that five or more bills will be covered by a short term CR, probably through October 8th or 15th. Defense, Labor/HHS/Ed, Transportation, Military Construction and Energy and Water are most likely to be covered under a temporary CR.

Investment Proposals

Based on House action to date, 56% of the total investment request has been approved ($9.4 billion out of $16.7 billion). For the Senate bills that have been acted on so far, the investment proposals have been funded at a level $205 million higher than the House.

The two bills with most of the investments, VA-HUD and Labor/HHS/Ed, are expected to be marked up in the Senate Subcommittees on September 8th and 14th or 15th respectively.

Savings Proposals

Based on House action to date, 70% of the total proposed for savings that can be tracked have been approved ($5.8 billion out of $8.3 billion). Senate action has slightly less savings.

The response to the effort to reduce earmarked projects has been mixed. While HUD and SBA earmarked projects have been eliminated, Chairman Carr has continued the DOT earmarks and Chairmen Bumpers and Durbin continued USDA research earmarks.

Spending Reductions

If you want the spending reduction effort to be visible, the best option is to wait for the FY 1994 appropriations process to be completed in mid-October and then send up a package of specific rescission proposals. By waiting until the FY 1994 bills are done, we will have the opportunity to propose rescissions from reforms that are in the NPR and from lower priority programs approved by Congress. If we propose reductions while the bills are still under development, the appropriators would likely reduce some of our investment proposals.

Such a bill could include a reduction in the FY 1994 cap in order to capture budget authority savings already achieved through the budget resolution as well as any additional savings we might achieve through rescissions (though sixty votes might be required in the Senate to make cap adjustments).

Implementing the Pay Freeze

A decision will need to be made in early September on how to implement your pay freeze proposals. The budget assumed no ECI-based pay raise or locality-based pay raise in January 1994. The Committees have been marking up their bills based on the assumptions in the budget. The cost of the two raises for FY 1994 is estimated to be $3.2 billion (including DoD and non-DoD civilians) and another $1 billion for DoD military. Absent legislative action to freeze pay, these costs would have to be absorbed with a potential for RIFs and furloughs.

In the past, the Treasury/Postal bill, which includes government-wide general provisions, has been used for pay issues. However, the bill is in conference and neither the House nor Senate versions of the bill have pay freeze language. It should be noted that the Chairman in the House is Steny Hoyer and Rep. Wolf and Senator Mikulski will be on the conference. This will not be the best place to legislate a pay freeze.

Other options would be to include legislation to freeze pay on either the temporary continuing resolution or on an omnibus rescission bill (if there is one). Regardless, the pay freeze should be negotiated with the leadership, Byrd and Natcher and the authorizers, not with the Treasury/Postal Subcommittees.

Other Major Issues

There are a number of other major issues that will be debated in the appropriations process in September/October including:

- Russian aid - The House Foreign Operations bill includes $2.5 billion for the New Independent States but defense funding issues have not been resolved in the Senate with Chairmen Inouye and Leahy.

- Abortion - Chairman Harkin is expected to drop all abortion restrictions from the Labor/HHS/Ed bill and deal with amendments on the Senate floor.

- Senator Bumpers is expected to offer amendments to strike funding for the Space Station and the Superconducting Super Collider. Senator Johnston has been delaying the Energy and Water bill in hopes that prospects for the SSC improve.

The National Italian American Foundation
666 Eleventh Street, N.W., Suite 800 • Washington, D.C. 20001-4596 • (202) 638-0220
FAX (202) 638-0002

93 SEP 1 A9:29

FACSIMILE TRANSMITTAL SHEET

FAX NUMBER - (202) 638-0002

To: JOHN PODESTA

Firm:

Fax #

From: BOB BLANCATO

Date: 9/1/93

Number of pages being sent (including transmittal sheet) 2

Special message:

We are beginning the all out push on getting the President to the NIAF Dinner. Any help you can provide is MOST appreciated.

Please call (202) 638-0220 if you do not receive all pages.

Roy Neel —
we should do this
John

The National Italian American Foundation

666 Eleventh Street, N.W., Suite 800 • Washington, D.C. 20001-4596 • (202) 638-0220
FAX (202) 638-0002

August 26, 1993

Honorable Bill Clinton
The White House
Washington, DC 20500

Dear Mr. President:

I was pleased to learn that you are actively considering attendance at the October 23, 1993 Washington Gala Dinner of the National Italian American Foundation. As you may know, this event has been attended by every President of the United States since NIAF was founded in 1975. You attended as a candidate -- we now hope that you can continue a tradition by attending as our nation's 42nd President.

NIAF is a non-profit umbrella organization representing the interest of more than 20 million Italian Americans. It also serves as an extension of the Italian-American delegation in the U.S. Congress (currently 28 members).

The NIAF awards dinner has become one of the premier annual events in Washington attracting nearly 3,000 people representing the broad spectrum of NIAF members from 42 states. Our 1993 awardees are actor **Danny DeVito**, New York First Lady **Matilda Cuomo**, New York Stock Exchange President **Richard Grasso** and baseball legend **Phil Rizzuto**. Past recipients have included **Frank Sinatra, Gian Carlo Menotti, Liza Minnelli, Lee Iacocca, Sophia Loren, Luciano Pavarotti, Perry Como, Sylvester Stallone, Joe DiMaggio, Alan Alda, Frank Capra**, and others who have brought honor to their Italian heritage.

I look forward to receiving official confirmation from your office that you and Mrs. Clinton will be joining us on this special evening at the Washington Hilton Hotel.

Sincerely,

Frank Guarini
Member of Congress (Ret.)
President, NIAF

Rubin – see him re: this
BC

WALTER J. SHEA
Chairman

EASTERN CONFERENCE OF TEAMSTERS

4641 Montgomery Avenue
Bethesda, Maryland 20824

THE PRESIDENT HAS SEEN 9/3/93

Schwartz
Orszag
Rivlin

Mark / B Nussbaum
What is the deal?
B

THE PRESIDENT HAS SEEN
9.3.93

32

A1-FINAL

State Dept. to Probe Access to Personnel Files

Possible Privacy Act Violations Are Cited in Administration's Check of Bush Appointees

By Walter Pincus
Washington Post Staff Writer

The State Department's inspector general has been asked to investigate whether the privacy act may have been violated when information from personnel files of former Bush administration political appointees at the department was examined and disseminated.

The personnel records were among other files that had been retrieved from storage and reviewed by officials of the Clinton White House liaison office at the State Department. Sources said those officials wanted to see how their predecessors had run the liaison office.

The Clinton administration official who in June ordered retrieval of the liaison office records is leaving his post for another job "in a previously planned move," sources said.

A news item in The Washington Post on Wednesday disclosed that personnel folders of two former Bush officials, Jennifer Fitzgerald and Elizabeth Tamposi, had been reviewed and that Fitzgerald's file was empty. She was a close aide to George Bush for many years and is a former deputy chief of protocol.

The file of Tamposi, who was fired last year for her role in authorizing the preelection search of then-candidate Bill Clinton's passport records, was said to contain critical information about her. After State Department Inspector General Sherman K. Funk filed his report on the passport search, an independent counsel was appointed and is still investigating that incident.

A State Department official said yesterday that after reading the Post item, officials decided to turn the matter over to Funk because of the "dissemination of information" from the two files.

Joseph Tarver, a Clinton campaign worker who took the White House liaison job at the State Department temporarily after the transition, had requested retrieval of all files that the Bush liaison office at the department had placed in storage in Hyattsville.

Traditionally, the White House has liaison officers at all departments and agencies who keep track of political appointments and openings for new employees.

Tarver, one source said, had completed the first round of Clinton appointments and in June wanted to look at the Bush records to see what the normal ongoing operations of the office were. In asking for all the Bush files, he got personnel files as well, this source said. It is not known if Tarver read the personnel files.

It is up to Funk, one source said, to determine who read the Bush personnel files, whether they were authorized to read them and how and by whom the information on Fitzgerald and Tamposi was leaked.

Tarver, who had been detailed to work on the North American Free Trade Agreement task force two weeks ago, was not available for comment.

He "will not be returning to State," one administration source said yesterday.

State Department spokesman Michael McCurry said yesterday that Assistant Secretary for Administration Patrick Kennedy contacted Funk "to ask for some further inquiries to be made . . . [because Kennedy] felt that there are some questions here that needed to be looked at more carefully."

Sen. Mitch McConnell (R-Ky.) yesterday asked Attorney General Janet Reno for immediate appointment of an independent counsel to "establish the facts in the case."

In a letter to Reno, McConnell said, "I do not believe the State Department or any other entity can promise an impartial and expeditious review."

McConnell also wrote to Secretary of State Warren Christopher about the request for an independent counsel because McConnell said he had not received any explanation from the State Department's congressional liaison office on Wednesday.

McConnell told Christopher in the letter that he opposed "any other avenue of inquiry, especially given the complications assoicated with the Department Inspector General's report last year on a similar subject."

McConnell's one-time administrative assistant, Janet Mullins, is one of several former Bush White House officials currently under investigation by a special prosecutor for possible illegal activities in the preelection search last October of Clinton's passport files by State Department personnel under Tamposi's supervision.

The special prosecutor in that case was requested by Bush's then-attorney general, William P. Barr, after he received information last December developed by Funk's office.

Funk was not in Washington yesterday, and his office said it had nothing to say about the case other than to acknowledge it had received the request for an investigation.

Three Republican House members, Benjamin A. Gilman (N.Y.), William F. Clinger Jr. (Pa.) and Henry J. Hyde (Ill.), asked that the General Accounting Office to conduct an "expedited investigation" of the matter. In a letter to GAO Comptroller General Charles A. Bowsher, they said the search "may have been a fishing expendition conducted for political purposes."

After last year's presidential election, then-President-elect Clinton referred to Bush's firing of Tamposi for her role in the search of passport files and said: "I just want you to know that the State Department of this country is not going to be fooling with Bill Clinton's politics, and if I catch anybody doing it, I will fire them the next day."

'Anti' sentiment swells in haven of California

By Haya El Nasser
USA TODAY

LOS ANGELES — When a migrant worker rushes up to Terry Angel's pickup truck at a stoplight and asks for work, Angel feels sadness, but little compassion.

"I look at him and all I can see are the faces of my employees that I had to lay off," says Angel, a contractor who blames cheap immigrant labor for his financial woes. "Just three years ago, American citizens were doing all the work ... But they took over."

They are the estimated 1.3 million undocumented immigrants living in California, flooding the state at a phenomenal rate of 100,000 a year.

Nowhere is the anti-immigrant sentiment more vocal than in California, home to 6.5 million immigrants, more than half of the nation's undocumented aliens and more than 40% of refugees. Immigrants are at the center of debates on crime, overcrowding, unemployment, cuts in services and a slew of economic problems.

Recent violence — including attacks on activists and the ransacking of refugee rights offices in San Francisco — indicates a growing backlash.

"It's pandering to ... fear," says immigrants' activist Richard Martinez of the Southwest Voter Registration Education Project. "It's xenophobia, misinformation."

Still, immigrants are testing the patience of the most tolerant of Californians.

"Everybody's just had it," says Angel, 47, on the verge of losing his home.

Across the street from Danielle Elliott's home, 30 immigrants live in a windowless tool shed. A few blocks away, forgers churn out "green cards," which permit aliens to live and work in the USA. "One day we woke up and there was no room to park," says Elliott, of the Federation for American Immigration Reform (FAIR).

They line up daily for free health care in the financially strapped hospital where nurses like Maureen Habel ask wrenching questions: "If we only have so many resources, is it not ethical that we provide the care to citizens first?"

Many activists call this an attack on all immigrants.

"They're using them to whip up a current of public opinion against immigrants," says Nativo Lopez, with Hermandad Mexicana Nacional in Orange County. Already, he says, employers ask for proof of residency when someone looks or sounds foreign.

The cries for a stop to the flow is starting to come from Californians of all races, walks of life and ideologies; they call for everything from a moratorium on immigration to military patrols of the border.

Grass-roots organizations are sprouting up across the state and pressuring politicians to enact tougher laws.

"This is not a liberal issue, and it's not a conservative issue," says Elliott. "It has to do with quality of life."

Mounting frustration is fueled by an unprecedented population boom in California — an average 2.2% a year since 1980, faster than China and India. By 2002, the state will be the first with a minority-majority. If trends continue, Latinos will be the majority by 2040.

Recent vivid images of boatloads of Chinese refugees landing ashore have added to the frenzy — all at a time when the state, drowning in red ink, is slashing services.

Elected officials and local governments are jumping on the bandwagon:

▶ Gov. Pete Wilson is asking $1.5 billion from the federal government to cover state and local costs of welfare services to new or illegal immigrants.

▶ Sen. Dianne Feinstein, D-Calif., proposes a $1 border fee to fund crackdowns on drug and alien smuggling.

▶ Immigrants' rights groups have identified more than 20 bills introduced in Sacramento as "anti-immigrant."

▶ In less than one year, three counties issued reports detailing the strain immigrants are putting on their budgets — reports widely criticized by both demographers and immigrant groups.

Los Angeles County says it spent $308 million last year to provide public services to an estimated 700,000 illegal residents; $368 million to teach their children.

San Diego County says providing services to its 200,000 illegal residents costs the state and county $206 million. Tax revenues: $60.5 million.

An Orange County grand jury released by far the most controversial report, calling for an immediate three-year moratorium on immigration.

"We're just going broke," says Tom Dalton, a former grand juror who worked on the report. "Everybody who comes into your home, you treat royally, but I think we're just doing too much of that." Most of the anger and frustration targets federal policies, with groups like FAIR launching massive lobbying efforts.

Yvonne Lee, of the Chinese-American Citizens Alliance, says "people are using every opportunity to promote a xenophobic atmosphere."

Replies Louisa Parker, with FAIR: "Xenophobia is the irrational fear of foreigners. There is a very rational fear of the impact of immigration — legal and illegal."

Immigrants counter that they also create jobs — an estimated two per person.

And they pick up low-paying jobs that nobody else wants.

Says Ed Vasquez, of the Latin Business Association: "Rarely do you see Latinos begging for money. ... I see people making an effort to make an honest living."

People like street vendor Guillermo Lopez. He came here from Mexico 10 years ago and doesn't see how he's taken jobs away from citizens — "only if a gringo wants to work as a maid or wash dishes."

Lopez is a permanent resident now but often feels treated like an illegal.

"The police will usually hassle more," he says. "But I feel good. I'm happy. It's a country that's progressive."

Says Angel: "If they don't stop, everyone in the U.S. is going to work for minimum and poverty wages. ... It has to be stopped."

65% want immigration cut back

By Maria Puente
USA TODAY

Anti-immigration sentiment in the USA is strongest among whites, Southerners and those with lower incomes, less education and conservative views, according to a USA TODAY/CNN/Gallup Poll.

Those groups are more likely to back cutting or halting immigration, see immigrants as a drain on taxpayers, and to believe immigrants increase crime and threaten American culture.

"They bring different values and that's why we have more crime and drug problems," says Mary Goldsmith, 37, a homemaker in Brandenburg, Ky., one of those surveyed.

Nationwide, the poll found 65% of 1,002 adults favor a reduction in immigration — the highest such finding since World War II.

▶ 66% of whites favor reducing immigration; so do 56% of non-whites.

▶ 42% of those making less than $20,000 a year want to stop immigration, compared with 18% of those making more than $50,000.

▶ In the South, 74% favor a reduction; in the West, by comparison, 59%.

▶ Only 42% of immigrants want to reduce immigration. But hostility increases with succeeding generations: 54% of first-generation immigrants, and 61% of second-generation, favor a reduction.

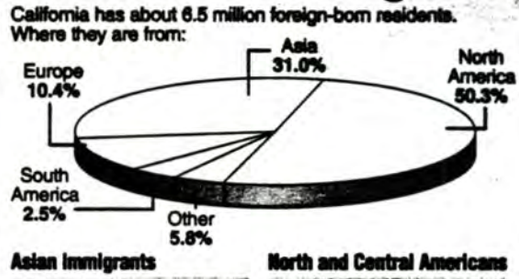
The poll was conducted July 9-11. Error margin: 3 percentage points.

By Bob Riha Jr., Gamma-Liaison

'THEY TOOK OVER': Terry Angel, a contractor, says immigrants' cheap labor is forcing Americans out of work. He says illegal aliens work at this Cypress, Calif., building site.

California and immigrants

California has about 6.5 million foreign-born residents. Where they are from:



Asian immigrants		North and Central Americans	
Philippines	481,837	Mexico	2,474,149
Vietnam	271,061	El Salvador	200,781
China	211,269	Canada	166,397
Korea	200,194	Guatemala	135,875
Other	636,248	Other	205,818

Source: Census Bureau

By Marcy E. Mullins, USA TODAY

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THE PRESIDENT HAS SEEN 9/3

Mark GS
more on
Immigration
B

THE PRESIDENT HAS SEEN 9/3

Daniel Patrick Moynihan

Neutralizing 19th-Century Science

Taking Exception

In the current issue of the American Scholar, I have an essay on drug abuse titled, "Iatrogenic Government." The term, from iatros, Greek for physician, refers to illness or injury induced by medicine in both the narrow and wider sense of that term. It is something doctors worry about. One such doctor was Norman Zinberg, professor of psychiatry at the Harvard Medical School. His life work concerned the way Americans in general and doctors in particular deal with drugs such as heroin and cocaine. The point being that these drugs first appeared as medicines, purchased at drugstores.

Following Dr. Zinberg's death in 1989, a lecture was endowed in his name at the John F. Kennedy School at Harvard. I was asked to give the first of these, which I did last winter, and which is now published. I began with the proposition that we are dealing here with yet another instance of the impact of technology on human society. The development of organic chemistry in German universities early in the 19th century made it possible for natural products of the poppy or coca plants to be raised to levels of fearsome strength. Doctors at first prescribed the medicines, then came to abhor them. But by then they had been let loose on society and were doing great harm.

The subtitle of the lecture was "Social Policy and Drug Research." My thesis was—is—that medical science has tended to avoid this subject. With rare and noble exceptions such as Vincent Dole and Marie Nyswander, who jointly developed the methadone treatment of heroin addiction, and of course Zinberg (who challenged the very idea of addiction), there have been few medical scientists working in the field. It has little prestige. There is a continuing effort to find blocking agents and such like treatments, but not much result, and in all truth, not much effort. Or so I believe. I cannot prove this. But addressing an audience that included a large number of medical scientists, I thought I would put the question to them. In effect, I asked were they still inhibited by what they had "done."

To make my point I recounted some personal experiences. In 1968 I was asked by President-elect Nixon to be his assistant for urban affairs at a time of an intensely perceived "urban crisis." I returned to Washington to find that this manifested itself not least in public anxiety—fear—of crime associated with a sudden rise in heroin use. I had not been in the White House basement long when I was asked across Pennsylvania Avenue to the boardroom of a prestigious bank, where a group of business and professional leaders of the capital had assembled. They asked me in the most direct terms to ask the president to garrison the city with federal troops. Such was the alarm at drug-induced violence.

I replied that we could not do that, but we could do something about heroin. I did not know this, but the case could be made. The French Connection, as it would come to be known from a movie starring Gene Hackman, was no secret. About 85 percent of heroin consumed here was processed in Marseilles from Turkish opium. Certainly it was no secret to someone from New York, where the impact was first felt. I reasoned that the French could be persuaded to break the link and —this is central—would be able to do so, Why? Because it is France.

On Aug. 8, 1969, the president sent his urban proposals to Congress: a guaranteed income, revenue sharing with cities, new employment and training initiatives. At the president's direction, I now turned to heroin. On Aug. 29, I left for Istanbul, then Paris. By late autumn it was agreed among the governments to put an end to this traffic, which was done. We had, however, no illusions that this marked the end of our problem.

Specifically, we understood that the end of one supply of heroin would give rise to another. (It did: "Mexican brown.") More important, it was understood that we were dealing with an aspect of urban policy. In dealing with drugs, we are required to choose between an urban crime problem and a general public health problem. We have in effect chosen an urban crime problem. In the lecture I argued that this imposes on us the obligation to mobilize the health sciences to try to find a range of pharmacological response. The Anti-Drug Abuse Act of 1988, which set up the drug "czar" and the current apparatus, sets out as one of its principal purposes: "To increase to the greatest extent possible the availability and quality of treatment services so that treatment on request may be provided to all individuals desiring to rid themselves of their substance abuse problem."

I wrote that passage. But little has happened. We still don't get it.

With exceptions. On June 27 George F. Will published in The Post an article, ["Our Harmful Drug Policy," op-ed], in which he laid out the argument in the American Scholar with further comments of his own. He was particularly skeptical of efforts to seal our borders, and asked, "Is it too much to ask that [drug abuse] be taken as seriously by medical researchers as AIDS is?" But above all, in the manner that defines his unique sensibility in our time, he pointed to what Sydney Smith would call the "moral danger" of a policy that protects the majority population at the expense of the minority. Howsoever unwitting.

We have now had an official response. Robert C. Bonner, administrator of the Drug Enforcement Administration, writes The Post [July 15] to deplore the fact that Will has joined those "prophets of doom" who believe interdiction "is hopeless and that our drug control policies may cause more harm than good." Will's mistake was to cite an exchange I had had with George P. Shultz shortly after the French agreed to close down Marseilles. Shultz had shown little interest until I allowed that as long as there was a demand there would somehow be a supply. Not so, writes Judge Bonner:

"Working with the DEA in Marseilles, French authorities arrested and prosecuted nearly all major French heroin traffickers, most of whom were sentenced to lengthy prison terms. Manufacture of heroin in France came to a halt. And most important, the increase in heroin use and addiction that started in the United States in the 1960s was reversed, and the number of heroin addicts stabilized and declined."

Well, for a while. For he goes on to tell us:

"With the Colombian cartels joining other international heroin traffickers, we are seeing a glut of heroin in the United States."

Nothing daunted, his letter concludes, "What worked to destroy the French connection can work again."

There is nothing the matter with an agency head defending his agency (if done with care; I would point out that the DEA was not created until July 1973, long after the French had acted.) But there can be a good deal wrong with denial in the face of failure. As for Colombian cartels, the United States Government Manual, 1992/93 records that "DEA immobilizes these organizations by arresting their members, confiscating their drugs, and seizing their assets." How come then the new "glut of heroin in the United States"?

I invited Judge Bonner to come see me about his letter, which he most graciously did. I asked, had he read the article that prompted Will's commentary. He had not, nor did he know there was one. (Will writing of the exchange with Shultz: "Moynihan recalls this in his essay 'Iatrogenic Government' in the American Scholar quarterly.") I can report that Bonner's boss, Attorney General Janet Reno, has read it. But does she have to do everything in Washington? Something larger than turf is involved here.

The writer is a Democratic senator from New York.

Chrono / GS

THE WASHINGTON POST MONDAY, JULY 26, 1993

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THE PRESIDENT HAS SEEN 9/3

Gergen/GS
cc: Al From

E. J. Dionne Jr.

He Never Moved Left

Two powerful notions have taken hold in the first six months of the Clinton administration. The first is that President Clinton got into trouble in the early going because he "moved left" from where he was in last year's campaign. The second is that he will be judged in 1996 almost entirely by how the economy is doing.

The assertion about leftward drift is flatly wrong. The business about the economy isn't as true as it seems.

Far from moving left after the election, Clinton moved to the right or—perhaps more properly—to the center on what has so far been a central concern of his administration, the budget deficit.

During the campaign, Clinton insisted that the economy's performance and its ability to improve middle class incomes were more important than the deficit itself. In the primaries, he scolded rival Paul Tsongas for his deficit obsession.

Sure Clinton said he'd cut the deficit. But in his standard speeches, the priority went to retraining for the work force, guaranteeing everyone access to college loans and a national service program, creating job apprenticeship programs. There was also that middle-class tax cut and the promise of universal access to health care

At the heart of the economic strategy Clinton outlined during the campaign was an active government that would be a catalyst for middle-class prosperity. To be sure, Clinton regularly attacked the "tax and spend" policies of the past, but this was his way of arguing that the "investments" he had in mind would not be wasteful.

To the extent that Clinton executed a shift after the election, it involved giving a higher priority to deficit reduction. It was a shift more in the direction of Tsongas or Ross Perot than of Tom Harkin or Ted Kennedy. Clinton even bragged that his program was close to Perot's.

Key economic appointments went not to liberals or big spenders but to centrists and deficit-hawks—Lloyd Bentsen and Leon Panetta, Roger Altman, Alice Rivlin and Robert Rubin. The middle-class tax cut disappeared. Liberals who sought a large stimulus plan were disappointed. Clinton's ill-fated stimulus was puny compared with the $50 billion to $60 billion liberals thought necessary. The stimulus was too small to be defended as mattering a lot, but big enough to be a good target for Bob Dole.

Clinton still has new spending in his budget for such things as job training, national service and help for the working poor. But his public arguments about what will create growth have drifted toward an ever higher priority on the low long-term interest rates that deficit reduction should produce, which in turn are supposed to bring a flood of new investment. Joining "the forgotten middle class" as a key constituency requiring Clinton's attention are the Wall Street bond traders who will determine what the interest rates will be. A solicitude for bond traders is not a left-wing obsession.

Ah, yes, say advocates of the thesis that Clinton drifted left, but what about the huge new taxes on the rich? What about gays in the military? What about all the early actions Clinton took on behalf of abortion rights?

Sorry, it was the Clinton of the campaign—the "centrist"—who committed himself to each of these positions. And taxes on the rich, far from scaring "centrist" voters, have always been one of the most popular parts of the Clinton program, since most voters aren't rich.

Analyzing whether the Clinton plan is "too left" or "too right" is a useless enterprise because the categories are confused and because economic arguments get all mixed up with ideological predispositions. Clinton is using "liberal" means, higher taxes on the rich, to the "conservative" end of deficit reduction. Does that make the plan "centrist?" Not to the people who'll pay the higher taxes. Critics of the plan on both the left and the right are actually worried about the same thing—that the plan will slow economic growth—but for characteristically different reasons. Supply-side conservatives say higher taxes on the rich will cripple investment. Some liberals worry that taking too much government spending out of a sluggish economy too fast will throw us back into recession. Clinton insists that the low interest rates answer both of these criticisms.

Who's right? It is the thesis of an important piece in the current issue of The Atlantic by Charles R. Morris that the most honest answer to that question may be: Who knows? Provocatively entitled "It's *Not* the Economy, Stupid," the article argues that many of the "levers" presidents pull to affect the economy often aren't connected to anything. "Presidents can't do much to create jobs for machinists in Topeka." Part of the reason for this is that government policies are based on economic "truths" that aren't truths at all but simply theories, hypotheses and guesses. "Fundamental axioms in economics have a disturbing tendency to flip upside down with little warning," Morris writes.

This is not an argument against the Clinton plan. On the contrary, the best case for cutting the deficit is built not on economic theories or assumptions but on the simpler proposition that it's a bad idea to finance the government through large chronic deficits.

But this argument also leads to the conclusion that victory on the deficit plan, though essential to Clinton's political health, could prove far less important to his presidency than what comes afterward. The economy, for example, could be affected more by whether Clinton exercises international leadership on behalf of boosting global growth rates than by any of the particulars of his plan. (Watch the coming Tokyo economic summit for signals on this.)

Moreover, the idea that Clinton's political future is utterly dependent on the performance of the economy is true only at the extremes. If in 1996 the economy is soaring at a 4 percent annual growth rate with low inflation, Clinton will have trouble losing. If the economy is dead, so is he. But it is at least as likely that the economy will do okay, but not more than that.

In such circumstances, everything else Clinton does will matter a great deal. Voters will judge him by whether he keeps his promises on health care, welfare reform, expanded job training and reforms in the bureaucracy, among other things.

The fixation with whether Clinton is being "centrist" enough would be harmless except that it obscures the real challenge he faces: can he can match his fiscal ambition for lower deficits with his broader goal of using government to improve the lives of the middle class and the poor? The issue is whether budget constraints will prevent him from being daring where he should be daring. For example: welfare reform, a popular cause among centrists, costs money; this worries the deficit hawks, who are also centrists. Clinton won't settle this issue by searching for the perfect Archimedean center among squabbling centrists. He'll do better by remembering that he was elected to bring about change, and that his actions, if successful, can become the benchmark of just where the center is.

THE WASHINGTON POST TUESDAY, JUNE 29, 1993

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Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: Telephone Log for President Clinton [partial] (1 page)	09/01/1993	b(6)

COLLECTION:
Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 1391

FOLDER TITLE:
September 1-4, 1993 [1]

2018-0662-S
rs3067

RESTRICTION CODES

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

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

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

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

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

THE PRESIDENT HAS SEEN 9/3 Wed 9-1-93 pm

Telephone Log for PRESIDENT CLINTON
Unanswered Calls

Page #: 5

08/31/93 7:00 PM (591) ☐ Answered	**BRANSTAD, TERRY** GOVERNOR/IOWA Ph #:(515) 281-5211 Home:(515) 246-1903	PRESIDENT RETURN CALL RETURN CALL AT YOUR CONVENIENCE - NOTHING CRITICAL. Taken By: BMC
09/01/93 5:58 PM (592) ☐ Answered	**LUMPKIN, JAMES** LITTLE ROCK, AR Home:(501) 834-3728 Other:(501) 227-2326 hosp	PRESIDENT PLACE CALL RECENTLY HAD BACK SURGERY - IN HOSPITAL UNTIL FRIDAY - THEN AT HOME. Taken By: BMC
09/01/93 6:00 PM (593) ☐ Answered	**MC NAMARA, ROBERT** WASHINGTON, DC Ph #:(202) 347-2278 Home:(202) 667-5550	President place call per HRC Wants to know how you enjoyed your vacation. Taken By: BMC
09/01/93 6:06 PM (594) ☐ Answered	**HARRINGTON, DAVE** LITTLE ROCK, AR Ph #:(501) 227-9632	PRESIDENT PLACE CALL Taken By: BMC

Cong Jefferson

(1) [redacted] (b)(6)

Bill Keirn

~~SC~~ Adirs

[redacted] - Breaux, ~~[illegible]~~ Bill Strong for him - sug surrounding DAs as hunt Fitzhurst -

Tony Lake

(2) Nigeria - spent 60% of time there -

what's our response

a) to recognize new gov't

b) sponsor interim gov't taken w/ Abiola

THE PRESIDENT HAS SEEN 9/3

Ce Kel
Roy Neel
Doug
Paul

M E M O R A N D U M

TO: THE PRESIDENT

FROM: BETTY CURRIE

RE: GOV. WILDER

DATE: SEPTEMBER 2, 1993

GOV. WILDER CALLED AT 5:30 P.M. I INDICATED YOU WERE IN A MEETING AND HE REQUESTED YOU RETURN CALL AT YOUR EARLIEST CONVENIENCE.

I HAVE ALERTED MARCIA HALE (INTERGOVERMENTAL AFFAIRS) - AND HER OFFICE STATED THAT THE GOVERNOR MAY BE CALLING FOR ONE OF THE FOLLOWING REASONS:

GS

1. FEMA TURNED DOWN HIS REQUEST FOR DISASTER FOR TORNADO THAT STRUCK PETERSBURG, VA.

Tony

2. PRESSING YOU TO COME TO THE SOUTHERN GOVERNOR'S MEETING IN RICHMOND ON SEPTEMBER 20, WHICH THE GOVERNOR MENTIONED TO YOU IN TULSA. APPARENTLY, GOVERNOR HAS PUT OUT A RELEASE STATING THAT YOU WOULD BE COMING. MARSHA HAS BEEN IN CONTACT WITH PARTY CHAIRMAN IN RICHMOND AND INFORMED THEM THAT THIS WAS NOT FINAL.

19-20 - Mr. Hen & Sec 8-10
Thinks I said -

→ Econ Disaster 2/33 Hours
→ Colonial Heights to suffered by tornado
→ on little island that was hard of underground TRR - great fellow to have [illegible]
→ have got - human.

THE PRESIDENT HAS SEEN 9/3

THE WHITE HOUSE

WASHINGTON

July 27, 1993

GS - What are we doing on this? B

MEMORANDUM FOR THE PRESIDENT

FROM: MARCIA L. HALE
DAWN M. FRIEDKIN

SUBJECT: PHONE CALL TO SARAH BRADY

Sarah Brady would like to speak to you about the Brady Bill. She is concerned that the Bill may be put into the crime bill which may result in the possible passage of the Bill being delayed until 1994.

I know you have discussed this with Howard, George and the others, but I think you should call Sarah if you have not already spoken with her recently. While there is an internal dispute as to whether the Brady Bill should be included in the crime bill, the Bradys would greatly appreciate an opportunity to talk with you.

If we resolve our internal disagreement, I think you should invite the Bradys in to see you before you leave for vacation. I have advised Howard of this request and he concurs.

Sarah can be reached at Handgun Control (202) 898-0792.

THE PRESIDENT HAS SEEN 9/3

M E M O R A N D U M

TO: THE PRESIDENT

Mark

FROM: BETTY CURRIE

RE: SEN. BREAUX

DATE: SEPTEMBER 2, 1993

SEN. BREAUX CALLED AGAIN (7:40 P.M.). HE WANTED TO CALL AGAIN AT 8:00, BUT I INFORMED HIM THAT YOU WOULD BE IN A MEETING AT THAT
TIME.

SEN. BREAUX REQUESTED YOU RETURN HIS CALL.

— Wants to do a NAFTA Town Hall Meeting at LSU

— Wants to meet on Health Care ~~[illegible]~~ should do ASAP

THE PRESIDENT HAS SEEN 9/3

M E M O R A N D U M

TO: THE PRESIDENT

FROM: NANCY HERNREICH

RE: OUTSTANDING PHONE CALLS

DATE: SEPTEMBER 2, 1992

PHONE CALLS YOU MAY WANT TO MAKE TODAY:

Cong. Jefferson
James Lumpkin
Terry Branstad
Howard Curtis Reed

---

65 — poss problem

Gov Branstad says
James Lee's new formula
means difference of 63M
to him from 7 to 70M over
the way Florida was treated —
That's too much — let's discuss

B.

THE PRESIDENT HAS SEEN 9/3

THE WHITE HOUSE
WASHINGTON

5/20/93

RECOMMENDED TELEPHONE CALL

TO: JANE ALEXANDER
New York apartment: (212) 333 2555
Carmel, N.Y. home: (914) 225 4544
Theatre room: (212) 489 6841

DATE: At your earliest convenience (Ms. Alexander will be at the 914 number on Friday. She can be reached at the theatre before curtain, approximately 6:45 until 7:45 p.m.)

RECOMMENDED BY: Bruce R. Lindsey

PURPOSE: To offer Ms. Alexander the Chair of the National Endowment for the Arts, assuming she clears the necessary financial and Counsel checks.

BACKGROUND: Ms. Alexander met last Friday at the White House with Bruce Lindsey, Cheryl Mills of the White House Counsel Office, Melanne Verveer, Jan Piercy and Presidential Personnel Search Managers Reichman and Gilcher for a final discussion of current controversies surrounding the NEA. I believe we should now proceed with this nomination.

TOPICS OF DISCUSSION: The National Endowment for the Arts chairmanship.

DATE OF SUBMISSION: 5/20/93

ACTION: _____

Tuesday 8/31 pm

THE PRESIDENT HAS SEEN 9/3

Telephone Log for PRESIDENT CLINTON
Unanswered Calls

08/31/93 2:09 PM (586) ☐ Answered	**DIXON, LYNDA** LITTLE ROCK Ph #:(501) 372-5500 Other(501) 690-7642	President return her call Taken By: BMC
08/31/93 2:12 PM (587) ☐ Answered	**MILES, ALEX** Ph #:(504) 865-7745	President return her call Bill Alexander requested a call Taken By: BMC SVBA Sp Asst Bill J
08/31/93 2:17 PM (588) ☐ Answered	**REED, HOWARD CURTIS** U. S. TRADE REP Ph #:(202) 395-3541	President return call Taken By: BMC
08/31/93 3:43 PM (589) ☐ Answered	**GENGRICH, NEWT** U. S. CONGRESS Ph #:(202) 225-2800	President return call 8/31 - TONY LAKE HAS TALKED W/ CONG. GENGRICH Taken By: BMC
08/31/93 6:53 PM (590) ☐ Answered	**JEFFERSON, WM.** U. S. CONGRESS Ph #:(504) 589-2274 Home:(504) 895-1339	President return call Tony Lake will be calling Cong. Jefferson as soon as policy on Nigeria is firm. Taken By: BMC
08/31/93 7:00 PM (591) ☐ Answered	**BRANSTAD, TERRY** GOVERNOR/IOWA Ph #:(515) 281-5211 Home:(515) 246-1903	PRESIDENT RETURN CALL RETURN CALL AT YOUR CONVENIENCE - NOTHING CRITICAL. Taken By: BMC

~~Talk~~ BL
See Hdq
TO
BRUCE R.

THE WASHINGTON POST

Gergen

THE PRESIDENT HAS SEEN 4/3

TUESDAY, APRIL 20, 1993

another white man

R

E. J. Dionne Jr.

Seeing Beyond the Stimulus

It's time for the visionary Clinton to make an appearance.

When politics goes well, there is a clear connection between what politicians in Washington are talking about and what the country is worried about. The link doesn't have to be perfect, but the scale of the political discussion ought to match the size of the problems that voters have identified as important.

It was thus striking this weekend that while the nation was transfixed by the verdict in the Rodney King trial and the aggravation of the nation's racial divisions, Washington was arguing about a few billion dollars in President Clinton's stimulus—a.k.a. "jobs"—program.

In fairness to Clinton, the stimulus plan does contain some money for the cities, for summer jobs for poor kids, and for immunizing children. And it's disturbing that critics of Clinton's proposal seem most likely to find "pork" in the programs designed for big cities. Somehow, this same criticism is not applied as vigorously to subsidies for those who use western lands—hardly a group that qualifies as the "truly needy."

But no one on either side of the stimulus debate pretends that this bill or this battle comes even close to reaching the underlying problems of the economy, of the cities or the suburbs, of the middle class or the poor. The issue here is not that Washington should spend all its time worrying about just the cities or just racial tensions. The trouble is that for now, this city seems transfixed by a narrowly partisan battle whose resolution will have only the most marginal impact on the country.

That is especially bad news for the president, and it helps explain the dips in his poll ratings and the downward movement in the topsy-turvy market in Bill Clinton futures, traded exclusively by the political classes.

The wild fluctuations in Clintonology should not themselves be troublesome for a man who has been written off so many times that those addicted to the habit of doing so ought to turn themselves in for treatment. What should trouble Clinton is the extent to which he has let the stimulus fight bog him down in an insider game. As a result, he has let the country lose sight of larger purposes.

This is bad even for the economic plan. Public support for the proposal will not be built from the details—such as whether the federal government should invest in some swimming pools—but from a more general sense that Clinton wants to move the country in the right direction.

And where is that? Through all the adjustments in his positions over the last two years, Clinton laid out at least four clear objectives from which he has never wavered. Like them or not, they're large goals.

Clinton has pledged himself to restoring popular faith in the government's ability to make people's lives better by helping them improve their job prospects and guaranteeing them health insurance. He's said he wants to ease the economic inequalities that grew in the 1980s. He's spoken of the urgency of healing the country's racial divisions. And he's proposed to reinvent liberalism by emphasizing themes such as personal and family responsibility, a critique of bureaucracy and support for social policies that promote self-reliance.

These goals are intertwined and directly relevant to the crisis of which Los Angeles has become a symbol. Creating more jobs with middle class incomes would reduce inequalities and calm bitter racial feelings. Social programs emphasizing self-sufficiency and a reduction in the rates of crime and family breakdown would command broad support and also materially improve the lives of the poor.

Clinton shouldn't be afraid to say that these goals will be hard to achieve. In the process, he'd do well to challenge other easy assumptions.

It's easy, for example, to criticize an "ideology of victimization" among African Americans. But how could African Americans not feel victimized by racism when they watched the tape of Rodney King's beating? Thanks to federal prosecutors and a discerning jury, Saturday's verdict provided a satisfactory outcome. But the angers, frustrations and fears that arose on all sides in Los Angeles after last year's rioting should be taken as a warning—as a "fire bell in the night" as Clinton put it during his campaign.

Similarly, it's easy for conservatives to speak of "empowerment" and "entrepreneurship" as offering fixes for the inner city. But who on the right (besides Jack Kemp) is really committed to financing programs to these ends, and why has the market, which conservatives (Kemp included) so extol failed in the inner city?

And, yes, it's easy for some liberals and some African American politicians to blame the inner-city mess on white racism, indifference, selfishness, etc. But where does that get us? The truth is that most African Americans are emphatically *not* caught up in "cycles of dependency." In the face of discrimination, they have seized opportunities. A view that speaks only of a pervasive racism plays down these achievements and ignores the links that must be forged between social action and personal responsibility.

The visionary Clinton who appears on the scene periodically has been willing to speak to these issues and risk making both liberals and conservatives mad. Clinton as Mr. Empathy can win friends; only Mr. Courage can galvanize the country.

The campaign's famous dictum, "It's the economy, stupid," was designed for the sensible purpose of reminding Clinton hands which issue was number one for the voters. Now, that admonition could become a straitjacket if it is translated into "It's the economic plan, stupid." Of course Clinton needs to get his economic plan passed. But the best way to do that is to move attention away from the Bill Clinton-Bob Dole catfight, away from the desultory details of congressional politics.

And the battle can't be just about the deficit, because Ross Perot and the Republicans (now that they're out of power) will always be able to out-deficit Clinton and the Democrats.

Ronald Reagan's 1981 budget victories have been taken as a model by Clinton's aides, and one Clinton adviser argues that the central lesson taught by Reagan was to sweep aside insiderism with big themes. "Congress was impressed with Reagan because of how he played the country, not how he played them," said this adviser. The country wants to play for more stimulating stakes.

52

E. J. Dionne Jr.

The Politics of Nastiness

This weekend, my colleague David Von Drehle reported the reflections of the Arkansas friends of Vincent Foster Jr., President Clinton's deputy counsel who apparently committed suicide. It was a moving article that kept coming back to the search for what it was about Washington and our style of politics that might have pushed Foster to make what one person who knew him well called "the only bad decision of his life."

Foster's friends were not looking for glib explanations of the intensely private despair that pushes a person to take his own life. Rather, they were asking a prior question: Why has politics become such a nasty and often inhuman business?

It's a good question, even though meanness in politics is no recent innovation. Matters have gotten worse: the polls show we trust people in public life much less than we did 30 years ago. Campaigns have always been rough, but politics now runs to permanent invective, in season and out.

The politics of nastiness has no single source, but it's rooted in the fact that we're passing through a series of crises for which neither the politicians nor the idea mavens on whom they rely have satisfactory answers. No one, for example, fully understands how to deal with the global economy's impact on our living standards. Nor, if we're honest, are we clear about what steps would genuinely transform the lives and aspirations of inner-city kids growing up in the midst of violence, family breakdown and joblessness.

One could multiply these examples, but the point is that politicians are in a bad spot when it comes to promising what they usually have to promise: that they'll cure whatever ails us. The late Sam Ervin once said that when both the evidence and the facts are against lawyers, they pound the table. When the answers escape politicians, they pound each other, often viciously. It's easier to call Bill Clinton and Ted Kennedy (or George Bush and Newt Gingrich) scoundrels or worse than to admit that the problems at hand are hard to solve and that it will require a lot of experimentation—and, yes, some public money down the drain—to come up with even partial answers.

When politicians aren't assailing each other, they feel obligated to duck and evade—which deepens the cynicism that feeds the nastiness. Republicans don't really want to argue strenuously that they oppose raising taxes on the wealthy, so they pretend there's an easy way to balance the budget. Democrats don't want to say that some of their social programs will fail or have unintended consequences or deal with only part of a problem. So they oversell, overpromise—and disappoint.

Voters themselves encourage this behavior when they tell pollsters that half of what the government spends is wasted. This view puts voters in the convenient position where they can demand that government do more and tax less at the same time. Government is always asked to clean up after calamities—floods, hurricanes, bank failures, factory closings. But if it's not your calamity, you can write off these activities with epithets such as "giveaways," "bailouts" and "bloated government."

There's another difficulty that may especially affect those of us in journalism. It might be called the naivete of tough-mindedness.

It is obviously naive to think that politicians are motivated only by the public good and never, ever think of things like reelection, higher office and, in some cases, their own pocketbooks. There are a lot of opportunists out there, and the grubby quest for campaign contributions our system requires can make even the most honest pols bend.

But it is equally naive (though much more popular) to think that politicians or their aides absolutely never, ever act from motives higher than the crass and the selfish. Many of the conflicts in politics are explained not by corruption or even by stupidity but rather by genuine differences of opinion over—it's strange to say, I know—what's the right thing to do. Does anyone think that Ronald Reagan and George McGovern were—or that Bob Dole and Bill Clinton are—entirely indifferent as to the content of public policy? Of course citizens and journalists alike should look for hypocrisy, hidden motives and corruption. These things are, however, not the whole of politics.

The vicious cycle is completed by some of the best people in politics: the philosophically committed activists left, right and center. Their problem lies not in fighting their opponents but in demonizing them. Your adversary can't simply be wrong; he or she has to be a baby killer or a woman hater or a racist or a "quota queen." Name-calling is especially widespread on emotive issues such as abortion, affirmative action and gay rights. But it also seeps into the more quotidian matters of taxes, spending, trade and health care.

The issue here is not that politics should be "nicer." Nor is there any way around the sort of fierce but necessary scrutiny of matters such as the problems with the White House travel office or the president's appointees that seemed to so dispirit Vincent Foster. But at some point, we have to ask whether the nastiness of public life is undermining our very capacity for self-government—whether the toll we're exacting falls not only on individuals but also on our ability to reason together, which is what republican government is supposed to be about.

The attractive alternative to what we are doing now was sketched out by political philosopher Glenn Tinder, who has spoken for "a society in which people listen seriously to those with whom they fundamentally disagree." He calls this "an attentive society" and argues that this "is the proper historical setting for freedom." Such a society, he says, "would provide room for strong convictions, but its defining characteristic would be a widespread willingness to give and receive assistance on the road to truth."

Maybe this is an irrational hope. And even an "attentive society" would not provide a cure for the private desperation individuals can feel at times of great stress. But Tinder's ideal does at least push us away from a growing *public* despair that is incompatible with democratic rule. I can think of no political goal that is more "practical" or necessary.

THE PRESIDENT HAS SEEN 9/3

Gingy

This is very good

BC

THE WASHINGTON POST TUESDAY, JULY 27, 1993

Clinton Forgets His Health Care Allies

By PAUL M. ELLWOOD

We began the year with a real opportunity for rapid passage of comprehensive health care reform. But my conversations with moderate and conservative Democrats and Republicans, as well as administration officials, confirm that the circulating Task Force health plan has no chance of legislative enactment. Anticipating its chilly reception, Republican leaders expect some political gain by deferring serious negotiations until after the president's plan is made public. Fortunately, the president has not yet announced his own position on the various Task Force recommendations, and there is still an opportunity to revise killing elements of the plan.

Since giving up active medical practice 20 years ago, I've worked with most of the leaders of American health care to find ways to reshape our health delivery and payment system. Purchasers, health care executives, physicians, academics and many political leaders have gathered at Jackson Hole, Wyo., and elsewhere to acknowledge and attack the failures of our health care system. We wanted health care to respond to the forces that shape our lives in most other ways: incentives that ensure that those pursuing private interests advance the public interest. Out of these discussions came the spread of managed care to more than 100 million Americans and the "managed competition" policy.

Three Lessons

Can the president and the nation avoid a health care version of the Budget Reconciliation process? Three of the lessons we've learned through our informal efforts may allow him to modify and build a broader consensus for his reforms.

PRICING HEALTH CARE

• Lesson One: Ensure that those advancing their private interests achieve success by advancing the public interest.

White House planners never fully embraced the reform model the president endorsed during the campaign. Purchasers of health benefits, like Allied-Signal, Xerox and General Electric, had discovered that the most powerful forces in the health care economy—hospitals, insurers, doctors in private practice—will change their behavior when economic incentives are altered. Organized delivery systems, such as the Mayo Clinic and Harvard Health Plan, properly compensated, could achieve better quality at lower costs. In Oahu, Minneapolis, Des Moines and Portland, Ore., health care and employer leaders are manipulating the interplay between public ground rules, buyer demand and provider behavior.

The White House seemed not to understand that its job was to motivate the private sector to change. Instead, it mistakenly focused its energy on government strategies for managing health care costs and on the creation of quasi-governmental purchasing pools with the power to impose regulatory constraints on health care providers. It became caught up in arcane debates over the size of firms required to participate in purchasing pools instead of solving the far more important—and clearly federal—problem of garnering public and private funds to pay for improved health security.

• Lesson Two: Deal with as many pieces of the problem as possible—simultaneously, openly and collectively.

The White House Task Force and its working groups have been exclusive, secretive, compartmentalized and unduly complex. The White House believed it had an election mandate to institute basic change and it latched on to polls purportedly showing that the public viewed drug companies, insurers and doctors as greedy. It allowed into the planning process primarily those who represented Democratic members of Congress and government staff, asked them to consider only disconnected parts of the problem, and gave participants and outsiders no mechanism for ensuring that the policy ideas were consistent with others or actual experience.

White House planners never fully embraced the "managed competition" reform model the president endorsed during the campaign.

I've conducted "exit interviews" with dozens of health care leaders, employers, and politicians of both parties who have met with top White House officials. They left their meetings with the warm, illusory glow of sitting at the center of power but realized they had been exposed to only part of the proposed policies and told things that made them feel understood and supported. They came away suspicious about the missing elements of the policy. The very people who would ultimately be essential to passage of reform legislation and then to its successful implementation were underutilized and became disenchanted.

Not surprisingly, many in health care and Congress are now behaving in a critical fashion and preparing to attack the anticipated proposals. I have not given up on bringing the rivals together.

• Lesson Three: Forget the magic; embrace reality.

Neither a CEO nor a U.S. president can simply will a transformation of our largest and most professionally entrenched enterprise. Even the most worthwhile and effective innovations we've observed remind us that every initiative triggers unexpected consequences and each improvement takes longer than expected.

When at last you convince hospital administrators that their facilities are cost centers and not profit centers, they will direct their patients to the hospital's new outpatient profit center instead. Set the price for one category of services below doctors' expectations and more services will be delivered, with the increased volume fervently justified by reference to scientific studies and warnings of jeopardized quality of care.

The president has said that the American public will be best served by a market-driven health system shaped by cost-conscious consumer behavior and financially responsible, prevention-oriented provider networks, all operating with clear, unobtrusive government incentives and standards. Unfortunately, his policy staff were given two contradictory instructions: Use the marketplace to induce system reforms, and make sure all public and private spending stays within an overall budget figure set by Washington.

They produced a compromised policy that combines weak incentives for cost-conscious consumer and provider behavior with weak government controls. It has little political appeal and is not aggressive enough to achieve either its economic or its clinical objectives.

* * *

What can the president do now? First, he can join the existing consensus supporting changes in the way health care services are organized and delivered. Private sector reforms are already compelling many individuals to seek new roles in the changed delivery system. Subspecialists are seeking training to expand into primary care, and physicians are giving up their historical independence to join groups, HMOs, and even accept salaried positions. The president must commit himself to a set of structural arrangements and accountability standards that will encourage all parties to make critical changes in their careers and organizational affiliations. Many of the most ardu-

1/2

THE WALL STREET JOURNAL TUESDAY, AUGUST 10, 1993

ous and critical changes in health care can then proceed without new legislation.

Second, the administration needs to tone down the rhetoric surrounding health care reform. The current White House plan for a fall media blitz is sadly adversarial: develop an administration proposal known to be unacceptable to congressional leaders; sell it to the public with solicitous allies, media events and town meetings; then try to force a deal with Congress. Instead, the president should present his blueprint for reform, explain it and listen carefully to the response.

2/2

Third, the administration cannot rely on a purely government-conceived solution to the problem of financing coverage for all Americans. Only the government has the data to assess the entire health care economy, but only purchasers have direct experience in costing alternative benefit offerings, selecting among competing providers, and encouraging employees to select cost-effective delivery systems. Only they can predict the effect of new financing strategies on their own business practices. Small businesses, for their part, need to stop exaggerating the negative consequences of helping to cover their employees' health insurance costs.

Frank Discussions Needed

Universal insurance coverage will involve new allocations of responsibility among state and federal governments, small and large employers, and individual citizens. It will inevitably take more time than we wish, and reflect political, as much as economic, realities. If frank and collaborative discussions that generate shared commitment slow the process now, they will speed it up later.

Those who actually pay for and deliver care are ready to step up their efforts at reform. Congressional moderates of both parties and many state leaders are in agreement about the role of government in establishing rational incentives for cost-conscious consumer behavior and setting standards for a fair marketplace. The nation is ready for clear, articulate leadership and does wish for health security.

In my fantasy world of rational, bipartisan policy making, the parties would jointly embrace this approach before the president overcommits himself publicly to specific initiatives. But even in the real world, fundamental and successful reform can still happen if our leaders stick to core principles, reduce the rhetoric, and learn to leverage our many recent successes.

Dr. Ellwood is president of InterStudy and the Jackson Hole Group, a health-care reform policy think tank.

There Is No Case for Legalizing Drugs ✓

By THOMAS P. GRIESA

The effort to enforce the federal and state narcotics laws is producing a good deal of frustration. Certain prominent commentators, including three respected federal judges in New York City, take the view that the "war on drugs" under the criminal law is largely a failure. What they would substitute is difficult to present in a brief summary. Most favor legalization or at least consideration of such a step, and some suggest a shift of resources from criminal law enforcement to treatment.

It is rare for judges to take a public position for or against a body of statutory law, but there is no reason in principle why they should not, and the judges who are critical of the narcotics laws are speaking from their deepest convictions about a unique and aggravated national problem.

However, the public should know that there are judges who take a sharply different view. I am one.

Narcotics trafficking is as grievous an evil as any crime on the books. It is the direct cause of death on a broad scale; and when literal death does not occur, the destruction of functioning lives does. It is difficult to understand how society could fail to declare narcotics trafficking to be a serious crime.

As the problem lies with enforcement, it may help to consider this in the context of criminal law enforcement in general. The age-old crimes of murder, rape, burglary, etc. have been with us so long that we do not expect to wage a short-term "war" against them that we plan to "win." We plug along generation after generation doing the best we can to catch murderers and thieves, and no one suggests that we take these crimes off the statute books because we have not achieved some ideal solution.

Serious narcotics trafficking and usage struck this country fairly recently. This fact, plus the particular severity of the problem, led to the hope that, with strenuous law enforcement efforts, the problem could be wiped out or greatly reduced.

This has not occurred. It is unrealistic to have our expectations too high. The temptations of the narcotics trade are so strong that extraordinary patience and resourcefulness are necessary to achieve a remedy. But none of this means that narcotics trafficking should not continue to be classified in our law as a serious crime. To countermand the existing laws would tell the populace that our governing authorities are morally indifferent to this form of criminality or are actually approving of it.

We should bear in mind that the foundational fact about the criminal law is that it is a moral judgment. Difficulties of enforcement have always been with us for every form of crime. But this has not caused us to draw back from making the moral judgments. Moreover, the existence of the laws, regardless of the problems of enforcing them, have great importance. Even in our fractured society, most people respect the law, and it is a most serious matter to them whether something is or is not declared to be a crime.

As to the enforcement of the law, the federal and state governments must continue to do the best that can be done under the circumstances, recognizing that there are limits as with other crimes. But every prosecution that breaks a drug ring and every seizure of a quantity of drugs should be recognized for what it is: some impairment of the narcotics trade. Cumulatively, the efforts are vastly better than nothing.

The suggestion of shifting resources from criminal law enforcement to treatment is an invitation to even greater frustration than is now experienced. Of course, there should be treatment, because, like law enforcement, it accomplishes some good. But its success rate is not sufficient to justify the degree of reliance that is proposed.

When conditions are bad, there is usually a desire for change. But one simple fact must be remembered. Things can be worse. As bad as the situation now is, the consequences of legalizing narcotics would be far graver, specifically, a great increase in the use of narcotics and in narcotics addiction.

The analogy to alcoholic beverages and prohibition is misplaced. Although there is an increased recognition of the harm that alcohol inflicts upon society, the fact is that its use has been sanctioned from time immemorial. The repeal of Prohibition provides no precedent for legalizing heroin and cocaine.

Although I favor the continued criminalization of narcotics, I share the views of numerous other federal judges that the present sentencing laws are misguided. The Federal Sentencing Guidelines frequently produce sentences that are either too high or too low, because the guidelines mindlessly equate culpability with the quantity of the drugs. Also, Congress has enacted certain very high minimum sentences that even those of us who believe in the continued enforcement of the narcotics laws consider too harsh.

Judge Griesa is chief judge of the U.S. District Court, Southern District of New York.

THE PRESIDENT HAS SEEN 9/3

HRC

Should issue an array of these polls
Remember upon gain
Publicity
B

THE PRESIDENT HAS SEEN 9/3/93

1. Change Caption to: BIPARTISAN COMMISSION ON ENTITLEMENTS AND TAXES

2. Revise first sentence of section 1(a) to change name of Commission to "Bipartisan Commission on Entitlements and Taxes."

3. Revise section 2(a) to read as follows: "(a) The Commission shall recommend potential long-term deficit reduction measures involving (1)revisions to statutory entitlement programs and (2)alternative tax reform proposals. The Commission shall report its recommendations respecting potential entitlement program savings and tax system revisions to the President and to the Congressional leadership by December 1, 1993"

Mack

VP's proposed language - can do something in between

THE PRESIDENT HAS SEEN 9/3

THE WHITE HOUSE

WASHINGTON

SEP 1 P7:33

SEPTEMBER 1, 1993

MEMORANDUM TO THE PRESIDENT

FROM: MARCIA HALE

SUBJECT: ILLINOIS BUY-OUT PROPOSAL

Attached is a memo from James Lee Witt regarding the flood situation in Illinois. Mack has told me that you talked with him briefly about how you believe this situation could be remedied. He suggested that I talk with you about your thoughts and coordinate our efforts with James Lee.

(Don't remember now — Howard Paster should review + make suggestions if we need statutory changes —

c.c V.P
MACK
Christine Varney

Federal Emergency Management Agency

Washington, D.C. 20472

SEP 1 1993

MEMORANDUM TO: The Honorable William J. Clinton
President

FROM: James L. Witt
Director

SUBJECT: Grafton, Illinois Buy-Out Proposal

As you know, the City of Grafton, Illinois experienced the brunt of some of the worst flooding to occur during the recent midwest flooding. This memorandum is to inform you that FEMA is considering ways in which to proceed with a buy-out of a substantial portion of the City as a model project for other buy-outs in the flood-affected region.

The City of Grafton was the first community in the midwest to complete a buy-out proposal for FEMA's consideration. In that proposal, officials in Grafton reported that a full 91 percent of residents and 76 percent of businesses in flooded portions of Grafton have responded to a survey stating that they would relocate in Grafton above the flood plain if given the chance. The City estimates that approximately 230 homes and 30 businesses (60 percent of all structures in the City) are candidates for relocation under a possible buy-out program. This high level of interest offers the Federal government great potential to relocate flood-damaged structures from the one of the most at-risk areas within the floodplain to higher and safer ground, thus reducing the potential for future flood disaster losses.

The City has estimated that the buy-out would cost the Federal government roughly $30 million. As a result of this high interest and the Administration's commitment to the long-term reduction of disaster costs, FEMA is currently identifying possible sources of funding to support the Grafton buy-out proposal. For your information, I have attached a list of possible funding sources for this buy-out on the attachment on the following page.

There are a number of possible obstacles to the Grafton buy-out proposal, however, which would need to be resolved prior to proceeding with the project. First of all, FEMA is only in the early stages of reviewing the possibility of a buy-out in the City of Grafton. In many instances, there are practical and/or legal limitations associated with the use of the funds from some of the programs listed on the attachment, and creative financing from both the public and private sector may be necessary to bring this proposal to fruition. It is also worth noting that Grafton is one of seven communities identified in the State of Illinois that are interested

in large-scale buy-outs from the Federal government, and it is likely that many more communities in the other flood-affected States will consider pursuing buy-outs as a means of recovery from the recent devastation.

Attachment

FEDERAL PROGRAMS FOR RELOCATION AND ELEVATION OF FLOOD DAMAGED PROPERTY

Relocation and elevation are effective measures employed for long-term flood damage reduction. Programs under the Robert T. Stafford Disaster Relief and Emergency Assistance Act 93-288, as amended, administered by FEMA, and other Federal programs are available to communities and residents to assist in relocating outside of a floodplain or in elevating structures to comply with the National Flood Insurance Program (NFIP) requirements. Programs and funding can be combined in areas with repeated flooding problems to provide comprehensive assistance. While relocation or elevation is being implemented, Disaster Housing assistance can be provided to individuals for up to 18 months during the construction.

FEMA PROGRAMS

* The **Hazard Mitigation Grant Program (HMGP)**, authorized by Section 404 of the Stafford Act, can provide 50% of the cost of elevating structures to comply with flood insurance standards. Additionally,communities can use HMGP to acquire properties in a floodplain and provide relocation assistance if necessary. Interested communities can apply for assistance through the State, which is responsible for identifying and prioritizing projects. Although State and local units of government are eligible applicants, these organizations award grant funding to individuals for mitigation projects. Individual grant recipients are responsible for providing matching funds, which may include SBA loans, Community Development Block Grant awards, and personal loans or savings.

* The **National Flood Insurance Program (NFIP)**, through Section 1362, can purchase previously flood-damaged property and offer property owners the opportunity to relocate in areas not prone to flooding. Eligible property owners must have a flood insurance policy in force when the damage occurs, as well as meet one of the following other program requirements: their property has been damaged by at least three floods in a five year period with average damage 25% or more of the value of the structure; a single flood has damaged the structure 50% or more of its value or beyond repair to its pre-flood value; or a single event has left the structure damaged and irreparable due to local ordinances, limitations or significantly increased building costs. In addition, the affected community must agree to accept title to the purchased property and manage it for open space purposes.

* Under the Stafford Act, several **Individual Assistance** programs also can be used to facilitate elevation or relocation out of a floodplain. The **Individual and Family Grant Program (IFG)** can be used in conjunction with other programs to elevate or relocate individual structures. Funding is limited; the maximum grant allocation is $11,900. In order to qualify for the IFG Program, residents must first be declared ineligible for Small Business Administration (SBA) loans. Assistance also may be available through **The Cora Brown Fund**, established to help victims with disaster-related needs not met by government agencies or private organizations. This fund can provide assistance for elevation, relocation out hazardous areas, and other hazard mitigation.

* Under the **Public Assistance (PA) Program**, limited funding is available for elevation and relocation. For example, if entire portions of a community were to be relocated outside the floodplain, PA can assist in rebuilding the necessary infrastructure in the new location. If a community determines that a badly damaged facility will not be repaired, the estimated damage amount may be used to fund other hazard mitigation measures.

SBA PROGRAMS

* **SBA** disaster loans are available to elibigle homeowners and businesses to repair or replace property damaged in a declared disaster. Loans may be used to meet building codes, such a flood insurance requirements. SBA also may provide loans for involuntary relocation out of special flood hazard areas, when required by local officials. While SBA's legislation prohibits the agency from making disaster loans for voluntary relocations, there are exceptions made for homeowners, renters and businesses moving out of special flood hazard areas. These particular loans are limited to the amount necessary to repair or replace the damage at the disaster site. Loans are available for up to $100,000 for homeowners; $20,000 for renters; and $500,000 for businesses. SBA loans also may be used to refinance existing mortgages.

HUD PROGRAMS

* The **Community Development Block Grant (CDBG)** program can provide funds for variety of projects, including floodplain property acquisition and relocation, or elevation. There is $200 million in CDBG program funds from the Supplemental Appropriations Bill restricted to repair, replacement, or restoration of flood damaged facilities, or to continue services interrupted by the flood. These funds can be used for elevation of structures, or in combination acquistion/relocation projects.

* The **HOME Program** provides grants to states, large cities, and urban counties for permanent housing for low-income individuals (80% of median income). Funds can be used for acquisition, new construction, or elevation. While there are no minimum or maximum loan amounts, the community recipient determines interest rates and may elect to award grants to individuals rather than loans. Application requirements and housing quality standards requirements have been waived. Other application processes have been streamlined as well. The Supplemental Appropriations Bill added $50 million to this program.

FARMERS HOME ADMINISTRATION PROGRAMS

* **Farmers Home Loan Administration (FmHA)** is authorized to make rural housing loans and grants to eligible applicants to buy or repair housing located in rural areas. Homes constructed or repaired through FmHA are required to meed the flood insurance requirements. The **Section 502 Home Ownership Loan Program**, available to low and very low income applicants (50% and 80% median income in the area), can be used to elevate or relocate individual structures. The maximum loan is $105,000. Interest rates, based on income, may be as low as 1%. The Supplemental Appropriations Bill allocated an additional $1.2 billion to this program.

* Under FmHA's **Section 504 Home Improvement Loans and Repair Loans and Grants Program** funds are available to elevate homes or farm structures. Grants up to $5,000 are awarded to qualified very low income senior citizens. Loans may be offered up to $15,000, with interest rates, based on income, as low as 1%. Through the Supplemental Appropriations Bill $12.5 million was added to the loan program and $12.5 million was added to the grant program.

* FmHA Emergency Loans are available to assist family farms and ranchers in refinancing existing debt, as well as clean up and restoration and repair of farms and farm structures. Loans can be used to elevate living areas to meet flood insurance requirements or to relocate homes out of the floodplain. These loans, at 4.5% interest over 30-40 years, are for physical losses. The Supplemental Appropriations Bill added $80 million to this program.

CORPS OF ENGINEERS PROGRAMS

* The **U.S. Army Corps of Engineers (USACE)** is authorized to relocate homes out of the floodplain if relocation proves to be more cost effective than other structural flood control measures. However, this can be a very lengthy process. Projects under $5 million, under the **Section 205 Program**, can take several years to complete, while projects in excess of this amount can take much longer.

ECONOMIC DEVELOPMENT ADMINISTRATION PROGRAMS

* The EDA provides funding for projects resulting in economic growth for communities. The Administration has received additional funding through the Supplemental Appropriations Bill for its programs in affected communities in the Midwest.

THE WHITE HOUSE
WASHINGTON

9-3-93

Marcia,

Attached is **old** IGA mail. I think it's better if you answer this rather than the President. Maybe you could just call these folks and let them know that the new regime has taken over.

John

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China.

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forth
sion of
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vide a
My

real incentive for China to [illegible]
Administration also will act under existing laws to ensure that China abides by international standards on trade and proliferation. If necessary, we will not hesitate to take strong steps.

9/3/93

THE WHITE HOUSE
WASHINGTON

Nancy H.

Rather than have the President sign mail to elected officials that has been sitting in Intergovernmental Affairs for four or five months, I've asked Marcia to call or write and answer any pending questions and let the official know that we expect to do better in the future.

I've also let Paul and Todd to be on the lookout. Let me know if you see any more of this kind of mail coming your way.

John

THE WHITE HOUSE
WASHINGTON

DATE: 9/3

TO: NSC

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

for stuffing

cc. clerk

033926

THE SECRETARY OF COMMERCE
Washington, D.C. 20230

August 18, 1993

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

Dear Mr. President:

Section 101(a)(2)(D) of the Marine Mammal Protection Act (MMPA) requires that I certify to you that a ban on the importation of yellowfin tuna or yellowfin tuna products has been in effect for 6 months. By the terms of the MMPA, such certification is deemed to be certification for the purposes of Section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)), generally known as the Pelly Amendment, for as long as such ban is in effect. The Pelly Amendment also requires that, within 60 days of such certification, you notify Congress of any action you have taken pursuant to the certification.

I hereby certify that on December 22, 1992, an import prohibition went into effect against yellowfin tuna and products derived from yellowfin tuna harvested in the eastern tropical Pacific Ocean by Panamanian purse seine vessels greater than 400 short tons carrying capacity.

The Pelly Amendment authorizes you to prohibit imports of any products from certified nations to the extent such prohibitions are sanctioned by the General Agreement on Tariffs and Trade. After thorough review, I recommend that sanctions against additional products from Panama not be imposed at this time, particularly as the Government of Panama attempts to have the embargo lifted by developing a marine mammal mortality program comparable to that of the United States. I have enclosed a draft of the notification you are required to submit to Congress within 60 days of this certification.

I have notified the Secretary of the Treasury, the Acting Chairperson/General Counsel of the Council on Environmental Quality and the Marine Mammal Commission, and have asked the Secretary of State to advise the U.S. Embassy in Panama of this certification.

Respectfully,

Ronald H. Brown

Ronald H. Brown

Enclosure

TO THE CONGRESS OF THE UNITED STATES

Pursuant to Section 8(b) of the Fishermen's Protective Act of 1967, as amended (22 U.S.C. 1978(b)), generally known as the Pelly Amendment, I am notifying you that on _____, in accordance with Section 101(a) of the Marine Mammal Protection Act (MMPA), the Secretary of Commerce certified to me that a ban on the importation of yellowfin tuna and yellowfin tuna products from Panama has been in effect since December 22, 1992. This ban is the result of a finding by the Assistant Administrator for Fisheries, National Marine Fisheries Service, that Panama's marine mammal program was not comparable to that of the United States, as required by the MMPA.

By the terms of the MMPA, such certification is deemed to be a certification for the purposes of the Pelly Amendment, which requires that I consider and, at my discretion, order the prohibition of imports into the United States of any products from the certified country to the extent that such prohibition is sanctioned by the General Agreement on Tariffs and Trade. The Pelly Amendment also requires that I report to Congress any actions taken under this subsection and, if no import prohibitions have been ordered, the reasons for this action.

After thorough review, I have determined that sanctions against Panama will not be imposed at this time, particularly as the Government of Panama is attempting to develop a marine mammal program that is comparable to that of the United States. Panama can meet the mortality comparability requirement of the MMPA and its regulations if Panama's marine mammal mortality rate is no more than 1.25 times that of the United States' rate for the same time period, and if Panama's marine mammal program includes certain other elements. The Secretary of Commerce believes that Panama will submit an annual report and request a finding of comparability for 1994.

Mack

Maybe a UC Coug. would do it - anyway let's get Sosnow to do for Bowen,

9/1

August 4, 1993

David Dickey
3513 Clubland Drive
Marietta, GA 30068

President Bill Clinton
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear Mr. President: (I STILL HAVE TROUBLE WITH the "P" WO

I have recently gone into business with Pat Sutphin from Hendersonville, N.C. Her son, David Shook, will be a senior at East Henderson High School in Hendersonville this coming year.

His ambition is to become a Naval Aviator. As you can see from the enclosed endorsement from Captain Robert S. Chew, Jr. - USN Retired, he has taken the first steps on his way to achieving that ambition. I have known his family for quite some time and implicitly vouch for his character and his family backround.

David would like to enter the NROTC or, if unable to qualify, he is willing to attend the NROTC Boost Program next summer to become qualified. It is my understanding that there are only five (5) slots available to non-minorities and it would take a recommendation from high places to help obtain one of these slots.

While the recommendation cannot come from the President, and without being too presumptuous, I would like to ask you if Mack McLarty, Senator Bumpers or whomever you might deem appropriate would write a letter of recommendation for David Shook. However you may be able to help the young man achieve his ambition will be greatly appreciated.

It was great to see you the week before last, although I hated the circumstances. You looked great. Also, thank you for the letter you sent me after I was there in May. It meant a great deal to me.

Thank you for any consideration you may be able to give David Shook. Take care of yourself and give my best to Hillary.

Yours truly,

David

David Dickey

Grant

THE WHITE HOUSE
WASHINGTON

DATE: 5/1

NOTE FOR: DAVID LANE

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

Information ☐
Action ☑

Please follow up ASAP
Let me know what's going on
Thanks

Thank you.

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

cc:

Central Labor Council of Alameda County

AFL-CIO

7992 CAPWELL DRIVE · OAKLAND, CALIFORNIA 94621 · *Telephone* (510) 632-4242

THE PRESIDENT HAS SEEN

August 13, 1993

TO: President Bill Clinton

FROM: Owen Marron, Secretary-Treasurer
Central Labor Council of Alameda County, AFL-CIO

Mr. President:

Enclosed please find a letter I sent to your Secretary of Commerce, Ron Brown, last month requesting emergency federal action on dredging of our shipping channels.

I would like to emphasize to you the importance of cutting through red tape to get this project completed as quickly as possible.

With the closure of Bay Area military bases, the growth of our maritime industry will be vital to the economic recovery of our area.

Anything you can do to help expedite the dredging process would be of immeasurable help.

Respectfully,

Owen A. Marron

Owen A. Marron
Secretary-Treasurer

OAM:j
opeu29
afl-cio

Encl:

Re: Ron Brown/Oakland Defense Conversion

V. important to follow up on this — P/S, check into on this and advise me

BC

Central Labor Council of Alameda County

AFL-CIO

7992 CAPWELL DRIVE OAKLAND, CALIFORNIA 94621 *Telephone* (510) 632-4242

RICHARD K. GROULX,
Executive Secretary-Treasurer Emeritus

JUDITH M. GOFF,
President

OWEN A. MARRON,
Executive Secretary-Treasurer

MICHAEL K. HENNEBERRY,
Assistant Secretary

July 17, 1993

TO: Secretary of Commerce Ron Brown

FROM: Owen Marron, Secretary-Treasurer, Alameda County Central Labor Council, AFL-CIO

In the wake of the final decision on base closures, the San Francisco Bay Area as a whole has begun the process of marshalling the resources we need for the process of conversion and economic recovery. While the impact of the closures is magnified by the more general recession, we are confident of the economic potential of this region. Working with a grant secured through the efforts of the congressional delegation, the East Bay Conversion and Reinvestment Commission is up and running, serving as a clearinghouse for a substantial number of projects.

The Bay Area's historic role as a center of international maritime commerce is our number one asset. Maintenance and enhancement of that role is an absolute precondition for recovery and conversion. Maritime activity generates $5.4 billion worth of economic activity every year and 100,000 jobs. It has a powerful multiplier effect as well in surrounding communities. The GM-Toyota plant in Fremont--our region's largest single industrial employer--would not have located in this area in the absence of deep-water access.

Maintenance of deep-water access requires the improvement of the Bay's navigational channels--specifically, the dredging of the Port of Oakland's channels from the current level of 38' to 42'. While this project is well underway, there are some key problems which, with all respect, we feel require

and justify the intervention of your office and of the Clinton Administration as a whole.

You are aware, I'm sure, that modernization of the Port's deepwater channels has been delayed for years by environmental problems and a certain degree of bureaucratic turf war. The challenge has been to locate and bring on line a range of disposal sites sufficient to handle millions of cubic yards of dredged material--some of which is unsuitable for unconfined aquatic disposal.

Over the last two years, a coalition of Bay Area business, labor and community groups, working closely with the environmental organizations, the Corps of Engineers, and the congressional delegation, has come 90 yards down the field. **We need your help to cover the last ten yards.**

There are two specific issues:

1) We need to bring on line an "upland" disposal site--known as Sonoma Baylands--located at the north end of the Bay. The House of Representatives has authorized funds for its construction, as well for preliminary engineering for a facility on adjacent property which would be used as a processing station for material not suitable for aquatic disposal.

When completed, the development of Sonoma Baylands will be a model of good economics and sound environmental policy. It will allow continued dredging. Dredged material will be used to re-create historic wetlands, providing habitat for at least two endangered species. And we will have created an important alternative to exclusive dependence on ocean disposal.

The only missing piece now is the funds necessary for the acquisition of property to replace the open space used for the processing facility. We understand that Rep. Dellums is working with you and your staff to secure these funds. We very much appreciate your continued support in this area.

2) We need to end delays in the Port of Oakland project which, irrespective of the availability of disposal sites, have slowed dredging and created considerable uncertainty in the shipping community. We need to find a way to cut through EPA and Corps procedures which, despite considerable and frequently repeated testing of sediment contamination, have already slowed the Oakland project by nearly a year and threaten further delays. We are eager to

discuss with Administration staff actions we believe can be taken to cut through these delays.

We welcomed your statement during your April 26 visit to the Port that your office would do everything possible to assist the Bay Area maritime industry. We have similarly welcomed President Clinton's statement last week that he considers response to the military base closures a key administration priority. We respectfully suggest that a strong signal from the Administration of its support for modernization of the Bay Area's maritime infrastructure, and that it sees such modernization as a necessary part of the conversion process, is an absolutely necessary first step in this direction.

I have attached a copy of Beyond Mudlock, the latest report of the Bay Area Dredging Coalition, an organization composed of labor, business and community organizations in support of the program we have outlined here.

With many thanks for your consideration and assistance,

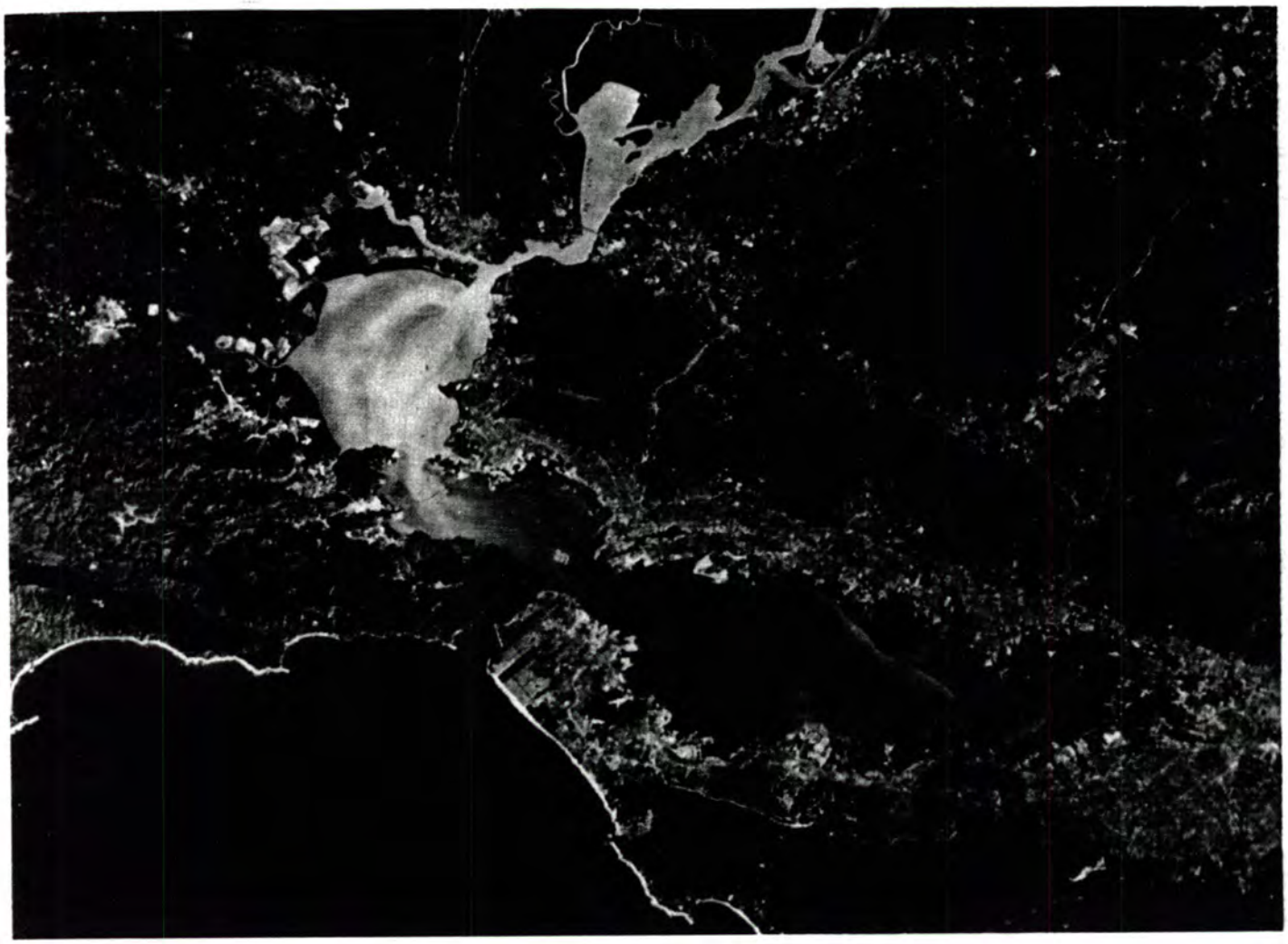
Sincerely,

Owen A. Marron

Owen A. Marron
Executive Secretary-Treasurer
Alameda County Central Labor Council,
AFL-CIO

OAM:j
opeiu:29
afl-cio

Beyond Mudlock



Report of the
Bay Dredging Action Coalition
January, 1993

'Important steps toward the establishment of rational, affordable and environmentally responsible dredging policies have been taken. A clear message—that the Bay Area is serious about regaining its proper share of Pacific Basin commerce—has been sent to the maritime industry.'

STATEMENT OF PURPOSE...

Bay Dredging Action Coalition

- To shape public policy and to foster political leadership in support of dredging;
- To serve as an advocate in support of dredging before various regulatory agencies on behalf of business, labor, community groups and others directly dependent on maritime commerce and recreational activity.
- To facilitate the timely completion of the Long-Term Management Strategy for Dredging and Dredged Material Disposal;
- To develop a public information campaign on the economic importance of timely and environmentally appropriate dredging, and the consequences of inaction;
- To mobilize public and other support for the dredging plans and projects of individual ports, terminals and marinas.

March, 1992

Cover Photo:
An aerial view of Central Valley sediments coming through Carquinez Straits into San Pablo Bay.

1 Up From Mudlock

The San Francisco Bay Area has moved a long way toward solving the problems addressed by the Bay Dredging Action Coalition in its March, 1993 report, entitled "A Regional Economy at Risk."

"Hundreds of thousands of Bay Area jobs," we said, "are deeply threatened by the inability of regional, state and federal agencies to agree on an economically and environmentally sound program for dredging the Bay's navigational channels and disposing of the dredged materials ...Without dredging, Bay ports will be unable to accommodate a new generation of larger container ships, thereby removing themselves from the main stream of international trade."

'a rational, affordable and environmentally sound dredging program...'

Important steps toward the establishment of rational, affordable and environmentally responsible dredging policies have been taken: the Port of Oakland has completed its 38' project, the Long-Term Management Strategy is moving forward, and there has been substantial progress in opening up ocean and upland disposal options. Regulatory agencies are increasingly willing to take account of the economic importance of dredging. The Coalition has entered into a promising new dialogue with environmental organizations.

But we have a long way to go. The first phase of the Port of Oakland's dredging project, for example, required the disposal of only 560,000 cubic yards of dredged material. The next phase—bringing the Inner and Outer Harbors down to 42'—will require the disposal of another *6.5 million cubic yards*. Other important channel-deepening projects in San Francisco Bay—requiring the disposal of *13 million cubic yards*—have been pending since 1986.

These major projects cannot remain on hold until the expected completion of the LTMS in late 1994. To wait that long before preparing and permitting new disposal sites would once again place the regional economy at serious risk. Major shipping companies have made it clear that their continued commitment to the Bay Area ports depends on rapid progress in securing access to channels sufficiently deep to accommodate the newest generation of trans-Pacific container ships.

2 Towards an Interim Strategy

An interim strategy for the next two years is therefore necessary if the San Francisco Bay Area maritime industry is to regain its competitive position on the West Coast. Key elements in such a strategy would include:

- an action plan to bring on line, by late 1994, a range of disposal sites which can accommodate the Port of Oakland's 42' project and other currently authorized projects;
- simplification of the permitting process for dredged material disposal;
- development of rational and uniform sediment testing guidelines.

The Bay Dredging Action Coalition will take political action where necessary to bring new disposal sites on line, and to retain a full range of disposal options. Given the likelihood that a deep-ocean multi-user disposal site will be designated in the near future, efforts for the coming year will focus on upland disposal.

Specifically, BDAC will focus on the following objectives:

- obtaining modifications in current Corps of Engineers policy so as to make upland disposal more affordable;
- final appropriation of federal funds for the Sonoma Baylands project;
- creation of a facility to process materials deemed not suitable for wetlands creation;
- support additional funding for the Coastal Conservancy so that it may continue to acquire land and take other steps to further upland disposal;
- efforts to bring additional upland disposal sites on line.

The Coalition will also continue to seek comprehensive state legislation and/or regulation to establish a predictable and cost-effective permit process for upland disposal of dredged material. Creation of procedures for evaluating the suitability of dredged material for upland disposal—whether accomplished administratively or legislatively—is an essential part of this process.

3 Conclusion

Bay Area ports are in a strong position to capture an appropriate share of the expected surge in Pacific Basin trade, and the attendant economic benefits. Our region has advantages that cannot be matched. But these advantages and possibilities will only be realized if we are able to rapidly modernize our maritime infrastructure.

The results of the recent election may very well open up new opportunities for creative approaches to this issue, both because of the incoming Clinton administration's expressed interest in investment in renewal of the country's transportation and communication infrastructure, and its stated commitment to the environment. Efforts to establish balanced policies might therefore receive a sympathetic hearing. We can also expect that the regional Congressional delegation will continue to play a creative role in making sure that the resources of the federal government are used in a positive manner.

The maritime industry remains the bedrock of the economic life of our region, directly generating 100,000 jobs and $5.4 billion in annual economic benefits. Maintenance of our maritime infrastructure—by establishing procedures allowing timely, affordable and environmentally sound dredging projects to go forward, remains the key to prosperity and growth for the Bay Area.

INTRODUCTION...

The Bay Dredging Action Coalition was formed in December, 1991 by a large group of maritime and other employers, labor organizations, ports, community-based organizations, recreational boaters and others committed to maintaining San Francisco Bay as a center of international commerce.

The issue which brought this diverse group together was dredging and the disposal of dredged material. Regulatory gridlock had effectively halted maintenance and improvement of the Bay's maritime infrastructure. The entire region, as a result, was facing a serious and imminent threat to its economic viability—specifically to the $5.4 billion in annual economic benefits and to the 100,000 jobs directly related to its role as a center of international commerce.

'A clear message has been sent to the maritime industry.'

We've come a long way since then. Important steps toward the establishment of rational, affordable and environmentally responsible dredging policies have been taken. A clear message—that the Bay Area is serious about regaining its proper share of Pacific Basin commerce—has been sent to the maritime industry.

In the last year, for example:

- Phase I of the Port of Oakland's long-delayed channel-deepening project, which involved dredging the inner harbor to a depth of 38', was approved, permitted and completed. Active preparation for the next phase of the Port's project, deepening channels to a depth of 42', is underway.
- Legislation authorizing an upland disposal demonstration project at Sonoma Baylands was included in the 1992 federal water legislation. Progress toward the designation of additional upland sites continued.
- Encouraged by the success of joint efforts in support of upland disposal, BDAC began a promising new dialogue with the environmentalist community. These discussions continue, under the auspices of Rep. Ron Dellums.
- The San Francisco Bay Conservation and Development Commission (BCDC), after a series of high-level meetings with BDAC, approved amendments in its Bay Plan which will facilitate both maintenance dredging and consideration of upland disposal of dredged material.
- The US Navy completed $6 million worth of scientific studies and is now seeking a permit from the US Environmental Protection Agency for deep-ocean disposal of dredged material. Initial steps have also been taken to officially designate the Navy's site as a multi-user site.

- Regulations governing the newly-designated Monterey Bay National Marine Sanctuary were established in such a way as to provide for continued disposal of dredged material at sites outside the sanctuary, under the supervision of the US Environmental Protection Agency and the Army Corps of Engineers.

- The Long-Term Management Study of the Disposal of Dredged Material was kept on schedule. An Implementation Work Group, which will establish procedures for actual implementation of the LTMS objectives, began its work.

Photo by Lincoln Smith

At September 21, 1992 ceremony marking the beginning of the 38' project—Brig. Gen. Roger Yankoupe, Commander, South Pacific Division, US Army Corps of Engineers; Rep. Ron Dellums, at the microphone; James Lockhart, President of the Board of Directors, Port of Oakland. Behind Dellums is John Lillie, Chairman of American President Companies.

We are proud of the role the Bay Dredging Action Coalition has played in this process. Working with all other agencies and advocacy groups, BDAC helped focus community and media attention on dredging issues, generated political support for specific projects, and facilitated dialog on sensitive regulatory and environmental issues.

But we have a long way to go. The first phase of the Port of Oakland's project, for example, required the disposal of only 560,000 cubic yards of dredged material. The next phase—bringing the Inner and Outer Harbors down to 42'—will take another *6.5 million cubic yards*. Other important channel-deepening projects in San Francisco Bay—requiring the disposal of *13 million cubic yards*—have been pending since 1986.

On the following pages, we briefly review the activities of the Coalition since its inception, and a present a discussion of a strategic approach to dredging and disposal issues over the next year.

❶ The 38' Project

In 1988 the Port of Oakland was barred by litigation from disposing of dredged materials at an EPA-approved site eleven miles off Half Moon Bay. Other efforts to use the material—*certified as clean enough for in-bay or ocean disposal*—to reinforce levees in the Sacramento Delta were blocked by the Contra Costa Water District, after winning regulatory approval.

In the summer of 1991, the US Congress, prompted by the Bay Area delegation, directed completion of Phase I with the stipulation that dredged materials should be disposed of in the following order of preference: 1) in the ocean, at the US Navy's chemical munitions dump site; 2) upland, at the Sonoma Baylands site near the Petaluma River; or 3) in San Francisco Bay, at the Alcatraz Island disposal site.

Photo by Edward Sikorik

The Newport, a split-hull hopper dredge, heads to Alcatraz with the first load of sediment from the Port of Oakland's 38' project.

At that time, however, neither of the first two alternatives were available. In the absence of an approved ocean or upland alternative, the Army Corps of Engineers, in April, 1992, issued an Environmental Assessment to the effect that deposit of dredged sediments at Alcatraz would not harm the environment.

In this favorable context the BCDC and the San Francisco Bay Water Quality Control Board, deluged with supportive testimony, voted unanimously in June, 1992 to accept the Corps' findings and issued its determination that the project was consistent with all applicable state laws. Dredging began on September 21 and was completed on December 9.

❷ Upland Disposal

Upland disposal provides the opportunity to use substantial volumes of dredged material for environmentally and economically beneficial purposes, from restoration of historic wetlands to construction of levees, shoreside parks and other public works.

"Sonoma Baylands," consisting of 325 acres on the north and west side of San Pablo Bay, is the potential upland disposal site most likely to be available by late 1994.

Formerly a tidal wetlands area, the Baylands was drained for agricultural use during the last century and has since that time subsided between two and five feet below sea level. Acquired by the Sonoma Land Trust and the California State Coastal Conservancy in 1991 for the purpose of wetlands restoration, the site will accommodate between 2.5 and 3 million yards of clean dredged material. Construction of levees

Photo by Gretchen Grower

Jim Herman, chairman of Bay Dredging Action Coalition, meets with Rep. Nancy Pelosi in Washington to discuss plans for Sonoma Baylands project.

will recreate marsh within ten years, and provide habitat for two endangered species—the California clapper rail and the salt marsh harvest mouse.

In its 1992 federal water legislation, Congress authorized the Army Corps of Engineers to develop an upland disposal demonstration project at Sonoma Baylands. This measure was passed in large part because of the leadership of the Bay Area Congressional delegation, lobbying by BDAC Executive Committee members, by the Alameda County Economic Development Advisory Commission, and by the Ports of Oakland and San Francisco.

Bay Area environmental groups also strongly supported this legislation. Our joint activity in this area established the good faith which will permit further cooperation, particularly in the area of developing sites for the drying and processing of dredged materials not suitable for either aquatic disposal or for use in the Sonoma Baylands marsh restoration project.

Additional upland sites, obviously, are necessary to accommodate the full range of needed channel deepening and maintenance projects. The San Francisco Bay Conservation and Development Commission (BCDC), which is heading the upland studies committee of the LTMS, has developed a practical "short list" of additional multi-user upland disposal sites. To facilitate this process, BCDC has amended its organic document, the Bay Plan, to include policies supporting beneficial re-use of dredged material.

❸ Ocean Disposal

In 1986, Congress authorized new deepening projects at the US Naval Air Station in Alameda and at the Naval Supply Center in Oakland, requiring the dredging of 1.5 million cubic yards.

The US Navy has applied for and will most likely receive a permit under Section 103 of the Ocean Dumping Act which will allow one-time, one-use access to a site about 55 miles west/southwest of the Golden Gate Bridge—the former Navy chemical munitions disposal site. After a $6 million testing program, the Navy's Supplementary Environmental Impact Statement concludes that the area has a substantial capacity, a low number of resident fish species, and is sufficiently remote from existing or potential fishing grounds. No diffusion of sediments into the nearby Monterey Bay National Marine Sanctuary has been shown.

'ocean disposal must be supplemented...'

The US Environmental Protection Agency has selected this site as the "preferred alternative" for use as a multi-user, multi-purpose disposal site. A multi-user site designation draft Environmental Impact Statement was issued in November, 1992. Public hearings will be held on January 19, 1993. According to current schedules the site will become available in January, 1994.

Such designation will constitute a major step forward. But ocean disposal must be supplemented by upland and other forms of disposal. While deep ocean sites are certainly necessary for the disposal of large volumes of material, they are subject to stringent EPA and Corps restrictions on dredged material quality. Environmental groups, commercial fishermen and others are also unwilling to permit the entire regional burden of dredged material disposal be placed on the ocean environment.

4 The Monterey Bay National Marine Sanctuary

Prospects for deep-ocean disposal were complicated in the fall of 1992 by the designation of the Monterey Sanctuary's borders as far north as the Farralones. This eliminated from consideration one potential disposal site and a portion of another which fall within those borders, and jeopardized the possible designation and use of three sites within a designated buffer zone.

The Bay Dredging Action Coalition worked closely with maritime, environmental and other groups to secure an agreement which allows for consideration of the disposal of dredged material at sites not within the boundaries of the sanctuary.

The Long Term Management Strategy

In late 1989 the Army Corps of Engineers invited the major regulatory agencies—as well as area ports, fishermen's organizations, environmental groups and others—to participate in creation of a plan for Bay Area dredging activities over the next 50 years. The participants established a process to produce, by the end of 1994, a detailed report on the impacts of dredging and disposal, and propose a range of environmentally acceptable, economically affordable, and technically feasible disposal options—in-Bay, ocean and upland. This *Long-Term Management Strategy (LTMS)* will also lay the groundwork for the agencies to develop compatible federal and state procedures to govern the dredging permit process.

The first phase of the LTMS process, Evaluation of Existing Management Options, was completed in the fall of 1990, projecting the need to dispose of 400 million cubic yards of dredged material in the next half-century.

Phase II, involving the search for disposal alternatives, began in the fall of 1990. Specific agencies were given responsibility for studies in each area, as follows:

'a coordinated approach to implementation of sediment guidelines, a coordinated permit process for all three forms of disposal, funding partnerships, and agreement on state and federal legislation...'

upland—Bay Conservation and Development Commission; *ocean*—Environmental Protection Agency; *in-bay*—San Francisco Bay Regional Water Quality Control Board. Phase II also includes development of reliable and uniform scientific standards for testing dredged material.

Phase III involves implementation of the findings and plans developed earlier. An Implementation Work Group established by the LTMS—with the participation of BDAC —is currently establishing procedures to bring on line the disposal site recommendations of the ocean, in-bay and upland study groups *by the time the LTMS is completed, in late 1994*. The Implementation Work Group is also establishing procedures for developing a coordinated approach to sediment-testing guidelines, a coordinated permit process for all three forms of disposal, funding partnerships for the financing of dredging disposal projects, and agreement on state and federal legislation necessary to achieve LTMS objectives.

Current projects cannot remain on hold until the completion of the LTMS. Aside from the Port of Oakland and the US Navy projects discussed earlier, projects at the Port of Richmond and in the Baldwin Channel in San Pablo Bay, originally scheduled for completion in 1988-89, have also fallen victim to regulatory delay. Maintenance dredging, particularly important in this naturally shallow estuary, must be allowed to proceed in an orderly manner.

To wait until completion of the LTMS in late 1994 before beginning the complex process of preparing and permitting new disposal sites would place the regional economy at serious risk. International shipping companies have made it clear that their long term commitment to Bay Area ports is in large measure contingent upon deep water access sufficient to accommodate the newest generation of deep-draft container ships poised to enter the trans-Pacific trade.

An interim strategy for the next two years is therefore necessary if the San Francisco Bay Area maritime industry is to regain its competitive position on the West Coast. Key elements of such a strategy would include:

- assuring timely completion of the LTMS;
- an action plan to bring on line, by late 1994, a range of disposal sites sufficient at least to accommodate the Port of Oakland's 42' project;
- simplification of the permitting process for dredged material disposal;
- development of rational and uniform sediment testing guidelines;

1 Disposal Sites

BDAC will take political action where necessary to bring new disposal sites on line, and to retain a full range of disposal options. Given the likelihood that a deep-ocean multi-user disposal site will be designated in the near future, efforts for the coming year will focus on upland disposal.

Upland disposal is complicated by the high cost of site acquisition, preparation, and sediment transportation, as well as by political and regulatory obstacles. Coordinated action in a number of areas on a regional, state and federal level is necessary in order to translate this exciting possibility into reality.

Bringing the Sonoma Baylands site on line will require an unprecedented degree of cooperation between the maritime industry, environmentalists, the California Coastal Conservancy, local government, the Corps of Engineers, state and regional regulatory agencies, and the Bay Area congressional delegation. The basis for such cooperation has been established in the past year, and the Bay Dredging Action Coalition will continue to do everything within its power to facilitate its continued development. For example:

Legislation to appropriate $15 million dollars for the initial design, engineering, construction, general implementation and site monitoring may be necessary and is likely be considered by Congress this spring. Given the attractiveness of the proposal—its benefit to both environmental protection and economic development—and the strong support it enjoys from the California congressional delegation, we expect passage. *BDAC will work with all interested parties, however, to make sure that the appropriation is approved, and that it is drafted in such a way as to facilitate rapid implementation of the project.*

The Sonoma Baylands project will be constructed with clean dredged material. In order to bring the disposal site on line, complementary facilities for the handling of materials *not* considered suitable for use in wetlands creation must be established.

The 1992 Water Resources Development Act (HR 6167), which authorized the construction of Sonoma Baylands, also authorized the Corps to conduct environmental and engineering studies of a "transfer facility" on adjacent land which would be used for the drying of such sediment. This material would then be transferred to the nearby Redwood Sanitary Landfill, or to other suitable locations. Redwood Sanitary Landfill, for example, can accept a total of 8 million cubic yards of such material for use as daily cover, and for construction of levees to enclose its facilities and to protect adjacent wetlands.

Photo courtesy US Army Corps of Engineers

An aerial view of Sonoma Baylands site (darker area).

Major obstacles remain, however. The site on which this transfer facility would be established was acquired by the nonprofit Sonoma Land Trust with state bond funds earmarked exclusively for use in wetland creation or preservation of agriculture. The Sonoma Land Trust and the State Coastal Conservancy cannot undertake any project not conforming to these uses—such as the creation of a transfer facility—without acquisition of replacement acreage.

Preliminary engineering studies, analysis of dredged material supply, and creation of an institutional and financial structure for the transfer facility are also necessary. While the Port of Oakland and the Conservancy have begun work on these projects, construction, implementation and monitoring cannot be scheduled until they are closer to completion. *BDAC will continue to work closely with area ports, the congressional*

delegation, regulatory bodies, environmentalists and all other interested parties to facilitate the creation of this transfer facility.

'make upland disposal more affordable...'

Upland disposal, at $10-20 per cubic yard, is substantially more expensive than in-bay or deep ocean disposal. Current Corps of Engineers regulations provide only for the adoption of the least costly/environmentally acceptable disposal alternative. Within that context, the Corps will pay approximately 75% of all construction costs while the sponsoring local agency must pay the remainder.

In calculating the cost of any project, the Corps develops a cost/benefit ratio which factors in economic benefits from any particular project. In order to bring upland disposal within economic range on a consistent basis, it is particularly important that Corps policies be modified to allow for the inclusion of environmental and social benefits—such as wetlands creation—in this calculation. The result would be a speedier selection of alternatives to water disposal when needed, and at a more reasonable cost.

Such action on a national level to make upland disposal more affordable is absolutely necessary. *BDAC will work closely with the new administration and the Bay Area congressional delegation to implement appropriate modifications in Corps policy.*

Photo courtesy California Coastal Conservancy

The California clapper rail, one of two endangered species which will find a home in the restored wetlands developed by the Sonoma Baylands project.

Additional upland disposal sites, with potential for beneficial use are also necessary in order to absorb the millions of cubic yards of dredged material which will require disposal in the coming years. BCDC, as part of its work with the LTMS has compiled a "short list" of possible sites, including Montezuma Slough in Solano County; the old Cargill salt ponds in Napa County; Hamilton Air Force Base in Marin County; and the Praxis site on the 680 corridor in Contra Costa County. Work is now underway under the LTMS to bring one or more of these additional sites on line.

Additional funding for the Coastal Conservancy is necessary if these projects and other upland disposal efforts are to succeed. BDAC has supported the Conservancy's request to the state department of finance for additional funding from Section 8(g) and SAFECO funds. BDAC is also supporting inclusion of Conservancy funding in a Resource/Park Bond Act on the June, 1993 ballot. Such funds would be used for acquisition of disposal sites and other costs associated with the local sponsor's share of the costs of preparing such sites to accept dredged material.

❷ Regulation and Testing

In the absence of a coherent regulatory structure, upland disposal remains problematic. Aside from the Corps of Engineers and the Regional Water Quality Control Board, upland disposal is also subject to regulation by local entities such as city councils and county boards of supervisors, environmental and health agencies, and planning commissions.

At the same time, no standardized protocol now exists for evaluating the suitability of dredged material for upland disposal. Assembly Bill 2464 (Lee) which would have established a separate classification for sediment as distinguished from other categories of waste, and would have directed the State Water Board to establish a protocol for determining the suitability of dredged material for upland disposal, was defeated in the last session of the state legislature. Cal-EPA's opinion is that such guidelines can be produced administratively.

Comprehensive state legislation and/or regulation to establish a predictable and cost-effective permit process for upland disposal of dredged material is essential. Creation of procedures for evaluating the suitability of dredged material for upland disposal—whether accomplished administratively or legislatively—is an essential part of this process. *Creation of such a coherent regulatory structure will be a major priority for the Bay Dredging Action Coalition in the coming year.*

❸ Maintenance Dredging

Most of the media and other attention has focussed on the needs of ports and other large-volume dredgers who are able to absorb at least some of the increased costs of deep-ocean and/or upland disposal. But ongoing maintenance and channel dredging are also absolutely necessary for the survival of the recreational marine industry which on the one hand, is unable to absorb such costs and, on the other hand, has a well-documented beneficial economic impact. This requires that in-bay options remain open.

Sharp restrictions on in-bay dredging also make it extremely difficult for ports and other larger dredgers to conduct routine and necessary maintenance operations. The Port of San Francisco, for example, is currently permitted to deposit only between 100-150,000 cubic yards in the bay, far less than half of what is actually required for channel maintenance.

CONCLUSION...

'The maritime industry remains the bedrock...'

Total trade to and from the US West Coast will experience a fourfold increase over the next 25 years. Bay Area ports are in a strong position to capture an appropriate share of that trade, and the attendant economic benefits. Our region has advantages that cannot be matched anywhere else on the Coast, including easy access to railheads, a large domestic market and a strong agricultural export market. But these advantages and possibilities will only be realized if we are able to rapidly modernize our maritime infrastructure.

The results of the recent election may very well open up new opportunities for creative approaches to this issue, both because of the incoming Clinton administration's expressed interest in investment in renewal of the country's transportation and communication infrastructure, and its stated commitment to the environment. Efforts to establish balanced policies—for example, to modify Corps of Engineers guidelines so as to make upland disposal more affordable—might therefore receive a sympathetic hearing. We can also expect that the regional Congressional delegation will continue to play a creative role in making sure that the resources of the federal government are used in a positive manner.

That we have come this far in the last year is a tribute to the willingness of extremely diverse constituencies to resolve their differences for the common good. The Bay Dredging Action Coalition is committed to sustaining that process.

The maritime industry remains the bedrock of the economic life of our region, directly generating 100,000 jobs and $5.4 billion in annual economic benefits. Maintenance of our maritime infrastructure—by establishing procedures allowing timely, affordable and environmentally sound dredging projects to go forward, remains the key to prosperity and growth for the Bay Area.

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Bay
Dredging
Action
Coalition

725 Washington Street Oakland, CA 94612
Tel (510) 272-9662 . FAX (510) 272-0808

THE PRESIDENT HAS SEEN

This is request from Rep Don Edwards defense conversion meeting in Alameda. We need to follow up — Advise him on possibility of this. BC

SUPERVISOR DON PERATA — CHAIR — EAST BAY ECONOMIC DEVELOPMENT BOARD

PACIFIC ENVIRONMENTAL RESOURCES CENTER
ALAMEDA COUNTY, CALIFORNIA

This is a request that initial funding for the Pacific Environmental Resources Center (PERC) be included in FY94 defense appropriations. PERC is a key component of the overall base reuse strategy for the Alameda Naval Air Station that is supported by the East Bay Conversion and Reinvestment Commission (EBCRC). PERC will address two critical national goals:

- The expeditious and cost effective remediation of environmentally impaired DoD bases and other prime development properties, and

- The development of a robust U.S. environmental industry that is competitive in the global marketplace.

There is an immediate need for $10 million of operating funds to initiate the project and design its facilities.

Northern California is being hard hit by several federally initiated changes including the closure of naval facilities, the downsizing of the defense industry and the reduction and elimination of many defense projects at the national laboratories in Alameda County. Direct and indirect job losses resulting from closure of the naval facilities alone will affect nearly 40,000 people and their families. The regional economy will take more than a billion dollar hit in lost wages, salaries and profits.

The speed of the region's economic recovery will depend in large part on the rapid remediation and return of the naval facilities to productive uses. At the same time local industries must be expanded or new ones created to provide replacement jobs for displaced workers.

Of all the facilities closed in the 1988 and 1991 rounds of base closures not a single title has been conveyed for private or community use. Recognizing the needs of the affected communities, President Clinton has expressed his personal commitment to speeding up the process of cleaning and conveying these closed facilities. As a first step he has outlined federal policy changes and identified $5 billion in resources.

However, not all of the problem lies at the federal level. A major part of the problem lies in the cost and time it takes to do the remediation which is often measured in decades. A second major problem is determining what level of cleanup is required.

This proposal addresses both those problems. The proposal is to establish a center specializing in developing and commercializing advanced technology for environmental cleanup. The initial charge will be to find technologies and processes that will reduce the time and cost required to remediate closed military facilities throughout the country. Technologies already exist in the University of California system and at the national laboratories. One technology promises to cut the time required to clean certain types of contaminated soil by 80%. Other technologies and processes need to be developed.

This proposal will benefit the environmental remediation industry and those owning contaminated property by introducing advanced technologies and processes that will make cleanup cheaper and faster. This means that more remediation can be purchased for the same expenditure, creating public benefits - more jobs and a cleaner environment. It will also benefit remediation researchers by presenting technical problems in context. Finally, the center will help inform policy makers at all levels of government who must make decisions concerning how best to remediate the environment given various costs, risk and speed of remediation factors.

Alameda is an ideal site for PERC because the region has unparalleled resources to make it successful. The Berkeley (UCB) and San Francisco (UCSF) campuses of the University of California system, Stanford, Lawrence Livermore National Laboratory, Lawrence Berkeley Laboratory, and Sandia National Laboratories/California, not to mention Stanford Linear accelerator and NASA Ames, are all within an hour of Naval Air Station Alameda. Silicon Valley, as well as the nation's largest concentration of major biotechnology and environmental engineering firms demonstrates the capacity of the region's supporting business infrastructure to commercialize new technology. This region has also led the nation in its proactive attitude toward environmental cleanup and the keen environmental awareness of its citizenry and elected officials.

Finally, California "owns" much of the environmental problem. In the latest report to Congress on the Defense Environmental Restoration Program, California has the largest share of more than 10,000 contaminated sites identified as potentially hazardous to human health and the environment. Cleanup costs for these sites are estimated in the tens of billions of dollars.

PERC's initial goal will be to focus the considerable public and private technical resources in the area on the major federal environmental problems of the region. Using the bases for pilot projects PERC will introduce new technologies and procedures, already developed at national laboratories and universities, to the environmental restoration industry. In turn, new problems encountered in the cleanup process will guide new research and development.

PERC promises to reduce federal costs for base cleanup throughout the nation. PERC will also benefit local governments and landowners by speeding the start of base reuse benefits, enabling more environmental restoration projects to be funded, and by creating

more jobs. In addition participating U.S. firms will gain experience in the new technologies and procedures which will enhance their competitiveness in the rapidly growing, $200 billion per year, international market for environmental products and services.

PERC will have five major interrelated activities:

Policy and Land Use Planning. PERC will assist state and local governments and regulatory agencies in dealing with parcelization, risk-based remediation, end-use standards and other approaches to expedited environmental cleanup. PERC will be a technical resource for policy makers on topics ranging from public health issues to comparative risk assessment.

Retraining and Education. PERC will be assisted by Alameda County's existing training and education efforts involving local community colleges, and the California State and University of California systems to provide hands-on environmental education and retraining.

Research. PERC will draw on the capabilities of the area's colleges and research universities and its national laboratories to undertake directed research aimed at advancing critical environmental technologies. Problem areas that are beyond solution using current industry knowledge and technologies will be identified by environmental engineers, regulatory agencies, and holders of environmentally impacted properties. Examples include new bioremediation systems, improved characterization and monitoring equipment, and advanced barrier concepts.

Technology Demonstration and Transfer. PERC will move promising research concepts to field demonstration at its Alameda facility. This activity will be undertaken jointly with environmental engineering firms to ensure effective transfer of the emerging new technologies to industry.

International Marketing. PERC will showcase advanced environmental technologies and systems, proven to be effective and acceptable to California regulators, and especially targeted at potential foreign customers.

PERC's demonstration facility will be a vital component of the base reuse strategy for Naval Air Station Alameda. This location is ideal for addressing the range of remediation problems facing DoD coastal bases due to the close proximity of both urban and residential areas and of a major marine environment. Facility development costs of approximately $80 million (over three years) together with an operating budget of approximately $20 million for five years will be needed. PERC will be established as a not-for-profit corporation. Its advisory board will include representatives from industry, state and local government, regulatory agencies, the banking community, and the research and development community.

Currently staff of the East Bay Conversion and Reinvestment Commission working with the Alameda County Economic Development Advisory Board (EDAB) and an alliance comprised of the University of California, the three national labs, private industry and the State of California, have drafted the PERC proposal.

This brings together many of the same institutions that will be involved in the Bay Area Regional Technology Alliance (BARTA). BARTA is one of three regional alliances in a project sponsored by the State of California to encourage the dissemination of technology and the increased competitiveness of American industry. BARTA is a joint project of two of California's most successful economic development programs, EDAB and Joint Venture:Silicon Valley. The alliance of these two organizations provides support for companies desiring to commercialize environmental technology, to use new technologies to clean up existing problems, or to adopt environmentally benign manufacturing practices. BARTA will assist PERC by facilitating the rapid development and dissemination of remediation information and practices to the private sector in a five county area.

Through BARTA, PERC will also be a resource to the Manufacturing Outreach Center co-sponsored by the City of Livermore and Lawrence Livermore Laboratory. The outreach center will provide a range of technology support services, including environmental technology, to a wide range of businesses in the region.

This proposal addresses the challenge issued to EBCRC by the Secretary of Defense to make use of the unique resources of the region and to find immediate solutions to the economic adjustment problems created by the closure of bases in the San Francisco Bay Area and the rest of the nation. In short the EBCRC feels no other region in the world is more highly qualified to make a success of this project. The northern California region has more technical resources for environmental remediation, is further advanced in environmental policies, and has a richer concentration of environmental engineering companies than any other area in the nation. These resources must now be brought to bear on the remediation problems that exist at industrial and military sites throughout California and the nation.

BASE CONVERSION COMMISSION ATTENDEES

Oakland Naval Supply Center

August 13, 1993

SEATED AT THE TABLE

PRESIDENT CLINTON
COMMERCE SECRETARY RON BROWN
DEPUTY SECRETARY OF DEFENSE WILLIAM PERRY
NAVY SECRETARY JOHN DALTON
ADMIRAL MERRILL RUCK (S.F. REGION COMMANDER)
ACTING ARMY SECRETARY JOHN SHANNON (SUPERVISOR OF BASE TRANSITION COORDINATORS)
CAPT KURT LIBBY, COMMANDER, OAKLAND NAVAL SUPPLY CENTER

SENATOR DIANNE FEINSTEIN
SENATOR BARBARA BOXER
CONGRESSMAN RON DELLUMS
CONGRESSMAN GEORGE MILLER
CONGRESSMAN ROBERT MATSUI
CONGRESSMAN NORMAN MINETA

SAN FRANCISCO MAYOR FRANK JORDAN
OAKLAND MAYOR ELIHU HARRIS
VALLEJO MAYOR ANTHONY INTINTOLI
LIVERMORE MAYOR CATHIE BROWN
ALAMEDA MAYOR WILLIAM WITHROW
ALAMEDA SUPERVISOR KEITH CARSON
ALAMEDA SUPERVISOR DON PERATA
SAN FRANCISCO SUPERVISOR KEVIN SHELLEY
ASSEMBLYWOMAN BARBARA LEE

CARL ANTHONY, CHAIR, DELLUMS CONVERSION COMMISSION
SANDRE SWANSON, DELLUMS DISTRICT DIRECTOR
OWEN MARRON, ALAMEDA CENTRAL LABOR COUNCIL
JUDITH INNES, U.C. BERKELEY SCHOOL OF URBAN DEVELOPMENT
DON MAXEY, METAL TRADES COUNCIL
DENNIS KELLY, NAVY YARD ASSOCIATION
ALBERT LAVEZZO, FAVARO, LAVAZZO, ET AL.
KATHY AZEVEDO, PRESIDENT, VALLEJO CHAMBER OF COMMERCE

TALKING POINTS FOR THE PRESIDENT
MEETING WITH EAST BAY CONVERSION AND REINVESTMENT COMMISSION
AUGUST 13, 1993

- The closure of military bases is a consequence of the end of the Cold War. It is impossible to cut the defense budget without reducing the number of bases both here and abroad.

- **In the past, base closings forced communities to cope with jarring economic upheaval without tools or resources.** Many bases were heavily polluted, and cleanup seemed to take forever. Red tape and bureaucracy frustrated local officials when they sought help.

- **As a former governor I have firsthand experience with the problems of closing a base.** My frustration then in trying to get the federal government to help prevent the loss of economic activity led me to call for the 5-part program I announced last month.

- The **federal government will now work aggressively** to help our citizens, cities and towns prosper. We will help them use their valuable assets as engines of economic growth.

- **We will provide more financial assistance, mobilize resources more quickly and cut red tape more aggressively, so that when communities lose their bases they don't lose their future.**

- I am encouraged by the aggressive efforts already underway in this community to plan for new economic activity. In particular, I know the **East Bay Conversion and Reinvestment Commission** is working hard to develop innovative approaches to defense adjustment planning.

  I commend Congressman Dellums for pushing this pilot project and the Commission members for charting a new economic future for the East Bay. I know your pilot project will teach us valuable lessons for adjusting to the post-Cold War era that we can apply across the country, and I'm glad the federal government can provide funding for your efforts.

- **One key to economic development in the East Bay is the Port of Oakland.** For several years the Port has sought to lease 200 acres of Navy property so that it could expand. This property is of immense value to the region's efforts to promote business and create jobs.

** **I AM ANNOUNCING TODAY THAT THE NAVY WILL MAKE A LARGE PORTION OF THIS PROPERTY AVAILABLE TO THE PORT FOR $1 A YEAR. ALSO, I HAVE INSTRUCTED THE NAVY TO QUICKLY CONCLUDE NEGOTIATIONS ON THE REMAINING PROPERTY NEEDED BY THE PORT, SO THAT THE PORT CAN EXPAND AND CREATE JOBS AS SOON AS POSSIBLE.**

[You will view the pier area being hosed after meeting. Pool spray.]

- **Port expansion also requires completion of a dredging project that will deepen the approach channels to 42 feet.** Progress has been slowed by environmental concerns about disposal of the dredged material.

** The White House Office of Environmental Policy is working aggressively to resolve the issue. **I HAVE DIRECTED THE ARMY CORPS OF ENGINEERS, EPA, THE DEPARTMENT OF THE INTERIOR AND OTHER FEDERAL AGENCIES WITH RESPONSIBILITY FOR THE PORT OF OAKLAND DREDGING PROJECT TO ENSURE THAT IT IS COMPLETED AS EXPEDITIOUSLY AS POSSIBLE, CONSISTENT WITH SOUND ENVIRONMENTAL POLICY.**

Additional Points You May Want to Make:

- Let me mention several other steps we have taken toward implementing the five-part program I announced in July.

- Jobs-Centered Property Disposal: In addition to making the Navy property available to the Port, I have directed the Navy to work with the East Bay Commission (and the equivalent group on Mare Island) to evaluate assets and equipment at closing facilities and to accommodate community needs wherever possible.

- Fast-Track Cleanup: I know Carol Browner met with the East Bay Commission several weeks ago and pledged EPA's cooperation and support. In addition, EPA and DoD now have concrete schedules for carrying out their environmental baseline surveys and environmental impact statements in the Bay Area. And the Navy has already named its member of the federal-state cleanup team that will be on-site at Alameda.

- Easy Access to Transition and Redevelopment Assistance: Within 60 days after Congress approves the closure list, a team of experts from the Departments of Labor, Commerce and Defense will travel to the Bay Area to meet with workers and community leaders and inform them of the full range of available opportunities. The Navy has three Transition Assistance Centers up and running now in the Bay Area, and the Department of Labor will build on that with a worker transition center that can offer complete reemployment and retraining services to workers from the Navy facilities as well as to townspeople who have lost jobs on account of closures.

- Transition Coordinators: On July 9, Commander Al Elkins was named transition coordinator for the Bay Area, and Captain Kathleen Bruyere -- who is here today -- has just been named co-coordinator. Commander Elkins and Captain Bruyere will ensure that my five-point program is carried out effectively. They will report to John Shannon, Acting Secretary of the Army, who is also here today.

Are they people here

Al Elkins is out of range

Kathleen Bruyere is here

- Larger Economic Adjustment Planning Grants: I said on July 2 that the hardest-hit communities would receive up to $3.5 million in planning grants over five years. The community of Alameda County will receive the full amount. Vallejo (Mare Island) will also receive that amount.

- Finally, let me say a word about technology as a part of the vision for the future of this region. Alameda County is home to some of the world's finest research institutions: Lawrence Livermore National Laboratory, Lawrence Berkeley National Laboratory, Sandia National Laboratory at Livermore and, of course, the University of California at Berkeley.

My Administration's Technology Reinvestment Project for defense conversion is already proving a magnet for drawing high tech companies into teams with this region's premier research institutions. For example, one of the many California proposals to the TRP is for a wireless communications consortium that includes Lawrence Livermore, Lawrence Berkeley, and 20 high tech companies.

- The valuable commercial property now occupied by the Navy bases could become a part of this vision. With the right kind of economic development help, this military center could be transformed into a thriving high tech commercial center.

- The environmental cleanup problems on the military property actually present an opportunity, in this regard. Most cleanup technology today is technologically backward. Sophisticated research and translation of that research into business practice is needed to bring environmental cleanup into the 21st century. That is just what alliances between the county's intellectual resources and high tech business startups can accomplish.

THE WHITE HOUSE
WASHINGTON

DATE: 09/02/93

NOTE FOR: CAROL RASCO
DONSIA STRONG

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

Information ☐

Action ☒

Donsia, Please respond to the
the President's question and
forward to me.

"I can't tell from
our reply whether
we can hire the 600,
fix the vehicles, equip
& train them for 45M

Can we?"

Thank you.

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

cc: The Vice President

[redacted]

THE WHITE HOUSE

WASHINGTON

[redacted]

93 SEP 1 A10:38

Chasco/ce VP

I can't tell from
the reply whether
we can hire the crew
fix the vehicles, equip
+ train them for 45M

Can we?

[redacted]

THE WHITE HOUSE

WASHINGTON

Dear Representative Hunter:

Thank you for your recent letters regarding funding for the Immigration and Naturalization Service's (INS) Border Patrol.

As you know, I announced on July 27, 1993 a plan to deal with the illegal immigration problems. This plan proposed an increase of $172.5 million in FY 1994 to improve programs within INS and the Department of State to counter illegal immigration. These initiatives include expediting the process to exclude non-credible asylum seekers, barring those trying to enter the United States with fraudulent or no documents through airport inspections, enhanced technology to prevent the entry of ineligible aliens, and an increased Border Patrol presence. I believe that these measures, taken together, are critical to our efforts to control illegal immigration more effectively.

As indicated, among the major initiatives included in my plan is an increase of $45 million for the Border Patrol in FY 1994, compared with my original 1994 budget request to Congress. This increase will provide up to 600 more Border Patrol agents, complemented by support personnel. I am aware that you support an additional $60 million for the Border Patrol, compared with $45 million in my plan. However, I believe that our goals are essentially the same. We want to direct resources to the Border Patrol appropriately and carefully, to make sure that the INS takes advantage of the full range of tools modern technology provides. For example, we want to supply Border Patrol agents with equipment such as sensors, radios, and low light level television to improve their ability to interdict and return illegal aliens seeking to cross the border. We are also interested in giving the Border Patrol fully operational vehicles to cover the vast land borders. Finally, we want the Border Patrol to recruit and train a high quality cadre of agents.

I have asked the Attorney General to review all possible options to ensure that we achieve the goal of making the Border Patrol more effective. We want to implement a prudent plan to maximize our resources.

In conclusion, I believe that a comprehensive plan like the one I outlined will deter the entry of illegal aliens. I remain committed to funding the Immigration and Naturalization Service, including the Border Patrol. I seek your support in this important undertaking.

With best wishes,

Sincerely,

Bill Clinton

I was encouraged by your letter and your work on the dollar issues. We must do more.

The Honorable Duncan Hunter
House of Representatives
Washington, D.C. 20515

DUNCAN HUNTER
52D DISTRICT, CALIFORNIA

CHAIRMAN
REPUBLICAN RESEARCH COMMITTEE

COMMITTEE ON ARMED SERVICES
RANKING REPUBLICAN
SUBCOMMITTEE ON
MILITARY INSTALLATIONS
AND FACILITIES

SUBCOMMITTEE ON
RESEARCH AND TECHNOLOGY

The 103d Congress
U.S. House of Representatives
Washington, DC 20515-0552

133 CANNON BUILDING
WASHINGTON, DC 20515-0552
(202) 225-5672
FAX: (202) 225-0235
836 SOUTH PIERCE STREET
EL CAJON, CA 92020
(619) 579-3001
1701 AIRPORT ROAD, SUITE G
IMPERIAL, CA 92251
(619) 353-5420
1410 MAIN STREET, SUITE G
RAMONA, CA 92065
(619) 788-3630

August 13, 1993

President Bill Clinton
Senator Dianne Feinstein
Senator Robert Byrd

Mr. President, Senator Feinstein, Senator Byrd:

Appreciating your intention to bolster the effectiveness of the U.S., Border Patrol in its efforts to stem illegal immigration, please allow me to point out a critical problem.

On July 1, 1993, the House passed my amendment which provided 60 million additional dollars for 600 new Border Patrol agents and for operational expenses. Shortly thereafter the Senate added $45.072 million to the President's mark.

The House and Senate started at different points, since the House had, in committee, already restored the $5.920 million that was cut by the President (representing 93 agents). Thus, the Senate effectively added only $39.152 million for additional agents over last year's level. (presumably 600 agents) The full $60 million is desperatly needed.

Beyond the funding requirement for additional agents, the following equipment and operational deficiencies exist.

1. Each week the Border Patrol releases more than 150 criminal aliens, due to a lack of incarceration space. These criminal aliens constitute the "coyote" or smuggler community which operates the smuggling base. Because the Border Patrol has no money for "beds" for these criminals they are released quickly and within hours are back in the U.S. with illegal aliens.

2. 52% of the Border Patrol vehicles are inoperable on any given day, due to a lack of repair money.

3. Communications upgrades are desperately needed, since Channels are clogged with dozens of communicants at the same time.

4. The border patrol helicopters are constantly grounded due to lack of repairs.

5. Leadership training is foregone regularly, due to lack of funds.

The following represents present needs of the San Diego Sector border patrol. This sector receives over 50% of the smuggling pressure in the U.S.

1. $48.7 million needed to fully train, equip and field 600 additional border patrol agents. (beyond a restoration of the President's $5.920 million cut)

2, 5 million dollars for detention space for criminal aliens in San Diego sector.

3. 2 million dollars for communications upgrades.

4, 1 million dollars for new 4x4 vehicles.

5. 1 million dollars for advanced leadership training.

6. 1 million dollars for Border Patrol vehicular repairs.

7. 1.3 million dollars for helicopter repairs.

The full 60 million dollars contained in the House bill will give our Border Patrol fully operational vehicles, communication equipment, adequate training, helicopter repairs, and 600 new agents.

Please review the attached documentation on these requirements which is supplied by the Border Patrol Union leadership.

"Short changing" this vital requirement will put criminal aliens on the street and assure the success of the smugglers.

Adequate funding will allow the border patrol to restore the integrity of the border.

Please accept the House funding level for this vital program.

Sincerely,

Duncan Hunter
Member of Congress

DH/hst

cc Deputy Asst. Sec'ty of Defense, Brian Sheridan

Representative
DUNCAN HUNTER
52ND DISTRICT, CALIFORNIA
Chairman, Republican Research Committee
Member, House Committee on Armed Services

NEWS

366 S. Pierce Street
El Cajon, CA 92020
(619) 579-3001

133 Cannon Building
Washington, DC 20515
(202) 225-5672

1101 Airport Road, Suite G
Imperial, CA 92251
(619) 353-5420

FOR IMMEDIATE RELEASE

Contact: Patrick Buechner
(202) 225-5672

August 13, 1993

Border Patrol Releasing Criminal Aliens for Lack of Funding, Says Rep. Hunter

Asks House-Senate Conferees to Sustain $60 Million "Hunter Amendment"

Congressman Duncan Hunter (R-El Cajon) announced today that more than 150 criminal aliens are being arrested and quickly released each week, due to a lack of operations funding.

"The Border Patrol is desperate for operations funding," said Hunter. "Because there is no additional money for incarceration of criminal aliens, the 'coyotes,' or professional smugglers, are being released immediately after capture."

According to Hunter these smugglers are back at their operations, moving illegal aliens across the border within hours.

Hunter, on July 1, won passage of an amendment to the Commerce, State, and Justice appropriations bill, adding $60 million to the Immigration and Naturalization Service budget for 600 additional Border Patrol agents and operational expenses.

The Senate passed an increase of $39.15 million. In several weeks, the House-Senate conference will meet to decide on a funding level between the $39 million and $60 million figures.

Hunter is pressing for the higher number, arguing that $48 million are required to field 600 agents and that the additional $12 million are desperately needed for incarceration costs, vehicle repairs, training costs, communications upgrades, and helicopter repairs.

"We put $60 million in the House bill for a reason," said Hunter. "We wanted to allow at least $12 million to pay for operations expenses."

Hunter cited the following deficiencies in Border Patrol funding:

- $5 million for detention space for criminal aliens
- $2 million for Border Patrol vehicular repairs
- $3 million for communications upgrades
- $1 million for new 4x4 vehicles
- $1 million for advanced leadership training
- $48.7 million for 600 Border Patrol agents, trained, equipped, and fielded

In letters to President Clinton, Senator Dianne Feinstein, and Senate Appropriations Chairman Robert Byrd, Hunter urged that the Senate recede to the House-passed $60 million.

"The full $60 million will give our Border Patrol fully operational vehicles, communication equipment, adequate training, and 600 new agents," Hunter wrote. "Short-changing this vital border requirement will put criminal aliens on the street and ensure the success of the smugglers."

-30-

DUNCAN HUNTER
52D DISTRICT, CALIFORNIA

CHAIRMAN
REPUBLICAN RESEARCH COMMITTEE

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031031

133 CANNON BUILDING
WASHINGTON, DC 20515-0552
(202) 225-5672
FAX: (202) 225-0235

366 SOUTH PIERCE STREET
EL CAJON, CA 92020
(619) 579-3001

1101 AIRPORT ROAD, SUITE G
IMPERIAL, CA 92251
(619) 353-5420

1410 MAIN STREET, SUITE C
RAMONA, CA 92065
(619) 788-3630

93 JUL 30 P2:29

The 103d Congress
U.S. House of Representatives
Washington, DC 20515-0552

July 28, 1993

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I watched with great interest yesterday as you shared your immigration plan with the American people. I am happy to see a consensus among our two parties on the importance of ending illegal immigration.

As the representative of most of the California-Mexico border, I have an acute concern over the law enforcement aspect of immigration reform. As you may be aware, I sponsored an amendment on July 1 to increase the FY94 Border Patrol appropriation by $60 million. This bi-partisan effort passed the House by over 169 votes and signified a turning point in our border enforcement policy. As the Commerce, Justice, State Appropriations bill moved to the Senate, I received an assurance from Senator Dianne Feinstein that my initiative would be reflected in the Senate language.

I am concerned, however, that the language adopted by the Senate and embodied in your plan is inadequate to accomplish our objectives along the border. First, the $39.152 million earmarked for 600 new agents assumes a 50% lapse in hiring. This means that agents are brought on force gradually and add up to only 300 agent work years by the end of FY94. The Immigration and Naturalization Service informed me that although some lapse is necessary, they can accommodate agents at a faster rate than you propose. By scheduling a 25% lapse at a cost of $48.7 million, all 600 agents will be trained, equipped and out in the field within approximately three to four months. The INS maintains that a shorter lapse time means a more effective force for that year.

Second, your plan provides $5.92 million for 93 agents slated to be cut in your FY94 budget. This restoration is already reflected in the House language and maintains the Border Patrol at current services --- it does not bolster their ranks. Third, the language of both the Senate bill and your proposal does not provide funds for the 90 support personnel necessary for a 600 agent increase. These personnel are vital backup for the Border Patrol and must be included.

Finally, no allocation is made in your proposal for operational funds to equip agents already in the field. The INS revealed that over 70% of their vehicles

exceed the General Services Administration's mileage replacement standards. The Border Patrol is so underfunded in this area that their vehicles are on a *20-year* replacement cycle. It is no wonder that only 48% of the vehicles in the Border Patrol's San Diego sector are operational on any given day.

Law enforcement should be a key component of any immigration reform plan. While I applaud your efforts at addressing this matter, the Border Patrol should receive the full funding they require to assimilate 600 new agents. As our first line of defense against drug smuggling and illegal immigration, they deserve the means to carry out their mission.

Thank you for your consideration.

Sincerely,

Duncan Hunter
Member of Congress

THE WHITE HOUSE

WASHINGTON

August 2, 1993

MEMORANDUM FOR JIM MURR

FROM: HOWARD G. PASTER

SUBJECT: PRESIDENTIAL CORRESPONDENCE

Attached is a copy of a letter that was sent to the President from Duncan Hunter (R-CA). I have also enclosed a copy of my acknowledgement letter to him as well.

The President has requested that he see and sign every letter going to Capitol Hill. We did not want to fully answer the questions addressed in Representative Hunter's letter without assistance from your office; therefore, I would appreciate your office drafting a response and returning it to LeeAnn Inadomi (WH-East Wing) within 48 hours. She will then print the letter in final form and have the President sign the letter.

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

Attachments

ID# 031031

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: AUGUST 04, 1993

NAME OF CORRESPONDENT: THE HONORABLE DUNCAN HUNTER

SUBJECT: SUPPORTS EFFORTS ON ENDING ILLEGAL IMMIGRATION AND DRUG SMUGGLING

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION: ACT CODE	ACTION: DATE YY/MM/DD	DISPOSITION: TYPE RESP	DISPOSITION: C D	DISPOSITION: COMPLETED YY/MM/DD
HOWARD PASTER		ORG	93/08/02	HP	A	93/08/02
	REFERRAL NOTE:					
HOWARD PASTER		RSA	93/08/04			/ /
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COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1240 ____ ____

__ MAIL USER CODES: (A)R_CA_____ (B)_____ (C)_____

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

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

SCANNED