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### COLLECTION:

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### FOLDER TITLE:

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### RESTRICTION CODES

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- 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]
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THE PRESIDENT HAS SEEN  
10.20.93

Bring  
Do we agree  
it was largely  
chance? B.

# The Night Yeltsin Teetered<sup>A1</sup>

## Russia's Fate Was Decided Largely by Chance

By Fred Hiatt, Margaret Shapiro and Lee Hockstader  
Washington Post Foreign Service

MOSCOW, Oct. 7—When it ended Monday afternoon, the ragtag rebels seemed so frightened and forlorn that it was hard to believe they had threatened Russia at all.

But for 12 sickening hours beginning Sunday afternoon, President Boris Yeltsin's 12-day-old move to dissolve the opposition parliament suddenly appeared on the point of backfiring—and the world's largest country teetered on the edge of a coup d'etat. A few thousand communists, neo-Nazis, nationalists and adventure seekers, many of whom dreamed of restoring the Soviet Union, came within hours and yards of seizing the levers of power.

In the Defense Ministry, the desperate top brass were for a time reduced to guarding their own building and its nuclear-weapons codes, with each deputy minister and three-star general securing a separate building entrance. President Boris Yeltsin was nearly a prisoner inside the massively fortified Kremlin, unable for a time to appear on national television. At 2

a.m. Monday, he drove to the Defense Ministry to nail down army support.

The central television station was saved only by the arrival—five minutes ahead of the rebels—of 100 special-forces troops who sped around Moscow's Garden Ring Road in armored personnel carriers. That, and two primitive reserve studios in a hidden location, kept Yeltsin's forces from being entirely cut off from the nation.

Still, for several hours Sunday evening, there seemed to be no one defending the city for Yeltsin. Former vice president Alexander Rutskoi and his allies were preparing to rule, confidently promising mercy for their vanquished foes and glory for their supporters.

"When I made my way across the city, and I saw no police on the streets, and I saw these groups of people, sometimes armed people—it was a rather fearful situation," said Sergei Stankevich, a top Yeltsin adviser who tried unsuccessfully to drive from the Kremlin to the television center. "There was a moment in the night when it seemed the balance was very shaky."

See MOSCOW, A32, Col. 1

### MOSCOW, From A1

Yeltsin is now accusing his enemies of having nearly carried out a plot they had been hatching for months. Some of his political rivals accuse Yeltsin of having provoked the entire affair. There may be elements of truth in both accusations.

But the observations of Washington Post correspondents during the uprising, dozens of interviews conducted since and Russian journalists' accounts show that the overwhelming mood in Yeltsin's government during the uprising was of confusion, fear and the power of happenstance.

"I found signs of anxiety everywhere," said Anatoly Shabad, a liberal legislator who entered the all-but-deserted presidential offices in the Kremlin sometime after 5 p.m. Sunday as mobs were smashing the mayor's office near the parliament and preparing to take over the television studio. "No one was prepared. No one was in the Kremlin, although there had been every sign of a coming rebellion from the previous day."

### Praying for Russia

That Sunday morning, Orthodox Church Patriarch Alexei II had brought out his most powerful weapon—the icon of the Vladimir Mother of God which was believed to have saved Moscow from the Tatar hordes in 1380 and had been considered Russia's holiest protector ever since. Praying before the icon, at the Yelokhovskiy Cathedral, the head of the church beseeched the holy mother to save Russia once again.

Moscow had been building toward confrontation since Yeltsin had ordered the parliament dissolved Sept. 21, calling for a new constitution and new elections. The conservative legislators had impeached Yeltsin, named Vice President Rutskoi acting leader and called on the armed forces to rally to their side.

At the urging of the church, which warned that Russia was entering a new "Time of Troubles" that could bring fratricidal bloodshed, the two sides were holding talks at the residence of Patriarch Alexei. But the talks were getting nowhere; parliament speaker Ruslan Khasbulatov had said he would deal with Yeltsin "only in his capacity as a private citizen," according to a spokesman.

Talks resumed Sunday morning at the patriarch's residence. Yeltsin drove out to his country residence. And on another crisp fall day, beneath Moscow's most prominent statue of Lenin in October Square, parliament supporters began gathering again.

At about 2:20, several thousand people, including a few with walkie-talkies, suddenly began to march, many with Soviet hammer-and-sickle flags in hand. By 3:25, they had broken through Yeltsin's police cordon at the parliament building. Rutskoi, exultant, welcomed the arriving throngs and, seeming swept away by emotion, urged the crowds to storm the nearby mayor's office and the television center in northern Moscow.

That afternoon, Russia's leading democratic politicians were meeting in downtown to prepare for the Dec. 12 elections Yeltsin had called. At 4:30, Shabad recalled, they got the word: the hard-liners' isolation had been broken, the mayor's office had been taken, rebels were surging toward the Tass news agency and the television center.

The liberals telephoned a deputy interior minister, Yevgeny Savostyanov, and heard even worse news. "He said at least part of the [security] force had turned to Rutskoi," Shabad recalled. "He said in the city there was no force that might oppose Rutskoi."

The demonstrators had shouted for Shabad's execution and that of other well-known liberals. He called his wife, told her to leave their apartment with a few valuables and then, in a trembling voice, taped a statement for Radio Russia urging Yeltsin supporters to gather at the Kremlin.

Yeltsin's government was unprepared. As it was under attack, Yeltsin's top liberal staffers were meeting to draft legislation to be considered by a new parliament in December: a civil code, a partnership law, a law on corporations.

When they got the news, adviser Pyotr Filippov called the Kremlin and found that practically nobody was in the president's offices. Incredibly, chief of staff Sergei Filatov

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was still at the patriarch's negotiations. The aides who began filtering in could do little more than blame each other for the mess, reporter Sergei Parkhomenko recalled. Yeltsin was still at his dacha.

"Everything was totally unclear," Filippov recalled.

At about 4 p.m., a detachment of special-operations Interior Ministry troops rushed toward the television center from their posts outside the U.S. Embassy. Their departure caused panic in the embassy, where diplomats already feared the anti-American parliament supporters might storm the compound, overwhelming a small U.S. Marine contingent. No attack ever came.

Thousands of demonstrators, now well armed and in some cases well on their way to drunkenness, were marching toward the TV tower, accompanied by trucks and armored personnel carriers the rebels had seized near the parliament. At one point, the rival armored vehicles of Yeltsin and Rutskoi found themselves sharing a road.

Stankevich, Yeltsin's adviser, met some of the armored vehicles on his way to the TV center and recalled people asking the men on top whose side they were on.

"We don't know," the answer came back. "We'll see when we get there."

Stankevich, who had set out in a car without government license plates so that he could slip past the demonstrators, realized he had no chance to reach the TV center. He detoured toward a secret, back-up studio of state television, where he was shocked again to find only a dozen lightly armed guards.

Stankevich said he asked Oleg Poptsov, the head of Russian television who had hast-

ily begun dusting off the reserve studios that morning, why his defenses were so weak. "He said, 'I should be asking you that question,'" Stankevich recalled.

Poptsov had been trying for hours to persuade the Interior Ministry—to persuade anyone, in fact—to send more protection, he said today. Finally, he had to make do with railway employees standing guard behind cement blocks sent over by construction crews.

"I never doubted for a moment that an attack would take place Sunday," Poptsov said. Asked why the police weren't equally forewarned, he asked, "Why should I answer for the stupidity of our Interior Ministry?"

Parliament supporters, commanded by a hard-line general, Albert Makashov, surrounded the main television center, crashed a truck through its doors and set off an enormous explosion, probably with a rocket-propelled grenade. "This is the free territory of the U.S.S.R.!" Makashov shouted through a megaphone. A firefight began that would last for eight hours or more and claim many lives.

Inside the parliament, Khasbulatov misinformed the deputies, "Ostankino (the TV center) has been seized." His supporters roared approval as Khasbulatov continued, "Today we must seize the Kremlin," according to Kommersant reporter Veronika Kutsillo, who was there.

Khasbulatov asked Interfax reporter Vyacheslav Terekhov to inform the people that the new government "will not act with revenge against supporters of the Boris Yeltsin regime, which has already fallen."

At the Kremlin, that regime was finally coming to life. Filatov had returned from the

talks and was calling in key aides, saying the situation is very serious and getting worse," Stankevich recalled. Yeltsin had returned by helicopter shortly after 6 p.m. and had assured his liberal supporters that the Kremlin was well-defended, its guard under orders to shoot any attackers.

Aides began working the phones, warning regional leaders that Yeltsin would win—and would remember who had stood by him, Stankevich recalled.

The president himself made the calls that really counted: to the commanders of military districts around the country. "It was important for him to have personal contact with them," Stankevich said.

The president also had signed a decree naming his prime minister, Viktor Chernomyrdin, as successor in place of Rutskoi and imposing a state of emergency.

"But at this moment, we well realized that the emergency was nothing," recalled Shabad, who was in the Kremlin at the time. "There was no force behind this" decree.

At about this time, Defense Minister Pavel Grachev and his top generals were convening on the fifth floor of the Defense Ministry headquarters, a massive rectangular structure between the Kremlin and the parliament. Two key men, including the powerful deputy defense minister, Boris Gromov, could not attend because hard-line demonstrators had gathered outside, forcing the building to lock its doors, according to a Russian defense reporter, Pavel Felgengauer.

The top brass met from 7:30 to 8 p.m. and then, worried that Rutskoi's supporters might overrun the building and its nuclear command center, they scattered to defend

the building itself. But they had decided to intervene against the rebels. Tanks and paratroopers began moving toward Moscow.

The decision was not easy for the military. Grachev and several others in the top brass shared with Rutskoi a bond of service in the Afghan war. Moreover, the military had vowed never to interfere in domestic politics, particularly after it had been reviled for bloodily suppressing civilian gatherings under Soviet President Mikhail Gorbachev.

So army leaders asked for guarantees that Yeltsin would shield them from blame for any casualties that might result. "It seems logical that these guarantees were given by the president," Stankevich said.

At 2 a.m. Monday—as thousands of Yeltsin supporters kept an unarmed vigil in downtown Moscow and bullets still flew at the television center—Yeltsin sped in an armored limousine to an underground Defense Ministry entrance. The first tanks to reach Moscow had taken up positions outside, while on the fifth floor, Yeltsin met with Grachev and his general, Felgengauer said.

It is unknown exactly what guarantees Yeltsin might have given the officers—but by 3:30, the military was firmly on his side. Yeltsin returned to the Kremlin and, early in the morning, taped a television address to be broadcast just as the first heavy T-80 tanks rolled up to the parliament at 9:05 a.m., with a heavy firefight already underway.

"The armed mutiny is doomed," the president said grimly.

The dawn assault quickly erased whatever traces of euphoria remained inside the parliament. In the wake of Sunday's rebel victory, many deputies had been joined by wives and children they had not seen for a week. Now, all were awakened by the crash of shells slamming into the building.

Yeltsin's armored vehicles provided cover for paratroopers from the 119th Regiment, recently moved to the Moscow area from the Baltics as part of the withdrawal of Russian troops from other former Soviet republics. A T-80 tank from the elite Kantemirovsky division thundered its 150-millimeter cannon periodically, aiming at nothing more specific than the morale of those inside.

In that sense, it scored a direct hit each time. The massive building shuddered; windows shattered; water pipes burst, flooding hallways; the upper floors began to blaze and billow black smoke. The confident rebel leaders of Sunday were transformed.

At mid-morning, Interfax correspondent Terekhov came upon an ashen Khasbulatov slumped in a deep sofa, his eyes wide and unseeing. "Frankly speaking, I did not recognize him at first," Terekhov wrote. He roused himself to tell the reporter, "Go, go, you don't know what it's going to be like here," and then sunk back into himself.

Later, he lit his pipe and said quietly, to no one in particular, "I have known Yeltsin for a long time, but I never expected anything like this from him."

Rutskoi became frantic. In a telephone conversation with Valery Zorkin, chief of the constitutional court, Rutskoi yelled that Yeltsin would never let him out alive because he was a witness to Yeltsin's crimes.

"I'm asking you, have somebody call the embassies. . . . Make the foreign ambassadors come here," he shouted, his end of the conversation taped by a journalist in the room. "I implore you, Valera, you are a believer, damn your mother, you will have this sin on your soul! . . . They are murderers, do you understand that or don't you?"

Some rebels continued to fire from the building and others guarded the exits to keep anyone from surrendering. But most of the "defenders"—the deputies, their families, the 14- and 15-year-old "Young Communists," who had re-formed their ranks to protect the parliament—gathered in the Hall of Nationalities. Here, the deputies had voted and railed against Yeltsin. Now, they recited poetry, listened to a comrade play the accordion and sang an old wartime song: "My dear capital, the enemy will never make you bend your head low, my dear capital."

When two officers from the special-forces Alpha team appeared, the deputies lined up quietly and filed out, past broken glass and pools of blood, to surrender.

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# Efforts to Save Rain Forests Raise Suspensions in Brazil

## *Outsiders' Campaigns Find Little Support*

**A** By Don Podesta  
Washington Post Foreign Service

MANAUS, Brazil—More than a year after scores of leaders met at the Earth Summit in Rio de Janeiro and declared their support for the protection of the world's rain forests, Brazilians remain defensive about the state of the Amazon and suspicious of any moves by foreigners to help preserve it.

Yet Brazil's own efforts to save the Amazon rain forest from destruction by miners, loggers and cattle ranchers clearing it for pasture continue to be anemic, hampered by a lack of financial resources and political will.

Interviews in several towns and cities across Brazil's Amazon region also make clear the difficulty of trying to preserve the way of life of those who make their homes in the forest. Rubber tappers and nut harvesters—whose work environmentalists promote as the sound use of the forest's resources—and nomadic Indians who have lived in the forest for centuries face a losing economic battle, according to officials, ecologists, rubber tappers and former gold miners.

The 2.7-million-square-mile Amazon basin, two-thirds of which is in Brazil, is home to half the world's plant and animal species, including 60,000 species of higher plants. An estimated one-third of the world's trees grow in the Amazon region and as much as 20 percent of all the fresh water flowing into the oceans comes from the Amazon river system, the world's longest. Its drainage area—a territory nearly as large as the continental United States without Alaska—forms part of eight countries.

From the air, Brazil's rain forest is a sea of deep green stretching to every horizon, an apparently uniform expanse of vegetation interrupted here and there by meandering tributaries of the Amazon. On the ground, the reality is something else.

The canopy shields an explosion of life: vines, flowers and birds of every shape and color, small mon-

See AMAZON, A23, Col. 1



# Brazil Suspicious of Moves to Protect Forests

AMAZON, From A1

keys, crazily scurrying lizards and tarantula-like spiders the size of saucers. At sundown the panorama of color fades to black and is replaced by a cacophony of insects buzzing, amphibians and fish splashing and small animals screeching as they are caught by crocodiles or other creatures of the night.

Some of the region is rich in gold, tin, diamonds and other minerals, drawing mining interests into lands traditionally inhabited by primitive Indians. Brazil's government has tried to protect Indians such as the Yanomami by establishing huge reserves in the forest, but it has been unable to halt mining in those areas. Encounters between gold miners and Indians have at times turned violent, most recently resulting in the killing of 16 Yanomami, several of them across the unmarked border in Venezuela.

The fact that Brazil's justice minister, on the scene to investigate the attack, did not know he actually was in Venezuela as he denounced the crime before television cameras speaks volumes about Brazil's inability to deal with the Amazon.

Rubens Ricupero, the newly appointed environment and Amazon minister, said in an interview in Brasilia that North Americans and Europeans often fail to understand that in many ways Brazil's Amazon, which makes up 58 percent of the nation's territory, is "a sector of our country where the state is only slightly present, and to a large extent this is part of the problem."

The economic pull of the Amazon is almost irresistible for a country with millions of its citizens living miserably in city slums or eking out a living in the parched countryside

of the northeast. Thus, the huge areas reserved for protecting the forest and its Indians are politically unpopular among many Brazilians.

Setting aside more than 22 million acres for fewer than 10,000 Yanomami Indians in the northern state of Roraima "is crazy," said Ivan Frotas, an air force brigadier general who retired in August and plans to run for president. Foreigners, he said, "complain about the environment and massacres, but when it comes time to help us with things like trade concessions, they forget about us."

Gov. Gilberto Mestrinho of Amazonas, a state three times the size of France, accused foreign companies of pushing the environmental cause for economic reasons. "There's an interest that there be no development here," he said. For instance, the wood-exporting countries such as the United States, Canada and Sweden, do not want Brazil to become a competitive exporter, he said.

He accused environmentalists of making a living out of defending the rain forest. "There are 219 international groups concerned with saving the Amazon," he said. "Of those, I would say that 218 don't even know where the Amazon is."

In an interview at his home here, Mestrinho argued that the rain forest not only renews itself naturally—which ecologists dispute—but that it might even improve in the process. "Here, the danger is the forest invading the cities," he said.

"It's true that vegetation regenerates here much more quickly than people from areas with temperate forests are used to," said Philip Fearnside, an ecologist with the National Institute for Amazon Research in this state capital at the junction of the Amazon and Negro rivers. "But it

doesn't cancel out deforestation because something other than rain forest is what grows."

Environmentalists have long argued that clearing of the rain forest not only endangers uncounted biological species and native cultures but affects the planet's climate as well. The forest generates rain in Brazil's rich agricultural lands in the south. If it were burned entirely, 60 billion tons of carbon would be in the atmosphere instead of the forest, Fearnside said. As it is, the burnings are already contributing to the greenhouse effect and global warming. It is estimated that more than 8.5 percent of the forest has been cleared so far.

Last month, Discovery space shuttle astronauts reported clouds of smoke over the Amazon that indicated more forest fires than usual for September, traditionally the month of greatest burning to clear land for farming and ranching. President Itamar Franco's office issued a quick rebuttal, arguing that in 1992 the number of fires was unusually low, and that the 64,999 fires detected in the first half of September compared favorably to the 219,941 detected in September 1991.

The issue, much like the killing of the Yanomamis, embarrassed the government. Brazilian officials, particularly military officers, are sensitive about foreign criticism of the government's Amazon policy and often warn of plans to "internationalize" the Amazon.

In August, army generals told legislators that U.S. military maneuvers in neighboring Guyana were part of a plan to establish military bases on the fringes of the Brazilian Amazon. Last week, Brazil carried out exercises of its own in the northern Amazon, deploying 5,000 troops to de-

monstrate its control of the area near Guyana and Venezuela.

"The world covets the Amazon," Frotas said. "I don't understand the need for [U.S.] military exercises in a South American jungle. . . . It gives the impression that they are practicing to intervene in the internal affairs of our countries."

Brazil, particularly under the military governments of the 1960s and '70s, has had a "use it or lose it" view of the Amazon, a fear that if the forest was not occupied and developed by Brazilians it would be taken by foreign countries.

The Amazon remains at the center of Brazil's vision of itself as a country of the future. Brazilians have the idea that "when the giant awakens, we will have the resources to be a great power," said University of Sao Paulo sociologist Emir Sader. But until that day, Brazil struggles with an economic crisis and budget deficit that are making it difficult, if not impossible, for the government to protect the forest.

The branch of Brazil's National Indian Foundation, called Funai, charged with overseeing the Yanomami reserve in Roraima, has 60 employees for the 37,400 square miles, an area the size of Hungary. "We are overworked. We don't have enough people," said Funai official Manuel Reginaldo Tavares at the Boa Vista headquarters.

In Brazil, "everything is prohibited, but nobody complies," said Jose Guilherme Maia, director of a museum and Amazon studies center in Belem, a busy port near the mouth of the Amazon River.

There are strict laws against hunting, logging and mining in Indian reserves, but enforcement is spotty. "Nobody has been observing these laws," Stephan Schwartzman of the

Environmental Defense Fund said by phone from Washington. "There's no enforcement whatsoever."

While officials plead poverty, environmentalists and others argue that agencies such as Funai are overstuffed. The real problem, they say, is that the agencies do not move people from office jobs in the cities to

the more uncomfortable countryside where they are needed, and the government is constitutionally prohibited from firing public workers.

Meanwhile, rubber tappers and nut harvesters, whose livelihoods are supposed to be protected, are dealing in products that cannot compete economically with mining or logging.

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GS/Ginger  
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Jim Hoagland

## Policy From the Top Down

Feeling (a) better about the Clinton health care plan, (b) worse about Somalia, (c) confused about NAFTA or (d) all of the above? If you pick (d), you mirror your times and Daniel Yankelovich's assessment of American public opinion after the Cold War.

Yankelovich is no mere analyst of opinion polls and national attitudes. He has become an important behind-the-scenes force shaping both action and reflection by the Clinton administration. His work has become must reading in the upper reaches of the White House, the State Department and elsewhere in government since Bill Clinton became president.

Presidents and their aides often identify their aspirations or their comfort level with ideas by the outsiders they adopt into their court. The Kennedys reached out to Robert Frost. In a different vein the Reagans had Frank Sinatra. For better and for worse, Yankelovich is likely to serve as a significant intellectual standard-bearer of the Clinton years.

The good news is that Yankelovich's analysis is insightful, well crafted and intellectually honest. But there is also a downside risk to attitude surveys becoming the lodestar for policy makers: Even the most sophisticated analysis of opinion cannot serve as a philosophical base for policy.

Yankelovich's ideas on influencing public opinion by phased campaigns designed to move support across seven different thresholds are guiding the White House in its elaborate effort to sell the health care plan, Clinton counselor David Gergen told me recently. Yankelovich rules also helped shape the "Reinventing Government" project, which was splashed into life and then moved offstage while the health care debate gets full attention.

In more sophisticated fashion than I can do justice to here, Yankelovich has identified seven distinct stages in the formation of public opinion. He stresses the need for policy makers to raise awareness of a developing problem early. In stage two, leaders must impart a sense of urgency into a distracted national attention span. Leaders must then recognize and



combat the resistance that develops as citizens sort out conflicting ideas and demands that any serious proposal will raise. To do that, leaders must make constant but judicious use of trial balloons, "choice work" (in which an array of options is laid before the public) and other techniques.

The public moves on a journey from "raw opinion" (the unreliable "what or whom do you like" sentiment often captured in snapshot polling) to "full commitment," (a mature judgment that weighs and chooses among the trade-offs that have to be made).

Yankelovich found that poll respondents overwhelmingly favored the idea of a North American Free Trade Agreement in 1991 "before they really had a chance to think about the subject" and before it had become the subject of a national debate. Now, the most frequent response people give pollsters is that they need more information—as more (and conflicting) information cascades on them.

"When the public has a real stake in the issue, such as military intervention in Bosnia or NAFTA . . . the public insists on being in the loop," Yankelovich and John Immerwahr argued in a paper presented at this summer's American Assembly, a non-partisan public policy forum associat-

ed with Columbia University. (The paper will be published in early 1994 in "Beyond the Beltway: Engaging the Public in Foreign Policy Beyond the Cold War.")

If the health care campaign is off to a good start and NAFTA is still up for grabs, Somalia has become a case study of what Yankelovich and Immerwahr call "the sad truth that the foreign policy community has little or no idea about engaging the public under new post-Cold War conditions."

"The gap between foreign policy leadership and the public—large under any circumstance—is particularly difficult to bridge" now that the collapse of the Soviet threat has knocked down the framework with which all foreign policy initiatives were evaluated. "Traditionally leadership has managed this gap by limiting the influence of the public in the foreign policy arena," Yankelovich and Immerwahr write.

Officials get together in small groups, hammer out decisions and then set out to persuade the public to support a decision already made. This "top-down approach" means that "leaders present a simplified version of a lawyer's brief to the public, justifying their policy recommendations in a one-way process of communication."

Sure sounds like what has happened to U.S. policy in Somalia, where the public has been told of the major decisions after the fact by both the Bush and Clinton administrations. Without the Cold War to mobilize and channel instant opinion on foreign events, the top-down approach is increasingly ineffective. Yankelovich recommends more attention to "deliberative democracy based on new principles of communication and leadership."

The trick is to keep principle, communication and leadership in balance and not to back away from hard choices abroad simply because they are unpopular or hard to explain. That is part of Yankelovich's message, too. At times the administration's actions suggest it has not taken that part to heart.

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# A Rice Exporter's Cozy Link To U.S. Agency Reaps Profit

By DIANA B. HENRIQUES  
with DEAN BAQUET

On Nov. 7, 1988, a cable stamped confidential landed on the desks of officials of the Iraqi Grain Board, one of the largest buyers of imported rice. It was from Peter Vegas, an executive of Comet Rice, a unit of the chronically unprofitable Erly Industries in Los Angeles.

Although the grain board had requested bids, this was not a bid, but an audacious promise — "We are offering to beat the lowest offer that you receive."

The cable explained that Comet Rice had a new plant in the port of Aqaba, Jordan, where rice could be unloaded in bulk, polished, bagged and loaded on trucks bound for Iraq — for at least \$30 a ton less than other bidders. By August 1990, when the Persian Gulf war halted trade with Iraq, the new plant had achieved its purpose: Erly Industries had a near-monopoly in one of the most coveted rice markets.

## Low-Cost U.S.-Backed Loan

What the cable did not explain was that the Aqaba plant had been built with a low-cost \$4 million federally backed loan from the United States Agency for International Development, which has also given Erly more than \$134 million in consulting work.

In a broad examination of the cozy relationship between Corporate Agriculture and the Federal Government, the case of Erly Industries discloses how easily a politically connected agri-

States rice exporters would benefit.

It helped its Jordanian partner sidestep the agency's competitive bidding rules in the buying of plant equipment, thereby insuring that its Comet subsidiary would receive a portion of the loan funds as payment for the equipment.

It reaped additional profits by investing the low-cost loan proceeds in the United States at higher interest rates.

It used international government connections, developed at taxpayer expense through a subsidiary's consulting work for A.I.D., to foster its own commercial interests.

Richard L. McCall, who took over this year as chief of staff at the agency, said he had referred the Aqaba loan to the general counsel for review. "It is an ethical question," Mr. McCall said. "For us to be used in any shape, form or fashion for anything but to help develop needy nations is wrong." But he conceded that "we have got to more effectively manage this place" so that all project applications are examined more carefully.

Gerald D. Murphy, Erly's affable and strong-willed chief executive and the company's largest shareholder, sees the Aqaba story as an example of "solving my customer's problems" through a grasp of "how the political game is played."

"I don't have any problems with that," said Mr. Murphy, a conservative Republican, who claims friendship with former President Ronald Reagan and other Republican stalwarts. "Those are the rules. I've never understood people who sit back and play a game and don't understand the rules. How the hell are you going to win if you do that?"

## Tainted Trade

Second of three articles

cultural corporation can reap rewards by skillfully exploiting loosely managed Federal programs.

Erly's dealings with A.I.D., the chief conduit for American assistance to needy nations, enabled the corporation to build a plant that lifted its Iraqi rice sales by almost \$100 million, more than a fourfold increase.

## Accused of No Crime

Comet has not been accused of a crime, but officials of the aid agency now say they believe the company may have acted unethically by not fully explaining just how much it would benefit from the Government-financed plant.

Dozens of interviews, court and corporate documents and hundreds of Federal documents obtained through the Freedom of Information Act provide the following details about how Erly used an obscure Government program to corner a valuable market:

¶The company did not disclose to A.I.D. the true aim of the Aqaba project, which was to use a little-known Government loan program to give Comet Rice an advantage over other American rice companies.

¶It did not disclose its leadership role in the project, letting the agency conclude that a Jordanian company was in charge and that all United

Continued on Page D3, Column 1

## Getting the Loan

## Selling the Deal To the Agency

Mr. Murphy, a 65-year-old Harvard Business School graduate who has personally directed his company's investment and business strategy over two decades, says the Aqaba plant was his idea. He planned it, Comet Rice built it and a Comet subsidiary managed it — all for Comet's exclusive use.

But Louis Reade, the agency official who approved the project in 1988, said he was shocked to learn that Erly developed the project for the exclusive use of Comet. "There was no intent to set this up for an individual American corporation," Mr. Reade said.

Instead, he said, A.I.D. believed the loan applicant was a Jordanian company that would create jobs and serve all American rice exporters.

But, according to Mr. Murphy, Jordanians were involved in the Aqaba project only because Jordanian law required it — and because his partner, Wafai Dajani, brother of a former Jordanian Cabinet minister, had "useful" connections.

## Other Exporters Barred

In return for serving as Comet's agent in Jordan, Mr. Dajani and his relatives got consulting fees and a share of the profits. He also invested in the project.

Comet barred other American rice exporters from the Aqaba plant. "I saw no reason to be the front-end guy taking the risk and pass it off to somebody who hadn't taken the risk," he said.

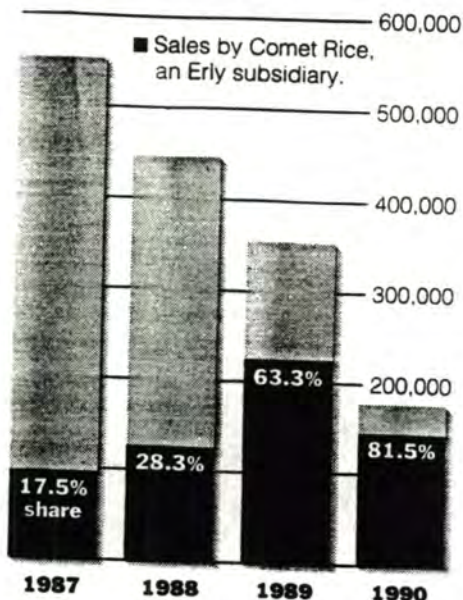
The risk seemed worthwhile: in 1983, when the United States resumed relations with Iraq after a 16-year freeze, Baghdad, with the help of Agriculture Department loan guarantees, became one of the world's biggest buyers of long-grain rice. The department backs commercial loans for countries too strapped to get bank credit on their own.

Seeking more Iraqi business, Mr. Murphy flew to Baghdad in 1987 and, he said, met with Zuhair Daoud, head of the Iraqi Grain Board. Mr. Murphy asked the Iraqi official to list his biggest rice problems. The answer: shipments from Turkey were vulnerable to bandits, shipments into Aqaba were slow and all shipments came in big unwieldy bags.

Mr. Murphy had the perfect solution: an

## Larger Share

Rice sales to Iraq, subsidized by the U.S. Government, in metric tons.



Source: U.S. Commodity Credit Corporation

automated rice processing plant in Aqaba. "But we needed some financing," Mr. Murphy said, "and we said, 'Hey, this sounds like an A.I.D. project.'"

## Agency's Consultant

## Knowing Ropes, Hiding Ties

It is understandable that A.I.D. came to mind. Chemonics International, one of the few profitable subsidiaries of Erly Industries, relies on agency contracts for more than 98 percent of its revenues. On the Aqaba project, Mr. Murphy said, Chemonics knew the right person to see.

When Mr. Murphy's brainchild was submitted to the agency the actual application was made by Amman Resources, Mr. Dajani's company.

The application reflected a thorough knowledge of the agency's policy manual — and it conspicuously avoided disclosing the true relationship between Comet Rice and Amman Resources.

For example, the executive who signed numerous letters from Amman Resources to A.I.D. and the Bank of Jordan is also listed in Erly Industries records and correspondence as an employee of Comet Rice. Nowhere in the agency correspondence is Comet identified as anything but the supplier of equipment for the plant.

## No Competitive Bids

The agency's rules normally would have required Amman Resources to get bids from other suppliers of rice-processing equipment. Amman Resources avoided this by telling the aid agency that it had a "sole distributorship" contract with Comet, signed on Oct. 21, 1987.

This contract, the agency was told, prevented Amman Resources from buying the

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equipment from other companies. Without checking, the agency exempted the project from competitive bidding rules.

On Feb. 2, 1988, a \$4 million loan to Amman Resources was approved by the agency, based on the conclusion that it would help Jordan.

## Profiting on Loan

### An Investment Brings Windfall

With A.I.D.'s green light, Mr. Murphy's partnership negotiated the loan terms with the Bank of Jordan — and arranged to profit by investing the proceeds in a safer currency and at higher interest rates than the original loan.

In early 1988, the partners made a 10 percent down payment on the \$4 million project and borrowed \$3.6 million, in Jordanian dinars, for five years at 6.25 percent interest. That is at least seven percentage points less than Erly would have paid for credit in the United States, given the company's shaky finances. Indeed, the agency-backed rate was less than the Federal Government, considered the soundest borrower around, was being charged on five-year Treasury bonds. A seven-point cut in the interest rate on a \$3.6 million loan saves the borrower \$252,000 a year.

Mr. Murphy is proud of the arbitrage windfall. First, his partnership shifted the loan from dinars into dollars ahead of a 40 percent deterioration in the dinar, which meant it took fewer dollars to repay the borrowed dinars. "We had good information," Mr. Murphy said with a smile, when asked if Mr. Dajani's connections had guided the currency switch.

#### Deposited in New York

Then, the borrowed dollars were left on deposit at a New York bank "because it earned more interest than it was costing me on the A.I.D. loan on the other side," Mr. Murphy explained. He did not say how much more, but many five-year corporate bonds were paying at least 8.25 percent interest in 1988.

What is less clear is how the partnership paid for the rice-processing plant. Comet's independent audits show the Aqaba partnership had also taken out an interest-free loan from Comet during this period, but Mr. Murphy said he could not recall if that covered the cost of equipment shipped to Jordan or equipment for a subsequent expansion.

Nor is it clear whether A.I.D. regulations address such arbitrage activity. "But," said Mr. McCall, the chief of staff, "I feel the taxpayers' dollars should not be used to manipulate a set of circumstances and reap a profit at the public's expense."

## Connections

### Finding Business: A Political Process

The A.I.D. loan is but one example Mr. Murphy cites of how his company has benefited from official connections that Erly's Chemonics subsidiary has developed through its aid agency work.

#### Tainted Trade

**YESTERDAY** The Agriculture Department's decade-old campaign to boost crop exports and aid farmers has instead enriched a small group of multinational corporations and done little to expand America's share of world agricultural markets.

**TODAY** Comet Rice has a plant in Aqaba, Jordan, financed by a Federally-backed loan that allowed it to corner the coveted Iraqi rice market.

**TOMORROW** Neither a Presidential order nor requests by its own investigators could get the Agriculture Department to kick out politically powerful agricultural companies from Federal programs after they have been caught rigging bids, fixing prices and defrauding Government programs.

Mr. Murphy said he started Chemonics in 1976 because "I've always wanted a way to do two things: one, have my own C.I.A., and two, be helpful to people."

His recipe for cooking up business, he said, was to send the new unit's president to Washington to call on members of Congress, announcing he was a consultant looking for business.

Chemonics, whose staff includes former A.I.D. and Agriculture Department officials, has more than quadrupled its revenues in the last decade. It has been hired by the aid agency to work on issues close to Erly's heart, ranging from trade policy in Jamaica, where Comet was trying to increase its rice imports, to alternative crops in Honduras, where Erly was considering a citrus project.

#### 'An Open Door'

Thanks to Chemonics contacts with top-level ministers of foreign governments, Mr. Murphy said, Erly executives "have an open door to walk in and sit down and talk about whatever seems sensible." And Chemonics "has given me an appreciation for the political process in Washington in a different way," he added.

"It's obviously a political process," he continued. "A.I.D. contracts just don't happen."

Thurston Teele, the president of Chemonics, said he helped on the Aqaba A.I.D. project. But he disputed Mr. Murphy's account of the unit's role in other Erly ventures, saying Chemonics had "scrupulous policies" in place "to avoid conflicts of interest."

Nevertheless, more than a dozen Chemonics proposals to the agency boast of linkages among various Erly subsidiaries. In one, Chemonics noted that Erly "has strong and influential links with U.S. Government agencies, from which our projects can benefit." On another, Mr. Murphy himself was picked to serve on a project advisory council. And in each instance, Chemonics reassuringly de-

picts its parent corporation as successful and financially robust.

## Storm Warnings

### Company Record A Bumpy Road

In fact, without the profits Erly earned by dominating the Iraq trade and advising the aid agency, the publicly traded corporation almost certainly would have sunk under the weight of its own financial mismanagement.

What Chemonics left out of the corporate track record was a messy series of unwise loans, mushrooming debt, unsuccessful acquisitions, aborted spinoffs, lax accounting and money-losing foreign ventures.

In 1988, as the Aqaba project was being built, Erly told investors that it faced "a short-term cash liquidity problem." A little more than a year later, Erly missed an interest payment to bondholders and its independent auditors were warning that there was "substantial doubt about the entity's ability to continue as a going concern."

In March 1990, Erly proposed a complicated merger between its Comet Rice unit and another struggling company, American Rice Inc. of Houston, which it controlled — but it could not find lenders.

Clearly, despite the glowing descriptions by Chemonics, Erly would have had trouble competing in Iraq against strong American rivals like the Continental Grain Company or Cargill Inc., without its edge in Aqaba.

As it was, Erly's sales to Iraq grew from less than \$19 million in March 1987 to \$114.5 million in March 1990. By then, Comet's share of Iraq's rice trade through the Federal export credit guarantee program exceeded 80 percent. And sales to Iraq by Comet represented a remarkable 30 percent of Erly's overall revenues.

## War Scars

### Gulf Clash a Blow To Erly's Trade

But by August 1989, the warning flags were flying. That was when Federal agents raided the Atlanta branch office of Banca Nazionale del Lavoro, the big state-controlled Italian bank, investigating whether the bank had made \$4 billion worth of unauthorized loans to Iraq.

Banca Lavoro had helped finance Iraq's purchases of agricultural products, including rice from Comet. With the raid, Iraq's eligibility for the export credit program was threatened. Then, in August 1990, Iraq invaded Kuwait and trade with Baghdad was embargoed.

The impact on Erly was severe. By March 1991, only \$21.5 million worth of rice had been sold to Iraq, all of that before the invasion. In March 1992, Erly reported a \$12.5 million loss, as the vanishing Iraq business halved Comet's profits. That — and the Federal investigation of Comet's own dealings with Iraq through Banca Lavoro — made bankers leery of financing the merger with American Rice, Mr. Murphy said.

Erly finally mustered enough credit to complete the merger last May, but as part of the deal, Comet sold the Aqaba plant and a Cayman Island management unit to Mr. Dajani, its Jordanian partner, a deal that finally allowed other companies to use the plant.

Indeed, since the sales contract gives Comet a royalty on non-Comet rice handled by the plant, Mr. Murphy is encouraging his rivals' business. "Hey," he said. "I'm a generous guy."

THE PRESIDENT HAS SEEN  
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Chester A. Crocker

# Angola: 'Can This Outrageous Spectacle Be Stopped?'

Just one year ago, Angolans went to the polls to participate in a U.N.-monitored election, a first for their country, which had experienced war of one kind or another for most of the previous 30 years. Since the election, the civil war has soared to unprecedented heights. U.N. officials assert that 1,000 Angolans are dying daily and millions are without food. No one really knows the depth of the tragedy, but there is little doubt that this is one of today's costliest wars, and it has the potential to trouble political transitions elsewhere in southern Africa.

The U.N. exercise known as UNAVEM II was approved back in 1991, when new U.N. peace-keeping mandates were sprouting from the Security Council like spring flowers. Based on U.S.-Soviet-Portuguese diplomacy that produced the May 1991 Angolan peace accords, its chances appeared propitious at the outset. Under accords reached in 1988 in New York, Angola's southern neighbor Namibia had only recently gained independence after democratic elections in a model, U.N.-led transition, and 50,000 Cuban troops had withdrawn from Angola on schedule under U.N. monitoring.

But faced with mounting worldwide peace-keeping costs and peace accords that limited the U.N.'s implementing role, the Security Council decided to bring peace to Angola on the cheap. UNAVEM II's mandate was confined to observing, monitoring and facilitating the performance of the Angolan parties. There would be no teeth, no blue helmets, and no enforcement. The United Nations would not directly supervise the disarmament and encampment of rival armies, the setting

up of a national army, the creation of electoral laws and voter registration procedures or the conduct of the country's first multi-party elections. Under this "look, Ma, no hands" approach to peace-keeping, U.N. headquarters sent to Angola a grand total of 350 unarmed military observers, 126 unarmed police observers and 100 electoral observers (400 during the voting) to oversee the 15-month transition in a vast, ruined land as large as Western Europe minus Scandinavia.

The U.S.-brokered agreements of 1988 and 1991 could have brought peace to Angolans. Sadly, both the ex-Marxist MPLA government of president Jose Eduardo dos Santos and Jonas Savimbi's rebel movement, UNITA, were quick to exploit the weakness of UNAVEM II. Cheating was so commonplace that the military provisions of the 1991 agreements were basically never implemented. As the election date approached last September, both sides' fingers were on the trigger—and neither the U.N., U.S., Russian nor Portuguese observers called a halt to the proceedings.

Millions of Angolans voted in the country's first multi-party elections. Claims of foul play (by UNITA and others) before and during the election went unanswered; after some initial hesitation within UNAVEM, the United Nations duly proclaimed that dos Santos had won a plurality of just under 50 percent in the presidential race, a result that was supposed to lead to a presidential run-off election. (The MPLA reportedly won the parliamentary contest by a somewhat wider margin.)

Savimbi rejected the election result, then thought better of it and began negotiating for a

place in a new government, even while menacing the regime by moving his armed forces from their camps. The MPLA took advantage of Savimbi's blunders and its superior position in Luanda to smash UNITA in the capital, killing or capturing many of its top figures. Dos Santos had offered nothing but crumbs to UNITA as a basis for political reconciliation in a government of unity.

By the end of last October, Angola's precious cease-fire had collapsed. Within a few months UNITA forces seized control of numerous regional centers and perhaps 75 percent of the countryside. Fresh peace talks in April and May broke down over security issues. It hardly helped matters that the parties knew the Security Council was in no mood to support an eventual agreement with a beefed-up UNAVEM.

Today, a new stalemate may be emerging. UNITA is stronger on the ground and better organized than the government, and its military leadership is superior. UNITA exploits the classic advantages of insurgency, living off the land and off the MPLA's legendary corruption and ineptitude. But the MPLA holds Luanda, the revenues from some 500,000 barrels per day of oil output, and universal diplomatic recognition. Washington, Lisbon and Moscow, meanwhile, have dropped a key restriction from the 1991 package, thus enabling the MPLA government to return to the world arms market with the means to attract mercenaries, contractors and assorted hired guns from around the world.

Can this outrageous spectacle be stopped? We Americans tilted toward Savimbi during the Ford

years, toward the MPLA in the Carter years, and back toward Savimbi during the Reagan and Bush years. The tilting stopped under Bush once peace seemed to be within reach as the Cubans withdrew and the parties signed the May 1991 agreements. But last May the Clinton administration moved to recognize the MPLA government, explaining that this would demonstrate our "commitment to democracy."

Recognition could have strengthened our hand to press both Angolan parties to make hard choices. Unhappily, our actions smacked of retreating to settle a partisan score. Instead of building leverage, we have heightened UNITA's ever-present paranoia and reinforced the MPLA's habit of demanding that outsiders fight its battles. Now, the Security Council has imposed oil and arms sanctions on UNITA to demand that it cease fire and return to the table. It is unclear what pressures we are placing on the MPLA to reciprocate.

Both UNITA and the MPLA bear responsibility for Angola's agony. To end it, we have got to do better than blaming UNITA for the renewed civil war, and then anointing some of the least likely candidates in Africa as new democrats. Back in August, a bipartisan congressional group wrote to Secretary of State Warren Christopher urging intensified U.S. peacemaking efforts, the assignment of a special envoy, the end of lethal arms supplies to all parties, and confirmation of the 1991 accords and of certain points of agreement reached earlier this year.

That's okay as far as it goes. I would add that we should also accept the 1992 election (wants

and all) as a historical fact. In addition, we should press for verified reciprocal military pullbacks from areas of combat to support the current lull in fighting. This could set the stage for a monitored cease-fire, the demobilization of existing forces and the training of unified ones. There must be an up-front political commitment to provide the necessary U.N. personnel.

The second track is to recognize that winner-take-all elections seldom bring peace to conflict-torn societies. Political talks must be organized with the goal of achieving effective, multi-party power sharing to broaden the regime's base and decentralize power during a transitional period of several years (as in South Africa).

Money for such a plan could be found if there were some evidence of a U.S. (and Western) commitment to peacemaking. Others are well placed to add to our leverage if we decide to resume our leadership role. But we need more than an envoy: We need a White House decision to engage in the hard, substantive work of making peace. Its leader will require a credible, top-level mandate and the support of a small, dedicated, interagency task force to press the U.S. agenda with the key players on three continents. This is the ticket to leadership. It's been done before.

*The writer, assistant secretary of state for African affairs from 1981 to 1989, represented the United States in the negotiations that produced the May 1991 Angolan peace accords.*

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Page 6A - THE DAILY CITIZEN - Searcy, Ark. - Friday, August 20, 1993

# A chase, a wreck, and 20 naked Pentecostals

By The Associated Press

VINTON, Louisiana — The devil made them do it. That's what some of the 20 naked Pentecostals packed cheek-to-cheek into a car told police after the vehicle was chased into a tree.

Officers watched in disbelief as the group piled out of the 1990 Pontiac Grand Am after the wreck and began religious chants.

The passengers, relatives from Floydada, Texas, said they were en route to a religious retreat somewhere in Florida, Police Chief Dennis Drouillard said.

He said some passengers said they

"Didn't have a stitch of clothes on. I mean, no socks, no underwear, no nothin'. They didn't say much. They mainly got out and chanted religious sayings."

— Police Chief Dennis Drouillard

stripped because their clothes were possessed by the devil.

"Didn't have a stitch of clothes on. I mean, no socks, no underwear, no nothin'," he said. "They didn't say much. They mainly got out and chanted religious sayings."

The police stopped the car Thursday after getting a report that the car contained naked people. The driver got out wearing only a towel, but then jumped back in, sped off, and crashed into a tree, police said.

The car was totaled, but the injuries all were minor, Drouillard said.

"I guess when you're packed in that tight, there's not much room to move around," he said. A police officer gave the passengers clothes at the scene.

Drouillard said the group ranged in age from 1 to 65 and included three pregnant women and five children, who were stuffed into the trunk.

Driver Sammy Rodriguez and his brother, Danny, said they were Pentecostal preachers, Drouillard said.

Floydada Police Chief James Hale said he had been looking for the Rodriguez family since Tuesday, when relatives reported them missing. "They made statements like the devil was after them and Floydada was

going to be destroyed if they stayed here," Hale said. Floydada is a small Texas Panhandle town about 550 miles from Vinton.

The family left Floydada in five or six cars, abandoning them and belongings along the way.

Sammy Rodriguez, 29, was held pending an investigation into reckless endangerment of the children. He was booked on suspicion of reckless driving, flight from an officer, and other offenses.

The 19 others were released and spent the night in a shelter.

Don't we need to pass a new bill or  
Law - only 10 naked people allowed  
in one car? 2 in Trunk?

4 St John's Wood Cir  
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## How to Get Tough With Haiti ✓

The thugs who prevented U.S. and Canadian troops from landing in Haiti on Monday do not represent the majority of the Haitian people. The country's voters made their choice three years ago when they elected President Jean-Bertrand Aristide with a 65 percent majority. The military elite, accustomed to unquestioned power, drove him into exile. Now that elite, aided by its paramilitary "attachés," is invoking nationalist pride and characterizing the U.N. mission to restore President Aristide as a foreign invasion.

The attachés, who prevented a U.S. troopship from landing and threatened the U.S. chargé d'affaires on Monday, kept at it yesterday by menacing a television crew with machine guns and preventing children from attending school.

The junta clearly has no intention of following the agreement reached in July on Governors Island in New York City, which created a timetable for returning President Aristide to power. The thwarted mission was supposed to be a part of the process, helping to "professionalize" the military and separate it from the police force.

In accordance with the Governors Island agreement, economic sanctions against Haiti were lifted in August. It was those sanctions — fully supported by Haiti's poor majority, despite the pain it caused them — that finally forced the recalcitrant military, led by Lieut. Gen. Raoul Cédras, to the bargaining table. But General Cédras and his cro-

nies have demonstrated in the past few days that they have no intention of giving up power.

While nominally accepting the U.N.'s conditions to get the sanctions lifted, General Cédras has obviously been sending quite another message to the troops at home, encouraging them to believe they can stop democracy through intimidation.

Now it's time to get serious with the Haitian junta. Since the Governors Island agreement has clearly been broken, the economic sanctions should be reimposed — and strengthened. General Cédras should be given a very short deadline — 24 to 48 hours — to get his followers under control.

President Clinton has belatedly but correctly recognized that the U.N. mission, in its recent form and under the present hostile circumstances, would not work. He has ordered a temporary halt to the mission. Now Mr. Clinton can tell General Cédras that he must give up power to the democratically elected Government, as agreed, or face a naval blockade and cessation of all commercial air traffic and financial transactions — in other words, complete isolation from the international community.

Only when the United Nations joined in the Western Hemisphere's embargo, cutting off its oil supply from Europe, did Haiti's ruling elite feel enough pain to start talking about handing over power. It's clear they now need another sharp reminder that complete disregard for the will of their own people will carry a heavy price.

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## Intelligence Failures Cited In Setbacks Against Aideed

By R. Jeffrey Smith  
Washington Post Staff Writer

The effort to track down Somali warlord Mohamed Farah Aideed has been hampered by weak human intelligence, inadequate spy equipment and a reluctance by the United States and its allies to exchange their best information, according to U.S. officials and experts who have studied the operation.

As a result, according to some U.S. and United Nations officials involved in the operation, the intelligence community has had difficulty fixing the whereabouts of Aideed and many of his top lieutenants, correctly estimating the strength of his military organization or predicting the increasingly sophisticated tactics his forces have employed.

The officials attributed some of the intelligence shortcomings to the extraordinary challenge of conducting a Western-led spy operation in the unfamiliar terrain of downtown Mogadishu, where the high-tech eavesdropping and reconnaissance equipment that Washington developed during the Cold War is often less useful than a talkative local resident.

U.S. officials also cited the difficulty of conducting intelligence operations under a disjointed U.N. structure and alongside officials who report to other capitals and have conflicting views on the conduct and goals of the military operation. The unusual mistrust that developed between U.S. and Italian officials in Somalia led each to accuse the other of withholding or leaking information.

But some officials also said the defects stemmed from a reluctance by Washington to commit sufficient intelligence resources to the support of U.S. forces and an imprudent decision here to pull out too many intelligence officers when the U.S. troop deployment was scaled back from 28,000 early this year.

"We had a big contingent, a sizable contingent there, with a good network throughout the country. ... [But we] substantially pulled that down when we pulled out" all but 5,000 or so personnel, said Sen. Dennis DeConcini (D-Ariz.), chairman of the Senate Select Committee on Intelligence.

DeConcini had praised the U.S. spy operation after visiting Somalia last spring, noting then that senior U.S. military commanders had reported receiving "fine intelligence

... immediately" about what various warlords were doing, who they were talking to and where they were getting their information and equipment. But he said in an interview yesterday that in recent months that operation deteriorated.

Among the losses, DeConcini said, was "our cutting edge of knowing what Aideed was doing"—even as the goal shifted from humanitarian relief to defending U.S. and allied forces from Aideed's attacks.

Rep. Dan Glickman (D-Kan.), chairman of the House Permanent Select Committee on Intelligence, expressed similar concern yesterday. "I don't think we've given the intelligence function of this military operation the priority that it should have had," he said in an interview.

Glickman, who was briefed on the intelligence-gathering efforts in Somalia by CIA and Defense Intelligence Agency officials Sept. 22, said those who directed the operation had not developed a sufficiently "robust" strategy for collecting human intelligence and also had failed to use aerial reconnaissance like that deployed in the former Yugoslavia.

"I don't fault the military commanders," Glickman said. "The mission was not clear, plus the U.N. structure [contributed to] a serious lack of confidence and trust among the participating nations." He also said Washington may not have anticipated "the failure of UNOSOM [the U.N. operation in Somalia] to provide, collect, and disseminate intelligence."

Rep. Jack Reed (D-R.I.), an intelligence committee member and former Army Ranger who visited Somalia at Glickman's request in August, said "in Somalia, our technical advantages have been neutralized" by Aideed's familiarity with the local terrain, his habit of remaining constantly in motion and his rare use of radio broadcasts.

Reed also said he met U.S. intelligence officials who were demoralized by the weak U.N. leadership and its neglect of basic spy tasks. He said that "by default" all spying has been left to individual nations that rarely provide information to each other or to the United Nations.

"As each subordinate commander scrambles to call his home ministry of defense to assemble a picture of the battlefield, coherence and unity of command suffers," Reed said. ...

They  
we need  
to discuss this  
by Glickman & Reed  
a good interview  
Monday 10/12/93  
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Night after night, the American public witnessed television scenes of appalling suffering in Somalia: emaciated people with fly-covered, distended bellies, brought on by years of brutal civil war, drought, man-made starvation and a superpower rivalry in the region. Rebel groups with no agenda beyond overthrowing Africa's most brutal dictatorship — former president Mohamed Siad Barre's — led Somalia into a state of egalitarian anarchy.



By Ali Mohamed, a Somali electrical engineer living in Arlington, Va.

During Operation Restore Hope, the United States took the lead in restoring hope to southern Somalia, where thousands of people were dying each month. Today, towns like Baidoa, where just 10 months ago as many as 500 people died every day, farmers now expect a good harvest.

When it stuck to feeding the starving, Operation Restore Hope was a success. But when the U.S. and U.N. changed their focus from saving lives to taking them by meddling in clan politics, the good will clearly transformed.

The transformation can be measured by the rising death toll of U.S. soldiers and Somali civilians.

On Sunday, at least 12 U.S. soldiers were killed, 78 more wounded, at least six are missing and one soldier is held hostage in fighting in Mogadishu. Most Somalis deplore the disgusting act of parading the corpse of a U.S. soldier through the streets of Mogadishu.

Last month, more than 100 Somali women and children were killed by U.S. cobra gunships when Mohamed Farrah Aidid's compound was misidentified.

Now, the Clinton administration is sending hundreds more troops to Somalia. That will only escalate the violence in southern Mogadishu because it follows the misplaced policy of the U.N. in Somalia of using military intervention to solve a problem.

Concentrating solely on capturing Aidid is clearly not working and could be a costly mistake that could lead Somalia into more chaos. What the international community must remember is that Aidid is one of the political leaders who helped to overthrow Siad Barre's brutal regime. Because of his role in Siad Barre's overthrow, some Somalis view Aidid as a liberator. He is a legitimate Somali leader who has strong support and a loyal following among the Habir-Gedir subclan — who are not afraid to die. Destroying Aidid will not be easy.

Somalia needs international support. But since Somalis are the stakeholders in the future of their country, any long-term plan for the country must come from them and not from temporary guests. That is why the humanitarian mission should now be to help Somalis help themselves.

Somalis are fed up with the policy of taking sides in the power struggle of their country, which has long been the practice of the United Nations. For example, when U.S. ambassador to the U.N. Madeleine Albright met a few months ago in an old airport hangar in Kismayu — guarded by U.N. tanks — with a group of Somalis handpicked by the U.N., many Somalis saw that

meeting as siding with a rival and meddling in clan politics.

And Adm. Jonathan Howe, the American head of the U.N. mission, has created much havoc in Somalia's political reconciliation process simply by personalizing his differences with Aidid.

The Clinton administration would be wise to replace Howe and appoint a special representative — someone with the stature of former president Jimmy Carter — to mediate the stand-off in southern Mogadishu. Mediation and negotiation could save lives.

In order to build democratic institutions in Somalia, the U.S. and the U.N. must respect the rights of all Somalis in their self-determination. This includes:

- ▶ Allowing Somalis to officially establish two peaceful and stable northern and southern states.

Somalia's problems are not only security in southern Mogadishu, but the immediate need to establish two independent

# Don't meddle in Somalia's politics

The mission should be to help Somalis help themselves. Any long-term peace for the country must come from Somalis.

USA TODAY • THURSDAY, OCTOBER 7, 1993

Somali states. Somalia is a divided nation. Northern Somalis have already declared themselves citizens of the Republic of Somaliland. They want their country recognized with the world's blessings.

- ▶ Encouraging and supporting genuine Somali leaders — clan elders — who are solving their disputes in traditional ways without U.N. Secretary-General Boutros-Ghali's method of resolving every Somali dispute through costly military intervention.

Recently in Boorama, a city in northwest Somaliland, henna-bearded elders, through four months of lengthy but peaceful mediation and negotiation, brokered a peace pact among rival clans. The elders formed a council of elders and democratically elected Mohamed Egal, former prime minister of Somalia, as the new leader of the Republic of Somaliland. The historic meeting could set a good example for the rest of Somalia in peacefully resolving their differences.

There, in Somaliland, local leaders have good control over the security of their newly independent state. But Somaliland desperately needs international aid in the areas of education, health and refugee rehabilitation.

- ▶ Encouraging and supporting freedom of the press by helping to build new radio stations. Recent destruction by U.S. gunships of the only functioning radio station in Mogadishu, on which thousands of people relied for news and information, is no way to promote freedom of the press in a country with a history of press censorship.

- ▶ Understanding that Somalia's immediate need is to rebuild its shattered economy — a process that could take years.

Somalis have long suffered under brutal, despicable dictatorships. They do not want to become victims of a misguided U.S. policy led by incompetent U.N. bureaucrats.

- ▶ U.S. reaction, 1A, 4A

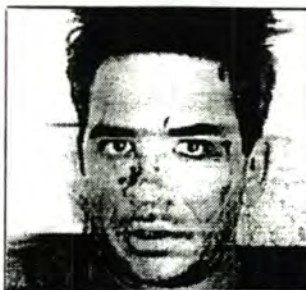
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THE PRESIDENT HAS SEEN

# The President Deserves Support

*Somalia address offers proper balance, insight and common sense*

The course of action in Somalia outlined by President Clinton on Thursday, in his brief but effective nationwide address, is not without risk. Indeed, with Americans in harm's way there, further U.S. casualties appear inevitable between now and the newly announced pullout date of March 31. But the alternative course—immediate and total withdrawal, whatever the consequences for now and the future—offers greater risk.

For one thing, it would leave behind without immediate protection at least one captured U.S. helicopter pilot and untold numbers of largely grateful Somalis who are now eating decent food and bathing in clean water because of the heroic American response to the human tragedy there.



Downed U.S. pilot Michael J. Durant in a Somali videotape.

Also abandoned would be scores of humanitarian workers and the reputation of the United States as a steady, unshakable military and political superpower.

By contrast, Clinton's wiser approach, for the cost of about 5,300 more soldiers and Marines and additional equipment, permits the United

States to wind down its commitment with measured calm and due caution. To stay much longer would be to go beyond public and congressional sentiment, which obviously is for withdrawal. So, from the Oval Office, in a now almost classic Clintonesque fashion, the President outlined a sensible though not detailed Somalia policy.

We emphasize this point to our California delegation and Congress at large. The President has taken a lot of flak in the last day or two. We're not asking for cessation of criticism or suspension of watchfulness. But in the grand tradition of bipartisanship in American foreign policy, the time has come not only to prudently and determinedly leave Somalia but to firmly support the President.

## PERSPECTIVE ON HEALTH CARE

### Boosting Workers' Security



**Those disabled or on welfare will be employable; all will be free to change jobs.**

By PAUL STARR

One aspect of President Clinton's health security program has hardly received adequate attention: For millions of people, it is a ticket to economic freedom.

Today's health-insurance system keeps many Americans from becoming fully productive citizens. Three out of 10 people, according to public opinion surveys, say that they or someone in their family have had to give up a better job opportunity because of a pre-existing medical condition.

And just as the system produces "job lock," so it also produces "welfare lock." Many people stay on welfare primarily to qualify for Medicaid because the jobs available to them don't carry health benefits.

The same is true for many people with disabilities: Often, government health benefits are available only if they do not work, and jobs with health benefits are hard to find because prospective employers may face steep premium increases if they hire someone at risk of high medical bills.

By prohibiting exclusions of pre-existing conditions and requiring all employers to provide health coverage, the President's program will eliminate both job lock and welfare lock.

And because employers will join large pools called "health alliances" and pay a percentage of average premiums, they will no longer fear high insurance rates as a result of hiring people with a history of serious illness or disability. That will reduce barriers to employment.

Indeed, one little-mentioned

provision of the President's program goes even further: People with disabilities will receive a tax credit for personal-assistance services worth 50% of earnings—a major incentive to take a job.

In addition, the new benefit offering home- and community-based long-term care will open up opportunities to go to work for many people—primarily women—who are now at home caring for an elderly parent or disabled member of their family.

All these positive effects on work and employment need to be remembered amid the noisy

**'Firms that now insure, whether they are big or small, will see their health insurance costs go down.'**

claims of opponents that the President's program will hurt small business and jobs.

In fact, small businesses that now provide insurance stand to gain dramatically. Small business pays the highest administrative overhead on health insurance—40 cents on the premium dollar for businesses with fewer than five employees. By purchasing coverage through the new health alliances, small business will get immediate relief from high administrative costs.

Moreover, discounts for small businesses will enable them to purchase coverage for no more than a flat percentage of payroll—as low as 3.5% for firms with fewer than 50 workers and average wages below \$12,000. Firms with wages averaging \$24,000 and over will pay their share of premiums or 7.9% of payroll, whichever is less.

Larger firms will also benefit from the requirement that all employers participate. When employers pay for insurance, they typically pay for an entire family, including the employee's working spouse. Under reform, the costs of families will be more equitably spread, reducing the cost to each firm for workers with families by about one-third.

Employers who now pay for health insurance also indirectly pay for the uninsured, who leave unpaid bills at hospitals. After reform, that burden will be lifted.

For all these reasons, firms that now insure, whether they are big or small, will see their health insurance costs go down, counteracting the effects on firms that have to pay for health insurance for the first time.

Reform will also help overcome one of the major obstacles to starting a new small business. Employees at big firms who would like to set up a small business often can't get health insurance at a reasonable price, especially if they have a pre-existing condition. Even if they are healthy, they face the risk of starting a business and then becoming sick and uninsurable. Guaranteed coverage at affordable rates through the health alliances removes that risk.

As the health-care system has become more costly and inequitable, it has imposed enormous hidden costs on Americans with all kinds of desires and dreams—starting a business, taking a better job, getting off welfare, making a new start after suffering a disabling injury. Health-care reform will not just offer them security. It will give them back their freedom.

Paul Starr is a professor of sociology at Princeton who has been working on the Clinton plan. His book, "The Social Transformation of American Medicine," won the 1984 Pulitzer Prize for nonfiction.

THE PRESIDENT HAS SEEN  
10.20.93

Ellen  
Good piece  
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B.

# Not So Fast on Somalia

By Bob Kerrey

WASHINGTON  
The horror of American bodies being dragged through the streets of Somalia and the shock of Army Rangers being ambushed have left Americans furious and numb. The disaster has brought an understandable instant response: get our troops out now. However, as President Clinton said yesterday, before a hurried

Bob Kerrey, Democrat of Nebraska, is a member of the Senate Intelligence Committee.

pullout, we must think hard about the meaning of what we're doing in Somalia.

Nobody argues we should stay in Somalia any longer than minimally necessary. But the way we leave is crucial.

We will not leave Mogadishu until we get our hostages back and every American serviceman is accounted for. Beyond that, the Somalis don't have anything we want. Apart from the humanitarian problem that brought us there, Somalia isn't a security concern. But it does matter that the world learn how to act when countries or regions fall apart.

Countries participating in United Nations operations must persevere in

them. America's example has the most to do with whether such operations succeed.

We want the operation in Haiti to succeed because failure could send us another flood of impoverished immigrants. I call that defense of the United States. We want the operation in Bosnia to succeed because we don't want the European countries and Russia and Turkey coming to blows. I call that defense of the United States.

For the U.N. to succeed in these operations, other countries need confidence, training and leadership. That's where we come in. If the U.N. can learn from our military how to do things right, we won't have to go to every fire. Other countries will pull

their full load and won't look for the U.S. to lead every operation. But we are still providing leadership by example so that others will commit themselves and U.N. peacekeeping and peacemaking will succeed.

If we left Somalia prematurely, that example, which our military has burnished for months by its conduct

## The U.N. needs our leadership.

under pressure, would be tarnished — and with it the idea of a collective response to regional problems. A retreat by any name is still a retreat.

But we need to lay down some guidelines for U.S. participation in all U.N. operations. First, the U.S. should be called upon for its unique strengths — intelligence collection, logistics, medical support, communications — but not for infantry units, which many countries have available. Our superpower status and the reputation of our combat units give thugs like Gen. Mohammed Farah Aidid a target to use to build prestige.

Second, we should insure that U.S. forces are always under U.S. command and have sufficient U.S. backup for protection. The need to call on foreign armored units to help rescue our Rangers was shameful.

Third, our participation should be proportional. I object to sending thousands of U.S. combat troops to Bosnia when wealthy, well-armed European countries can do more in a cause whose failure will have more immediate consequences for them than is.

Fourth, every decision to participate in a U.N. peacekeeping operation should be subject to Congressional approval.

Because our departure from Somalia will affect future U.N. operations, we should leave with dignity and only when properly relieved. As Nebraska's senior Senator, J. James Exon, a Democrat, said in the Senate yesterday, America might well regret a precipitous decision taken at this time of stress.

In the meantime, we should have no illusions that we, or anyone, will ever create a democratic government there. The military in Somalia should lower its profile. The diplomats should get the Somali factions together, declare a Somali government and pronounce the U.N. operation over. And soon. □

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THE PRESIDENT HAS SEEN  
10.20.93

THE NEW YORK TIMES THURSDAY, OCTOBER 7, 1993

Rubin

What do you think?

# Deal of the Century

THE PRESIDENT HAS SEEN  
10.20.93

By ALFRED C. SIKES

It has long been said that a telecommunications revolution is at hand. With the merger of Bell Atlantic Corp. and Telecommunications Inc., it has happened. On Tuesday, one of the largest U.S. local telephone companies and the biggest U.S. cable company announced their intention to join forces, instantly transforming the telecommunications industry in America and, one can assume, serving as a catalyst to similar mega-mergers in the future.

That is, if the merger goes forward as planned. The Bell Atlantic-TCI deal will surely be one of the most tantalizing invitations to come Washington's way in the commercial history of the U.S. Nothing stirs congressional and regulatory passions more than the electronic Fourth Estate. The concern will be, of course, that such a merger is anticompetitive. Both the Justice Department and the Federal Communications Commission will review the deal.

I for one, speaking as a former FCC chairman, think the merger's promises outweigh its risks. And I think the risks are manageable.

The merger partners claim the deal is in fact pro-competitive, and this seems right. Thanks in part to rapid technological progress, the twin monopolies of cable TV and telephone service are becoming more and more vulnerable to competition. With this merger and others like it, the real competition will begin.

## A Future That Works

To imagine the form such competition will take, one need only look to Britain, where increasing numbers of people can place their telephone calls through either British Telecommunications (the equivalent of the pre-breakup AT&T) or a cable TV provider. Oddly enough, most of the cable TV/telephone companies in Britain are based in the U.S.

The fact is that fiber optics, digital compression technology, computers, cellular telephony and ingenious software have broken the telecommunications monopolies. These days, one-dimensional companies can become multidimensional by simply upgrading their plant and equipment. Only legal restrictions—known as cross-ownership prohibitions—have kept the U.S. from leading Britain into the new era of local telephone and cable competition.

Luckily, the legal restrictions in the U.S. are weakening. Last year the FCC authorized phone companies to provide a

"video dialtone" to make it easier for them to compete in video markets. And this summer a federal district court judge in Alexandria, Va., ruled (on First Amendment grounds) that a law prohibiting telephone and cable cross-ownership in the same market was unconstitutional. The lawsuit's plaintiff was, not incidentally, Bell Atlantic.

As these legal changes were taking place, the cable and telephone industries were exploring alliances—for obvious reasons. Telephone companies have capital

*Thanks to technological progress, the twin monopolies of cable TV and phone service are becoming more vulnerable to competition. With the Bell Atlantic-TCI merger, the real competition will begin.*

and engineering skills that a debt-laden cable industry desperately needs; cable companies, in turn, have the wide transmission paths (via coaxial cable) and the video assets that telephone companies desperately want to have.

The first sign of things to come was the alliance between U S West, the Denver-based telephone company, and the cable and programming unit of Time Warner Inc. The Bell Atlantic-TCI merger confirms the logic of that earlier deal and will no doubt set off a frenzy of deal-making.

Business logic aside, however, the pivotal question is whether the Bell Atlantic-TCI transaction is in the public interest. Will this combination of behemoths have the potential to smother competition, thus denying the benefits consumers want and monopolizing telecommunications on behalf of its own programs and services? Unless the government falls asleep, the answer is no.

The government should not let these companies combine facilities in markets they both serve. It should, however, encourage them to confront the monopolies in each other's industries. TCI's assets, for example, should help Bell Atlantic in its effort to compete against cable providers in Philadelphia; and Bell Atlantic's assets

should help its TCI division take on U S West's telephone monopoly in Denver.

Such competition will be joined by competition in other forms, of course. Direct satellite-to-home TV service will be launched in December and offered to consumers in the spring. Television broadcasters will soon deploy a digital network. Cellular telephone companies are poised to provide an alternative to fixed phone link services. And AT&T and MCI will undoubtedly also be in the midst of these new technological offerings. All of them will speed by years the advanced interactive networks that many foresee as the endpoint of the telecom revolution. The video phone call that some people talk about now seems in sight.

## Change the Law

Even so, much can be done to help this dynamic process along. The Bell Atlantic-TCI merger should push Washington's leadership—regulatory and congressional—to change badly outdated laws.

- Statutory cross-ownership prohibitions should be repealed. Such a repeal is essential if multidimensional services—now technologically possible—are to ignite investment in advanced networks.

- With the repealing language, Congress should send the FCC a simple message, defining its two missions: First, the FCC should ensure that communications access to people's homes and businesses is not monopolized. (Access rules are a must if such a monopoly threatens.) Second, wherever there is a telephone monopoly, the FCC should bar it from using the captive ratepayer to fund competitive services.

- Finally, Congress should revisit municipal regulation of the cable industry. If cable companies are to develop standardized telephone services and mount an effective campaign against their competitors, they cannot be regulated inconsistently by more than 30,000 local governments.

Clearly, today's communications potential is enormous. What the Bell Atlantic-TCI merger offers us is a dramatic vision of the day when we will have a choice between advanced interactive-video network providers. One can only hope that Washington will not stand in the way.

Mr. Sikes is head of Hearst Corp.'s New Media and Technology Division in New York.

10.30.93

THE WALL STREET JOURNAL FRIDAY, OCTOBER 15, 1993

# What the CIA and Aristide Should Know About Haiti ✓

Current policy analyses of Haiti display a remarkably high degree of ignorance about the most critical factor in all Haitian power struggles: The role played by the military and the police, a combination of which was behind the expulsion this week of U.S. and United Nations forces.

Perhaps the best way of understanding what generates the military's power base in Haiti is by following their role as gatekeepers of various levels of corruption within the society. What we call corruption in the U.S. is not always perceived as such by the subculture of the army. This difference in perception requires us to view military corruption within the context of the

## The Americas

By Michel S. Laguerre

officer's entrepreneurial activities, to see how community values foster or inhibit that corruption.

• *Case 1: A subdistrict in the north-eastern department.* An officer in charge of this subdistrict developed a farm near the village where the barracks are located in the hope of gaining additional income beyond the monthly salary he earns from the army. This is very common among officers assigned to military posts outside of the main cities. The officer's extra income is made possible because of his power over the civilian population as a military officer and as a police officer responsible for the prison in his subdistrict.

The officer uses his position in the village to get free labor for his farm. Prisoners under his custody are sometimes brought to his farm to work. What do they get in return? Not much. Since they are in jail, and the officer is in charge of the jail, there are not many choices for them other than to do what is ordered.

The officer's other alternative for farm labor is to ask the *chef-de-section* (rural police) to assemble a group of workers for him. Those workers who seek the protection of the rural police chief do not have any choice other than to acquiesce to the invitation. They provide free labor and in so doing enhance the status of the chief of section as a leader in his community, keep him in the good graces of the military officer (on whom he depends) and reinforce the relations between the officer and the local civilian population.

To plant his farm, seeds and plants are given to him either by the peasants themselves, by his friends who are big landowners, or by illegal Dominican immigrants if he happens to be posted in a border town. Dominican traders who cross the border illegally provide him with those seeds and in return are protected from arrest and incarceration.

Even the use of the farmland is often granted to him for free through his connection with the local *Bureau des Contributions* (akin to the Internal Revenue Service), which supervises the selling and renting of local, state-owned land. The local administrator engaged in corrupt practices may provide land to an officer rent-free because this becomes a way of buying protection for himself from the military establishment.

• *Case 2: A military district in the northwest.* This district's military headquarters is located in a coastal city where contraband goods are often unloaded. The officer is able to acquire a certain percentage of profits from any deals made by the contrabandists. In return, he protects them and lets them operate without interfering in their illegal business activities. From the contrabandists, the officer receives either outright cash or merchandise.

Through that scheme, the officer developed a commerce within the barracks that lasted six months. He sold U.S.-acquired

merchandise to the soldiers—mostly clothes and foodstuff. The barracks served as a storage place for these goods and a marketplace where he sold them even in broad daylight. When the local civilian population started talking about it in a negative manner, he stopped using the barracks to carry out his business.

His next scheme involved the sale of chicken legs. These were U.S. products acquired through a contact who controlled a contraband racket in the city. The contact served as an associate, and they shared between themselves. The officer was able to maintain that business for a long period of time, until he was transferred to another city.

• *Case 3: The officer-owner of a multipurpose store.* This case concerns an officer stationed in Port-au-Prince. He developed a textile store to which he added other products that are much in demand in town. Since he cannot be in the store all day, his wife serves as a manager and bookkeeper for the store. He is always anxious to let people know that the store is his wife's venture.

Nevertheless, when he is not on duty at the barracks, he is often seen at the store. Because he is an officer and because of his contacts at the *Bureau des Contributions*, he pays no annual taxes for the building and the business. Also, because of his contacts at the customs house, he pays no import taxes on the merchandise that his wife purchases abroad. While most merchants have to wait for the goods to clear customs before they can have access to their imported merchandise, this officer comes in, gets what he wants and goes



Jean Aristide

back to the store.

His wife makes a good profit not simply because they do not pay the exorbitant taxes that are forced on other merchants, but because clients pay their debts much quicker than normal for fear that they might end up in jail if they default. Some clients buy from the store simply to be in the good graces of the officer. They figure that they might need his help and his protection if their daily lives turn sour, politically or otherwise.

The common element in all three examples is the system of overregulation and taxes that prohibit individuals from conducting business unless they pay bribes or are themselves in positions of bypassing the excessive regulatory structure. By lowering or eliminating the regulations and extortionist taxes to a level where avoidance costs are greater than the costs of complying with them, the *raison d'être* for most sources of economic corruption (and coercion) would be eliminated.

There are two ways that returning President Jean-Bertrand Aristide could deal with the corrupt socio-economic environment that feeds Haiti's destructive military machine: 1) Confrontation—by throwing in jail all those who deal in contraband or tax evasion; 2) Economic restructuring—by announcing a dramatic deregulatory program that would undercut both the route of entrepreneurial corruption and the source of power that the military uses to manipulate economic and social events in Haitian society. Clearly the latter strategy would be more likely to decrease tension and even help lead to economic development.

Mr. Laguerre is a professor of social anthropology in the African-American Studies Department at the University of California at Berkeley and the author of "The Military and Society in Haiti" (University of Tennessee Press).

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THE PRESIDENT HAS SEEN



Stanley K. Sheinbaum

## FAX TRANSMITTAL

DATE: October 17, 1993

TO: Nancy Hernreich

FIRM: The White House

FROM: Stanley K. Sheinbaum

COMMENTS: For the President

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FAX: (310) 476-9853

**Stanley K. Sheinbaum**~~CONFIDENTIAL MEMORANDUM~~**TO: President Bill Clinton****FROM: Stanley K. Sheinbaum****DETERMINED TO BE AN ADMINISTRATIVE****DATE: October 17, 1993****MARKING INITIALS:** MM **DATE:** 10/31/93

2016-0662-5

**SUBJECT: ASSAD/SYRIA**

*A: The first page of this memo is merely background, and thus of lesser import. See the middle of page 2 for the real point.*

When Betty and I had dinner with you and Hillary I told you of my sense that the Syrian Ambassador, Walid Al Moualem, seemed to be courting me. Several months before I had had a three hour Sunday lunch and that has been repeated several times since the Israeli/Palestinian "signing" on the lawn. When I described that to you along with some of the content of those conversations you asked me to maintain and even develop the relationship with the Ambassador and if possible, with the rest of the Syrian leadership. You repeated the same the next morning when I ran into you--in your jogging clothes, mind you--going into your upstairs conference room with your team to work over your health speech for later in the day. You then again urged me to keep on with that Syrian contact.

As a result I decided on an NPQ trip for this past week with my editor, Nathan Gardels, to interview Papandreou in Greece right after his expected election victory, King Hussein in Jordan, and finally with President Assad in Damascus. The interviews were for *Global Viewpoint*, the joint venture between NPQ and the *Los Angeles Times*, whereby we provide a column a week on a very topical subject to 130 newspapers around the world. (I am enclosing a *Global Viewpoint* letterhead to indicate some of those we have already interviewed--yourself included--and to which papers they are distributed. Both are partial lists.)

Papandreou was easy to schedule. In 1967-68 I effectuated his release from jail under the military junta there. He later said I had probably saved his life, and while I can't say he will always do my bidding, he has always been cooperative. King Hussein also was easy because Queen Noor happens to be a very good friend. For the real purpose of the trip I asked the Syrian Ambassador for an appointment with Assad hoping for a date immediately after leaving Jordan--which was to have been early this week.

**President Bill Clinton-CONFIDENTIAL MEMORANDUM****October 17, 1993****Page 2**

He not only cabled it to Assad but he also handed it personally to the Syrian Foreign Minister at about the time the two of them were meeting with you. Unfortunately, the Foreign Minister did not return to Damascus in sufficient time to work out a specific date for me.

Because Syria was my priority stop I did not want to go to Greece and then Jordan only to learn that I could have the Assad appointment for, say, two weeks hence. I cannot keep running back and forth from Los Angeles at that kind of pace. After my last session with the Syrian Ambassador, who still had not heard back from Damascus, I decided to return to L.A. and wait. In the meantime Nathan Gardels went ahead with the Papandreu and the King Hussein interviews, both of which I will fax to you.

Before I left D.C. for Los Angeles Thursday afternoon I tried to get an appointment with you to tell you of my conversations with the Syrian Ambassador which I thought warranted seeing you. I had also met with Dennis Ross and the Israeli Ambassador, Itamar Rabinovitch. Out of all that I have one recommendation for something I believe only you can do. Nancy told me that a meeting with you was not in the cards because of some immediate pressures. (I assume those pressures were due to a combination of Haiti and Somalia.) I then decided to race home, and as a poor substitute for meeting with you, prepare this memo.

*B. The following is the substantive and therefore the major part of this memo, but please forgive the long buildup. I felt I had to provide that background.*

Assad obviously is a major key to smooth progress in the months and years ahead not only for the Israeli/Palestinian part of the peace process, but for the region as a whole. Nothing of what I tell you will probably be news to you, but I did come to some conclusions which I felt essential to pass on if I were to be useful on your behalf.

From his Ambassador I got the sense that Assad, even though he has lost his patron, the Soviet Union, still perceives himself as the leader in the Arab world. Al Moualem repeatedly made much of how offended Assad was by the recent agreement between the Israelis and the Palestinians. He felt--especially after the two visits to Damascus by the Secretary of State this past summer--that such a good rapport had been established that it bordered upon being an unwritten declaration of principles. (The Ambassador admitted to me that he did not know what the specifics of all that was about.) With everybody thinking an Israeli/Syrian deal was close at hand Assad resented being abruptly knocked out of the box by the celebration on the lawn.

**President Bill Clinton-CONFIDENTIAL MEMORANDUM****October 17, 1993****Page 3**

According to the Ambassador, Assad has long had little use for Arafat (nothing new) and does not consider the Palestinians of any stripe to really be of consequence. The Syrians are quite disdainful of Palestinians generally. Indeed, the Syrian version--also nothing new--was that Arafat had to grab for anything he could get and even without that fragile motivation the agreement with the Palestinians will leave them with nothing in the long run. (As you know there remain many Palestinians aside from the rejectionists who feel similarly. That is one of the reasons why unless a deal is struck soon with Syria the Palestinian/Israeli accord could wind up in tatters.)

At the same time and despite the recent meeting in Damascus of the ten Palestinian rejectionist groups and despite the sometimes not so ambiguous negative pronouncements about the Israeli/Palestinian accord Assad is intent on coming to some resolution with Rabin--and soon--even though Rabin annoyed him by racing to sign with Arafat. The Ambassador repeated this a number of times notwithstanding, to repeat, those pronouncements. He also went to great pains to repeat several times the progress that the Syrians felt was achieved earlier during the Christopher visits. Assad put even more stock in the phone conversations between you and him. That left him with the distinct sense according to the Ambassador that he could deal with you and work things out despite his anger by then at what he felt was a premature Israeli/Palestinian deal. Much was made of your two conversations. (Someday I would like to hear about them from your side.)

The Syrians are now bewildered by what seems to them to be a foot drag on the part of the Israelis in moving toward an accord together. They know that Rabin is very much afraid of "overloading the circuit", that is, to tell the Israeli people that he is indeed going to give up the Golan, so soon after the famous handshake. Whether or not there is validity to that concern the Syrians think that Rabin is overstating the case and is using it as a rationale to delay coming to terms with Assad.

I myself have trouble figuring out how much the Israeli people would indeed be willing to accept at this time. After talking with any number of knowledgeable Israelis the consensus is that the deal with the PLO has been accepted, far more than most of them expected. However, there is very little to go on in terms of exactly what the reaction would be to ceding the Golan.

In my meeting with Ambassador Rabinovitch he never did agree that Rabin was in any way dragging his feet in moving ahead with Assad, no matter how much the Syrians think so. I happen to be particularly impressed with Rabinovitch, but I felt that the main reason he gave me for any immediate concern on the part of the Israelis--aside from the traditional enmity between Israel and Syria--was one other explanation which I thought had a feeble quality to it. He was angry that the Syrian Foreign Minister when he was in Washington last week refused to meet with Israeli journalists, and concluded that to be evidence that it was Assad and not Rabin who

President Bill Clinton-CONFIDENTIAL MEMORANDUM  
October 17, 1993  
Page 4

was doing the foot drag. I just don't feel comfortable drawing any major foreign policy implications from that sort of thing. In fact, that could be perceived as something being tossed in to shift the foot drag motive to the opposing party as a means of distracting from one's own foot drag.

Then, as Rabinovitch and I were saying goodbye he told me to tell you that you ought to put the arm on your Ambassador in Damascus to persuade Assad to move ahead.

The Syrian Ambassador, Al Moualem, assures me that a meeting between me and President Assad is definitely in the making. (Whether at that point I will want it to be a discussion or an interview I will decide as I move ahead in these next days and weeks.)

*My proposal and the reasoning for it:* What I think ought to be done soon is in the context of Rabin's fear of overloading the circuits and the need therefore to show something positive to the Israeli people about Assad and Syria. I discussed some of these thoughts with Al Moualem and while he did not jump up and down with glee he urged me to go ahead and meet with Assad.

If Assad still purports to be the leader of the Arab world and still wants to be perceived as calling some of the major shots and assuming he wants a deal with Rabin, he has to give Rabin something with which Rabin can reduce possible resistance from the Israeli people.

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President Bill Clinton-CONFIDENTIAL MEMORANDUM  
October 17, 1993  
Page 5

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One other part of this chess game is that the Syrian and the Israeli negotiators are scheduled to meet in Washington on October 26. For these meetings to manifest little or no progress would escalate the mutual distrust. I am not suggesting those meetings be postponed; the reaction would be similar. There is enough nervous uncertainty already. In any event, I repeat what I think is a necessary and probably the essential ingredient for positive movement and that is that Assad has to cooperate in bolstering Rabin's position with the Israeli people.

After all that fanfare on the lawn for Arafat--whom Assad despises--and given what apparently seems to be an intense pique about having been shunted aside, only you, to repeat, are positioned to persuade him to be aggressively cooperative in this regard. Somebody--you--has to gently but firmly tell him to de-demonize himself to the Israeli people thus giving Rabin elbow room. But he would have to get something out of it which a personal meeting with you would provide. Later--at the appropriate time--he will want to get off the terrorist list and be part of the American circle. He then will want more concessions and he has to understand that with peace they will come.

President Bill Clinton-~~CONFIDENTIAL~~ MEMORANDUM  
October 17, 1993  
Page 6

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Respectfully,



SKS/kc  
clinton.15  
enclosure

cc: Secretary of State Warren Christopher

P.S. Should you want to discuss this or have me come to Washington for any reason I can almost always be on a plane within hours. On the other hand, and as I have told Secretary Christopher several times, I am very wary of making any moves that somehow will clash with or impede something else that is going on in the same arena. I will never be offended if you tell me to butt out. After all, you butted in.



Stanley K. Sheinbaum

THE PRESIDENT HAS SEEN <sup>10/20</sup>

**FAXED**

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: MM DATE: 10/21/93

2018-0612-5

CONFIDENTIAL MEMORANDUM

*Danny - This is very  
interesting - you were  
heard at dinner last night*

*B.*

TO: President Bill Clinton

FROM: Stanley K. Sheinbaum

DATE: October 17, 1993

1 (PAM) OCT 19 1993

SUBJECT: ASSAD/SYRIA

A: *The first page of this memo is merely background, and thus of lesser import. See the middle of page 2 for the real point.*

When Betty and I had dinner with you and Hillary I told you of my sense that the Syrian Ambassador, Walid Al Moualem, seemed to be courting me. Several months before I had had a three hour Sunday lunch and that has been repeated several times since the Israeli/Palestinian "signing" on the lawn. When I described that to you along with some of the content of those conversations you asked me to maintain and even develop the relationship with the Ambassador and if possible, with the rest of the Syrian leadership. You repeated the same the next morning when I ran into you--in your jogging clothes, mind you--going into your upstairs conference room with your team to work over your health speech for later in the day. You then again urged me to keep on with that Syrian contact.

As a result I decided on an NPQ trip for this past week with my editor, Nathan Gardels, to interview Papandreou in Greece right after his expected election victory, King Hussein in Jordan, and finally with President Assad in Damascus. The interviews were for *Global Viewpoint*, the joint venture between NPQ and the *Los Angeles Times*, whereby we provide a column a week on a very topical subject to 130 newspapers around the world. (I am enclosing a *Global Viewpoint* letterhead to indicate some of those we have already interviewed--yourself included--and to which papers they are distributed. Both are partial lists.)

Papandreou was easy to schedule. In 1967-68 I effectuated his release from jail under the military junta there. He later said I had probably saved his life, and while I can't say he will always do my bidding, he has always been cooperative. King Hussein also was easy because Queen Noor happens to be a very good friend. For the real purpose of the trip I asked the Syrian Ambassador for an appointment with Assad hoping for a date immediately after leaving Jordan--which was to have been early this week.

**President Bill Clinton-CONFIDENTIAL MEMORANDUM****October 17, 1993****Page 2**

He not only cabled it to Assad but he also handed it personally to the Syrian Foreign Minister at about the time the two of them were meeting with you. Unfortunately, the Foreign Minister did not return to Damascus in sufficient time to work out a specific date for me.

Because Syria was my priority stop I did not want to go to Greece and then Jordan only to learn that I could have the Assad appointment for, say, two weeks hence. I cannot keep running back and forth from Los Angeles at that kind of pace. After my last session with the Syrian Ambassador, who still had not heard back from Damascus, I decided to return to L.A. and wait. In the meantime Nathan Gardels went ahead with the Papandreou and the King Hussein interviews, both of which I will fax to you.

Before I left D.C. for Los Angeles Thursday afternoon I tried to get an appointment with you to tell you of my conversations with the Syrian Ambassador which I thought warranted seeing you. I had also met with Dennis Ross and the Israeli Ambassador, Itamar Rabinovitch. Out of all that I have one recommendation for something I believe only you can do. Nancy told me that a meeting with you was not in the cards because of some immediate pressures. (I assume those pressures were due to a combination of Haiti and Somalia.) I then decided to race home, and as a poor substitute for meeting with you, prepare this memo.

*B. The following is the substantive and therefore the major part of this memo, but please forgive the long buildup. I felt I had to provide that background.*

Assad obviously is a major key to smooth progress in the months and years ahead not only for the Israeli/Palestinian part of the peace process, but for the region as a whole. Nothing of what I tell you will probably be news to you, but I did come to some conclusions which I felt essential to pass on if I were to be useful on your behalf.

From his Ambassador I got the sense that Assad, even though he has lost his patron, the Soviet Union, still perceives himself as the leader in the Arab world. Al Moualem repeatedly made much of how offended Assad was by the recent agreement between the Israelis and the Palestinians. He felt--especially after the two visits to Damascus by the Secretary of State this past summer--that such a good rapport had been established that it bordered upon being an unwritten declaration of principles. (The Ambassador admitted to me that he did not know what the specifics of all that was about.) With everybody thinking an Israeli/Syrian deal was close at hand Assad resented being abruptly knocked out of the box by the celebration on the lawn.

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According to the Ambassador, Assad has long had little use for Arafat (nothing new) and does not consider the Palestinians of any stripe to really be of consequence. The Syrians are quite disdainful of Palestinians generally. Indeed, the Syrian version--also nothing new--was that Arafat had to grab for anything he could get and even without that fragile motivation the agreement with the Palestinians will leave them with nothing in the long run. (As you know there remain many Palestinians aside from the rejectionists who feel similarly. That is one of the reasons why unless a deal is struck soon with Syria the Palestinian/Israeli accord could wind up in tatters.)

At the same time and despite the recent meeting in Damascus of the ten Palestinian rejectionist groups and despite the sometimes not so ambiguous negative pronouncements about the Israeli/Palestinian accord Assad is intent on coming to some resolution with Rabin--and soon--even though Rabin annoyed him by racing to sign with Arafat. The Ambassador repeated this a number of times not withstanding, to repeat, those pronouncements. He also went to great pains to repeat several times the progress that the Syrians felt was achieved earlier during the Christopher visits. Assad put even more stock in the phone conversations between you and him. That left him with the distinct sense according to the Ambassador that he could deal with you and work things out despite his anger by then at what he felt was a premature Israeli/Palestinian deal. Much was made of your two conversations. (Someday I would like to hear about them from your side.)

The Syrians are now bewildered by what seems to them to be a foot drag on the part of the Israelis in moving toward an accord together. They know that Rabin is very much afraid of "overloading the circuit", that is, to tell the Israeli people that he is indeed going to give up the Golan, so soon after the famous handshake. Whether or not there is validity to that concern the Syrians think that Rabin is overstating the case and is using it as a rationale to delay coming to terms with Assad.

I myself have trouble figuring out how much the Israeli people would indeed be willing to accept at this time. After talking with any number of knowledgeable Israelis the consensus is that the deal with the PLO has been accepted, far more than most of them expected. However, there is very little to go on in terms of exactly what the reaction would be to ceding the Golan.

In my meeting with Ambassador Rabinovitch he never did agree that Rabin was in any way dragging his feet in moving ahead with Assad, no matter how much the Syrians think so. I happen to be particularly impressed with Rabinovitch, but I felt that the main reason he gave me for any immediate concern on the part of the Israelis--aside from the traditional enmity between Israel and Syria--was one other explanation which I thought had a feeble quality to it. He was angry that the Syrian Foreign Minister when he was in Washington last week refused to meet with Israeli journalists, and concluded that to be evidence that it was Assad and not Rabin who

## President Bill Clinton-CONFIDENTIAL MEMORANDUM

October 17, 1993

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was doing the foot drag. I just don't feel comfortable drawing any major foreign policy implications from that sort of thing. In fact, that could be perceived as something being tossed in to shift the foot drag motive to the opposing party as a means of distracting from one's own foot drag.

Then, as Rabinovitch and I were saying goodbye he told me to tell you that you ought to put the arm on your Ambassador in Damascus to persuade Assad to move ahead.

The Syrian Ambassador, Al Moualem, assures me that a meeting between me and President Assad is definitely in the making. (Whether at that point I will want it to be a discussion or an interview I will decide as I move ahead in these next days and weeks.)

*My proposal and the reasoning for it:* What I think ought to be done soon is in the context of Rabin's fear of overloading the circuits and the need therefore to show something positive to the Israeli people about Assad and Syria. I discussed some of these thoughts with Al Moualem and while he did not jump up and down with glee he urged me to go ahead and meet with Assad.

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**President Bill Clinton-CONFIDENTIAL MEMORANDUM****October 17, 1993****Page 5**

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President Bill Clinton-CONFIDENTIAL MEMORANDUM

October 17, 1993

Page 6

I would have preferred to have laid this out to you in person, but that was not possible.

Respectfully,

A handwritten signature in black ink, appearing to read 'S. K. Sheinbaum', with a large, stylized initial 'S'.

SKS/kc  
clinton.15  
enclosure

cc: Secretary of State Warren Christopher

P.S. Should you want to discuss this or have me come to Washington for any reason I can almost always be on a plane within hours. On the other hand, and as I have told Secretary Christopher several times, I am very wary of making any moves that somehow will clash with or impede something else that is going on in the same arena. I will never be offended if you tell me to butt out. After all, you butted in.



Stanley K. Sheinbaum

THE PRESIDENT HAS SEEN 10/20

**FAX TRANSMITTAL**

DATE: 19 October 1993

*Very interesting  
American oriented  
paper on women*

TO: Nancy Hernreich

FIRM: \_\_\_\_\_

FROM: Stanley K. SheinbaumCOMMENTS: For the President  
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\_\_\_\_\_NO. OF PAGES (including cover sheet) 8

DESTINATION FAX NO. \_\_\_\_\_

*If you experience any problems with this transmittal  
please call us at 310-472-9541*

FAX: (310) 476-9853



Stanley K. Sheinbaum

October 19, 1993

1. U 10/19  
Nhi  
2. Sheinbaum

VIA FAX

President Bill Clinton  
The White House-West Wing  
1600 Pennsylvania Avenue NW  
Washington, DC 20500-2000

Dear Bill:

As I mentioned in my last letter, *NPQ*, that is, my editor, Nathan Gardels, interviewed Andreas Papandreu right after his amazing re-election as Prime Minister of Greece. It is not only particularly interesting for you and your colleagues who have those responsibilities in that arena, but substantively his thinking on global economics and the Balkans is particularly important--if only because the U.S. will have dealings with him especially in those areas.

Respectfully,

SKS/kc  
clinton.18  
enclosure

cc: Secretary of State Warren Christopher

# GLOBAL VIEWPOINT -- ANDREAS PAPANDREOU

For immediate release (Dist. 10/18/93)

(ITAL) Andreas Papandreu was elected prime minister of Greece in a stunning comeback when his Pan Hellenic Socialist Party (PASOK) won a landslide victory in elections on October 10. Papandreu had been prime minister of Greece from 1981-1987. In January, Papandreu will also take the helm of European leadership when Greece assumes the rotating presidency of the European Community.

During the interview with Global Viewpoint editor Nathan Gardels on October 14 at Papandreu's spacious, modern home in the Athens suburb of Ekali, the 74-year-old prime minister appeared vigorous throughout nearly two hours of discussion. His wife, Dimitra, -- who has stirred controversy because she was appointed the prime minister's personal chief of staff -- visited the room from time to time to check on the progress of the interview. (UNITAL)

PAPANDREOU: AS EC PRESIDENT, GREECE WILL PUSH 'SOCIAL EUROPE' AND BALKAN PEACE

(c) 1993, New Perspectives Quarterly. Dist. by Los Angeles Times Syndicate

GLOBAL VIEWPOINT: The late Willy Brandt predicted that once post-Cold War Europe -- east and west -- had tasted too much of the free market and social insecurity, it would once again tilt left. In the former east, Poland has been the first to move back toward the left. In the West, you campaigned vigorously against privatization, austerity and layoffs in Greece and were rewarded with a landslide return to power. Are we witnessing a turn of the trend in Europe back toward the left, and, in your view, why?

ANDREAS PAPANDREOU: Willy Brandt was correct, I think, in his basic interpretation of how events would unfold. And Greece is the first clear socialist victory in Europe in these times.

But it may be premature to say that this period has already arrived. The return of PASOK in Greece, rather, is a precursor. It represents something that is only budding and which must be nurtured with care if it is going to bloom. There are a lot of expectations. Obviously we have made commitments for measures which will guarantee, let us no longer say the welfare state, but "social sensitivity" in our policies.

At the same time, this new start will collapse unless we manage to increase our productivity so that we can compete in the fierce new global economy that is upon us. Competitiveness is the key new dimension of socialism in the 1990s. One of the reasons socialism receded in Europe, and in Greece, was that we did not understand that if Europe could not compete in world markets we would not be able to achieve any of our social objectives. Only the rapid rise of productivity can protect wages and salaries in a competitive environment.

In this new world it is the only way to protect our standard of living; it is the only way to create the wealth from which we can finance policies of "social sensitivity." What is impressive here in Greece is that the working class has understood this message. In

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the campaign I pledged nothing I cannot deliver. Greeks know they have to work hard to earn their way in the world. My only commitment is to hold the line -- to ensure that real wages do not fall due to inflation.

## BEGIN OPTIONAL TRIM

Of course, what is happening in the east of Europe is not the same as in the west, but there is a commonality in that we all now belong to the same planetary market and to that extent share the same challenges.

Since the 1980s, when the trend of 'neo-liberalism' gained momentum, we have experienced a very rapid globalization of the market. Economic frontiers have been falling all over the world. If GATT is successful, the trend will be further accelerated. As a consequence economic competition is worldwide. The result has been quite harsh for those societies that have grown accustomed to a system of mass production that assured jobs and paid for the welfare state.

The arsenals of the new global battle are labor-displacing technologies; the troops are the legions of low-wage workers in places like East Asia. What globalization of the market has thus meant is a transfer of poverty from East to West. Not only has technology replaced jobs in Europe and America, but the West's mass production system has been replicated in Asia and now competes for our consumers. There is no escaping the fact that Spain's 22 per cent unemployment rate is linked to Asia's rising standard of living.

One of the key goals of any European firm trying to survive while competing with the low wages of Asia is to lower labor costs. That means not only cutting salaries or laying off workers, but also trying to shed the costs, either as taxes or benefits, or pensions, medical care, housing and education for employees. Clearly, frenetic competition on a world scale has undercut social policies and the protection of the less advantaged at a time when more and more of the formerly advantaged are joining their ranks. This is the reason for the renewing appeal of parties of the left. The problem we, like everyone, must face is that productivity increases are based on new technologies that are labor displacing. Rising productivity can thus go hand in hand with a swelling army of the unemployed -- not the old cyclical unemployment that came with recession and went away with a return to growth, but structural unemployment that endures.

## END OPTIONAL TRIM

GV: You also sounded very pro-European integration themes in your campaign. Can you meet your social objectives and still meet the strict convergence criteria -- cutting the budget deficit and inflation -- laid down by the Maastricht Treaty? In other words, can Greece only be as left as the EC allows?

PAPANDREOU: Yes, it does limit us on the social side.

I support Maastricht. Greece voted for it. We want a united Europe. But we have reservations.

The goals of Maastricht are all financial. They are stability

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oriented banking criteria -- debt, inflation and deficits being the major culprits that must be locked up in order to formally converge toward unity.

We in PASOK had the view from the start that the problem with the Maastricht Treaty is that it did not set targets that are also related to employment, to the social dimension of Europe, or to sufficient fiscal policies to shore up the weaker parts of Europe.

Such mechanisms do not exist in the Maastricht Treaty. Of course the Delors II package provides some compensation for the weaker parts of Europe to make the adjustment easier.

But that is not enough. To make adjustment possible means not just meeting formal targets, but also advancing socially. The road toward unity ought to have targets that seek to reduce unemployment just as there are targets to reduce inflation.

Clearly, without targets for a social Europe based on a strategy of growth, Europe is going to face socially explosive forces -- xenophobia and ultra-right threats to democracy.

Who are we kidding to think that unity is going to somehow arrive in Europe if we do not find a way to cope with a 22 per cent unemployment rate as we see in Spain?

GV: Greece has the highest inflation rate in Europe. How will you reduce it?

PAPANDREOU: Greece is afflicted by cost-push, not demand-pull, inflation. There is hardly any consumer demand.

And the government has been the chief culprit because of the high rates it charges for telephones, water, electricity, gasoline ... The whole policy of the previous government has been to increase revenues by charging higher utility rates -- in effect indirect taxes. So the government has been pushing inflation. We can stop the push. The privatization of the phone company which the previous government had planned would have resulted in nothing other than the transfer of monopoly from the state to some large company that would have charged whatever they wanted.

GV: In your first days of government, you have already moved to stop the privatization of Greek telecommunications. Wouldn't the proceeds from that sale have helped to pay down the budget deficit?

PAPANDREOU: We chose to reverse privatization, not because of some blind ideological spot. We did it because we need some levers to be able to guide this economy out of the doldrums. Already, as we discussed, being in the EC limits our ability to address national economic affairs. But we are not going to extremes. The phone company will be allowed to float shares in the market -- 20, 25 or 30 per cent -- if it needs investment funds.

What we don't believe in at all is turning over the phone company to the private sector at a ridiculously cheap price. Our phone company was going to be sold by the previous government for a sum equal to the projected profits of the company in two years! That is not policy. That is nonsense.

GV: Do you plan personally and actively to execute Greece's role when it assumes the presidency of the EC in January?

PAPANDREOU: Yes. And I will have three priorities. First, building a social Europe. We cannot just be throwing people out of a job with total indifference with what happens to them tomorrow.

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Second, equally important and perhaps a precondition of the first, is to raise productivity and instill a mentality of competitiveness in the world economy. Believe it or not, Germany, the giant, has had a drop of 2 per cent in its productivity. If this happens to Germany, and then to all of Europe, then Europe will have a very tough time.

Third, I will press for a foreign policy that has some cohesion and leads to the pacification of the Balkans.

GV: The Serbs have now effectively won on the battlefield in Bosnia. In this event, Sali Berisha, the president of Albania, has warned that the Serbs will thus be freed to turn south in the quest for a Greater Serbia and try to "cleanse" Kosovo of its ethnically Albanian Muslims. Do you think there is truth to this view?

PAPANDREOU: There is truth here only to this extent: there are political and military groups in Serbia that have a "drive south" mentality. But (Serbian President) Slobodan Milosevic and those around him -- let us call it Belgrade -- fully understand that a drive south will mean war. Not war merely between Albania and Serbia, but a Balkan war with the intervention of great powers.

So, Belgrade would have to lose its orientation entirely if it were to drive south. What I am afraid of is that war could happen as a result of provocation from the Muslim side within Kosovo who might want to free themselves from Serbia. Or from some big power

...

GV: What big power? Germany?

PAPANDREOU: They have played a role up to now. Yugoslavia should never have been broken up as it was because they pressed for the recognition of Croatia and Slovenia in December 1991. That is very clear.

Now, though, I'm not sure that the Europeans responsible for the break up of Yugoslavia want this wound to continue to bleed.

Let us not forget that if war breaks out in Kosovo, the Muslim presence in Europe will be much bigger. If Muslims and Serbs fight in Kosovo, there is no doubt that the Muslim forces will come to aid their brothers. We will then have transferred to the ground of Europe the kind of conflict we have not seen here in centuries. To put it frankly, Belgrade does not have a design to drive south. If they did they would be terribly foolish. And as far I can see, Belgrade is not foolish.

It is very important that Berisha also gets the message from the European countries and the United States -- which by the way has taken an admirably prudent stand in the Balkans -- to avoid war. Berisha must not be allowed to believe that if he becomes embroiled in a confrontation with Serbia that he will have the support of some big power.

Greece now, under my government, will be taking every possible measure for a peaceful mission in the Balkans. Our foreign minister will visit them all, country by country.

We have good contacts with the leadership of all these countries. And since no one is afraid of Greece as an imperial power, our word is taken seriously and we can play a mediating role.

GV: When Greece assumes the EC presidency, will you seek to

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remove the sanctions against Serbia?

PAPANDREOU: Look, Serbia has been conducting itself in a way -- talking about the present moment -- which would justify the withdrawal of sanctions. The basic orientation of Belgrade now, in October of 1993, is peace.

At the same time there is a concern that Serbia is getting more than its share of a deal in Bosnia. As long as Serbia gets more than its share, it will be difficult in practice to remove sanctions.

GV: So part of your diplomatic effort will be to persuade the Serbs to yield more to the Muslims in Bosnia so that sanctions can be lifted.

PAPANDREOU: Exactly what we will do I will not spell out. I will say that, knowing this is the problem, we will try to press for a peaceful solution as quickly as possible.

GV: Now that you are in power, what is your position on Skopje, or "Macedonia"? PAPANDREOU: It is very difficult to convey the logic of the Greek government to someone who is not part of the scene. Our main problem is the name. I have to tell you that for decades -- 60 years -- there has been a very strong, well-financed lobby, especially in Canada and Australia, whose aim is to create a "Greater Macedonia," a new state that would include northern Greece.

That there is such thinking, that funds are expended in this direction, is a fact. In order to be able to build this state, there must be a name. Skopje wants the name "Macedonia." This is the source of the negative stand toward recognition of such a state under the name of "Macedonia" on the part of the Greek people, irrespective of party affiliation.

We have no expansionist tendencies or interests. Greece wants stable frontiers. We will defend our own, but we won't touch anyone. That is the fundamental position of this government.

Militarily speaking, we constitute no threat to Skopje. And they do not pose a military threat to us. But it is not possible to legally recognize, Skopje (ital)de jure (unital)with the name "Macedonia," or any derivative of it.

We are committed and unyielding on this point, and the nation is literally united around it. What does non-recognition mean? It doesn't mean, for instance, that traffic or commerce cannot go through. It does not mean sanctions, unless of course there are provocations by Skopje. In the past, for example, they have stopped truckloads of oil on the way to Greece. If they do this now, then we can always make it a little tougher. But this depends on their behavior. We keep this card.

Many countries have recognized Skopje as "Macedonia" because the previous (Greek) government wobbled, with the prime minister and foreign minister telling different stories. This we will not do. Let me repeat, we are not threatening anyone, least of all little Skopje. Our stance is not aggressive. But we will not yield on the name.

GV: You have noted that one result of the breakup of Yugoslavia has been the revival of the old ties of the Christian Orthodox alliance -- Athens, Sofia, Belgrade, Bucharest and perhaps even Moscow.

GLOBAL 10/18/93

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Will issues of war and peace in the Balkans depend less on post-World War II institutions like NATO and the EC in the future, and more on the deeper historical foundations of the region?

PAPANDREOU: Of course, NATO's new role has not yet been defined so we don't know what effect it will have. There is also the effort led by the French for a new European military alliance. But that is in the future.

Now, the Balkan wars, I do believe, have brought to the surface the resonance of Orthodox ties. And of course, the collapse of communism in the Soviet Union has brought Orthodox religion back to the daily lives of the Russian people.

It is true that this is a bond. It was dormant, but with the developments in the Balkans it is taking on some real substance. In a very fluid world, people are seeking identity and security. People are looking for roots and connections to defend themselves against the unknown.

And there are many unknowns in Europe today. Prime Minister Edouard Balladur of France, for instance, has proposed a conference that would re-examine treaties and (ITAL) frontiers. (UNITAL.) So, you see, when a statesman of his magnitude puts such an idea as this before the European Community, then we must be concerned about what changes are being designed for us.

Under such circumstances, we look for points of commonality with those who share our roots. I would not go so far as to say that the institutional ties of post-war Europe are today already less strong than the Orthodox ties being revived. But how that holds depends on where the Europe we have known since World War II goes in the future.

GV: You are remembered by the U.S. as a fire-breathing anti-American who was always threatening to throw U.S. bases out of Greece. What is your view of the U.S. now, after the Cold War?

PAPANDREOU: First of all, let me remind you that my last government was the first to have an agreement with the United States on bases in Greece. Before that they were here informally.

America today is not just a superpower, it is (ital)the (unital) superpower. It is anyone's privilege to comment on that fact, but it is a reality. The Americans go on and make their planetary strategy and countries like Greece can have little influence on it.

Problems that have arisen between Greece and America in the past have of course been due to the famous triangle of Washington-Ankara-Athens, not with America otherwise. The problem, as we all know, is that Greece is in the same security alliance as Turkey -- NATO. Yet that alliance does not protect us from the only country that threatens us -- Turkey.

This friction reflects on the United States because it must choose to support one or the other in this conflict.

Greece wants the closest possible relations with the United States. The cautious and prudent stand of the Americans in the Balkans has shown they are concerned with stability. This goes very well with us. We especially look forward to playing as constructive a role as we can with America in the Balkans since stability of borders is our common aim.

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^EDWIN YODER COLUMN<

^(Advance for Wednesday, October 20, 1993, and thereafter)<

^(For Yoder Clients Only)<

^By EDWIN M. YODER, JR.=

WASHINGTON--When the Supreme Court heard arguments on the nature of sexual harassment in the workplace the other day, observers in the court's ornate chambers thought they detected a distinct man-woman division in the questioning.

The newest justice, Ruth Bader Ginsberg, seemed to be angling for a looser definition of sexual harassment than her friend Justice Scalia.

Maybe she was; but surmises of this sort can be hazardous, if it's assumed that friendly questions signal leniency, or hard ones hostility. But a couple of facts are undeniable: Men and women do tend to view the sexual harassment issue very differently. And because they do, the court, peering into these murky waters, is likely to fashion a definition of sexual harassment which is subjective to a degree. It can't be otherwise.

The case before the court comes from Nashville, Tenn. Teresa Harris was a manager for Forklift Systems. Her boss Charles Hardy, characterized by a lower-court judge as "a vulgar man," regularly berated her and other women on the job as "dumb-assed." He made crude comments about their anatomy. He said things like, "Let's go to the Holiday Inn and negotiate your pay raise." He even suggested that Ms. Harris attracted a new account for the company by offering to prostitute herself.

That was the last straw. She quit and later sued the forklift company for back pay, charging "sexual harassment" under Title VII of the Civil Rights Act.

Sexual harassment has been a legally recognized offense for years but its boundaries remain vague. Seeking sexual favors in return for promotion or perquisites or pay is a clear and patent example. But

(more)

there is another, less definite variety. The court defined that variety five years ago as behavior that creates a "hostile work environment." But the court failed to say how serious it must be to qualify for reparation. Serious enough to make workplaces unpleasant? To impair work efficiency? Or serious enough to inflict "psychological injury"?

Three federal circuits, including the one that turned down Ms. Harris' suit, have made psychological injury the threshold requirement. With the support of the Clinton administration and the American Civil Liberties Union, she argues that the threshold is too high.

But if so, where should the threshold be? Where the language of the written law is vague, and where there are few clear constitutional signposts (nowhere in the Constitution is "sexual harassment" or even classification by sex mentioned), you and I and almost everyone will have differing notions of how severe the offense need be to inflict a legal injury.

The argument for one "national" standard of sexual harassment is that, without it, justice becomes a patchwork, varying from region to region and even from courtroom to courtroom. And it is usually said that if Congress dislikes the rule the court makes, Congress, which has final authority in matters of federal statutory law, can revise it.

In practice, however, the parties to this case are probably playing for keeps. The Supreme Court would have to write a very strange definition of sexual harassment before Congress would run the risk of revising it. The political risk was clearly visible in the wrath visited on the Senate Judiciary Committee during the Clarence Thomas hearings two years ago.

When the court speaks it will almost certainly speak definitively. And, given the subjectivity and complexity of human relations in the workplace, this will be a prize example of what used to be called

``chancellor's foot'' judgment--rulings so personal or whimsical that they were said to be measured by the length of the given judge's foot.

An end is overdue for the casual sexist presumptions men like Teresa Harris' boss make about working women. But what will happen if millions of friendly workplaces must conform, for fear of a lawsuit, to a rigid, judicially tailored definition of sexual harassment? Legalism is a burgeoning feature of American life today; and its essence is the substitution of stiff, formal rules for those webs of custom, civility, good humor and good manners that make work worthwhile.

And it is a pity that rules severe enough to restrain the boorishness of the Charles Hardys of this world, in the worst case, will necessarily apply to all the rest of us. One size fits all? That's the destiny of any society where, as a fine poet once said, laws accumulate and men decay.

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OK  
THE WHITE HOUSE  
WASHINGTON

October 19, 1993

MEMORANDUM FOR THE PRESIDENT

THROUGH: BRUCE LINDSEY, Director of Presidential Personnel

FROM: THOMAS SHEA, Deputy Associate Director

RE: NATIONAL INDIAN GAMING COMMISSION

---

I. BACKGROUND

The National Indian Gaming Commission was established in 1988 by an act of Congress to inspect and oversee regulated Class II gaming operations on Native American lands. Class II games include bingo and certain draw card games, but not bank card games such as baccarat or blackjack, slot machines or other casino games. The Commission is charged with protecting gaming on Indian lands from exploitation or abuse, facilitating economic self-sufficiency and strengthening tribal governments. The Commission has a full-time staff of 22, including six investigators, and a Fiscal Year 1994 budget of \$1.5 million. In addition, the Commission's budget is augmented each year by up to \$1.5 million in fees assessed to the various Native American tribes.

II. DISCUSSION

The bi-partisan commission is comprised of three full-time members: a Chairperson who is appointed by the President with the advice and consent of the Senate; and, two members appointed by the Secretary of the Interior. At least two of the members must be enrolled members of a Native American tribe. The two current members appointed by the Secretary of the Interior are Native Americans whose terms have not yet expired. The Chairperson position is currently available.

III. RECOMMENDATION

We recommend that you approve the nomination of the following individual:

**PETER GOELZ, Democrat of Missouri**, to be a member and Chair of the National Indian Gaming Commission, vice Anthony J. Hope. Mr. Goelz is a partner in the firm of Bergfalk, Goelz & Associates, a marketing and political consulting firm. He served as a consultant to the Clinton/Gore campaign in Tennessee and served as a State Director for the Dukakis-Bentsen and Mondale-Ferraro campaigns. He has initiated and participated in research of casino and Indian gaming, and worked with the Soc-Fox tribe to introduce Indian gaming in the State of Kansas. The staff of Domestic Policy Adviser Carol Rasco has discussed with Mr. Goelz, at length, his views concerning the controversy surrounding the implementation of casino gaming on Native American lands. Based upon these discussions, Ms. Rasco supports the recommendation of Mr. Goelz.

**Sponsors:** Democratic National Committee; Sen. Robert Kerrey (D-NE); Senator Harlan Mathews (D-TN); Rep. Alan Wheat (D-MO); Rep. Jim Slattery (D-KS); Gov. Ned McWherter (D-TN)

Approve: \_\_\_\_\_ Disapprove: \_\_\_\_\_

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# Once big fans of pact, Canadians now pushing for changes

By PETER BENESH  
Special to The Herald

TORONTO — When Canada signed a free-trade pact with the United States in 1988, it did so eagerly, believing it was a good way to protect its U.S. markets.

It never expected that Washington would later want to bring in Mexico and turn the Canada-U.S. Trade Agreement into the North American Free Trade Agreement. And it never expected the kind of political turmoil that would bring.

Former Prime Minister Brian Mulroney embraced NAFTA when it was first proposed in 1990 by Presidents Bush and Carlos Salinas de Gortari of Mexico less out of an interest in trading with Mexico than out of a fear that Canada would lose influence and U.S. markets.

For Canada, two-way trade with Mexico amounts to about \$2.5 billion, a mere one-sixtieth of the \$150 billion in annual trade between Canada and the United States.

## Surveys show that 58 percent of Canadians oppose NAFTA.

Making a virtue of necessity, Mulroney promoted NAFTA before Canadians as a way to win Mexico's help in the fight against U.S. protectionism.

Mulroney also argued for NAFTA as a bid to protect the gains that Canada had notched under the 1989 agreement. But critics now say that NAFTA failed to either halt the U.S. protectionism or improve upon the earlier agreement, and in fact gave away some of its gains.

Mulroney finally rammed the NAFTA enabling act through the Canadian Parliament this spring, though the act has not yet been "proclaimed" and thus is not yet law in Canada.

Yet Mulroney's support for NAFTA may have been one of the key reasons why his popularity

dropped so much that he was forced to resign in June and turn over the prime minister's job to Kim Campbell.

Once a popular politician herself, Campbell was forced to defend her predecessor's record on NAFTA — which surveys show is opposed by 58 percent of Canadians — and now trails in the polls leading up to next Monday's general elections.

Leading the polls is Liberal Party leader Jean Chretien, whose stand on NAFTA is more popular. He is demanding new negotiations on NAFTA, and arguing they are allowed by several provisions of the 1989 two-way pact.

Chretien has promised to concentrate his government on creating jobs. Canada has been stag-

gered by an 11.2 percent unemployment rate, and many blame the original trade agreement for sucking 400,000 jobs south to the United States.

When Chretien first raised the idea of reopening negotiations on NAFTA, his political opponents and even some Liberals questioned his judgment. U.S. Trade Representative Mickey Kantor, in fact, dismissed the idea out of hand.

But last week, to Canadians' surprise and Chretien's delight, Kantor appeared to open the door for more talks with a statement that he wants new negotiations on NAFTA. While he is not quite singing the same lyrics, Kantor seems to be humming a similar tune.

"In some areas, it [NAFTA] could be strengthened," Kantor said. "We want to strengthen NAFTA in a number of areas. We hope that's successful."

Campbell, running fourth in some opinion polls in the five-party race, quickly dismissed the Kantor statement.

# Other Latins watching Mexico with envy, anxiety

By TIM JOHNSON  
Herald Staff Writer

SAN SALVADOR — At one time, when Central Americans talked about imperialists up north, they meant the gringos. Now, they sometimes mean the Mexicans.

With Mexico's possible entrance into a free-trade pact with the United States and Canada, other Latin Americans are watching from the sidelines with a mixture of envy and anxiety. And, ever-so-slightly, some attitudes toward Mexico are shifting.

From Guatemala to Argentina, governments are signing or updating free-trade accords among themselves: the Central American Common Mar-

## Some fret that free trade will reward only a minority.

ket; Mercosur to the south; the Andean Pact across the mountains' spine; and the Caribbean Common Market linking English-speaking islands.

And some are jockeying to procure their own pacts with the north — Nicaragua wants to join the North American Free Trade Agreement and Chile has a free-trade deal with Mexico — even as dissonant voices say that free trade may not be such a boon.

"Within this Darwinian world, the Venezuelan

constitutes one of the species least apt to survive in inclement conditions," analyst Alfredo Toro Hardy wrote in El Diario de Caracas newspaper last month.

Others fret that free trade will reward only a minority.

"Free trade is going to benefit the haves, not the have-nots," said Oscar-Rene Vargas, a Nicaraguan economist. "If one doesn't have anything to sell, what is one going to sell?"

Vargas said Central America now views its

more industrialized northern neighbor as a "sub-imperialist" power, acting at times as a proxy for the United States but also with its own agenda.

"The Mexicans are going to take charge of us," he said. "This suits the United States because it does not have to intervene directly."

Whatever the regional political fallout, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua are racing to revive a long-dormant regional common market. But they are finding many stumbling blocks.

Economically vigorous Costa Rica, for example, is balking at integrating with its poorer neighbors, fearing a flood of immigrants escaping poverty.

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WASHINGTON

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10-10-93

cc of letter  
to BC & ask him  
to see me  
\_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

October 18, 1993

Susan Berardo  
Two Stuart Lane  
Douglaston, New York 11363

Dear Susan:

Thank you for your letter.

I appreciate your concern about my mother, and  
I thank you for sharing the information on the  
Autologous Bone Marrow Transplant.

Your encouragement and offer of support mean a  
great deal to me. Thanks.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Clinton", with a horizontal line drawn underneath the signature.

Rec'd Tray  
10/15

2 Stuart Lane  
Douglaston, N. Y. 11363  
October 1, 1993

President William J. Clinton  
The White House  
1600 Pennsylvania Avenue  
Washington, D. C.

Dear President Clinton:

Maybe from the attached picture you will remember me as a letter reader at the Future Diner in Queens, N.Y. recently. When you sat down next to me you mentioned your mother's problem, and I am sending this literature I used in researching what approach to take in my treatment. Included also is information on the Autologous Bone Marrow Transplant (ABMT).

The ABMT is somewhat extreme and other things are often tried first. As I said though, I did hear of a man who had it at 60. If your mother has no major organ problems it might be possible - though many hospitals have an age cut-off due to its severity as a treatment.

I'm sorry she and your family are facing this most devastating disease. I lost my mother to it in her 50's, and held my kid sister in my arms as she cried getting her treatments. So I know how frightening it can be.

I'm also sorry that, when you were mentioning this, I was waving like a fool to my husband to take a picture. The school where I work, as well as my family, wanted us to get a picture. I'm sure it will be treasured and passed down.

I wrote a piece for the school paper at work and, as I said near the end, "The President was an intelligent, receptive, and charismatic man. His warmth and enthusiasm lit up the room more than the photographers' lights."

If I'm around for the next presidential election, I'd love to get out and campaign for you. I do a lot of "networking" and am singing the praises of the health-care reform as it was explained to us all present.

God bless and good luck with your mother's problem. Luck also to yours and Mrs. Clinton's ambitious proposal.

P. S. Simone Richmaeir and Susanna Wellford are to be commended as lovely, efficient girls.

*Susan Berardo*

THE WHITE HOUSE  
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*The best way to destroy an enemy is to make him a friend.*

— Abraham Lincoln

# Tourism: A Vital Force for Peace

Tourism has the potential to be the world's great "peace industry," as people meet face-to-face and establish strong, personal ties with one another.

Tourism has been one of the world's most consistent growth industries of the past 30 years. The governments of many nations are playing a stronger role in encouraging the growth of both domestic and international tourism as a means of job creation and economic diversification and as a source of foreign exchange.

Beyond its economic significance, there is a growing realization that international travel can play a role in promoting understanding and trust among people of different cultures. This is not only a precondition for additional trade in goods and services, particularly with newly emerging trading partners, but also a foundation on which to build improved relationships toward the goal of world peace and prosperity.

President Dwight D. Eisenhower said in 1959, "I like to believe that

people in the long run are going to do more to promote peace than governments. Indeed, I think that people want peace so much that, one of these days, governments had better get out of their way and let them have it."

## Track-Two Diplomacy

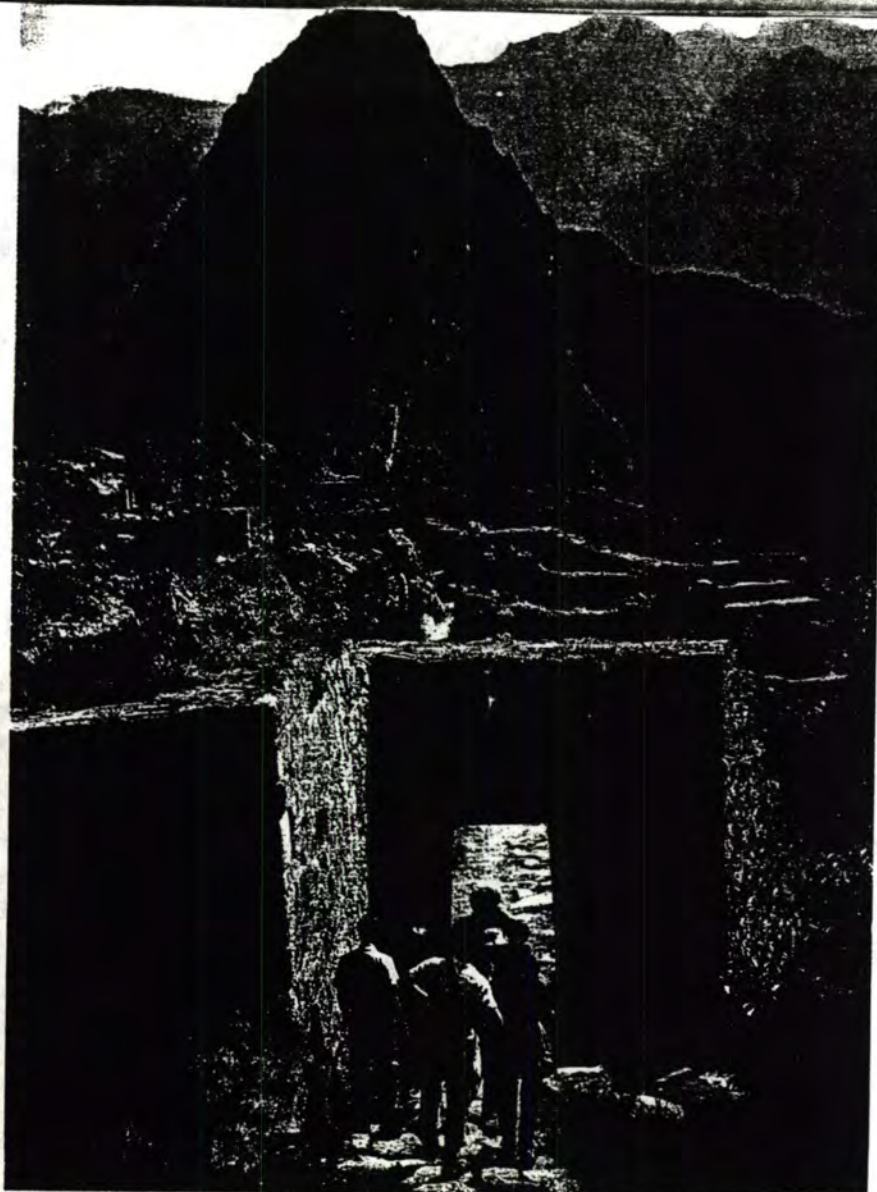
In a seminal article on citizen diplomacy written in the Winter 1981-1982 issue of *Foreign Policy*, William D. Davidson and Joseph V. Montville defined the official channel of governmental relations as track-one diplomacy and the unofficial channel of people-to-people relations as track-two diplomacy. Their article suggested that the two tracks run parallel. Track-two diplomacy is a "supplement to the understandable shortcomings of official relations," wrote Davidson and Montville.

To defend their nations' interests, track-one diplomats must make worst-case assumptions about an adversary's intentions. But these very assumptions can set

**Left:** Travelers get their first glimpse of the ancient Incan city of Machu Picchu after a four-day trek through the Peruvian Andes.

**Below:** Volunteers clean up the ruins of Phuyupatamarca (City Above the Clouds) on the Inca Trail. Each year, special groups of travelers clean up more than 800 pounds of litter left on the trail.

KURT KUTAY



KURT KUTAY

**Above:** The principal entrance to Machu Picchu, the "lost" city on the Inca Trail. More and more travelers are working on a variety of preservation projects as part of their tourism experience.

in motion a chain reaction of mutual distrust, threats, and hostilities that can culminate in war.

Track-two diplomats, the authors argued, create an alternative set of relationships that can prevent such a chain reaction. Tourism operates at the most basic level of track-two diplomacy by spreading information about the personalities, beliefs, aspirations, perspectives, culture, and politics of the citizens of one country to the citizens of another.

Louis Brandeis, one of America's great jurists and thinkers, once said that there could be no true community "save that built upon the personal acquaintance of each with each." Travel and tourism, which include business meetings and pro-

fessional exchanges, provide such an opportunity: the opportunity for individuals to gain first-hand knowledge of the larger world. The 5,000 international conferences held each year, for example, increasingly draw on people of all nations to share their concerns, propose solutions to problems, exchange ideas, and create "opportunity networks."

Some 30 years ago, the European Economic Community was established with the objective of reconciling the enemies of two world wars. The EEC was based on the premise that if the peoples of these countries got to know each other better, there would be less likelihood of war. One of the cornerstones of EEC policy is freedom

to travel and minimizing frontier controls.

The People's Republic of China, a nuclear-armed country widely regarded as a "yellow menace" in the 1960s, has in the past 15 years become a friend to the West. The key to a changed political relationship between the United States and China has been an opening to travel and the web of relationships that have developed through cultural exchanges, conferences, sports, twinning of cities, trade, and a growing set of common interests.

China opened its doors to the outside world in 1978 following visits from Canadian Prime Minister Pierre Trudeau and U.S. President Richard Nixon. Visitor arrivals

**"Tourism operates at the most basic level of track-two diplomacy by spreading information about . . . the citizens of one country to the citizens of another."**

have grown annually by 20%-30% since 1978. More than 2 million foreign visitors will travel to China in 1988. By the year 2000, foreign visitors are expected to number 7-8 million.

### **U.S.-Soviet Travel**

Recently, both the United States and the Soviet Union have demonstrated an eagerness to improve relations between the two countries. The Geneva Summit, in November 1986, sent a clear signal to the world that the relaxation of tensions was possible and had begun. Recognizing the benefits of travel in achieving better relationships between the two countries, General Secretary Gorbachev and President Reagan declared in their joint statement following the summit:

There should be greater understanding among our peoples and to this end we will encourage greater travel.

A few days before the two leaders met, Reagan gave what has since been called his "People to People" speech:

Imagine how much good we could accomplish, how the cause of peace would be served, if more individuals and families from our respective countries could come to know each other in a personal way.

. . . I feel the time is ripe for us to take bold new steps to open the way for our peoples to participate in an unprecedented way in the building of peace. . . .

We could look to increase scholarship programs; improve language studies; conduct courses in history, culture, and other subjects; develop new sister-cities; establish libraries and cultural centers; and yes, increase athletic competition. People of both our nations love sports. If we must compete, let it be on the playing fields and not the battlefield.

In science and technology, we could launch new joint space ventures, and establish joint medical-research projects. In communications, we'd like to see more appearances in the other's mass media by representatives of both our countries. . . . People-to-people contacts can build genuine constituencies for peace in both countries. . . .

Such exchanges can build in our societies thousands of coalitions for cooperation and peace. Governments can only do so much; once they get the ball rolling, they should step out of the way and let people get together to share, enjoy, help, listen, and learn from each other.

It is not an impossible dream that our children and grandchildren can someday travel freely back and forth between America and the Soviet Union; visit each other's homes; work and study together; enjoy and discuss plays, music, and television; and root for teams when they compete.

About a million visitors traveled to the Soviet Union in 1987, including some 120,000 Americans. What is significant is the types of visitors traveling to the Soviet Union. They include environmentalists, developers, economists, movie producers, political leaders, professors, and others who are meeting with their professional counterparts to exchange ideas and explore joint projects.

Various conferences have included an International Peace Forum in February 1987 and the Seventh Annual Convention of Physicians for the Prevention of Nuclear War. Other events have included a Walk for Peace, a Moscow Marathon for Peace, a Bering Strait Swim for Peace, a Conference of High School Students for Peace, and an Ice Cream Exchange for Peace.

The Soviet Union has been promoting trips by "Friendship Trains" and "Peace Cruises." Eight-

teen cultural centers have been opened where tourists may participate in friendship parties and meet with their Soviet counterparts. A new tour introduced by Intourist this year, "We Are the Soviet People," includes visits with Soviet families.

Since the 1986 Geneva Summit, exchanges between the United States and the Soviet Union have opened on all fronts. Exchanges have occurred among artists, writers, athletes, business executives, youth, women's groups, academics, and others.

The 200-member Soviet Army Chorus and Dance Ensemble was one of the groups that toured cities in North America in 1987 — their first tour in 14 years. Their performances included a peace song, "Love Lights the World," written by a group of North American writers.

In March 1987, the Center for Soviet/American Dialogue co-sponsored a conference in Moscow on "Social Invention," establishing a U.S.-Soviet network of "social inventions." The network expects to communicate on an ongoing basis via the San Francisco/Moscow tele-port and PeaceNet, a computer-conferencing network. And this February, the Center teamed up with the Soviet Peace Committee in sponsoring a week-long Soviet-American Citizens' Summit in Washington, D.C., whose participants included housewives, arms controllers, astronauts, musicians, and psychologists.

An "Entertainment Summit Conference" brought together Soviet and American directors, writers, actors, and journalists. The conference was based on the conviction that the screen should be used as a bridge to connect the United States and the Soviet Union. Participants expressed their commitment to professional cooperation

**"Travel and tourism experiences help all humanity to appreciate the full meaning of the 'Global Village.'"**



between Soviet and American filmmakers in the production of films in both countries that represent the authentic characters, problems, and spiritual hopes of the two countries.

### **The Heritage of Place**

Tourism contributes to both preservation and development of the world's cultural heritage. It provides governments with the rationale for the preservation of historical sites and monuments and the motivation for indigenous groups to preserve unique dimensions of heritage in the form of dance, music, and artifacts. Tourism also provides both the audience and the economic engine for museums, the performing and visual arts, and the restoration of historical areas.

Partners for Livable Places is a Washington-based coalition dedicated to improving urban design and amenities for the enjoyment of residents as well as tourists. Its flagship program, "The Economics of Amenity," focuses on demonstrating the social and economic benefits that result from cultural facilities, urban parks and open spaces, natural and scenic resources, well-designed buildings, restored historic areas, museums, and healthy civic institutions. Partners has helped hundreds of communities identify, develop, and promote their own unique amenity profile, thereby improving quality of life for residents, enhancing retail activity, attracting business investments, and stimulating a convention and tourism industry.

### **Preserving the Planet**

The tourism industry, combined with our world parks systems, can make a contribution to living in harmony with our environment as well. The tourism industry makes possible the setting aside and pres-



**Top:** Soviet student entertains American guests at his home. **Above:** Chief physician of City Hospital No. 1 at Tashkent, USSR (left), talks with visiting American physician, member of a delegation from Seattle.



Chinese and American students visit the Sun Yat-sen Memorial in Nanjing, China. The number of foreigners visiting mainland China has grown by as much as 30% a year since 1978.

ervation of vast tracts of land as national parks and wilderness areas. More than 3,000 protected areas in 120 countries and covering more than 4 million square miles are now preserved in their natural state. Visitors to these areas experience the beauty and majesty of the world's finest natural features and come away with a heightened appreciation of environmental values.

A particularly noteworthy tour company is Journeys International, based in Seattle. Working within the concept of an "extended global family," Journeys invites and facilitates participation in a kinship that extends beyond the temporal bonds of a trip. Since its founding 10 years ago, the company has placed high priority on helping local communities to protect their natural and cultural heritage.

Through the nonprofit Earth Preservation Fund, the Journeys staff and travelers have volunteered time and resources in small-scale local projects. These have included forest restoration projects in Nepal and Costa Rica, wildlife conservation in Africa, monastery restoration projects in the Himalayas, the restoration of Peru's Inca Trail, a variety of conservation-education projects, and solar-energy projects. Their "Human Warmth Project" provides warm winter clothing to people in villages of Nepal, Tibet, Ladakh, and Peru.

Transfrontier parks, or border parks, provide a special category

of national parks. These are protected areas located along the boundaries of countries and are increasingly recognized as "Peace Parks." Border parks, on each side of a frontier, offer the benefits of larger, contiguous protected areas, increased cooperation between nations, and improved international understanding.

Poland and Czechoslovakia pioneered the concept of international cooperation in establishing border parks. The Krakow Protocol, signed in 1925, resulted in three joint park areas being set up between 1948 and 1967.

The first international peace park, called the Waterton-Glacier International Peace Park, was dedicated in 1932, symbolically uniting Glacier National Park in Montana with Waterton Lakes National Park in Alberta. The park's stated purpose is to permanently commemorate the long-existing relationship of peace and goodwill between the United States and Canada. Forty-four transborder parks now exist, and others are being dedicated.

#### **Tourism and Socioeconomic Development**

Severe poverty, stemming from underdevelopment, is not only an active cause of conflict, but is inherently a form of "violence." Pope Paul VI once said that "development is the new name for peace." The tourism industry is a human-resource-intensive industry. It has

the capacity to generate foreign exchange and a high ratio of government revenues as a proportion of total expenditures.

Tourism also has a capacity for linkages with other sectors of the economy. Properly designed, it can contribute to social and cultural enrichment as well as economic development. For these reasons, it is increasingly attractive as an industry among developing nations.

Kenya provides an excellent example of how the establishment of parks and the development of a tourism industry have evolved. In that country, tourism is now second only to the export of tea and coffee as an earner of foreign exchange. Since independence, Kenya has enjoyed an internal peace and stability uncommon in the Third World. The Kenyans have astutely avoided military action on their frontiers and have acted as mediators for peace in the region.

#### **Tourism: The World's Peace Industry**

The growth in student exchanges, cultural exchanges, twinning of cities, and international sporting events not only gives us an appreciation of our differences, but also shows us the commonality of our goals and aspirations as a human family. The collective outcomes of these travel and tourism experiences help all humanity to appreciate the full meaning of the "Global Village" and the bonds that people everywhere have with one another.

Approximately 400 million persons will travel to another country in 1988. This number is growing by 5%-7% each year. Millions more people will act as hosts to these travelers as part of their daily job, or as interested residents of the host country. These millions of daily person-to-person encounters are potentially a powerful force for

**"Tourism leaders around the world can marshal immense human and physical resources to help achieve global peace in this century."**

improved relations among the people and nations of the world — relations that emphasize a sharing and appreciation of cultures rather than the distrust bred by isolation.

A great many of the most dire problems the world faces today are man-made. And so, too, humanity has the capacity to solve them. Ninety percent of the scientists who ever lived are alive today, and our scientific knowledge base continues to expand exponentially.

The key to solving global issues is the human, institutional, corporate, and political will to do so.

In the early 1960s, President John F. Kennedy had a vision of putting a man on the moon within that decade. The articulation of this vision brought about the marshaling of

human, scientific, and physical resources to make that vision a reality.

So, too, the year 2000 offers an occasion for visionary thinking. There are roughly 40-50 million persons engaged in the tourism industry around the world. The value of the global tourism plant is in the trillions of dollars.

Just as John Kennedy's vision put a man on the moon within a decade, the vision of tourism leaders around the world can marshal immense human and physical resources to help achieve global peace in this century.

The tourism industry has achieved its goal of becoming the world's largest industry. It now has the promise of becoming the

world's first "Peace Industry" — an industry where each member is an "Ambassador for Peace", an industry that will be a model for other industries to follow.



**About the Author**

Louis J. D'Amore is president of L.J. D'Amore & Associates Ltd., 3680 rue de la Montagne, Montreal, Quebec H3G 2A8 Canada.

# Urban Violence Is Changing the Politics of Gun Control

By Dan Balz  
Washington Post Staff Writer

Fueled by scenes of urban violence that flash nightly on local television stations across the country, the politics of guns and gun control are undergoing a transformation.

In Florida, where 10 foreign tourists have been slain in the past year, Gov. Lawton Chiles (D) this week called a special session of the state legislature to consider outlaw-

ing gun possession by minors. Colorado, after a summer of youth-related violence, enacted similar legislation last month.

In New Jersey and Virginia, the National Rifle Association suffered defeats on major gun control bills earlier this year, and New Jersey Gov. Jim Florio (D) and Virginia Democratic gubernatorial candidate Mary Sue Terry both have made gun control a key element of their election campaigns this fall.

In Massachusetts, Gov. William F. Weld (R), who had the endorsement of the Gun Owners of Massachusetts in his 1990 campaign, reversed course last month, calling for a ban on assault weapons to combat growing violence in his state.

And in Congress, the "Brady bill," calling for a five-day waiting period before the purchase of a handgun, could become law by the end of this year, after being tied up on Capitol Hill for years.

What is happening on gun control is analogous to the political shift that occurred four years ago on abortion, when many Republican politicians felt the need to move

See GUNS, A8, Col. 1



## Urban Violence Is Changing the Debate Over Gun Control, Political Analysts Say

GUNS, From A1

away from their strong antiabortion stance toward a more comfortable middle ground. In coming elections, Republican strategists say there will be similar pressure on their candidates to moderate their position on gun control.

The new political environment already has begun to alter the balance of power between the NRA and advocates of gun control and offers the Democrats a longer-term opportunity to change their soft-on-crime image with the voters.

Analysts of public opinion say that while there has been strong public support for stricter controls on guns for years, the intensity of the issue has increased dramatically because of growing fears for personal safety among many urban and suburban voters.

"On our national data, it's not health care as the No. 1 issue facing the country, it's

crime, drugs and gang violence," said Republican pollster Neil Newhouse.

Celinda Lake, who polls for Democratic candidates, said sizable majorities in such western states as Montana, Idaho, Arizona and South Dakota now favor banning semi-automatic assault weapons. Lake also said that among women, the fear of guns in schools is the No. 1 crime-related issue.

"There is a sense that the times have changed and that the logic of this issue has changed," Lake said.

NRA officials disagree with these assertions. Citing growing membership rolls, Wayne LaPierre, the NRA's executive vice president, said: "People talk about a groundswell. Where is it? The last time I looked, a law in Virginia and a law in New Jersey isn't a groundswell."

But officials at Handgun Control Inc., a 20-year-old lobbying organization, said 1993 has been one of their most successful years. "We're seeing a continued trend of

legislatures reacting positively to constituents' demands for action," said Susan Whitmore, the group's communications director.

Virginia legislators, stung by charges that the state had become a leading national dispensary of guns, enacted legislation last spring limiting handgun purchases to one per month. In New Jersey, where Florio pushed through a ban on assault weapons in 1990, the NRA sought to overturn the law when Republicans took control of the legislature. Florio vetoed the new legislation last winter, then defeated an override attempt in the state Senate. Connecticut passed an assault weapons ban in June, becoming the fourth state to do so (the others are California and Hawaii).

Gun control is likely to be a factor in next year's gubernatorial election in Maryland. Two top Democratic candidates, Lt. Gov. Melvin A. Steinberg and Prince George's County Executive Parris N. Glendening, are

honorary co-chairmen of Marylanders Against Handgun Abuse. The state attorney general and a leading Republican challenger favor tougher gun laws.

Legislative attempts to control guns may come to a head in Congress later this year. President Clinton is pushing for passage of the Brady bill as part of his crime package and recently made a strong pitch for Congress to pass legislation banning assault weapons. The Brady bill is given the better chance of passing, but it could get tied up in the politics of the crime bill. The NRA's LaPierre swears the assault weapons ban has no chance of passing this year.

Whatever the outcome on the individual battles brewing in the states and nationally, it is clear the terrain has begun to shift, with politicians increasingly willing to take on the NRA, perhaps the most feared special-interest lobby in the country.

In New Jersey, Florio wears his opposition to the NRA as a badge of honor and has

put his opponent, Republican Christine Todd Whitman, on the defensive for suggesting that some assault weapons should be removed from the state's blanket ban.

In Colorado, Gov. Roy Romer (D) spoke with relish about his recent battle with the NRA. "I took them on very hard," he said. "Every day we had a confrontation of some sort. My position was, if you can't be part of the solution, you're part of the problem, get out of the way."

Romer was incensed over radio ads sponsored by the NRA warning that his proposed bill banning possession of guns by anyone under 18 would take guns away from Olympic shooters and other legitimate users.

The NRA counters by accusing politicians like Romer of demagoguery. NRA officials say the bill enacted in Colorado was one they had supported for months, and

See GUNS, A9, Col. 1

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The PRESIDENT HAS SEEN  
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Must Gun Control  
B

# Candidates Facing Voter Fears on Gun Issues

GUNS, From A8

differed from the legislation Romer initially favored. LaPierre also said the NRA supports the legislation Chiles will push in Florida's special session next month.

But with the escalation of urban violence and teenage killings, the NRA is suffering a crisis in credibility. The NRA's image took a beating beginning in the mid-1980s, when the organization found itself opposing police organizations over "cop-killer" bullets. Since then, it has found itself arguing other gun issues on the opposite side from police groups who say they are out-gunned on the streets by gangs.

Some political operatives say ties to the NRA now carry the same kind of risk for candidates that association with the National Organization for Women (NOW) and the National Conservative Political Action Committee (NCPAC) had in the 1980s.

"Everything I've seen is that the NRA's image has been badly damaged over the last few years," said Ed Goetas, a Republican pollster, adding that for most candidates, "It's a net negative."

For years, the links between the NRA and Republican candidates have been particularly strong (although the NRA enjoys substantial support among western Democrats as well.) But Republican operatives predict more and more Republican candidates will be calling for some kind of gun control legislation.

Weld's call for an assault weapons ban, which he attributed to a changing reality of gun-related violence, could be the leading indicator of a coming trend.

Another advocate of tougher gun laws is Indianapolis Mayor Stephen Goldsmith, a conservative Republican. Goldsmith said he views the Brady bill as a "superficial" solution to the gang violence he is confronting, but that he would favor strict prohibitions on automatic handguns.

"We have to figure out how to absolutely prohibit automatic handguns and enforce it among young males," Goldsmith said in an interview.

Edward J. Rollins, who managed President Ronald Reagan's 1984 presidential campaign and now is working for Whitman, said the growing fear of gun violence poses a dilemma for the Republican Party, whose candidates have enjoyed strong NRA support. "It means Republican candidates have to walk

the line very carefully," he said. "The NRA has been a very important ally."

But if NRA allies have to walk a fine line, NRA opponents, however emboldened, recognize they are still dealing with a formidable force. "The NRA is gradually weakening, but I would underline gradually," said Rep. Charles E. Schumer (D-N.Y.), chairman of the House Judiciary subcommittee on crime and criminal justice. "It's not that they're a behemoth one year and lying on the floor screaming for mercy the next."

Because of the NRA's sophisticated ability to communicate with its members and with voters, politicians who favor gun control may have no choice but to challenge the organization as directly as possible, said Bill Knapp, a Democratic media consultant who is making ads for Virginia's Terry this fall.

"You have to make it an issue in the campaign or you're going to suffer all the downside and none of the upside," he said. "You're going to see people for sensible gun control be more aggressive about it. You have no choice."

LaPierre said the NRA's membership has increased by 800,000 over the past 16 months to 3.3 million. "You've got a couple of Democratic consultants like [James] Carville telling other Democratic consultants to go after guns," he said. "We'll see who's right about

that next fall. Despite what some of these professional consultants want to tell their candidates, the districts back home haven't changed. Seventy million people own guns, half the households have firearms and 20 million people buy hunting licenses. I'll take that base any day."

"It's hard to believe a fellow Frenchman can be so stupid," Carville responded. "The American people see absolutely no reason why people ought to be able to purchase Uzi machine guns or can't wait five to seven days to purchase a handgun."

The changing debate over gun control is only part of the larger debate over how to combat crime, a debate that includes the issues of tougher sentences, parole and prisons. For years, Democrats have been on the wrong side of the debate politically, seen by voters as too easy on criminals and unsympathetic to victims. Republicans say that is still the case, but Democrats argue that the climate of fear among city and suburban voters gives the party an opening, and Democrats from Clinton to big-city mayors also have been proposing to increase the number of police on the streets.

"There was a time when gun control was seen as the liberals' alternative to crime control," said Geoffrey Garin, a Democratic pollster. "Now gun control is very much seen as part of crime control."

**Stanley K. Sheinbaum**

THE PRESIDENT HAS SEEN

10-19-93

October 18, 1993

VIA FAX

*cc:  
Tony  
Hake*

President Bill Clinton  
The White House-West Wing  
1600 Pennsylvania Avenue NW  
Washington, DC 20500-2000

SUBJECT: Syrian Ambassador Walid Al Moualem (More)

Dear Bill:

✓ Just before he left for Syria today the Syrian Ambassador called to tell me that he had been in touch with Lee Hamilton who had raised with him the subject of the missing Israeli soldier in southern Lebanon. Apparently Congressman Hamilton had asked him if a Congressional committee could go to the area to make a search not only for the one soldier that some people think is still alive, but also for the bodies of the six others who are considered to have been slain during the same period. (My information from Rabin about four years ago was that only three were still missing.)

In any event, the Ambassador wanted me to know that Syria strongly encouraged Hamilton to send such a Congressional committee.

Respectfully,

SKS/kc  
clinton.17

cc: Secretary of State Warren Christopher

THE WHITE HOUSE  
WASHINGTON

THE PRESIDENT HAS SEEN  
10-19-93

23 OCT 18 AM 11:42

October 18, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Howard Paster *HP*

SUBJECT: Senator Chafee

I am honor bound to report a conversation with the Senator in which he asked me to urge you to increase the pressure on NAFTA. I told him of your regular meetings with House members, and other activities. He appreciated that, but he also wanted to pass directly to you his view that only your intense personal involvement can save NAFTA.

*See memo /  
GOT the message*

*C.C. Mack  
B.H. Daley*

THE PRESIDENT HAS SEEN

10.19.93

CP  
See me in the



OFFICE OF NATIONAL DRUG CONTROL POLICY  
EXECUTIVE OFFICE OF THE PRESIDENT  
Washington, D.C. 20500

OCT 12 1993 2 26:15

MEMORANDUM TO THE PRESIDENT

FROM: DR. LEE P. BROWN, DIRECTOR  
OFFICE OF NATIONAL DRUG CONTROL POLICY

SUBJECT: CABINET-LEVEL INITIATIVE ON VIOLENCE

I believe it is imperative that we move forward on a cabinet-level initiative on violence. This is a serious issue that has gripped the public's attention and where Federal leadership is urgently needed. The remarks on violence during your weekly radio address this past Saturday clearly underscored this point.

The most recent data show that the overall rate of reported crimes is down. However, rates of crimes of violence are increasing. Moreover, it is this type of violent acts that occur in many of our large cities that the public finds to be most terrifying. Drive-by shootings, heinous acts of child abuse, and senseless murders combine to create an environment that appears to be spiraling out of control in many areas of the country. Last week, for example, I attended a funeral for a four year old girl who was killed in a cross-fire while watching a ball game at a public park in the District of Columbia.

Serious drug abuse is fueling this crisis of violence in our inner cities. Data released last week by the Substance Abuse and Mental Health Administration (SAMHA) showed a 10 percent nationwide increase in drug-related hospital emergency room episodes between 1991 and 1992. Cocaine-related mentions increased by 18 percent, and heroin-related episodes rose by 34 percent. Serious drug abuse fosters a culture that accepts violence and serious risk to others as a natural way of life.

The cycle of violence and drugs is not by any means limited to our inner cities. Rural America does have a serious crime and drug problem which poses unique problems for law enforcement and prevention efforts. A 1990 GAO study found that one of every ten hard-core addicts lives in a rural state and that the rate of high school student use of methamphetamine, inhalants, and steroids is higher among rural students than urban and suburban students.

I strongly believe that the Administration needs to get ahead of the curve in addressing the violence and drug issue. Recently,

The President -- Page Two

members of the House and Senate, both Republicans and Democrats alike, were sharply critical of the Administration for its lack of definitive drug abuse policies. While the release of the Interim National Drug Control Strategy and the Presidential Directive on international narcotics control efforts will rebut many of these criticisms, a Cabinet-level initiative on violence will be a major demonstration of a serious commitment by the Administration to addressing this issue. This is of particular importance to members of the Congressional Black Caucus whose districts are particularly impacted by high levels of violence.

#### Recommended Action

The President should consider taking the following actions:

1. Designate the Director of the Office of National Drug Control Policy (ONDCP) to lead a Cabinet-level Task Force on Violence. As the former Public Safety Commissioner in Atlanta, Police Chief in Houston, and Police Commissioner in New York, I am very familiar with the steps that local governments will need to take to respond to increasing levels of violence. In addition, this tasking will give a highly visible role to ONDCP which the office needs right now. Further, because the issue of violence is broader than law enforcement, ONDCP is uniquely situated to cross-cut the various agencies and departments of the Federal government to bring a multi-disciplinary approach to the violence issue. This can be part of the Administration's overall efforts to pass the crime bill.
2. Use ONDCP's existing authority to designate High Intensity Drug Trafficking Areas to provide additional Federal assistance and personnel to selected areas of the country hit hardest by levels of violence.
3. Target appropriate Federal discretionary grant funds to the designated areas.
4. Establish a Presidential or National Commission on Drugs and Violence in America under the management of the Office of National Drug Control Policy.

I would appreciate meeting with you to discuss this proposal as soon as possible.

To the President:

THE PRESIDENT HAS SEEN

10.19.93

10/19/93

~~Donny-Fox~~  
from Rep Jay Byrum

THE WHITE HOUSE  
WASHINGTON

I am respectfully  
in disagreement with  
Dole on Haiti. If  
force is necessary then  
use it, but use it  
with authority. I will  
not vote against the  
Commander-in-Chief's position  
on military matters, even  
though I reserve the right  
to express my opinion.

Jan D.

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

10.18.93

October 15, 1993

ROUNDTABLE WITH WOMEN'S MAGAZINES EDITORS-IN-CHIEF

DATE: October 18, 1993  
LOCATION: Oval Office  
TIME: 3:40 PM  
FROM: Dee Dee Myers

I. PURPOSE

This roundtable will give you the opportunity to further highlight your health care reform agenda and your Breast Cancer Awareness event.

II. BACKGROUND

The Editors-in-Chief of the women's magazines have worked very closely with the First Lady and her staff on health care issues. They are very anxious to meet you. Women's health stories are a staple in their publications. We have wanted to have you meet with the women editors because of their reach into the women's community. Their magazines, collectively, have circulations in the tens of millions.

III. PARTICIPANTS

1. Dee Dee Myers, Press Secretary
2. Lorraine Voles, Deputy Press Secretary
3. Dawn Alexander, Assistant Press Secretary
4. White House Photographer
5. White House Stenographer
6. Jackie Leo, Family Circle
7. Erica Mark, Good Housekeeping
8. Myrna Blyth, Ladies Home Journal
9. Grace Mirabella, Mirabella
10. Ellen Levine, Redbook
11. Alexandra Penny, Self
12. Kate White, McCall's
13. Jane Chestnutt, Woman's Day

*Dee Dee*  
*I think we*  
*should work*  
*then follow-up*  
*send an edited copy*  
*of your speech - R*

IV. PRESS PLAN

This will be an on the record follow up discussion to the breast cancer awareness event. Coupled with the photos of you and the editors that we release, we will get prominent coverage of the day's event.

03:10 P8:44

THE PRESIDENT HAS SEEN  
10.8.93

Handwritten signature  
B.

**DRAFT**

10/18/93  
2pm

Dear Mr. Leader:

I am writing to express grave concern about a number of amendments that may be offered to H.R. 3116, the Defense Appropriations bill for FY 94. Among the amendments in question are ones regard Haiti, Bosnia and the use of U.S. armed forces in international operations.

I am fundamentally opposed to these amendments. Certain of these amendments have provisions that are unconstitutional. All of them improperly limit my ability to perform my constitutional duties as Commander-in-Chief.

These amendments undermine the proper relationship between our two branches of government in a way that could erode our nation's rightful role in the world. If adopted, they could weaken the confidence of our allies in the U.S. and provide encouragement to aggressors and repressive rulers around the world who seek to operate without fear of reprisal.

America's adversaries and allies must know with certainty that the United States will respond swiftly and decisively in the event of a crisis. Successive administrations have found it critical in world affairs to be able to state that no option has been ruled out. These amendments unacceptably constrain that essential flexibility.

I respect and acknowledge the importance of cooperation between the executive and legislative branches. I recognize, too, that it is difficult to define to Congress's satisfaction the proper role for the U.S. in a post-Cold War world. There will inevitably be give and take between the Executive and Congress as we work to redefine our role in the world. But it is wrong and even dangerous to permit a fundamental shift in the proper relationship between our two branches of government.

Permit me to address certain specific objections to amendments involving command and control of the armed forces, Haiti and Bosnia:

The amendment regarding command and control of U.S. forces would insert Congress into the detailed execution of military contingency planning in an unprecedented manner. The amendment would make it unreasonably difficult for me or any President to operate militarily with other nations when it is in our interest to do so -- and as we have done effectively for half a century through NATO. It could lead to an all-or-nothing approach that causes the United States to shoulder the entire burden of a conflict even when a multinational approach would be most effective from the standpoint of military planning, cost and other American national interests.

The amendment on Haiti could aggravate that nation's violent conflict and undermine American interests. The situation on the ground in Haiti is highly unstable. Limiting my ability to act -

- or even creating the perception of such a limitation -- would signal a green light to Haiti's military and police authorities in their brutal efforts to resist a return of democracy. The amendment unduly restricts my ability to address this volatile situation and to protect the more than 1,000 Americans currently in Haiti. In addition, we must not do anything that could trigger a mass exodus of Haitians, at great risk to their lives and great potential cost and disruption to our nation and others.

With regard to the Bosnia amendment, our nation has made an important commitment to NATO and the parties to the conflict that we would be prepared to help implement a fair and enforceable peace settlement. Thus, this amendment could undermine our relationship with NATO and frustrate the negotiation of an end to the aggression and ethnic cleansing in the former Yugoslavia.

I am committed to full consultation with Congress on our foreign policy. As I have clearly stated for the record, I welcomed congressional authorization for U.S. operations in Somalia and would welcome similar action regarding U.S. efforts in Bosnia, should that become necessary. Further, as this Administration has done and is continuing to do, we anticipate consulting with and keeping Congress fully informed on broad issues and emerging events that affect American national security.

I would welcome an opportunity to engage you and others in the bi-partisan leadership in a full and constructive dialogue about the process of policy development and consensus building in a changed world. But I must resist amendments that are, on one hand, of questionable constitutionality and, on the other hand, unquestionably flawed on policy grounds. In the strongest possible terms, I urge the Senate to reject them.

Sincerely,

Dear Senator Mitchell:

It has come to my attention that the following three amendments may be offered when the Senate resumes consideration of the Defense Appropriations bill, H.R.3116:

- 1) An amendment by Minority Leader Dole to prohibit funding for the deployment of United States Armed Forces in Haiti.
- 2) An amendment by Minority Leader Dole to restrict funding for United States Armed Forces in Bosnia-Herzegovina.
- 3) An amendment by Senator Nickles on the use of United States Armed Forces personnel in certain international operations.

I understand that similar amendments also may be offered by others.

I am fundamentally opposed to these amendments. They constitute a dangerous and unconstitutional effort to restrict the power of the Presidency to command America's armed forces and direct our foreign policy. If adopted, they would provide comfort and encouragement to aggressors and repressive rulers around the world who seek to operate without fear of international reprisal.

America's adversaries and allies must know with certainty that the United States will respond swiftly and decisively in the event of a crisis.

My legal advisers have determined that each of these amendments would unconstitutionally limit Presidential powers -- mine and those of my successors -- to act as Commander in Chief and as Chief Executive Officer of America's foreign policy.

Each of these amendments also is objectionable on grounds of policy.

The amendment regarding command and control of U.S. forces would insert Congress into the detailed execution of military contingency planning in an unprecedented manner. The amendment would make it unreasonably difficult for me or any President to operate militarily with other nations when it is in our interest to do so -- and as we have done effectively for half a century through NATO. It could lead to an all-or-nothing approach that causes the United States to shoulder the entire burden of a conflict even when a multinational approach would be most effective from the standpoint of military planning, cost and other American national interests.

The amendment on Haiti could aggravate that nation's violent conflict and undermine American interests. The situation on the ground in Haiti is highly unstable. Limiting my ability to act -- or even creating the perception of such a limitation -- would signal a green light to Haiti's military and police authorities in their brutal efforts to resist a return of democracy. The

amendment unduly restricts my ability to address this volatile situation and to protect the more than 1,000 Americans currently in Haiti. In addition, we must not do anything that could trigger a mass exodus of Haitians, at great risk to their lives and great potential cost and disruption to our nation and others.

With regard to the Bosnia amendment, our nation has made an important commitment to NATO and the parties to the conflict that we would be prepared to help implement a fair and enforceable peace settlement. Thus, this amendment could undermine our relationship with NATO and frustrate the negotiation of an end to the aggression and ethnic cleansing in the former Yugoslavia.

The end of the Cold War led to a surge of violent conflicts, particularly within nations. I understand the desire among members of Congress's to have a voice in our policy toward such conflicts, and I am committed to work cooperatively with Congress to ensure that they do. As I have clearly stated for the record, I welcomed congressional authorization for U.S. operations in Somalia and would welcome similar action regarding U.S. efforts in Bosnia, should that become necessary. Further, as this Administration has done and is continuing to do, we anticipate consulting with and keeping Congress fully informed on broad issues and emerging events that affect American national security.

However, these three amendments and similar amendments are unacceptable and unconstitutional. In the strongest possible terms, I urge the Senate to reject them.

Sincerely,

THE WHITE HOUSE  
WASHINGTON

DATE: 10/18/93

NOTE FOR: ERSKINE BOWLES

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

Information ☒

Action ☐

The Honorable Erskine Bowles  
Administrator  
Small Business Administration

Thank you.

VIA SPECIAL MESSENGER

cc:

# The Washington Post Writers Group

YODE15

r k

1150 15<sup>TH</sup> STREET, N. W., WASHINGTON, D. C. 20071-9200  
TEL: (202) 334-6375 (800) 879-9794

To Eshine Fowler

THE PRESIDENT HAS SEEN

10-18-93

^bc-yoder-column adv18<  
^EDWIN YODER COLUMN<  
^(Advance for Monday, October 18, 1993, and thereafter)<  
^(For Yoder Clients Only)<  
^By EDWIN M. YODER, JR.=

CHAPEL HILL, N.C.--In "Look Homeward Angel," Thomas Wolfe (UNC class of 1920) called this place Pulpit Hill and sent his fictional double, Eugene Gant, down from the western hills to bask in its "isolated charm." It seemed to him "an outpost of great Rome." "The wilderness," in Wolfe's evocative words, "crept up to it like a beast."

Rome-in-the-wilderness was the right image for the village and its university in Wolfe's day, and even in my own, 35 years ago.

But as it celebrates its 200th birthday, highlighted Oct. 12 by a festive visit from President Clinton, the University of North Carolina is rapidly becoming the node of a megalopolis. Some 25,000 students prowl its wooded precincts, which sprawl for miles beyond the original campus on the beautiful wooded hilltop.

UNC takes pride in having been the nation's first public university to open its doors, the earliest prototype of a very American institution blending democratic attitudes with sound learning.

Hugh Lefler, a sometimes cranky professor of history, used to scoff at our genial habit of picturing UNC as an early outpost of educational democracy, preceding even the public school movement. It was nonsense, he said, to attribute today's democratic attitudes to the minds of its 18th century founders. They had expected UNC to train leaders, an aristocratic endeavor.

Lefler was certainly right about the man the university celebrates as its founder, William Richardson Davie, Princeton graduate, Revolutionary general, Philadelphia constitution-maker, statesman and Federalist of the John Adams/John Marshall stamp. Davie entertained the Enlightenment

(more)

attitudes of his generation and the founders of the new republic. But in his later years he became so disgusted by the rowdy democratic spirit of the Old North State that he decamped to South Carolina, cast from his seat in the U.S. House of Representatives by a challenger who accused him of using a chamber pot of porcelain in Washington.

Davie's civilized spirit marches on here; but so does a virulent Tar Heel strain of anti-intellectual populism against which UNC has occasionally had to wrestle for self-respect and even for life.

For those of us fortunate to fall under its spell, the secret of this enchanting place is that for 12 generations or so it has managed to be for its sons and daughters what they wished it to be. If, like Davie, they identified themselves with the old regime, they found retreats in my time at the Deke House and at Gimghoul Castle, an architecturally eccentric lodge of the campus' most elite secret order. Yet equally, whether as farm boys from the Piedmont or, like Wolfe, long-striding mountaineers, they too found a welcoming niche. Best of all, they found a disposition to tolerate differences, to delegate responsibility to youth, and an urbane and learned faculty, who would be friends as well as mentors.

My father (class of '29) brought me here as a boy on many a blazing autumn afternoon to witness the magical broken-field running of the great Charlie ``Choo-Choo'' Justice. On less stimulating occasions, I would sit in restless boredom while he and his brother passed long, hot, cricket-swarmed summer evenings in converse with their mentor, old Professor J.G. DeRoulhac Hamilton, founder of the great Southern Historical Collection and sentimental friend of the Lost Cause.

Occasionally, when I was bad as a boy, my father would say: ``If you do that again, we'll have to send you to Duke,'' words calculated to produce instant reform.

Above all we in our family identified the university with Frank Porter Graham, its remarkable president from 1930 to 1949 and, as my old friend Charles Kuralt said here the other night, a saint. Saints do miracles, Kuralt noted, and Graham's miracle was to conjure a first-rate institution

(more)

out of the hard depression years and--greater miracle still--to make it an outpost of challenging inquiry in a region not always devoted to the same.

It is among the paradoxes of civilized life that as we and our cherished institutions age, we value their and our early origins all the more. The origins of the University of North Carolina reach back to the ideals of a new nation, sprung experimentally from liberal revolution and the Enlightenment values still blazoned in Latin on its seal: Lux/Libertas--light and freedom.

Against considerable odds, UNC has remained uncommonly true to those ideals for two centuries. And along the way, it has for good measure fielded some remarkably good basketball teams.

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THE WHITE HOUSE  
WASHINGTON

DATE: 10/18/93

**NOTE FOR:** KEITH MASON

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

OCT 18 P3:24

October 18, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: KEITH MASON *KM*

SUBJECT: DEFENSE CONVERSION STUDIES FUNDING

I. SUMMARY

The following is a list of the states that are to receive defense conversion grants from the Department of Defense to fund studies on how to adjust to lower defense spending in their states:

Arizona - \$84,200  
California - \$200,000  
Indiana - \$184,000  
Maine - \$200,000  
New York - \$200,000  
Pennsylvania - \$200,000  
South Carolina - \$200,000

II. DISCUSSION

On Tuesday morning, we intend to call the Democratic governors from these states, unless there are some whom you would like to speak with personally. In those states with Republican governors, Congressional affairs will contact the Democratic senators. All appropriate officials will be contacted when the reports are released on Wednesday.

*Gen. Sec.*



THE WHITE HOUSE  
WASHINGTON

DATE: 10/18/93

TO: MACK MCLARTY  
DAVID GERGEN  
GEORGE STEPHANOPOULOS  
BOB RUBIN



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

The attached has been forwarded  
to the President.

FYI -- Thought this might be of  
interest to you.



# Freeing the US computer industry

**ROBERT B. PALMER**

**F**or as long as our nation has had commerce and regulation, the actions and inactions of the US government have roused the attention, and often the frustration, of the business community.

For America's computer industry, no public policy issue has been as tedious in its complexity, as frustrating in its persistent unfairness and illogic or as daunting in its bureaucratic strictures as the arcane science of export controls.

During the Cold War, exports of computers to certain countries - principally the Soviet bloc and China - were restricted in the interest of national security under the assumption that technology with both commercial and military applications might be used to neutralize America's defense advantages. Through the 17-nation Coordinating Committee for Multilateral Export Controls, the countries that controlled the world's computer technology were able to enforce common rules.

Events in recent years have greatly altered the picture. The collapse of the Soviet bloc turned old enemies into economic partners. Computer technology spread around the globe to the point where customers in restricted countries could simply shop elsewhere rather than relying on suppliers from the United States and its allies. And the importance of exports to the US economy became more pronounced.

In Washington, export restrictions failed to keep up with these new realities. Presidents and their cabinets shied away from the issue, Congress neglected it, and the press became involved only when it perceived outright conflict. All the while, outdated export controls helped ship away the international competitiveness of our nation's most accomplished technology companies.

That has all changed. President Clinton, in the most remarkable instance I can recall of the White House working with industry, recently announced dramatic relaxations of the export controls on computers.

With his announcement, the president affirmed something Digital Equipment Corp. and others in the computer

industry have been saying for a long time: Increased exports by US companies means jobs and economic security for the nation. Our national security in the future will be guaranteed only by striking the proper balance between the economic success of US business and a well-prepared and well-armed military.

This remarkable change could not have occurred without the extraordinary, direct personal involvement of President Clinton. We have not seen this kind of leadership on issues of great importance to our industry from previous administrations.

In the past, export controls were shrouded in the mystique of national security, which consisted only of military concerns. Even minor progress was greeted by warnings that the export of commonly available general-purpose

**President Clinton has affirmed what the computer industry has been saying for a long time: Increased exports by US companies means jobs and economic security for the nation.**

desktop PCs and work stations to certain countries - countries that can typically buy these machines from numerous sources other than US companies - would somehow destabilize our advantage as a military superpower.

For Digital, the problem posed by outdated export controls was nearing a crisis stage. We conduct business in more than 100 countries and rely on the international market for more than 60 percent of our revenues. Our newest and most advanced products are based on Alpha AXP, Digital's 64-bit microprocessor, which happens to be the world's fastest.

Digital's dilemma: Computers based on Alpha AXP platforms run so fast that today's export regulations would classify even our desktop PCs and low-end work

stations as supercomputers and subject them to stringent restrictions even for sale to friendly countries like Switzerland and Ireland. We were being penalized for too much innovation.

The proposed new rules will dramatically cut red tape, delays and uncertainty resulting from unnecessary export license applications for more than \$400 million worth of Digital exports. Of greater importance, the change will free us to compete on even terms with foreign competitors in some of the world's fastest-growing markets with our Alpha AXP desktop computers.

These markets are measured in the billion of dollars, and their importance to US computer companies cannot be overestimated.

Strict controls on the export of computers do not protect national security, they only prevent economic growth. The government's Office of Technology Assessment, following an 18-month study, recently concluded that high-performance computers are not required to design nuclear weapons, and placing strict limits on their exports would be of minimal importance from a military perspective.

Computers are the necessary building blocks for all commercial activity around the world. Sales lost by US companies because of export controls rarely prevent the customer in question from obtaining the desired products. Foreign competitors not subject to such controls gladly step in and make the sale.

If US companies lose the global battle for these markets, then we will have suffered permanent damage to our national security.

Simply reforming export controls will not guarantee that US companies will win those battles. But if the changes proposed by Clinton are successfully implemented through multinational negotiations, our own government will no longer be preventing its most advanced industries from competing on an equal footing and on the merits of our innovations. Those of us in the business community cannot ask for more than that from our government.

*Robert B. Palmer is president and chief executive officer of Digital Equipment Corp.*

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THE WHITE HOUSE  
WASHINGTON

OCT 18 11:42

October 18, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Howard Paster *HP*

SUBJECT: Senator Chafee

I am honor bound to report a conversation with the Senator in which he asked me to urge you to increase the pressure on NAFTA. I told him of your regular meetings with House members, and other activities. He appreciated that, but he also wanted to pass directly to you his view that only your intense personal involvement can save NAFTA.

C.C. Mack  
Bill Daley

THE WHITE HOUSE  
WASHINGTON

*Chion*

**DATE:** October 17,

THE VICE PRESIDENT

MACK MCLARTY

DAVID GERGEN

GEORGE STEPHANOPOULOS

MARK GEARAN

ROBERT RUBIN

**TO:**

**FROM: JOHN D. PODESTA**

Assistant to the President and  
Staff Secretary

The attached has been forwarded  
to the President.

040337

THE WHITE HOUSE  
WASHINGTON

23 OCT 15 PG: 29

October 15, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY  
CC: THOMAS MCLARTY  
SUBJECT: OEP WEEKLY REPORT



THE PRESIDENT'S COUNCIL ON SUSTAINABLE DEVELOPMENT

The PCSD will hold its second public meeting next Monday (10/18). The Vice President will participate in the discussion as the Council sets its agenda for the next 18 months. A crowd approaching 500 people is expected. C-Span currently intends to broadcast the session live. You are schedule to meet with the PCSD Co-Chairs, David Buzzelli of Dow Chemical and Jonathan Lash of the World Resources Institute, after the meeting to receive their report on the Council's activities to date.

HEADWATERS NATIONAL FOREST

Following the suggestion from the President that the administration should try to be helpful to Rep. Hamburg on the issue of acquiring important private forestlands (Headwaters), OEP intervened with the USDA/FS and DOI/FWS last week to change an earlier position of opposition to his bill to one of support for the goals of the bill with significant reservations about cost issues and a commitment to pursue aggressive negotiations to identify alternative approaches to outright purchase (i.e. land exchanges, etc.). USDA testified before two committees this week reflecting the new position. OEP is now forming a small working group to undertake the follow-through.

SUPERFUND REAUTHORIZATION

OEP chaired an interagency policy committee on Superfund reauthorization today (8/15) that focused upon liability issues. While an outline of a possible consensus seemed to be emerging on some issues, considerable work needs to be done to flesh out numerous details. On other issues it appears that consensus may prove elusive at the policy committee level. OEP will be chairing two such meetings a week for the next several weeks in an effort to formulate Administration policy on major reauthorization issues.

## ENVIRONMENTAL TECHNOLOGIES EXPORT STRATEGY

OEP has been working with the Dept. of Commerce, which is leading an interagency team to prepare a national Environmental Technologies Export Strategy. The strategy -- which was announced on Earth Day -- is the first sector-specific blueprint developed under the umbrella of the National Export Strategy, and will be released shortly. The world market for environmental technologies is expected to grow 50% during the 1990's to \$300 billion. Export-related jobs pay 20% higher than other American jobs, and the strategy positions US firms to take advantage of this growing field.

## CLIMATE CHANGE

The text of the Climate Change Action Plan was finalized and sent to the printer on Friday, October 15. The announcement of the action plan has been scheduled for October 19. During the week, relevant Congressional Committee chairs and staff were briefed on the overall elements of the plan, and reaction was quite supportive. Leaders of national environmental groups have been briefed, and reaction is likely to be positive for the general direction of the plan, although some groups have specific concerns, such as the lack of CAFE standards and other strong regulatory mandates, and the inclusion of forestry options.

## **DIRECTOR'S MEETINGS**

### **PAST WEEK**

- 10/12 Meeting with Oryx Energy regarding Ecuadorian Oil Development
- 10/13 Meeting with Congresswoman Unsoeld regarding NAFTA
- 10/14 Meeting with Vice President and staff regarding Community Empowerment
- 10/14 Briefings for Representative Waxman and Senator Baucus on the Climate Change National Action Plan
- 10/14 Chaired interagency working group on CERCLA reauthorization
- 10/14 Participated in European Community Bilateral dialogue on environmental issues

## THIS WEEK

- 10/18 Second meeting of the President's Council on Sustainable Development
- 10/18 Chairing interagency meeting on salmon recovery
- 10/19 Announcement ceremony for the Climate Change National Action Plan
- 10/19 Briefing for Cabinet Secretaries on the Climate Change National Action Plan
- 10/19 Chairing interagency meeting on the California Bay Delta water issues
- 10/19 Receiving environmental award and participating in League of Conservation Voters Dinner, New York, NY
- 10/20 Chairing interagency working group on Superfund reauthorization
- 10/20 Briefing on Superfund from industry participants in Nacept
- 10/20 Chairing interagency working group on flood recovery plan
- 10/21 Meeting with National Service staff regarding its environmental component
- 10/24 Society of Environmental Journalists; speech on Administration's environmental policy, Duke University, NC